



Media Release

Sanlam Kenya seals full year profit score with a Kshs 550million pre-tax profit in 2019

20/02...Local non-bank financial services provider Sanlam Kenya PLC has cemented its corporate recovery and return to full-year profitability following the release of the firm's 2019 trading results.

Emerging from a Kshs 2.1 billion pre-tax loss, the Nairobi Securities Exchange (NSE) listed firm with interests in Life and General Insurance business segments, has bounced back to full-year profitability, posting a Kshs 550 million pre-tax profit.

Sanlam Kenya Group CEO Dr. Patrick Tumbo attributed the firm's full-year return to profitability on the consistent execution of a corporate turnaround strategy. The strategy, Tumbo said, had focused on improving the firm's operating efficiencies while paying particular attention to client service.

The firm, Tumbo said, retains a positive outlook for the current financial year with revenues and earnings from the Group's core insurance business expected to improve. Investment returns are also expected to reflect positive results from improved asset management.

"At Sanlam Kenya, we have been pursuing our earlier announced strategy that focused on cost containment and aggressively growing our revenue base in the short and medium-term. The full-year results reflect the success of this strategy and provide a good foundation for sustained growth.

Ongoing stakeholder partnerships, product and process innovations in 2020 will translate to a better and improved customer journey," Tumbo said.

Within the period under review, the Sanlam Kenya group posted improved results posting a pre-tax profit of Kes 550 million compared to a prior year's loss before tax of Kes 2.1 billion. Total revenues from gross written premium and investment income improved by a remarkable 50% compared to the previous year, while total outflows from policyholder benefits and expenses increased by 4%. Gross written premium improved by 10% as a result of 30% growth in the short-term insurance business. At the same time, investment income performance made a complete

turnaround reporting Kshs 2.7 billion in revenues compared to Kshs 187 million that included the impact of impaired assets in the previous year.

Sanlam Kenya's improved performance reflected the positive strides made by the Group's insurance subsidiaries.

Sanlam Life, the firm's long term insurance business reported a complete turnaround to profitability posting a pre-tax profit of Kshs 964 million compared to prior year's loss of Kshs 853 million. Sanlam General, the firm's short-term business maintained its profitability score on the back of a 30% growth in gross written premiums.

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