



2024 YEAR-END RESULTS

March 31, 2025

AGENDA

Operational Overview

BIHL Group Chief Executive Officer

Financial Performance

BIHL Chief Financial Officer



OPERATIONAL OVERVIEW



Dreams

**are not driven by he, she or we,
they are driven by US**

It takes a single step to start the journey,
but many people to get you there

No matter how bold or big your dream, you
will always need the support of others



**IMPROVING
LIVELIHOODS**

DIVERSE PORTFOLIO OF COMPANIES



100% SUBSIDIARIES



Bifm CEE	25.1%
Aflife Zambia	49.0%
Khumo PAM	50.0%

BIHL top shareholders

SanlamAllianz	57.92%
BPOPF	11.89%
MVA	4.00%
Other	26.19%

ASSOCIATES



27.61%

Owned
via
Teledimo



50.00%



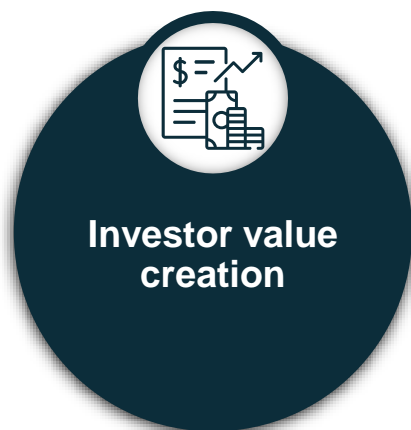
33.00%



25.10%

OPERATING ENVIRONMENT

Diverse results amid challenging macroeconomic conditions



The 2025 Budget Speech reported a 3.1% economic contraction in 2024. With consecutive declines in Q1, Q2, and Q3, the economy has entered a technical recession.

The diamond industry continued to underperform throughout 2024, marked by declining sales volumes and lower prices.

Inflation eased, averaging 2.8%, falling below the Bank of Botswana's target range of 3-6%. However, mild food price pressures persisted due to regional factors.

Unemployment increased from 25.9% in Q3 2023 to 27.6% in Q1 2024, with youth unemployment increasing from 34.4% to 38.2% in the same period.

Return on Group Equity Value (RoGEV) of **-4.2%** below the target of 14.5%

Letshego underperformance and subsequent impairment impacting returns.

Hyperinflationary pressures in Malawi

Strong Dividend Paid out of P518 million.

Strong Growth in Group Corporate Lines business has been driven by high scheme retention and organic expansion.

Signs of sales recovery as measures are being put in place to revitalise retail business lines.

Healthy product mix with good margins on corporate business

The industry continues to grapple with unviable pricing practices.

Implemented IFRS17 accounting standard providing new perspectives and ensuring prudence.

Strong annuity flows despite elevated Pension savings encashments experience in H1.

The implementation of the Data Protection Act is ongoing after it officially came into effect on January 14, 2025.

Bank liquidity is on the decline, In response, the Bank of Botswana lowered the primary reserve requirement from 2.5% to zero

Botswana Life and Bifm contributed P6 million to the BIHL Trust in 2024, demonstrating their commitment to community investment initiatives aimed at enhancing local communities, promoting social development, and addressing community needs.

BIHL Trust 2025 strategic roadmap developed with a focus on the Youth, Women and People Living with Disabilities.

Client education and engagements through seminars, webinars and stakeholder sessions.

OPERATING PERFORMANCE HIGHLIGHTS



SUBSIDIARIES

Strong top line growth from corporate lines business

Despite a challenging market, **sales are rebounding steadily**, but performance has yet to meet expectations

Elevated Group business claims impacting performance

Record breaking Corporate Business Income at P1.9billion mark

Strong Investment service result despite adverse market and assumptions revisions

File size supported by increased retention focus but remains slightly below expectations

Positive AUM and operating profit in the asset management business

Strong fee revenue at Bifm and Bifm UT

ASSOCIATES

Strong operating profit results from Nico Holdings

BIC operating profit in line with expectations

Letshego underperforming leading to a significant impairment on the carrying value

BALANCED PERFORMANCE ON KEY FINANCIAL METRICS

REVENUE GROWTH

Total Annual
Premium Income
P1.95 billion
42% ▲

Assets Under
Management
P51.2 billion
15% ▲

BIFM
Fee Revenue
P184 million
16% ▲

PROFITABILITY

Insurance
Service Result
P127 million
56% ▼

Investment
Service Result
P76 million
Prior year: 315 million

Value of
New Business
P150 million
7% ▲

Core
Earnings
P447 million
49% ▼

Share of Profits
of Associates
P169 million
114% ▲

VALUE CREATION

RoGEV
-4.2%
Target 14.5%

Group
Equity Value
P4.66 billion
13% ▼

Final
Dividend
P113 million
63% ▼

Paid
in 2024
P518 million
2% ▲

Impairment of an
Associate
-P553 million

SUSTAINABILITY

Required
capital cover
7.0 times

Assets Under
Management
P51.2 billion
15% ▲

Claims
& Benefits
P2.1 billion
9% ▲

2025 PRIORITIES AND OUTLOOK

Delivery on our new strategy

Life Business

Superior client experience

- Elevate internal and external client service culture
- Enhance the management of the in-force book to cultivate customer relationships and improve retention
- Client engagement and education through the employee benefit convention, annual broker connect and as required

Distribution excellence

- Reinvigorate the distribution force to enhance productivity and effectiveness
- Enhance adviser value proposition
- Sustainable and value-driven group pricing strategies

High-performance culture

- Leader- led performance management
- Excellence in execution

Operational efficiency

- Process standardisation, automation and optimisation
- Adoption of digital tools

Innovation

- Bustiness analytics and insights for client informed product development



Asset management

- Continued implementation of value enhancing propositions and product development for improved investor returns
- Continue with research to identify opportunities presented by PFR2
- Leverage off the momentum from our alternative investment portfolios to grow our AUM
- Proactive client and employee engagements for alignment and seamless service delivery
- Strong growth and distribution excellence with retail investors
- Client engagement and education through seminars, webinars, and bi-annual stakeholder sessions



FINANCIAL PERFORMANCE



The path

is not driven by he, she or we,
it's driven by US

Every path is formed by a collective

It begins with a single step, then another,
then another's and before you know it
there's a road



IMPROVING
LIVELIHOODS

CONTEXT

Our response

Insurance service result

- The Contractual Service Margin (CSM) decreased due to the further strengthening of best-estimate assumptions, reducing the CSM available for release into profits
- Excess claims on Group Funeral Schemes in 2024 impacted financial performance
- Data clean-up in 2024 led to a one-time premium debt write-off

Investment service result

- Yields in 2024 did not rise as significantly as in 2023 as a result close to P300 million profits from the 2023 investment service result are not repeated in 2024

Profit from the disposal of associates

- In 2023 there was p142m FSG once-off profit relating to its disposal

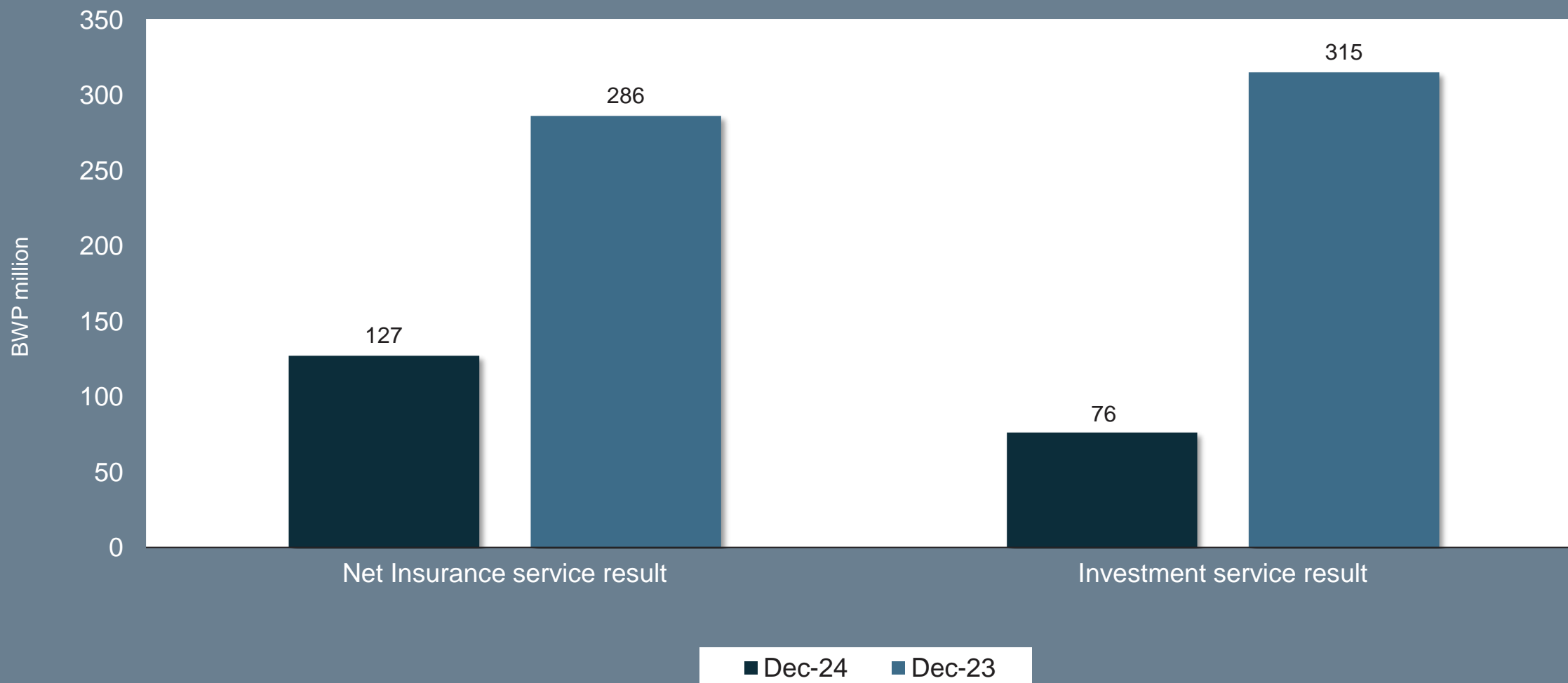
Impairment

- In 2024 there was a p553m impairment of Letshego Africa Group in 2024 to align with the market value



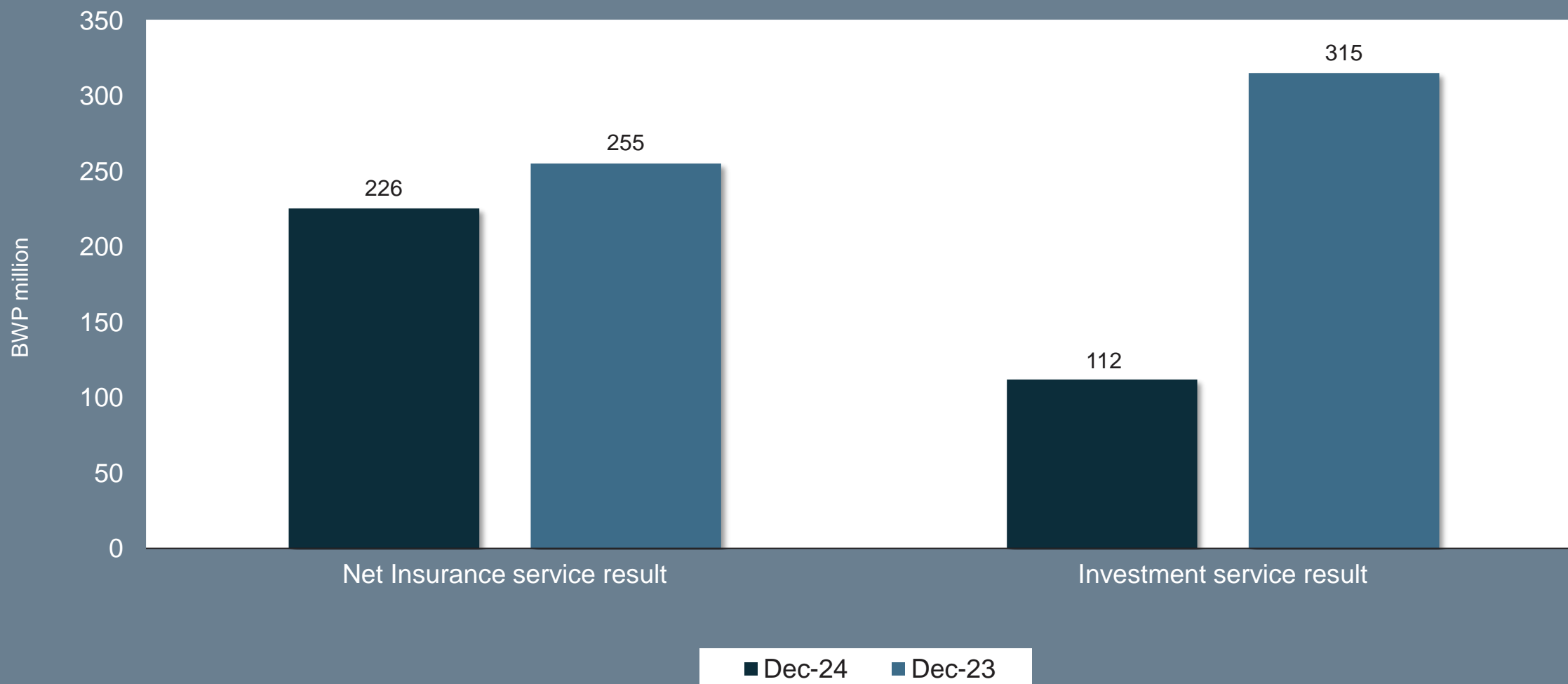
NET RESULT FROM LIFE INSURANCE OPERATIONS

(BWP million)



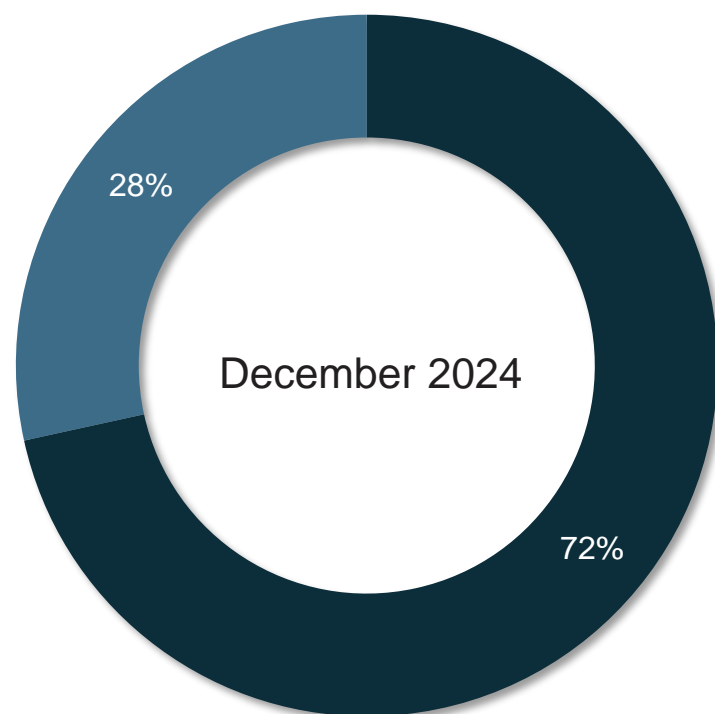
NET RESULT FROM LIFE INSURANCE OPERATIONS (NORMALISED)

(BWP million)

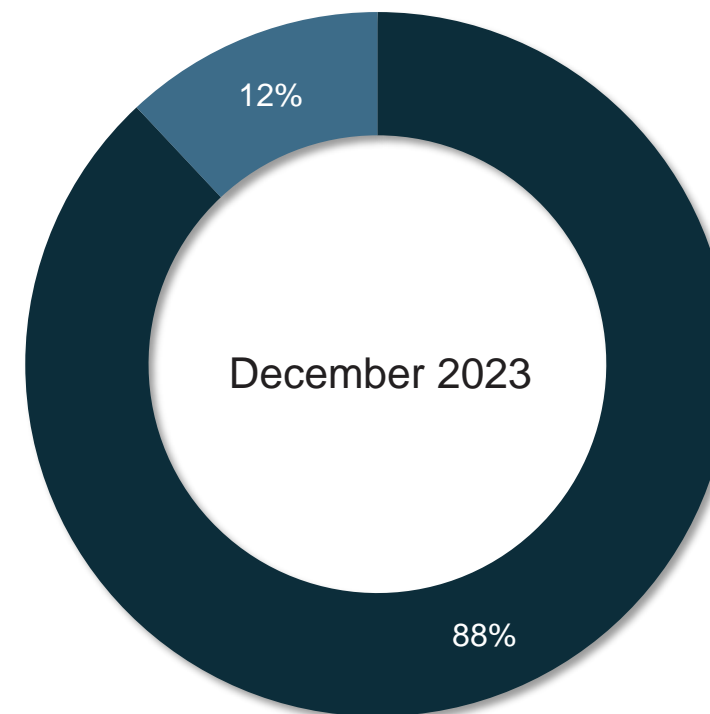


SUBSIDIARIES CONTRIBUTION TO OPERATING PROFIT

December 2024

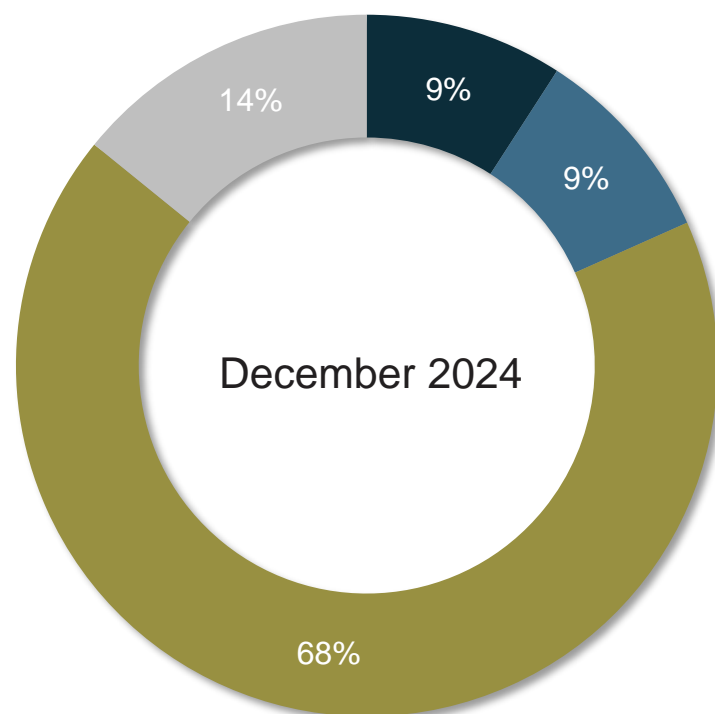


■ BLIL ■ Bifm Holdings

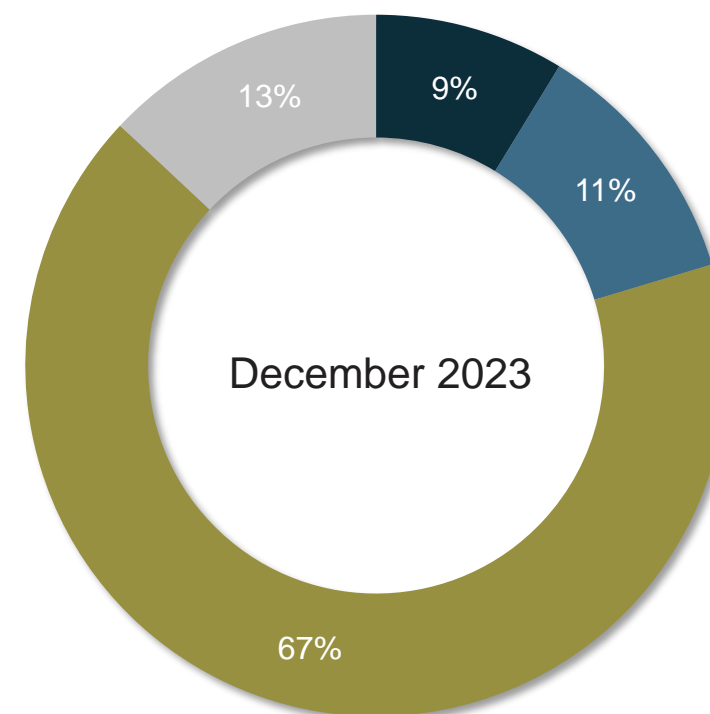


■ BLIL ■ Bifm Holdings

ASSOCIATES CONTRIBUTION TO OPERATING PROFIT



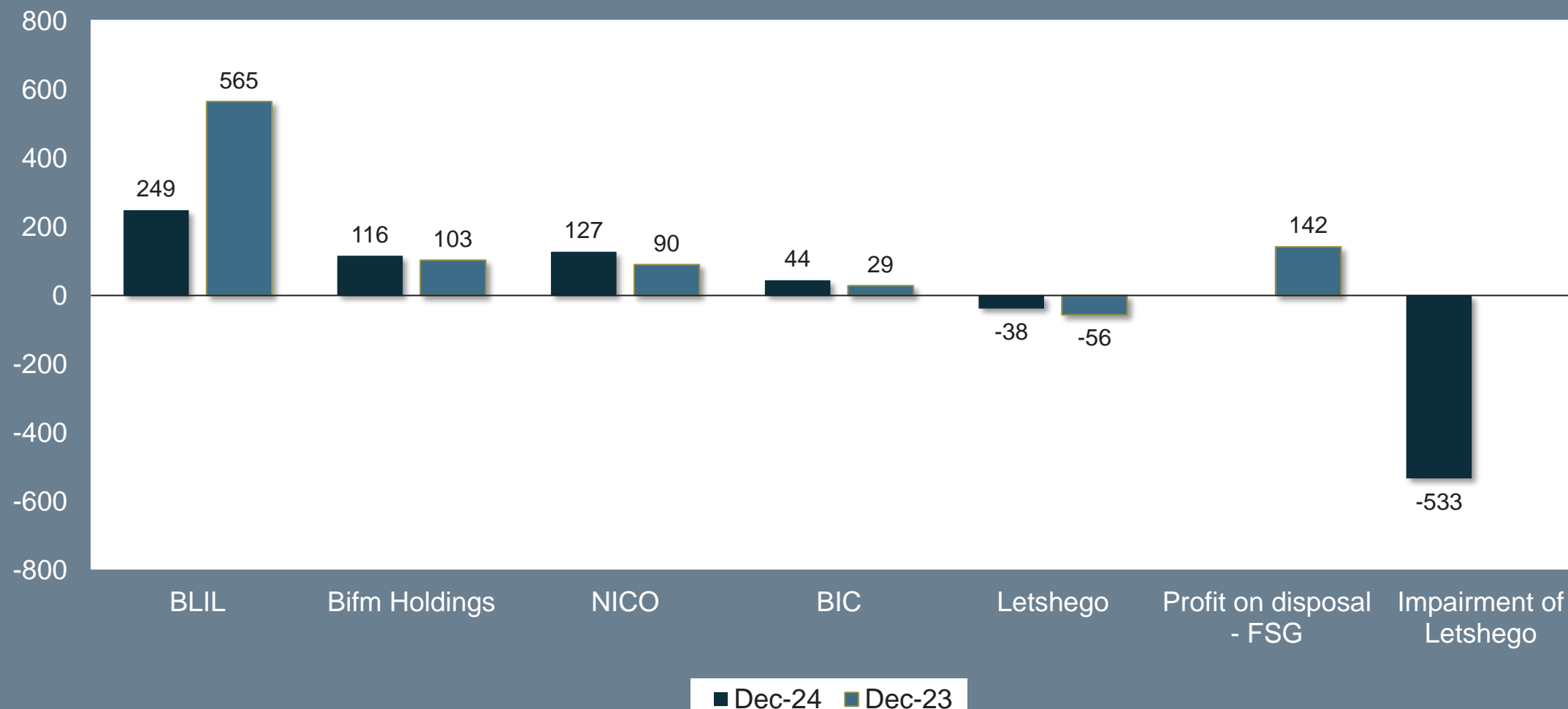
■ Aflife Zambia ■ BIC ■ NICO Holdings ■ Letshego



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PROFIT AFTER TAX (PAT)

(BWP million)

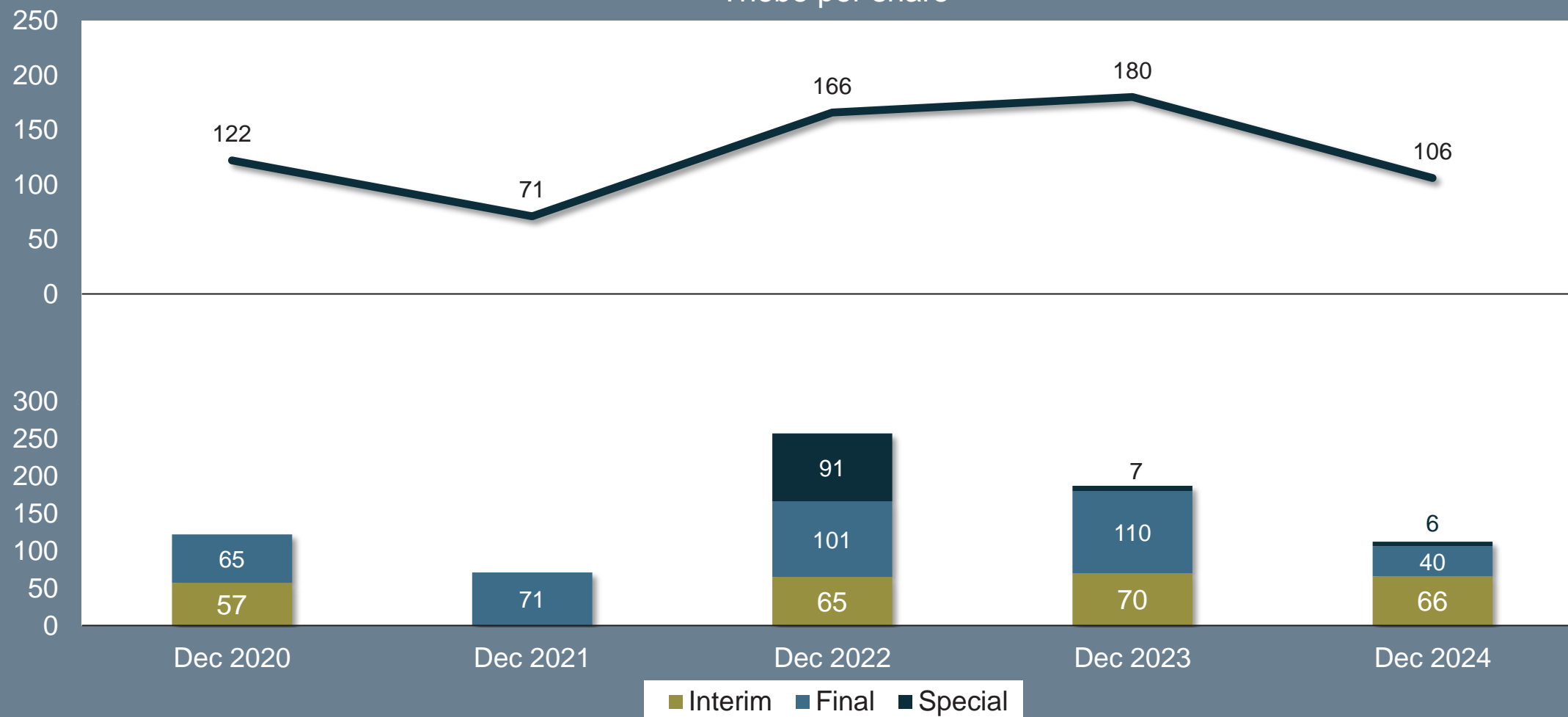


*Including GrandRe (Tanzania) and Insure Guard

DIVIDENDS

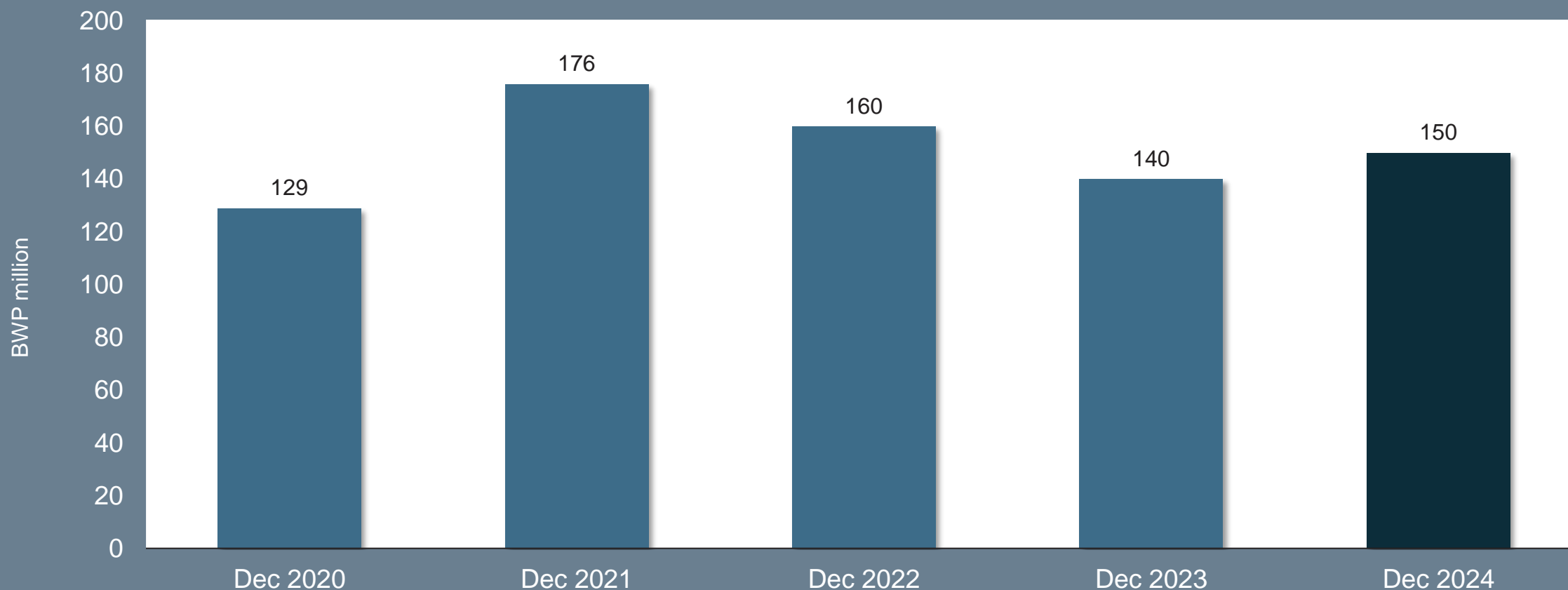


Thebe per share



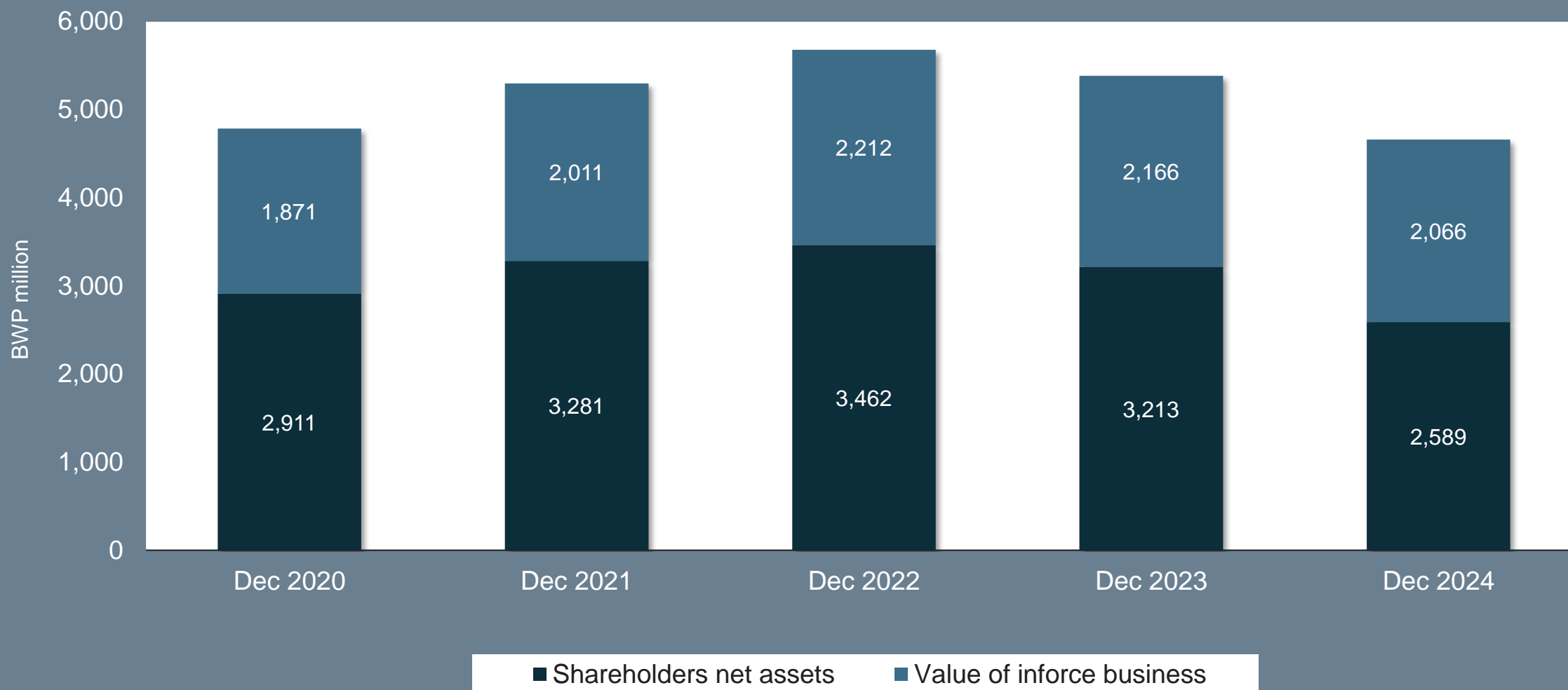
VALUE OF NEW BUSINESS

(BWP million)



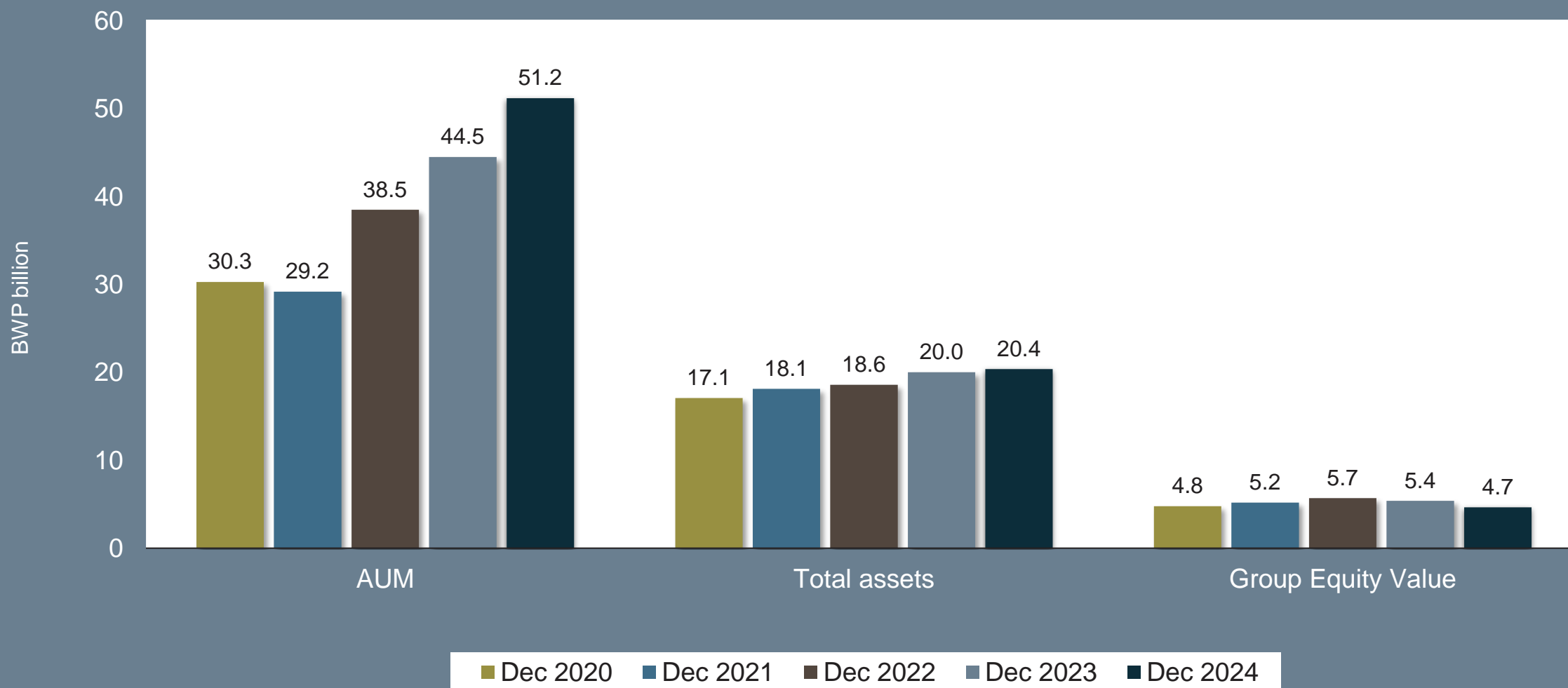
GROUP EQUITY VALUE

(BWP million)



FINANCIAL POSITION

(BWP million)

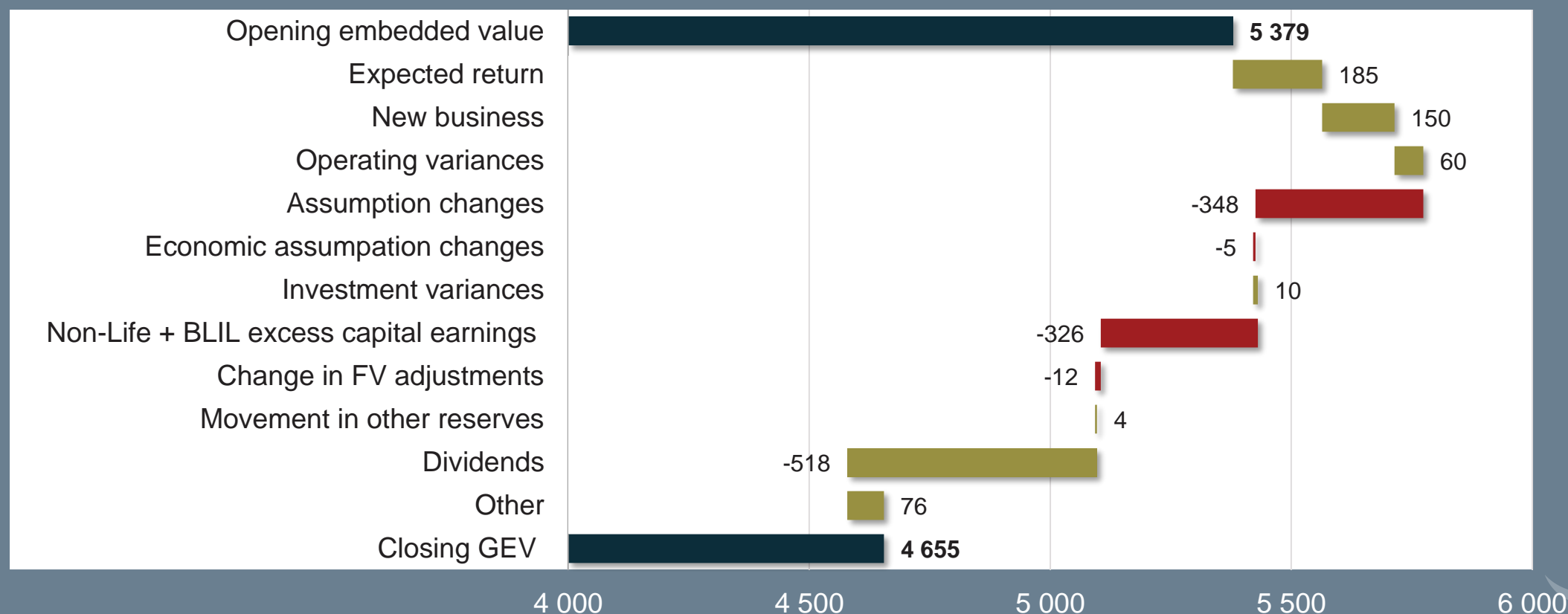


GROUP EQUITY VALUE EARNINGS – GEV MOVEMENT

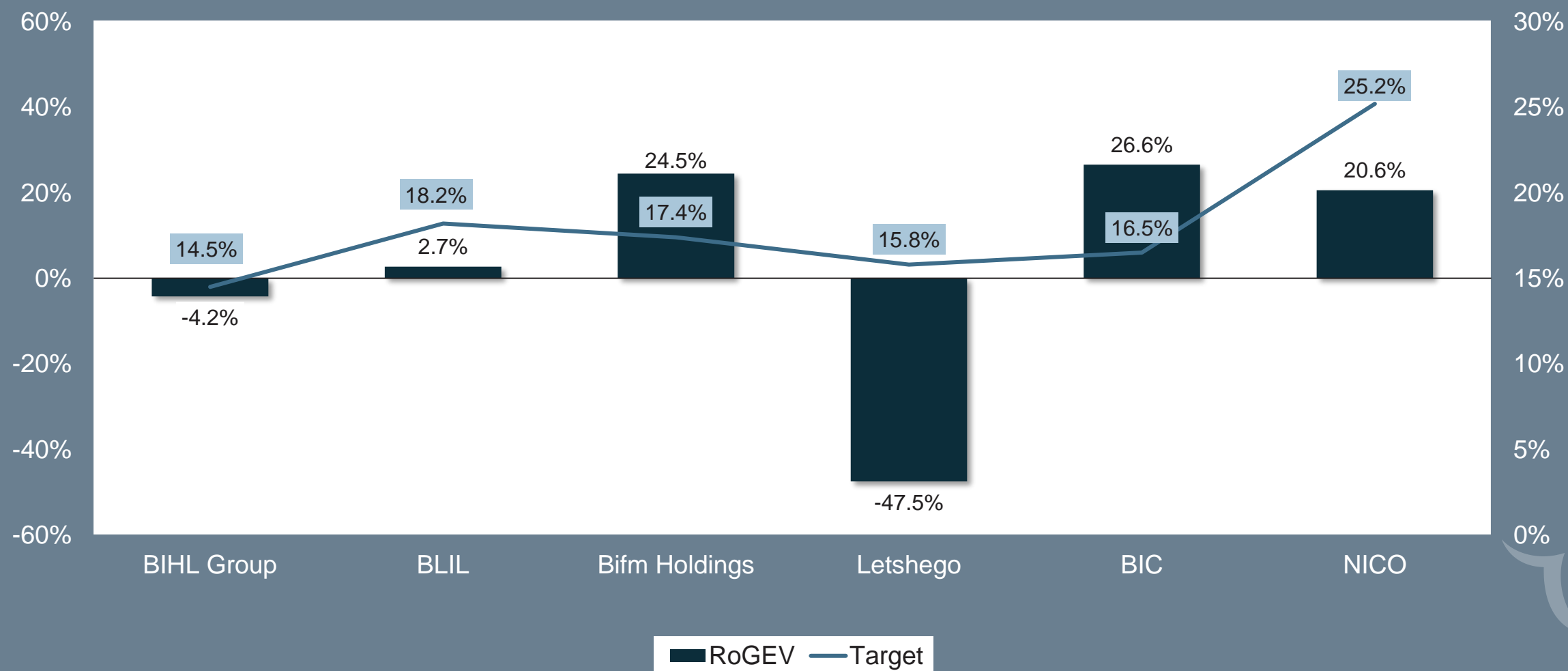
(BWP million)



BWP million



RETURN ON GROUP EQUITY VALUE



*Including GrandRe (Tanzania) and Insure Guard

QUESTIONS

THANK YOU