

2023-YEAR RESULTS

March 27, 2024



AGENDA

Welcome Remarks

BIHL Group Chairman

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%

ASSOCIATES

BIHL top shareholders

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

Letshego		27.61%	
Owned via Teledimo	BIC		50.00%
	Grand Re Tanzania		33.00%
NICO		25.10%	

STRONG PERFORMANCE AMID HEADWINDS



Global uncertainties

Easing inflationary environment averaging **5.2%** in 2023 (2022: 12.2%) however, incomes remain under pressure

High food prices and transport costs impacting disposable incomes

Portfolio return of **8.3%** below ROGEV hurdle rate of 14.5%

(Letshego underperformance and currency devaluation impacting NICO fair value return)

Strong Dividend payout **P754 million** (2022: P402 million)

Healthy new business margins

Improved Group business inflows

Reduced lapse trend

Growth in term assurance lines while other retail new business volumes under pressure

Sustainable growth

Regulatory and accounting standards impact

Implemented IFRS17 accounting standard providing new perspectives

Retirement funds act impacting annuity inflows

PF R2 leading to repatriation of funds has led to excess liquidity in the banking system which is likely to increase further in 2024

Communities

120 staff members participated in community outreach initiatives

261 Batswana impacted in Fit For Life Campaign

UNICEF partnership with the BIHL Trust reached over 77,000 adolescents & young people with Virtual Peer Education

A significant improvement of 21% in the attitudes towards intergenerational relationships
46% of participants had gone for HIV testing compared to 35% from previous reporting period

OPERATING PERFORMANCE HIGHLIGHTS



SUBSIDIARIES

- Strong operating profit** and improved **insurance service result** from the life business
- Claims normalised** to pre-pandemic levels, positively affecting 2023 performance
- BLIL **muted top line** growth with lower new business productivity
- The **file size has stabilised** and ended the year within expectations on the back of ongoing management actions
- Positive AUM and operating profit** in the asset management business
- Strong positive net inflows** in BIFM and BIFM UT

ASSOCIATES

- Strong operating profit** results from Nico Holdings slightly impacted by currency devaluation
- BIC operating profit **in line with expectations**
- Letshego significantly **underperforming**
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KEY PERFORMANCE METRICS

The Group remains well positioned in terms of capital management and solvency

<p>Insurance service result</p> <p>P286 million</p> <p>3% ▲</p>	<p>Value of new business</p> <p>P140 million</p> <p>(13%) ▼</p>	<p>BIFM Fee revenue</p> <p>P158 million</p> <p>14.5% ▲</p>	<p>Share of profits of associates</p> <p>P79 million</p> <p>(64%) ▼</p>
<p>Investment service result</p> <p>P315 million</p> <p>Prior year: - P121 million</p>	<p>ROGEV (Target: 14.5% Dec 2022: 16.9%)</p> <p>8.3%</p> <p>51% ▼</p>	<p>Assets under management (Dec 2022: P38.5 billion)</p> <p>P44.5 billion</p> <p>16% ▲</p>	<p>Required capital cover (Dec 2022: 7.7 times)</p> <p>7.0 times</p> <p>9% ▼</p>
<p>Group equity value (Dec 2022: 5.76 billion)</p> <p>P5.38 billion</p> <p>7% ▼</p>	<p>Core earnings</p> <p>P870 million</p> <p>194% ▲</p>	<p>Dividend paid (Dec 2022: P402 million)</p> <p>P754 million</p> <p>88% ▲</p>	<p>Final dividend (Dec 2022: P285 million)</p> <p>P313 million</p> <p>10% ▲</p>

FINISHING STRONG- Retained market leadership across all subsidiaries

Delivery on our 5-year strategy (2019-2023)

Retail

- Enhancement of client touchpoints and digital solutions driving convenience.
- Channel development: Telesales, affluent & fiduciary services
- Expanded national footprint

Corporate

- Collaborative Group Business Development activity driving significant business inflows
- Selective risk taking

Asset management

- AUM increased by over 50% from P29 billion in 2019 to P44.5 billion in 2023
- Growing retail unit trust business achieving P2.6 billion AUM in 2023

Revenue and earnings

Core earnings
(Dec 2019: P412 million)
P870 million
111% ▲

Share of profits of associates
(Dec 2019: P142 million)
P79 million
(44%) ▼

Value of new business
(Dec 2019: P158 million)
P140 million
(11%) ▼

Assets under management
(Dec 2019: P29.2 million)
P44.5 billion
52% ▲

BIFM Fee revenue
(Dec 2019: P98 million)
P158 million
61% ▲

Shareholder value

ROGEV
(Dec 2019: 16.9%)
8.3%
51% ▼

Group equity value
(Dec 2019: P4.65 billion)
P5.38 billion
16% ▲

Required capital cover
(Dec 2019: 7.1 times)
7.0 times
-

Dividends paid
(Dec 2019: P369 million)
P754 million
104% ▲

Dividends paid over 5 years
(2014-2018: P1.64 billion)
P2.15 billion
31% ▲

OUR PRIORITIES AND OUTLOOK

Priorities

- Profitable growth**
 - AUM Growth
 - Growth of our corporate book
 - Rebasing distribution
- Client Experience**
 - Primacy of client centric interventions
 - Consumer education
 - Enhanced product offering
 - Ease of service delivery through digital
- Improving efficiencies**
 - Leveraging technology for distribution, onboarding and servicing
 - Leveraging data for business insights
- High performance teams**
 - Fostering a client centric and innovative culture

Financial

- Strengthening subsidiaries**
- Consistent dividend policy**
- Earnings sensitive to regional and economic markets**

Macro environment

- Inflation expected to remain within the Bank of Botswana 3-6% target range, however food and transport may continue to impact disposable income**
- Emergence of alternative investments in response to the repatriation of funds**
- Unemployment remains elevated**
- Anticipated increase in government borrowing creating opportunity for long-term bonds**

FINANCIAL PERFORMANCE



The path

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

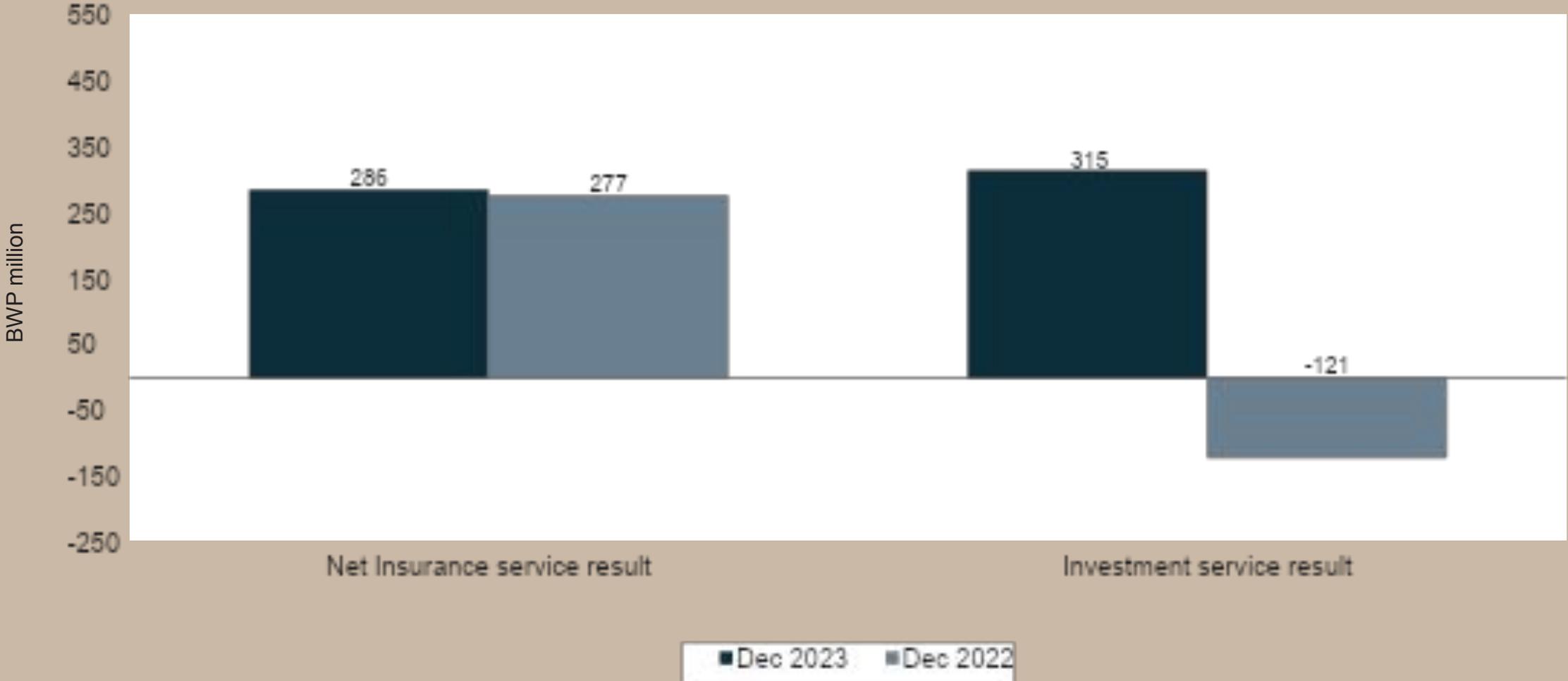
Every path is formed by a collective

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

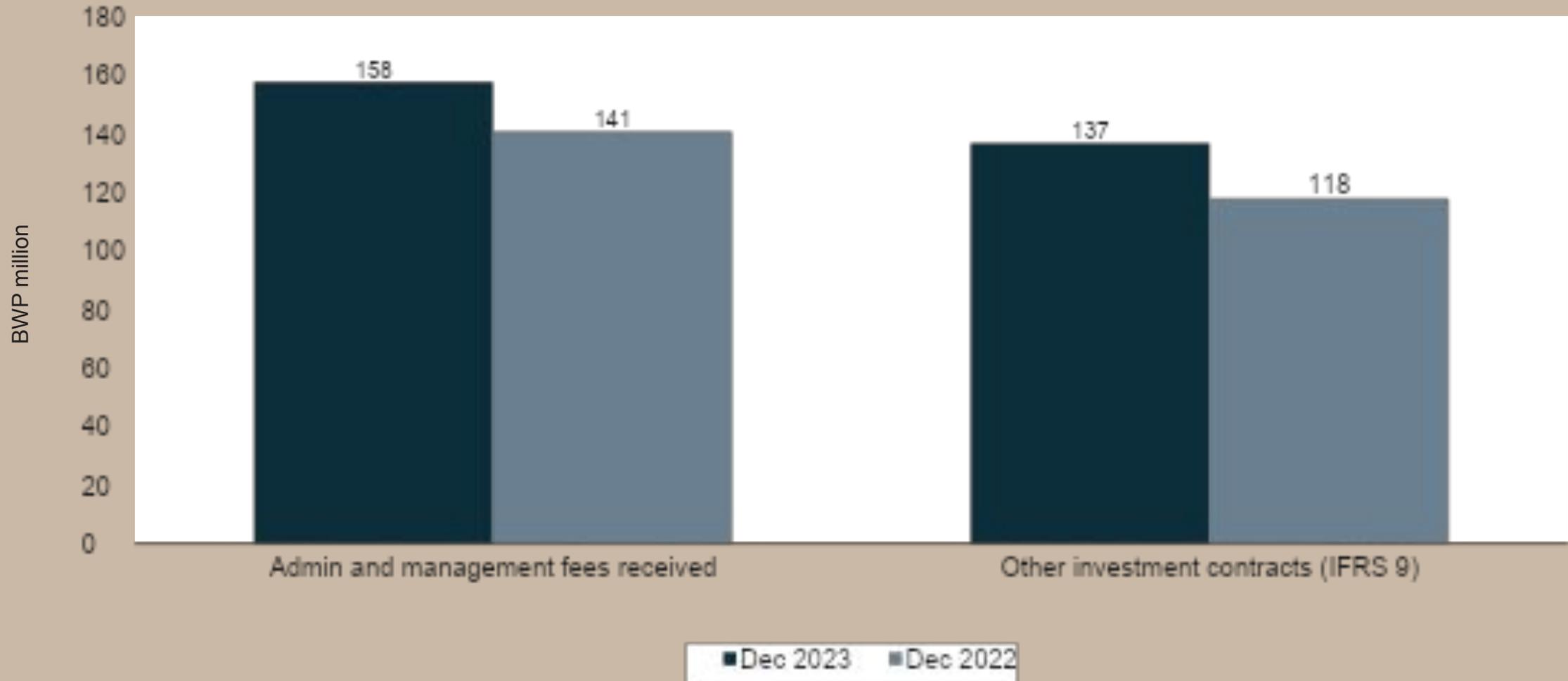


IMPROVING
LIVELIHOODS

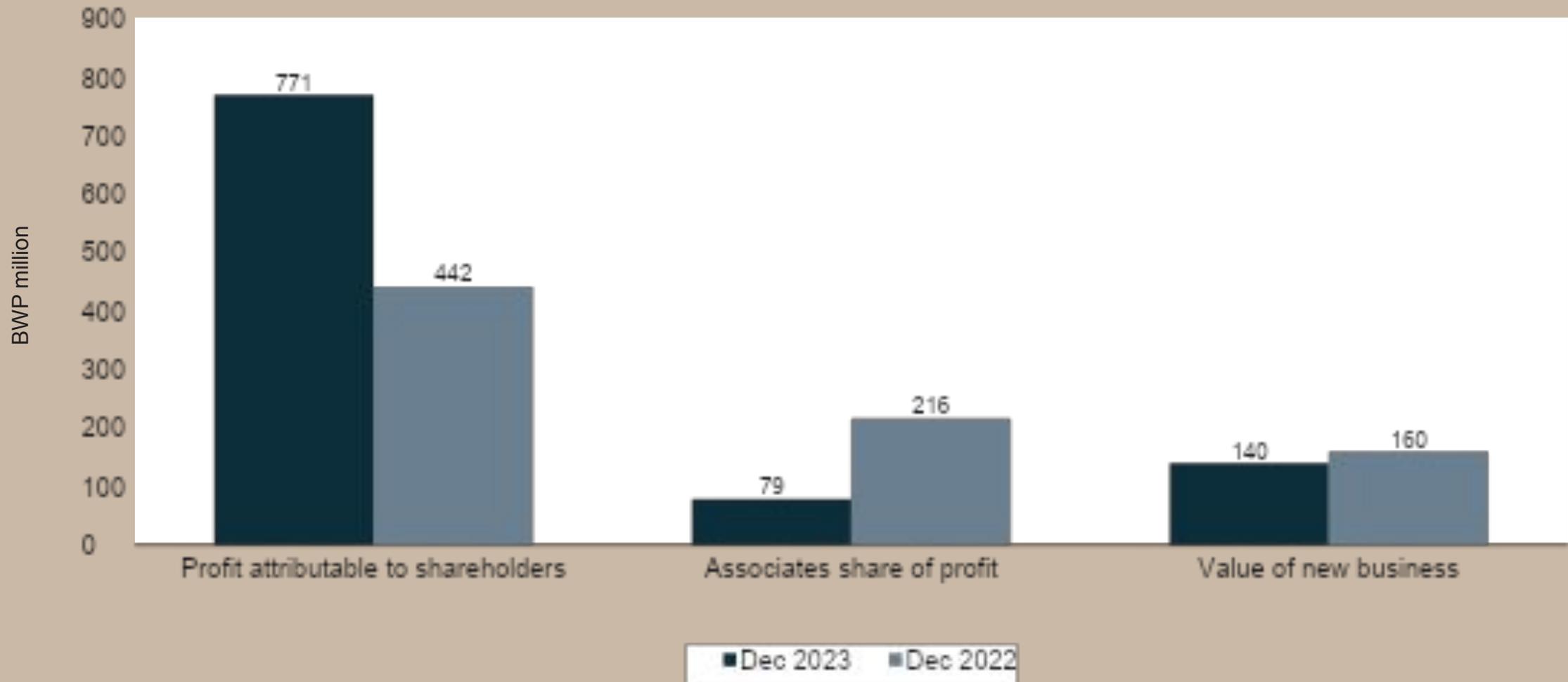
NET RESULT FROM INSURANCE OPERATIONS



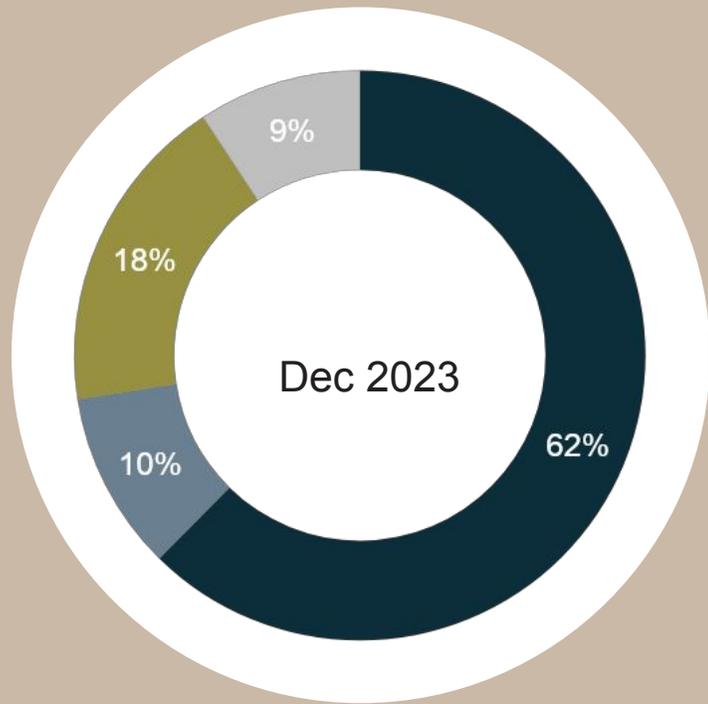
REVENUE FROM INVESTMENT CONTRACTS



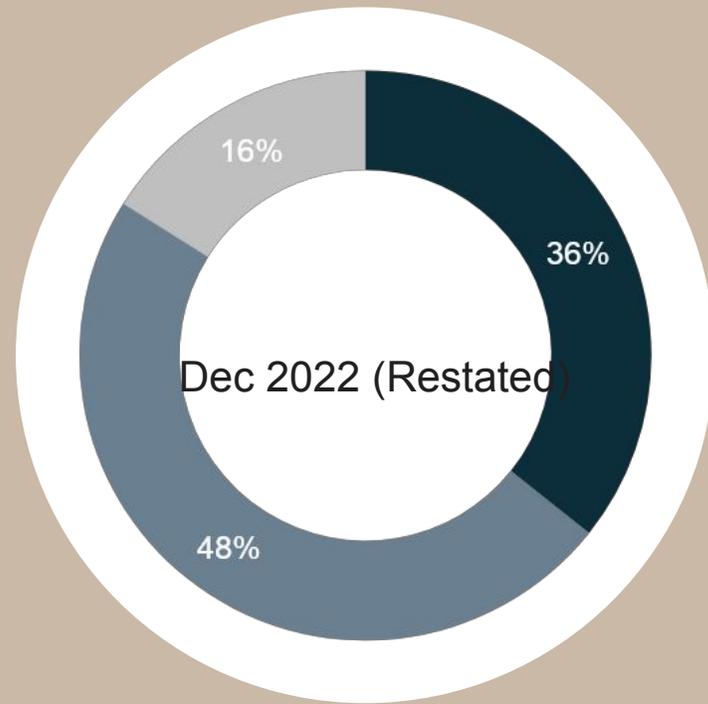
PROFITABILITY



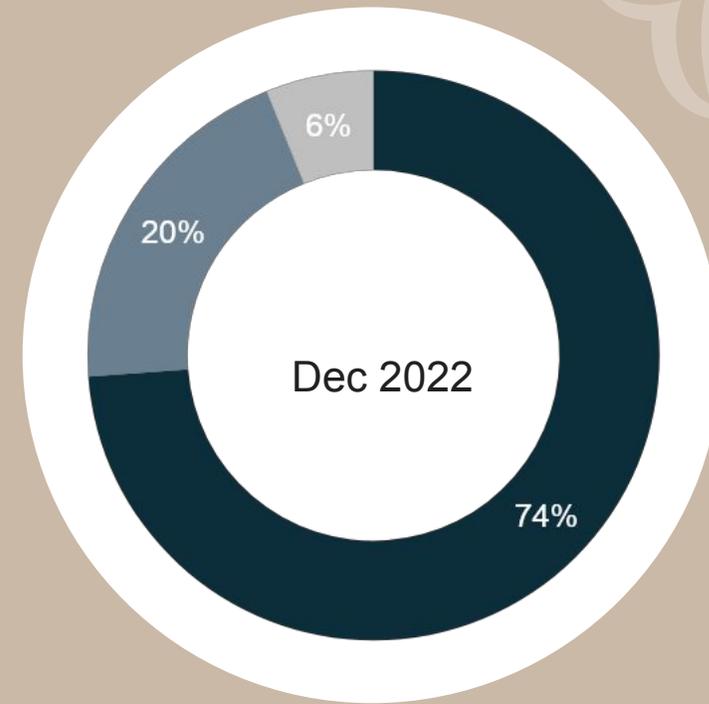
SOURCES OF PROFITS



- Subsidiaries PAT
- Associates share of profit
- Profit on sale of associate
- Investment returns

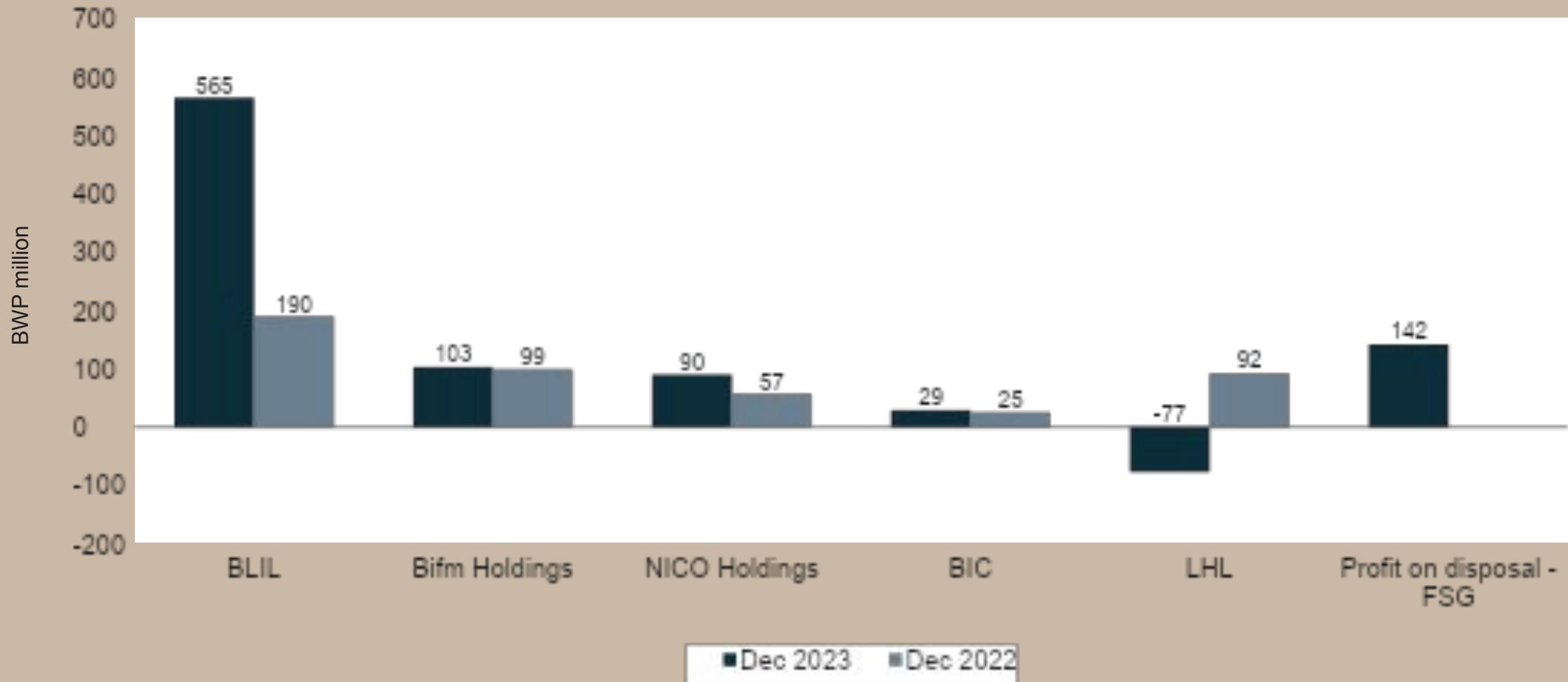


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- Associates share of profit
- Investment returns

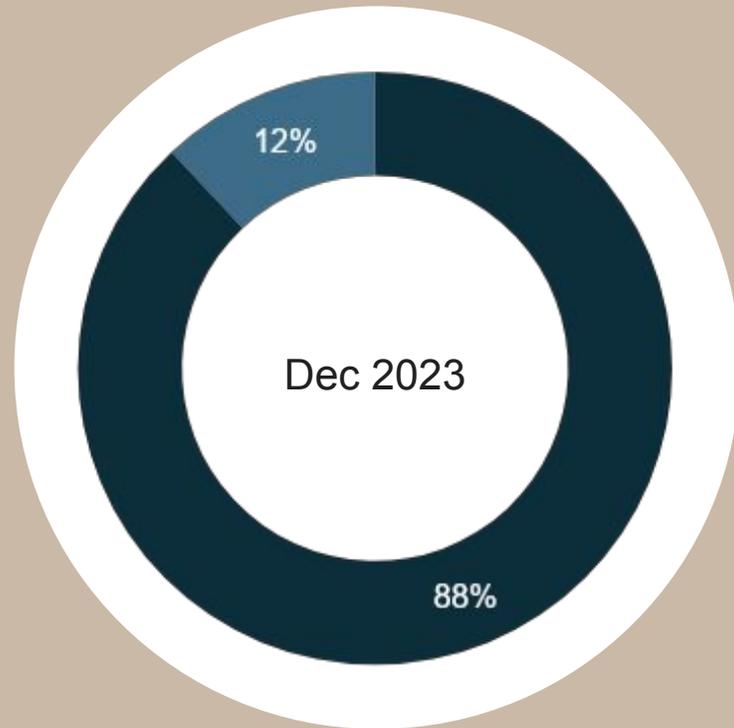


- Subsidiaries PAT
- Associates share of profit
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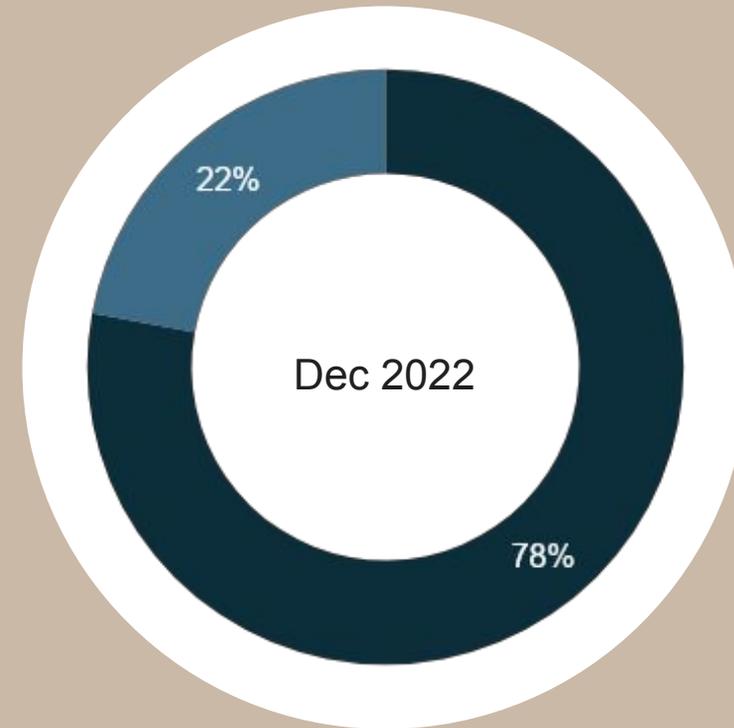
PROFIT AFTER TAX



SUBSIDIARIES CONTRIBUTION TO OPERATING PROFIT

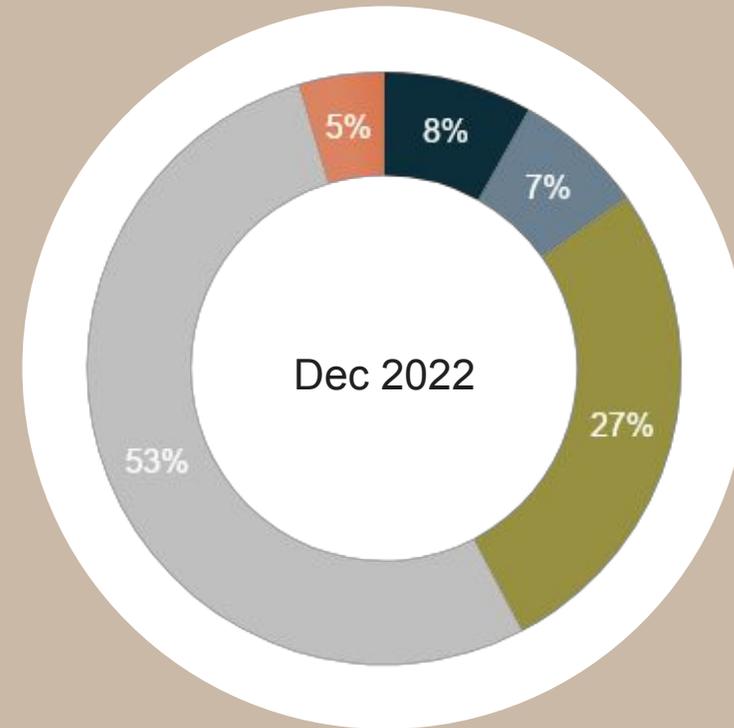
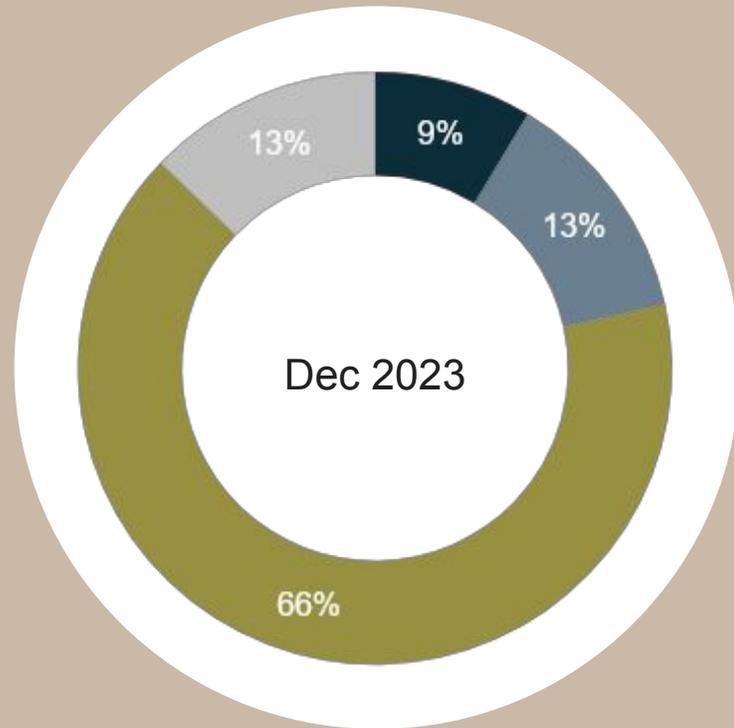


■ BLIL ■ Bifm Holdings



■ BLIL ■ Bifm Holdings

ASSOCIATES CONTRIBUTION TO OPERATING PROFIT

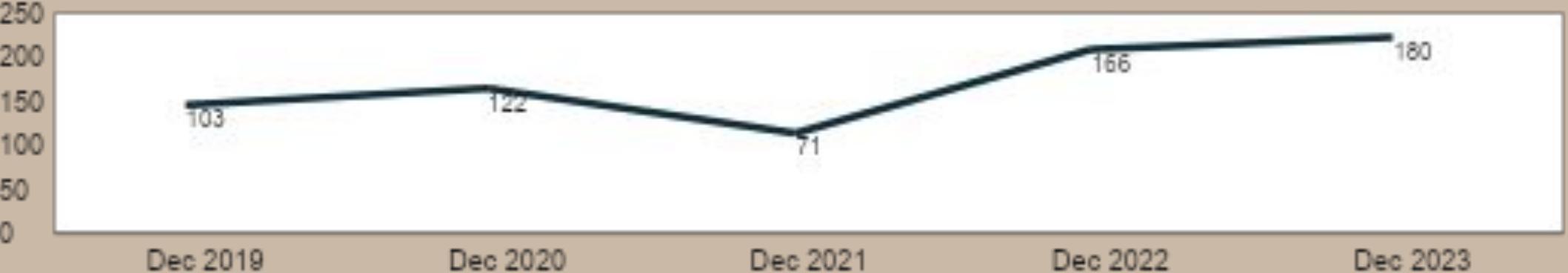


DIVIDENDS

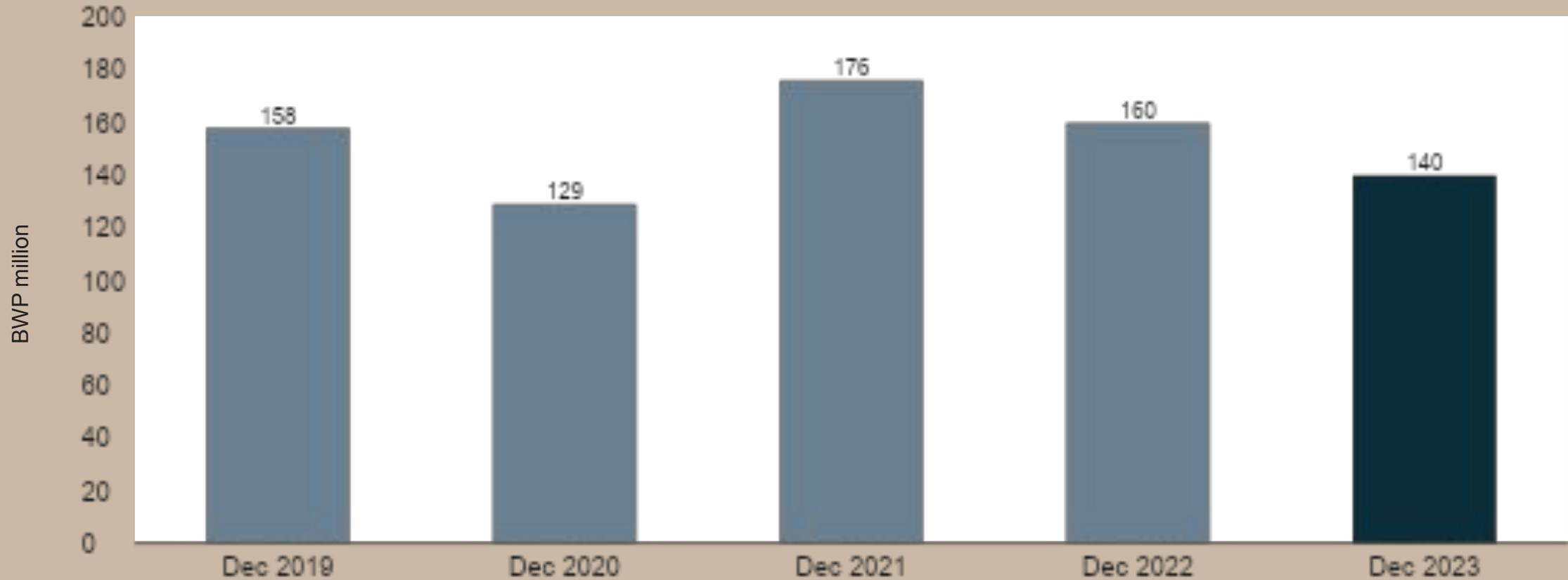
Thebe per share



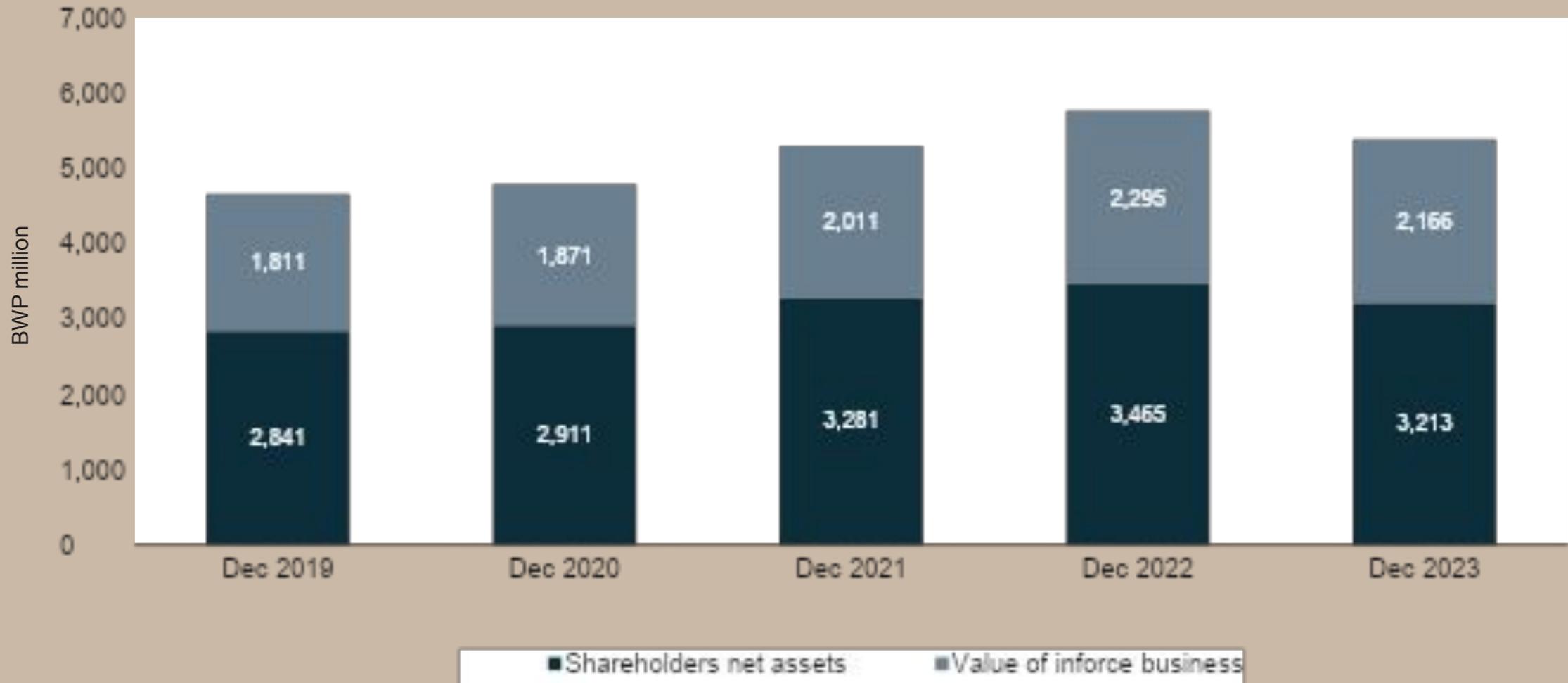
Total dividend trend



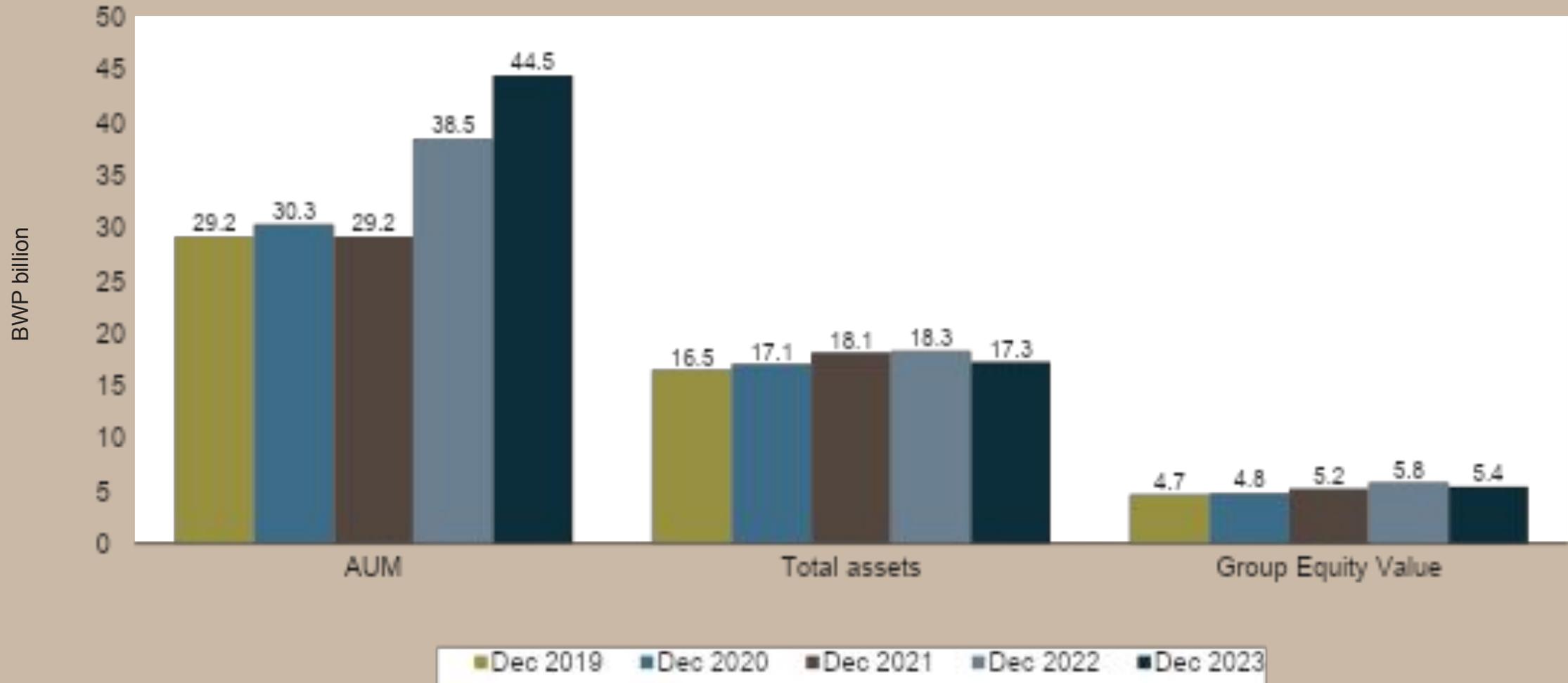
VALUE OF NEW BUSINESS



GROUP EQUITY VALUE

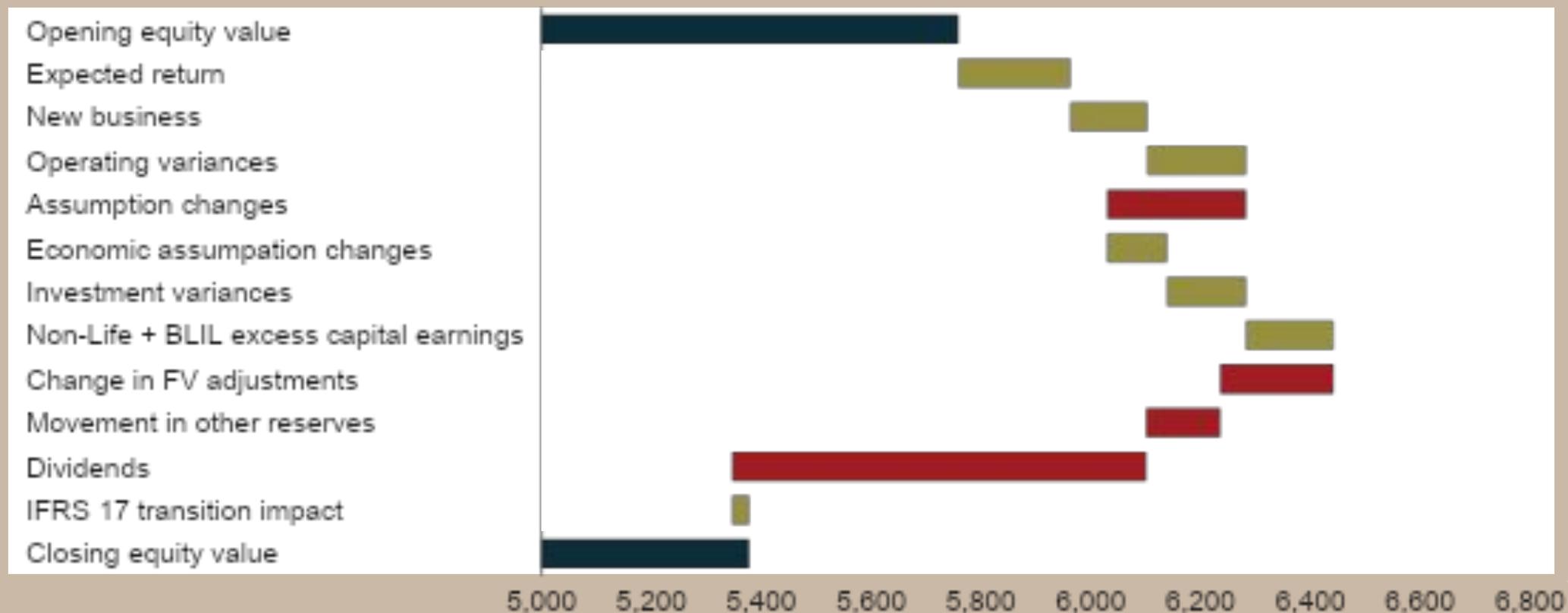


FINANCIAL POSITION

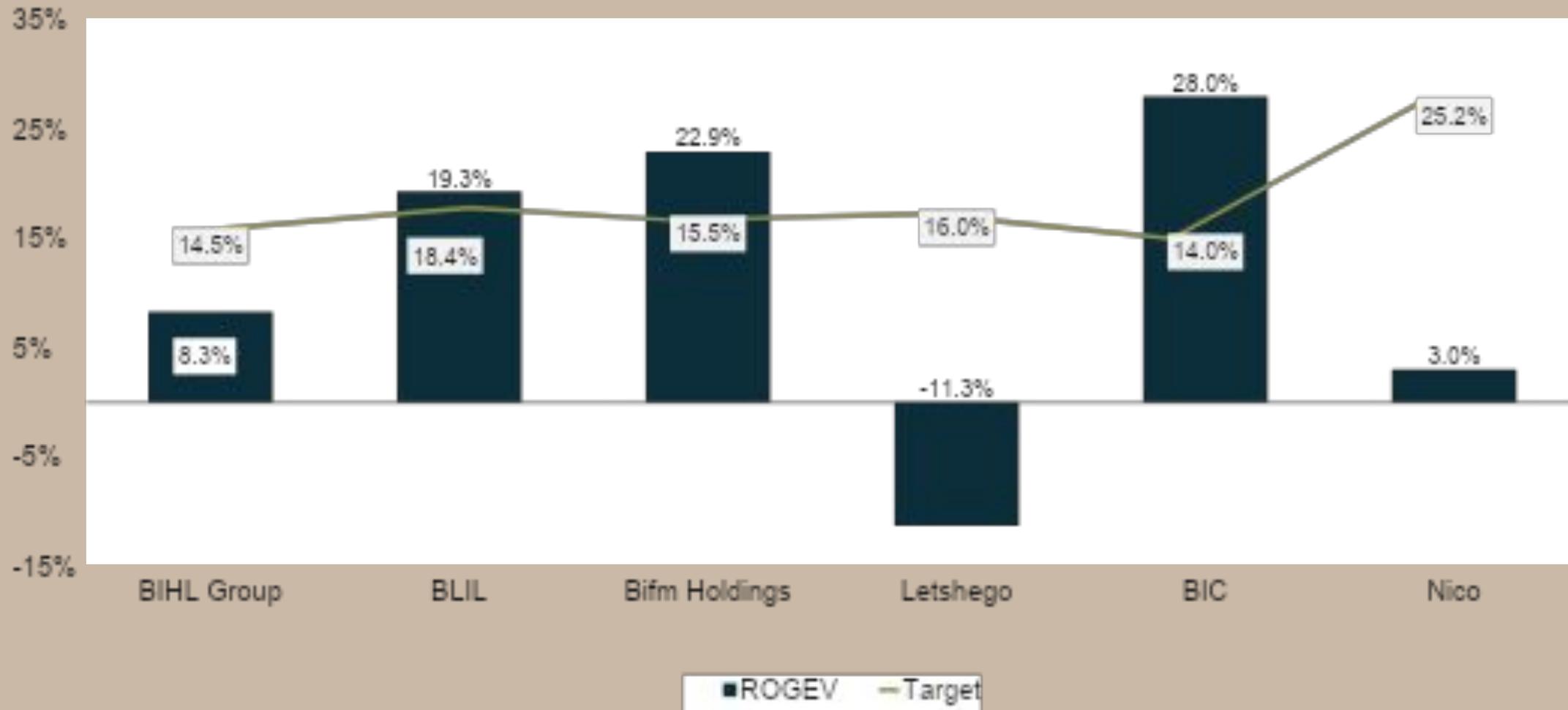


GROUP EQUITY VALUE EARNINGS – GEV MOVEMENT

BWP million



RETURN ON GROUP EQUITY VALUE



QUESTIONS

THANK YOU