

Sanlam Kenya PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31 Dec 2017	31 Dec 2016
	KShs '000	KShs '000
Income		
Gross premium income	6,369,847	5,224,546
Outward reinsurance premium	(953,632)	(392,341)
Net written premium	5,416,215	4,832,205
Investment income	2,285,310	2,418,532
Fair value gains	368,951	(450,341)
Fee and commissions earned	300,092	175,068
Impairment of deposits with financial institutions	(1,125,243)	(93,397)
Total income	7,374,761	7,060,677
Claims and expenses		
Gross benefits and claims paid	(5,408,384)	(4,193,984)
Reinsurers' share of claims	583,321	204,498
Net change in investment and insurance contract liabilities	290,581	(488,981)
Net claims and policyholders benefits	(4,534,482)	(4,478,467)
Cost of sales plots	(10,465)	(28,009)
Commission expense	(735,150)	(660,731)
Operating and other expenses	(1,843,601)	(1,576,197)
Other operating income	129,436	178,610
Total benefits, claims and other expenses	(7,123,696)	(6,743,404)
Profit before share of profit of an associate	251,065	317,273
Share of loss of an associate	(4,107)	(220)
Profit before tax	246,958	317,053
Income tax expense	(193,913)	(246,430)
Profit for the year after tax	53,045	70,623
Other comprehensive income		
Other comprehensive income net of tax	140	23,219
Total comprehensive income for the year	53,185	93,872
Profit attributable to:		
Equity holders of the parent	30,814	90,252
Non-controlling interest	22,231	(19,629)
Earnings per share		
Basic	0.21	0.63
Diluted	0.21	0.63
Shares used for calculating earnings per share	144,000,000	144,000,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2017	31 Dec 2016
	KShs '000	KShs '000
Capital and reserves		
Share capital	720,000	720,000
Revaluation reserve	15,904	15,809
Statutory reserve	1,609,658	1,862,245
Retained earnings	1,459,314	1,172,154
Non-controlling interest	247,074	162,036
Total capital and reserves	4,051,950	3,932,244
Assets		
Intangible assets	109,035	116,661
Property and equipment	157,361	177,071
Investment property	3,180,700	2,761,200
Investments in associate	17,465	21,572
Deferred tax	192,843	182,721
Loans	758,234	930,564
Deferred acquisition costs	153,049	150,427
Held to maturity financial assets	9,463,228	8,826,392
Available for sale financial assets	104,793	104,653
Fair value through profit or loss financial assets	9,934,526	10,566,517
Reinsurance assets	633,226	554,985
Land and development (inventory)	118,734	127,366
Insurance receivables	830,044	550,622
Current income tax	20,094	65,583
Receivable and other financial assets	451,941	798,792
Deposits with financial institutions	2,239,644	2,033,481
Cash and bank balance	301,567	465,955
Assets held for sale	1,145,000	-
Total assets	29,811,484	28,442,590
Liabilities		
Borrowings	1,030,741	-
Insurance contract liabilities	13,561,183	12,704,048
Investment contract liabilities	6,568,158	7,653,977
Payable under deposit administration contracts	1,433,027	1,489,407
Provision for unearned premium	655,110	474,115
Deferred tax	747,449	844,396
Provisions	51,925	51,925
Current income tax	230,684	8,668
Insurance payables	759,006	802,471
Payables and other charges	722,251	481,339
Total liabilities	25,759,534	24,510,346
Net assets	4,051,950	3,932,244

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31 Dec 2017	31 Dec 2016
	KShs '000	KShs '000
Share capital and share premium	720,000	720,000
Opening reserves	3,050,208	2,996,074
Income attributable to shareholders	30,909	106,061
Transactions with minorities	3,759	(51,927)
Non-controlling interest	247,074	162,036
Balance at end of the year	4,051,950	3,932,244

ABRIDGED CASH FLOW STATEMENT

	31 Dec 2017	31 Dec 2016
	KShs '000	KShs '000
Cash flow from operating activities	(1,903,215)	(2,337,432)
Cash from investing activities	850,669	882,375
Cash flows from financing activities	1,096,321	36,525
Net increase in cash resources	43,775	(1,418,732)
Cash resources at the beginning of the year	2,497,456	3,916,168
Cash resources at the end of the year	2,541,231	2,497,436

SUMMARY DIRECTORS REMUNERATION REPORT

During the year the Group paid KShs 64,888,000 (2016: KShs 54,407,000) as director's emoluments.

The summary Group financial statements and summary directors' remuneration report are extracts from the audited Group financial statements and director's remuneration report.

A full copy of the Group financial statements including explanatory notes will be available from our website www.sanlam.com/kenya. They were approved by the Board of Directors on 28 March 2018.



Dr. JPN Simba, OGW, MBS, EGH
(Chairman)



George Kuria
(Ag. Group Chief Executive Officer)

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SANLAM KENYA PLC

Opinion

The summary financial statements, which comprise the summary consolidated statement of financial position at 31 December 2017 and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of Sanlam Kenya PLC and its subsidiaries (together, the "Group") for the year ended 31st December 2017.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Group.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2017.

Summary financial statements and directors' remuneration report

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. In addition, the summary directors' remuneration report does not contain all the disclosures required by the Companies Act 2015 (General) (Amendment) Regulation 2017.

Reading the summary financial statements, the summary directors' remuneration report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements, the directors' remuneration report and the auditor's report thereon. The summary financial statements, the summary directors' remuneration report and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 29 March 2018 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the Kenyan Companies Act, 2015. That audit report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements and the summary directors' remuneration report in accordance with the International Financial Reporting Standards and Kenyan Companies Act, 2015.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements and the summary directors' remuneration report are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to report on summary financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Kang'e Saiti - Practising Certificate Number 1652.



Certified Public Accountants
Nairobi
16th April, 2018

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 72nd Annual General Meeting of the Company will be held at the Mara Ballroom, Intercontinental Hotel, City Hall Way, Nairobi on Thursday, 10th May 2018 at 10.00 am to conduct the following business:

- To table the proxies and note the presence of a quorum.
- To read the Notice convening the meeting.
- To confirm the minutes of the previous Annual General Meeting held on 5th May, 2017.
- To consider, and if approved, adopt the Balance Sheet and Accounts for the year ended 31st December 2017 together with the reports of the Chairman, the Ag. Group Chief Executive, the Directors, the Auditor and the Statutory Actuary.
- To note that the Directors do not recommend the payment of dividend for the financial year ended 31st December 2017.
- To elect Directors:
 - Mr. John Burbidge, retires by rotation in accordance with the Company's Articles of Association and he offers himself for re-election;
 - Mr. Rohan Patel, retires by rotation in accordance with the Company's Articles of Association and he offers himself for re-election; and
 - Mrs. Susan Mudhune, retires by rotation in accordance with the Company's Articles of Association and he offers himself for re-election.
- In accordance with the provisions of Section 796 of the Companies Act, 2015 the following Directors, being members of the Audit, Actuarial, Risk and Compliance Committee be elected to continue serving as members of the Committee:
 - John Burbidge
 - Julius Magabe
 - Susan Mudhune
- To approve the Directors' Remuneration.
- To note that the auditors, PricewaterhouseCoopers will continue in office in accordance with Section 72(2) of the Companies Act No. 17 of 2015 until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
- To transact any other business with the permission of the Chair for which 48 hours notice had been given to the Company Secretary at the registered office of the Company.

By Order of the Board



Emma Wachira

Group Company Secretary

Date: 16th April, 2018

Note:

- A member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company. To be valid, a proxy form, which is available from the Company's Head Office or the Share Registrar's offices, must be completed and signed by the member and must be lodged at the offices of the Company's Share Registrar's Image Registrars, 5th Floor, Barclays Plaza, Loita Street, Kenya so as to arrive not later than 10.00 a.m. on 8th May 2018.
- In accordance with the Company's Articles of Association, a copy of the entire Annual Report and Accounts will be available for viewing from the Company's website www.sanlam.co.ke or from the registered office of the Company, Sanlam House, Kenyatta Avenue, Nairobi. An abridged set of the Balance Sheet, Income Statement, Statement of Changes in Equity and Cashflow Statement for the year ended 31st December 2017 have been published in two daily newspapers with nationwide circulation.