

Sanlam Kenya PLC

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31 Dec 2019 KShs '000	31 Dec 2018 KShs '000
Income		
Gross premium income	6,991,588	6,345,825
Outward reinsurance premium	(1,345,042)	(974,017)
Net written premium	5,646,546	5,371,808
Fees and commission income	325,064	268,010
Investment income	2,350,289	2,183,767
Fair value gain/(losses)	422,177	(1,983,581)
Impairment of financial assets	2,624	(12,795)
Other operating revenue	152,379	86,214
Total income	8,899,079	5,913,423
Claims and expenses		
Net claims and policyholders benefits	(4,836,423)	(5,124,182)
Other operating and administrative expenses	(3,054,933)	(2,726,878)
Finance costs	(457,637)	(191,863)
Total benefits, claims and other expenses	(8,348,993)	(8,042,923)
Profit/(loss) before share of profit of an associate	550,086	(2,129,500)
Share of profit of an associate	-	314
Profit/(loss) before tax	550,086	(2,129,186)
Income tax (expense)/credit	(435,687)	149,760
Profit/(loss) for the year after tax	114,399	(1,979,426)
Other comprehensive income;		
Other comprehensive income net of tax	-	-
Total comprehensive income/(loss) for the year	114,399	(1,979,426)
Profit attributable to:		
Equity holders of the parent	113,334	(2,017,061)
Non controlling interest	1,065	37,635
Basic and diluted earnings per share	0.79	(14.01)

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2019 KShs '000	31 Dec 2018 KShs '000
ASSETS		
Fixed and intangible assets	907,336	331,235
Investment properties	2,518,680	3,440,700
Financial assets	20,668,735	19,016,006
Insurance assets	1,813,878	1,814,509
Other assets	1,028,685	1,370,073
Cash and cash equivalents	1,195,292	2,679,107
Non-current assets held for sale	900,000	450,000
TOTAL ASSETS	29,032,606	29,101,630
CAPITAL AND RESERVES		
Issued share capital	720,000	720,000
Statutory fund	1,312,284	676,720
Retained earnings	(591,199)	(68,620)
Shareholders' funds	1,441,085	1,328,100
Non-controlling interests	293,937	258,938
TOTAL CAPITAL AND RESERVES	1,735,022	1,587,038
LIABILITIES		
Borrowings	2,763,210	3,497,432
Insurance liabilities and payables	22,781,070	22,852,780
Other liabilities	1,753,304	1,164,380
TOTAL LIABILITIES	27,297,584	27,514,592
TOTAL EQUITY AND LIABILITIES	29,032,606	29,101,630

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31 Dec 2019 KShs '000	31 Dec 2018 KShs '000
Share capital	720,000	720,000
Opening reserve	608,100	3,084,876
Changes on initial application of IFRS 9 at 1 January 2018	-	(460,616)
Profit/(loss) attributable to shareholders	113,334	(2,017,061)
Transactions with minorities	(349)	901
Non controlling interest	293,937	258,938
Balance at end of the year	1,735,022	1,587,038

ABRIDGED CASH FLOW STATEMENT

	31 Dec 2019 KShs '000	31 Dec 2018 KShs '000
Net cash used in operations	(1,804,652)	(3,041,100)
Net cash generated from investing activities	1,403,186	904,168
Net cash (used in)/generated from financing activities	(1,082,349)	2,274,828
Net (decrease)/increase in cash resources	(1,483,815)	137,896
Cash resources at the beginning of the year	2,679,107	2,541,211
Cash resources at the end of the year	1,195,292	2,679,107

DIRECTORS' REMUNERATION REPORT

During the year the Group paid KShs. 76,256,000 (2018: KShs. 59,022,000) as director's emoluments.

The summary consolidated financial statements and summary director's 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 <https://www.sanlam.com/kenya>

They were approved by the Board of Directors on 19th February 2020 and signed on its behalf by



Dr. JPN Simba, EGH, MBS, OGW

Chairman



Dr. P Tumbo

Group Chief Executive Officer

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

Report on the audit of the financial statements

Our opinion

We have audited the abridged financial statements of Sanlam Kenya Plc, which comprise the abridged consolidated statement of financial position at 31st December 2019 and the abridged consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of Sanlam Kenya Plc and its subsidiaries (together, the "Group") for the year ended 31st December 2019. The Group's financial statements are prepared in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Group which are prepared in accordance with International Financial Reporting Standards (IFRS) and the Kenyan Companies Act, 2015.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2019.

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 (General) (Amendment) (No. 2) Regulations, 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 20th February 2020 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.

Certified Public Accountants



Nairobi
15th June 2020

CPA Kang'e Saiti - Practising certificate No. 1652
Signing partner responsible for the independent audit

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 74th Annual General Meeting of the Company will be held via electronic communication on Thursday 9th July 2020 at 11.00a.m. to conduct the business detailed below. Due to ongoing Government of Kenya restrictions on public gatherings, shareholders will not be able to attend the Annual General Meeting in person but will be able to register for, access information pertaining to the proposed business, follow the meeting in the manner detailed below and to vote electronically or by proxy. Shareholders may ask questions in advance of the meeting, as detailed in the Notes below:

AGENDA

- 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 10th May 2019.
- To consider, and if approved, adopt the Balance Sheet and Accounts for the year ended 31st December 2019 together with the reports of the Chairman, the 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 2019.
- To elect Directors:
 - Dr. Grace Mwai who was appointed a director on 10th May 2019 retires this being the first Annual General Meeting to be held since her appointment and being eligible, offers herself for re-election.
 - Ms. Rose Agutu who was appointed a director on 10th May 2019 retires this being the first Annual General Meeting to be held since her appointment and being eligible, offers herself for re-election.
 - Mr. Julius Magabe 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 769 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:
 - Freda Britz (Chair Person)
 - Nelius Bezuidenhout
 - Julius Magabe
 - Cornie Foord
 - Rose Agutu
- To approve the Directors' remuneration.
- To note that the auditors, PricewaterhouseCoopers LLP will continue in office in accordance with Section 721(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: 15th June 2020

Note:

- In view of the ongoing Coronavirus 2019 (COVID-19) pandemic and the related Public Health Regulations and directives passed by the Government of Kenya precluding inter alia public gatherings, it is impracticable, as contemplated under section 280 of the Companies Act 2015, for Sanlam Kenya Plc to hold a physical Annual General Meeting (AGM) in the manner prescribed in its Articles of Association.
 - On 29th April 2020, the High Court of Kenya in Miscellaneous Application No. E680 of 2020, made under the provisions of Section 280 of the Companies Act, 2015 (**the Companies Act**) issued an order granting special dispensation to any company listed on the Nairobi Securities Exchange to convene and conduct a general meeting via electronic means subject to receipt of a No Objection from the Capital Markets Authority (**CMA**).
 - Sanlam Kenya Plc has convened and is conducting this virtual annual general meeting following receipt of a No Objection from the CMA.
 - Shareholders wishing to participate in the meeting should register for the AGM by dialling *483* 810# on their Safaricom mobile telephone or on their Airtel & Telkom mobile telephone and following the various prompts regarding the registration process. Shareholders will incur KShs. 1 on Safaricom and Telkom and KShs. 3 on Airtel for such registration. A Shareholder domiciled outside of Kenya can send an email to Image Registrars via HYPERLINK info@image.co.ke providing their details i.e Name, Passport/ID no. and Mobile telephone number requesting to be registered. Image registrars shall register the shareholder and send them an email notification once registered.
 - In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and their CDSC Account Number at hand. For assistance shareholders should dial the following helpline number: 0709 170 000 from 9:00 a.m. to 3:00 p.m. from Monday to Friday. Any shareholder outside Kenya should dial the helpline number to be assisted to register.
 - Registration for the AGM opens on 16th June 2020 at 9:00 am and will close on 6th July 2020 at 4.00p.m. Shareholders will not be able to register after 6th July 2020 at 4.00 p.m.
 - In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website <https://www.sanlam.com/kenya> (i) a copy of this Notice and the proxy form; (ii) the Company's audited financial statements for the year 2019; (iii) a copy of the High Court Order in Miscellaneous Application No. E680 of 2020; and (iv) a copy of the No Objection issued by the CMA.
 - A shareholder entitled to attend and vote at the meeting and who is unable to attend electronically is still entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a shareholder 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 shareholder or the duly authorised attorney of the shareholder and must be either emailed to sanlamagm@image.co.ke or lodged at the offices of the Company's Share Registrar's Image Registrars, 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street, Kenya so as to arrive not later than 11.00 a.m. on 7th July 2020. A proxy form is attached to this Notice and is available on the Company's website via this link: <https://www.sanlam.com/kenya>. Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.
 - Any person appointed as a proxy should submit his/her mobile telephone number to the Image Registrars no later than 7th July 2020 at 11.00a.m.. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 8th July 2020 to allow time to address any issues.
 - Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - sending their written questions by email to agm@sanlam.co.ke;
 - to the extent possible, physically delivering their written questions with a return email address to the registered office of the Company at Sanlam Tower, 12th Floor, Waiyaki Way, Westlands, Nairobi, or to Image Registrars offices at 5th floor, Absa Towers (formerly Barclays Plaza), Loita Street; or
 - sending their written questions with a return email address by registered post to the Company's address at P. O. Box 10493-00100 Nairobi.
- Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.
- All questions and clarification must reach the Company on or before 6th July 2020 at 4.00 p.m. A full list of all questions received and the answers thereto will be published on the Company's website not later than 12 hours before the start of the general meeting and responses to the common questions will also be addressed at the AGM.
 - The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM.
 - Duly registered shareholders and proxies will receive a short message service (SMS) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the livestream.
 - Duly registered shareholders and proxies may follow the proceedings of the AGM using the livestream platform and may access the agenda. Duly registered shareholders and proxies may vote (when prompted by the chairman) via the USSD prompts or on the live-stream platform.
 - Results of the AGM shall be published within 24 hours following conclusion of the AGM.