

## QUESTIONS ASKED BY SHAREHOLDERS -SANLAM KENYA PLC AGM HELD ON 7<sup>TH</sup> JUNE 2023

	SHAREHOLDER NAME	QUESTION	ANSWER
1.	Mwangi Alex Maina	What measures have management put to turn around the company? It appears that management are not serious. They are all over social media squandering our companies' resources in Mombasa and hosting cocktails in our new premises on Waiyaki way. Can the management commit in this meeting to work towards making profits so that they can pay us dividends?	Operating expenses declined from Kes 2.34 Bn in the previous year to Kes 1.85 Bn in 2022, driven by group operating model optimization. Sales promotion expenses including client engagement meetings are a critical element of the business for partnership growth and such expenses are approved by senior management and must be supported by a business case.
2	Osoro Raymond	What are the company's strategic financial goals in the next five years?	Sanlam Life Insurance Limited is projected to pay dividends to its shareholder, Sanlam Kenya Plc, to enable the entity to fund its financial obligations for the year 2023. Future profitability is projected.
3	Chami Alois Wafula	How would you improve the group business now and the next level of business now and the future?	
4	Gadani Rakesh Prakash	How does the Board justify 85m in compensation for the CEO for a firm that loses money year in, year out. I have compared Sanlam's CEO compensation vs the very profitable Jubilee Insurance and I do not see commensurate value.	The directors have implemented strategies to turn around loss-making Sanlam General and Sanlam Kenya Plc through sustainable business growth, effective controls, strategic expense management and effective investment strategies. Sanlam General is projected to return to profitability by the year 2023, projecting an after-tax profit of KShs 144 million and continued growth in profitability is projected.
5	Gadani Rakesh Prakash	Sanlam has made losses from 2019-2022. Is there a chance of a profit in 2023? How has the performance been during the past 5 months?	
6	Mwangi Alex Maina	Is there hope of Sanlam Kenya ever making profits again?	Once profitability of the operating subsidiaries sustains posting profit results, the group will resume dividend payout as per the dividend policy. The Group is still processing the financial information for the last 5 months but going with the April results the Group is expected to post a profit.
7	Muruu Regina Wangui	Please consider reverting to physical AGM meetings.	The government has advised avoiding crowded places and gatherings. As such, the Board of Directors will in the interim continue with the hybrid Annual General Meetings.
	Omboja Tabitha	When will Sanlam hold physical meetings for the shareholders	
8	Chami Alois Wafula	Why not physical AGM?	
9	Chami Alois	Now that covid is over, why can't we have physical AGMS?	In addition, the Companies Act No. 7 of 2015 allows public companies to conduct hybrid meetings. In this regard, the Board has put in place

	Wafula		measures to ensure that the statutory requirements for calling and conducting a valid hybrid general meeting are complied with.
10	Otuoma John Wanga	When do you intend to either pay dividends or declare bonus shares to shareholders?	<p>The Board of Directors has NOT proposed payment of dividends in the financial year ending 31st December 2022. This is to enable the business to continue to service its operational costs and finance costs arising from the Kes 3 billion debt.</p> <p>Despite there being no dividend declaration for the year 2022, the Group's performance is expected to improve into the foreseeable future, after which the Board of Directors will consider the payment of dividends to shareholders in accordance with the Dividend Policy.</p>
11	Pamella Nasimiyu	How much is the dividend per share?	
12	Gichohi Hezekiah Wang'ombe	The company has not paid dividends for several years. Is it fair to continue paying directors remuneration if they are not making a profit for shareholders?	
13	Owade Wendy Awuor	Will you be paying dividends in 2023?	
14	Awuor Odiyo Onyango	When will we be paid dividends	
15	Omboja Tabitha	When will Sanlam hold physical meetings for the shareholders	
16	Makara Ken Stanley Gitau	The other day I was surprised to learn that Sanlam runs a money market fund on behalf of Standard Chartered bank Kenya Limited. So for such a top tier bank to have confidence with Sanlam it means something is indeed right but cleared, this does not have a ripple effect to ensure that shareholders are getting a return in form of dividend so my question is why should Sanlam shareholders hold on any longer, what are the timelines for this turn around that you are promising where the negative reserves will be cleared and dividends start being rolled out? Thank you.	
17	Mulati David Masabule	When are dividends paid?	
18	Horwitz Hagai	Would like to be selected as director. Please advise the way forward.	
19	Mwangi Peter Kingori	What is the status of the loan from Stanbic bank?	

			<p>default. The business decided to restructure the debt in 2022 by negotiating more attractive commercial terms. The debt is fully collateralized, mitigating any risk of default until its due date.</p> <p>Sanlam General obtained Kes 1.085 Bn subordinated loan in the year, financed by Sanlam Emerging Markets. The purpose was to shore up solvency, in line with the Sanlam Group's commitment to ensuring that all its operations in Africa are always well capitalized. To make the repayment terms more flexible, the facility is structured as a convertible debt giving a variety of settlement options to the shareholder, either through cash or debt to equity conversion. The facility was serviced without default in the period under review and default is not envisaged in the foreseeable future.</p>
20	Patel Mayur	I want to inquire about the dividend from 2014 till today. My money is with the U.F.A.A and hasn't been released till today? No response to my emails. Kindly let me know what is happening.	All clients whose benefits have been submitted to UFAA are required to visit our offices and they will be issued with a letter to UFAA help them claim their benefits.
21	Mwangi Alex Maina	In the annual report, the CEO indicates that the company will make a call to shareholders to raise capital to pay off the Stanbic facility amounting to Kshs. 4 billion. Does this suggest that there is an impending rights issue?	The directors have started engagement on how to capital raise and more information will be released as we progress.
22	Muruu Regina Wangui	Please consider giving shareholders gifts to motivate them.	The directors have noted you comment and are committed to turn around performance into profitability and declared dividends in future to keep shareholders motivated.
23	Agungu Francis Ajega	I congratulate the Board for good job despite tough environment. Urge the Board to consider the minority shareholders as brave seems most are disposing of their shares due to harsh economy, motivate them by increasing dividends and giving them gift/token. in fact, most of us use Fuliza to pass the resolutions thank you.	
24	Njoroge Brian Mwangi	With respect to the emerging electric mobility sector in the country, is the company considering offering motor insurance incentives to promote the uptake of electric vehicles?	The Group is offering motor insurance cover to clients through the General Insurance subsidiary; however, the Group is not offering motor

			incentives to promote the uptake of electric vehicles at the moment but will consider this in the future.
25	Gadani Rakesh Prakash	Will Sanlam Kenya Plc convert the KES 1bn loan to shares, in favor of the lender, if Sanlam defaults? What is the strike price?	Sanlam Kenya does not intend to default but have the option of settling the loan in cash or converting it to equity. In case of a conversion, the company will evaluate the equity value to determine the share price.
26	Sawe Joseph Kipkorir	How do I register for dividend payment through MPESA?	The Board of Directors has NOT proposed payment of dividends in the financial year ending 31st December 2022. However, if you refer to uncollected dividends for prior years, kindly reach us through <a href="mailto:info@image.co.ke">info@image.co.ke</a> for assistance.
27	Daniel Kimotho	Why is there a drop in the growth earned premium?  The fair value losses on financial assets a fair value through profit rose from three hundred and fifty-seven million to 1 billion. Does it mean that all the investments have been put on the stock market because that is where we can see a drop?	Management took a deliberate move to discontinue underwriting classes, in particular the medical class that was making a loss. Similarly, we did not renew businesses that were making losses and we adjusted our premiums deliberately so that we could attract good business only. Though we had a decline in gross earned premium, there was a decline in claims and benefits paid out and, in the process, we decreased losses in the General Insurance business from 542 million to 152 million, which is quite significant. Additionally, Sanlam life remained in profit territory. Deliberate measures have been put in place to underwrite businesses that can generate value and profit in the end.  On the issue of fair value losses, our investments generate returns from two sources; cash return, which is interest or dividends, and changes in the market valuation. Though we took fair value losses that were well beyond the control of the business on both our treasury bonds and equities, we were able to offset these impacts with the actual investment receipts which increased from 2.8 billion to 3.3 billion. We always take a long-term view on our investments and so these seasonal impacts that we are seeing causing fair value losses would be expected to reverse in the future.

		<p>Why have expenses decreased but borrowing has increased?</p> <p>The retained earnings on the balance sheet are negative two billion, which needs to be cleared. It has been 8 to 10 years since we last received dividends, suppose all things remain constant, the profit of 300 million after tax, Will it will take us another 7 to 10 years before you redeem those negatives to become a positive in order to pay dividends?</p>	<p>There has been a decrease in expenses in line with our efforts to optimize the business. We spend every coin bearing in mind that it must generate a return. Thus, we continue to optimize the business so that the relationship between expenses and revenues makes sense.</p> <p>The issue of retained earnings arose due to historical losses arising from impaired losses in the past, but the improvement in 2022 compared to 2021 demonstrates that we are on the right path. That gap will be bridged over time and turn into a positive.</p>
28	Sally Chepkorir	<p>How is Artificial Intelligence used in the business? Is it an opportunity or a threat?</p>	<p>Artificial Intelligence (A.I) is both an opportunity and a threat. There are global discussions on what impact the use of A.I can have on business and the general social set up of the world. There is a lot of vigilance from bodies to ensure it is used properly. From a business perspective, it gives us an opportunity to look at different processes and ways of doing things. It is part of our technology strategy which gives us an opportunity to improve efficiency and get value for our customers.</p>

		<p>What role does the company play in entrenching sustainability?</p>	<p>We have adopted the sustainability policy referenced in our financials in our strategy going forward. We are committed to conducting our business responsibly while considering the environment, social and governance concerns. The business is on the right trajectory regarding sustainability.</p>
29	Nzau Johns	<p>What is your take on the company's non-performing loan?</p> <p>Why is there no improvement in the growth of the company?</p> <p>Why is there no payment of dividends?</p> <p>Why is the price on SME'S going down?</p>	<p>We do not have any nonperforming loans. The group continued to service its debt without any default in the year under review and we expect to continue to operate that way soon.</p> <p>The group recorded a profit before tax of Kes 328 million in 2022, a significant improvement from the -Kes 414 million losses recorded in the prior year.</p> <p>We assure you that through our strategic partnerships, distributive channels and innovation, we are on a turnaround strategy to record improved performance going forward.</p> <p>Once performance has improved, we shall be able to pay dividends.</p> <p>This is a key component of our strategy. We have dedicated teams working on SME business in partnership with partners that deal with SME'S.</p> <p>We have developed products for SME'S. We are improving our services</p>

			<p>and ensuring we can reach them quicker, as well as making processes easier so that they are able to take insurance to mitigate risks they face in their day-to-day operations. We hope the government strategies to strengthen these sectors will support our strategy and help SME'S grow in the business.</p>
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