

DURABLE,
SUSTAINABLE
AND ROBUST
DELIVERING
ON OUR
PROMISE

FULL YEAR RESULTS TO DECEMBER 2021

01

OPERATIONAL OVERVIEW



Catherine Lesetedi
Group Chief Executive Officer

ECONOMIC HIGHLIGHTS



GLOBAL GROWTH

- 2021 GG estimate: 5.9% (maintained from Oct 2021 estimate)
- 2021 SSA estimate: 4% (revised from 3.7% in Oct 2021)
- 2022 global growth is projected to moderate to 4.4% reflecting the supply chain shortages impact on the 2 largest economies – the USA and China
- This constitutes a weaker projection with higher broad-based inflation and rising energy prices



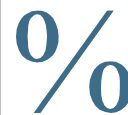
INFLATION

- 10.6% Jan 2022 – (8.7% Dec 2021)
- Annual inflation 2020: 1.9% – 2021 estimate: 3.5%
- Inflation driven by high transport prices throughout Q4 2021, as a result of sustained high global energy prices
- Inflation is projected to revert to within the objective range in Q2 2022 however, the downside risk of cyclical cost push inflation prevails



LOCAL GDP GROWTH

- 2021 IMF and MFED have projected growth of 9.7% and 9.2%, respectively
- 2022 growth to moderate to 4.3% - 4.7% – this outcome will partly depend on the successful vaccine rollout
- The economy will continue to operate below full capacity in the short to medium term with a rise in unemployment rate of 26% in Q4 2021 (from 24.5% in Q4 2020)










BANK RATE

- 3.75% Oct 2020 and maintained in Feb, June, Oct and Dec 2021
- While the bank reaffirms to allow market determination of price adjustments and wages
- The BOB is expected to hike the policy rate to 5.25% in 2022 as a containment measure, as inflationary pressures persist and risks to the growth outlook fade

COVID-19 effects on society

 <p>Hybrid and evolving ways of work</p>	 <p>Traditional face to face models under pressure</p>	 <p>Loss of lives in the country - 2,452</p>	 <p>Accelerated demand for digital channels</p>	 <p>Diminished consumer disposable income</p>	 <p>Delta variant and supply-chain disruptions</p>	 <p>Protracted economic contraction with mild recovery</p>
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Effects on operations

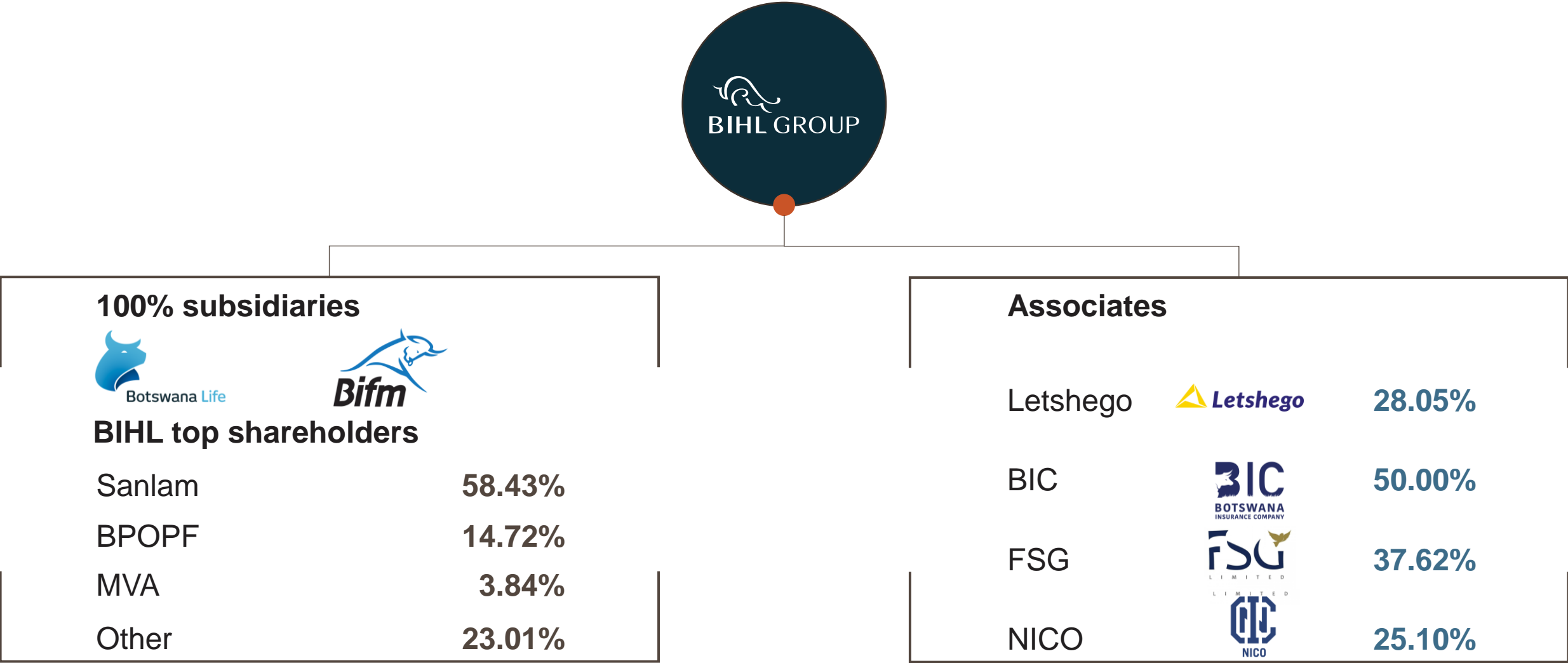
 <p>Hybrid work</p>	 <p>Improved supply of long dated bonds by Government – better matching of annuity book</p>	 <p>Pressure to accelerate digital presence</p>	 <p>Liquidity risk with rising claims during pandemic</p>	 <p>Elevated unit costs</p>	 <p>Unprecedented COVID-19 related claims affecting profitability</p>	 <p>Increased policy lapses in the fourth quarter of the year</p>
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Purpose driven unrivalled strength

Collectively engineering legacies for our clients, delivering exceptional returns for our shareholders through service excellence in wealth and insurance management

BIHL GROUP STRUCTURE

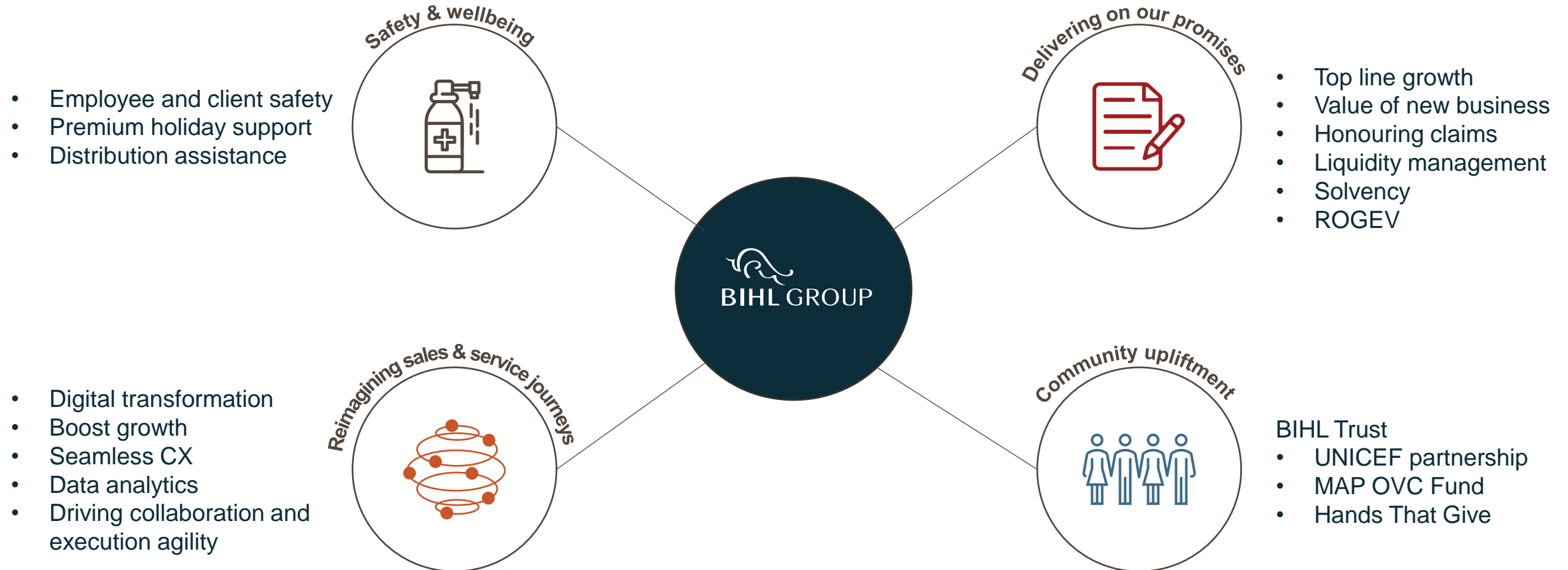


Pandemic



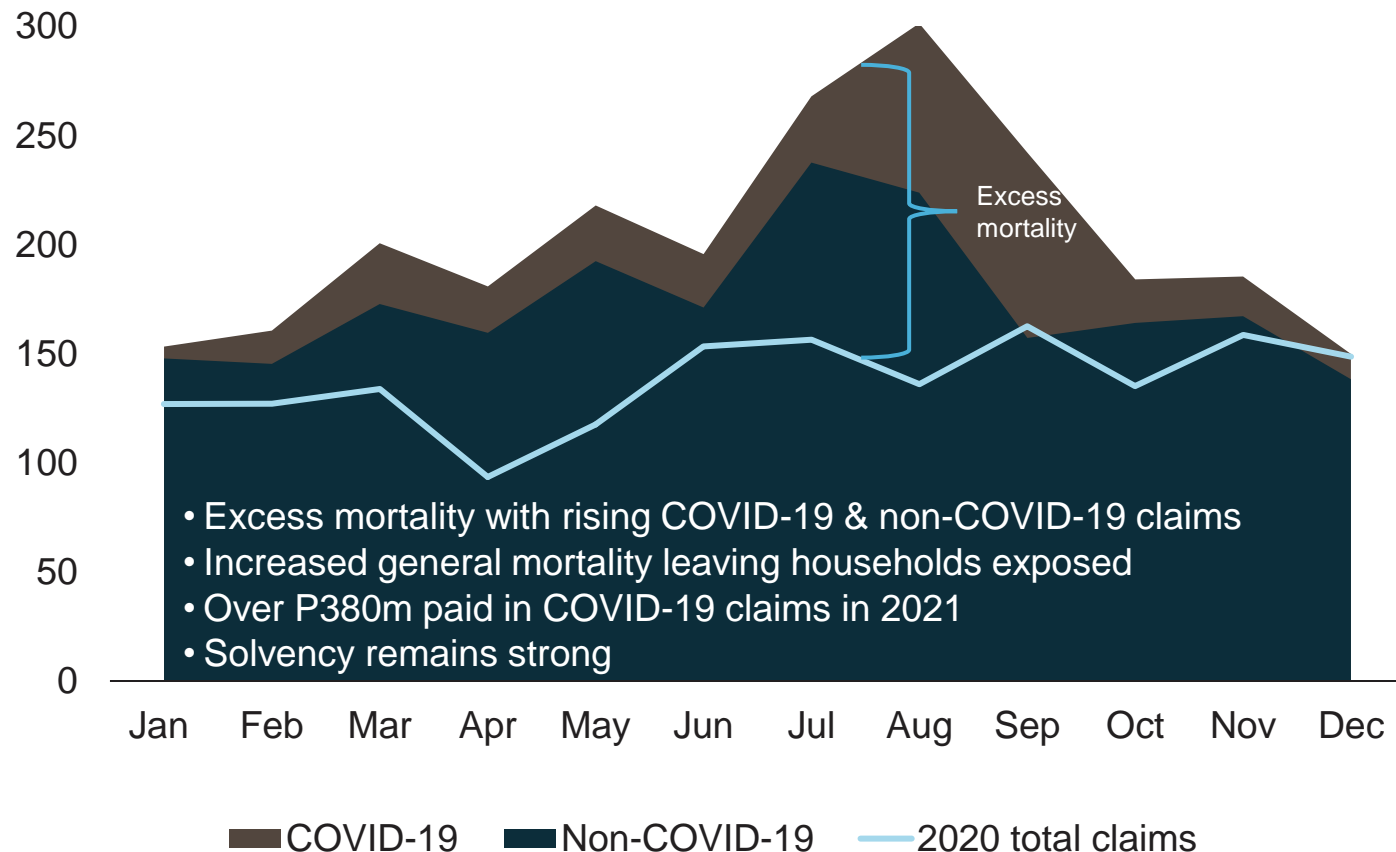
2021 WAS A YEAR OF DELIVERY DESPITE THE PANDEMIC

Business impact minimisation



THE IMPACT OF COVID-19

Fulfilling our promise during a time of need – liquidity management



Key statistics - March 2020 to December 2021

- 222,053 – total confirmed cases since 30/3/2020
Active cases: 14,597, recoveries: 205,004)
- No of deaths in country 2,452 (since March 2020 to Dec 21)
- Country vaccination rates** (eligible population 18+)
1st dose – 76.6%, fully vaccinated – 67.6%
- BIHL positive cases 407**
(5 casualties, 365 recoveries)
- BIHL vaccination rate (March 8 2022)
1st dose: 10%, **fully vaccinated: 73%**

**Maintaining
operational resilience**



BIHL GROUP

BOTSWANA INSURANCE HOLDINGS LIMITED

KEY OPERATIONAL HIGHLIGHTS

Resilient operating results

Key metrics	2021	↑↓
Net insurance premium income	P3.1 billion	7%
Value of new business	P176 million	37%
Fee revenue	P128 million	17%
Share of profits of associates	P305 million	19%
Operating profit	P183 million	(54%)
Core earnings	P208 million	(51%)
Assets under management (including Zambia P5.2billion)	P36 billion	19%
Embedded value	P5.3 billion	11%
Required capital cover (2020: 6.3 times)	6.8 times	0.5 times
ROGEV (Target 14.5%)	12%	

Our purpose: Improving livelihoods

Our ambition: To be the leading client-centric, broad-based financial services Group in markets we choose to operate in



Growth



Margins



Capital efficiency



Dividend policy

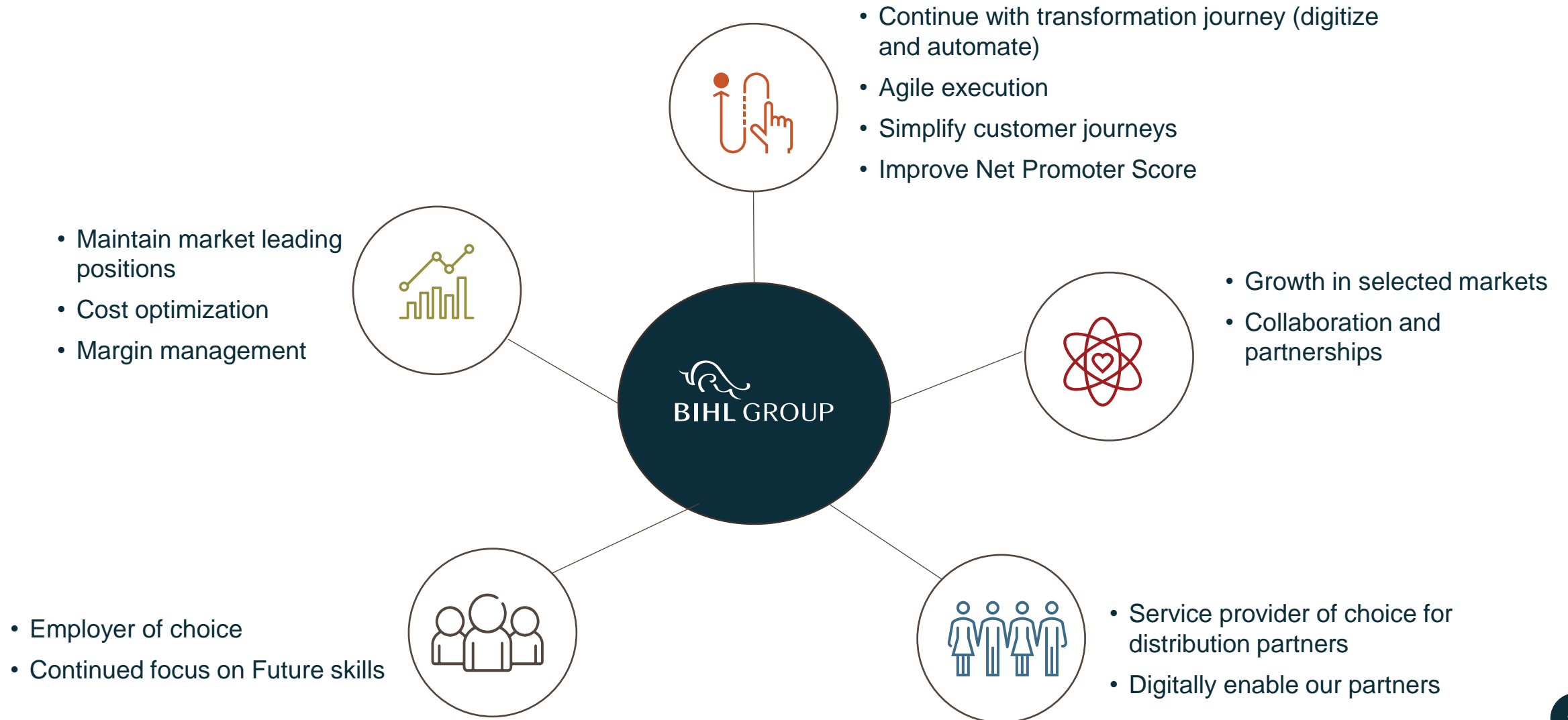
**Revenue
and PAT**

- Retaining market leading positions
- Growth through deepening penetration of selected segments
- Transforming business to
 - Improve client engagement leveraging off strong NPS score
 - Improve margins
 - Fintechs and platforms for growth
 - Partnership ecosystems and alternative distribution channels
 - Future skills development

- Capital management and maximizing returns for our portfolio
- Maintain our dividend policy
- Maintain strong governance while mitigating risks of increasing regulation

**Returns
ROGEV**

FOCUS AREAS FOR 2022-2023





**Responsibility to
maintaining
a long termism view
to performance**



BIHL GROUP

BOTSWANA INSURANCE HOLDINGS LIMITED

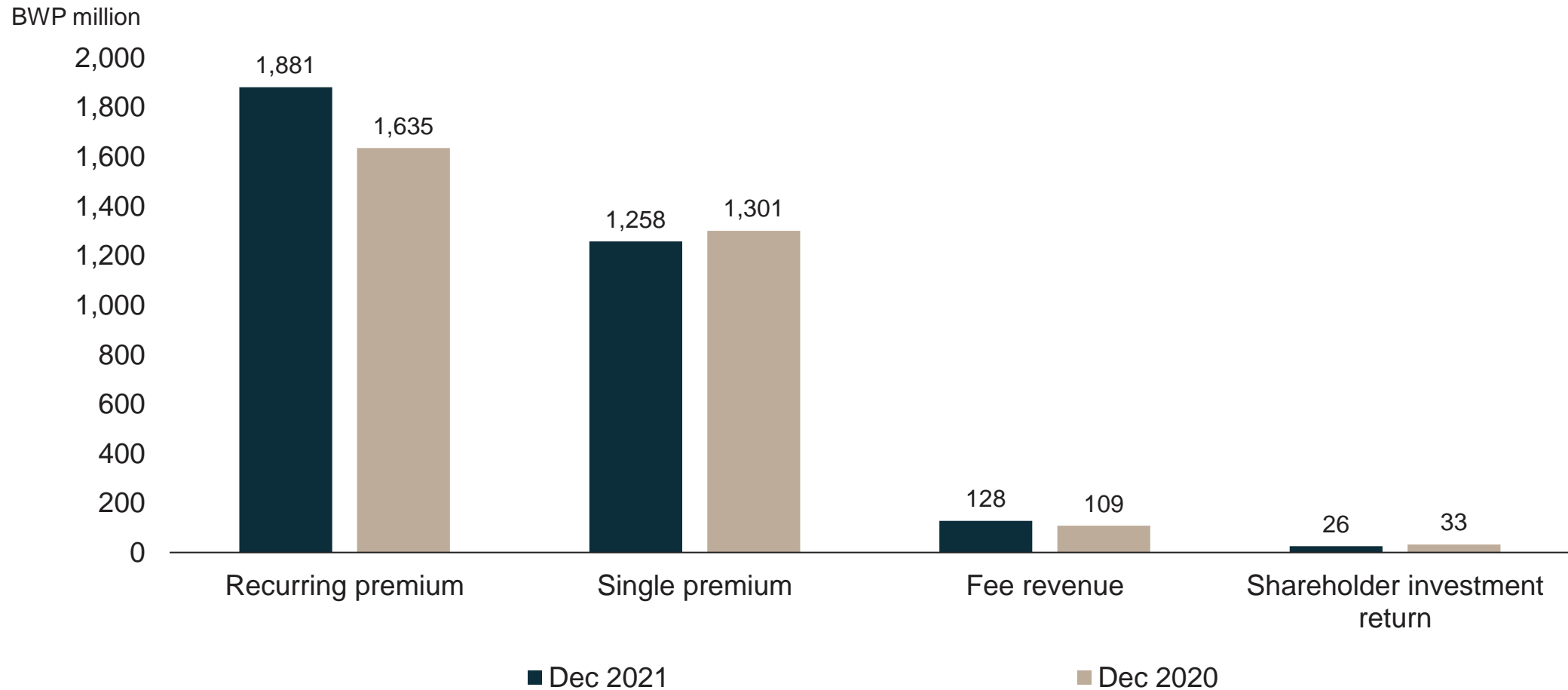
02

FINANCIAL PERFORMANCE



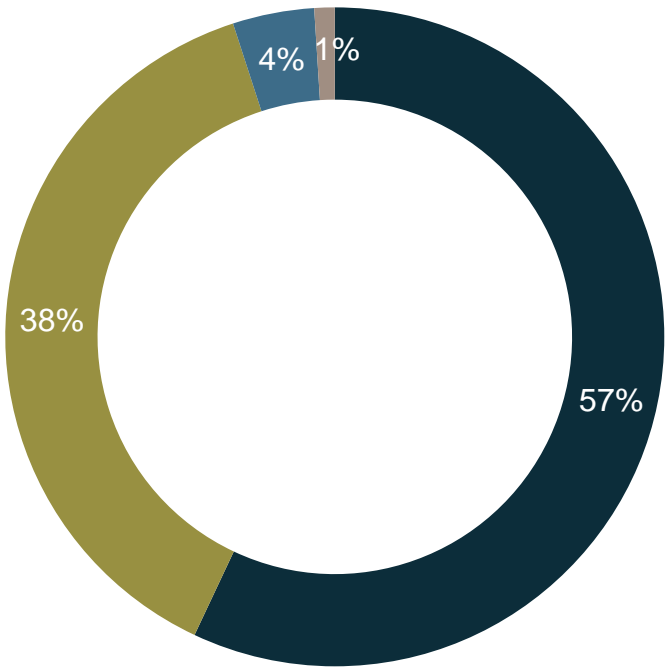
Kudakwashe Mukushi
Group Chief Financial Officer

REVENUE

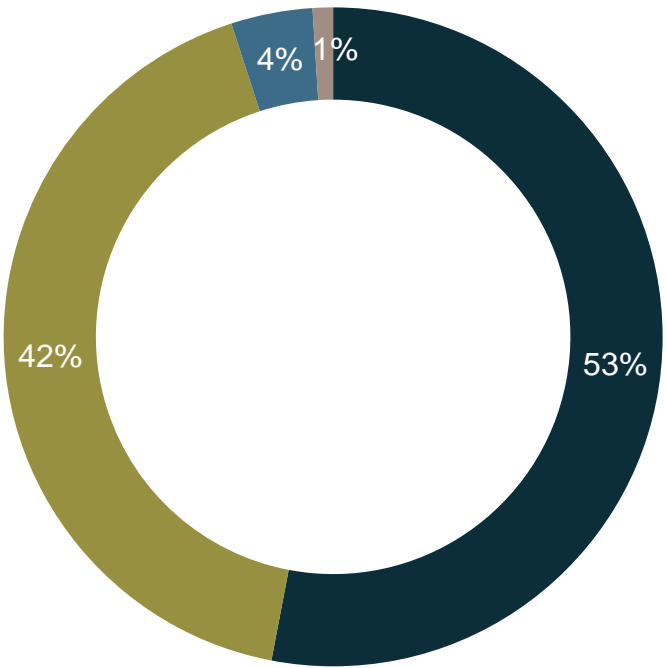


REVENUE CONTRIBUTION

Dec 2021



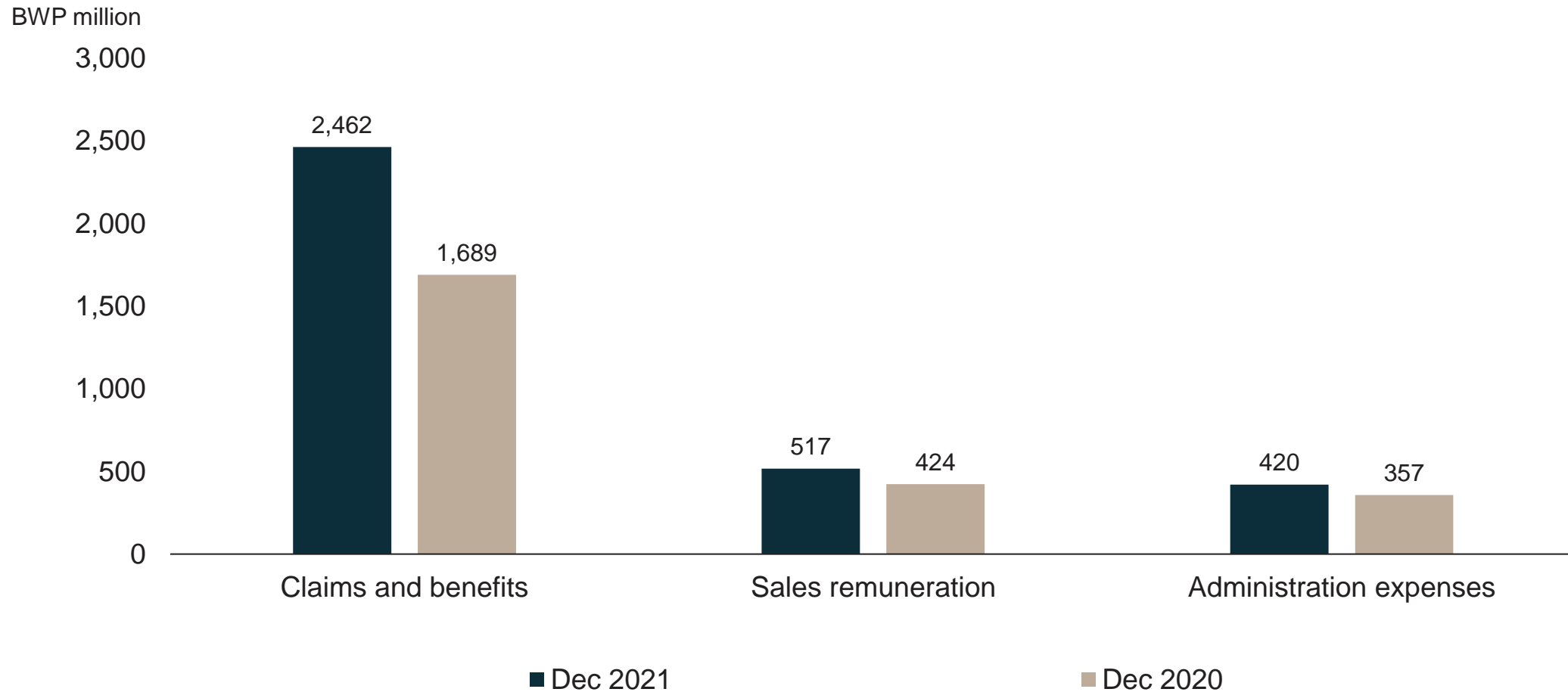
Dec 2020

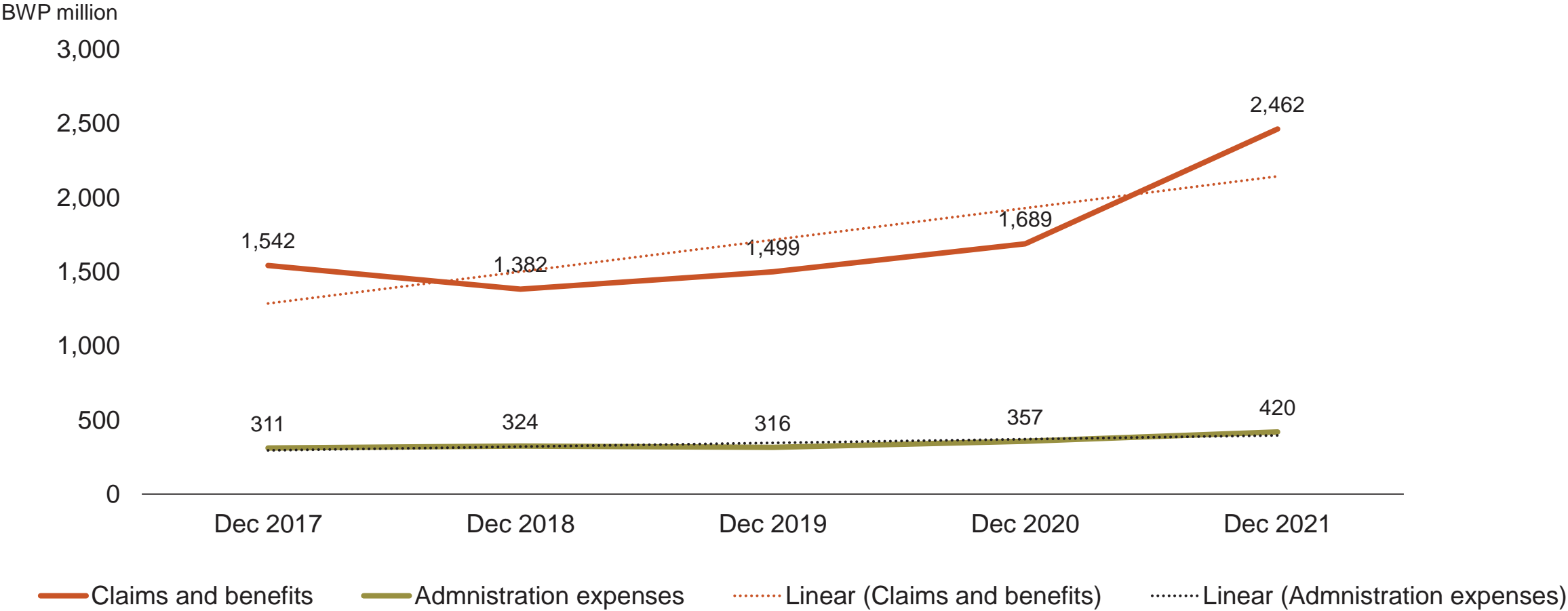


■ Recurring premium ■ Single premium ■ Fee revenue ■ Shareholder investment return

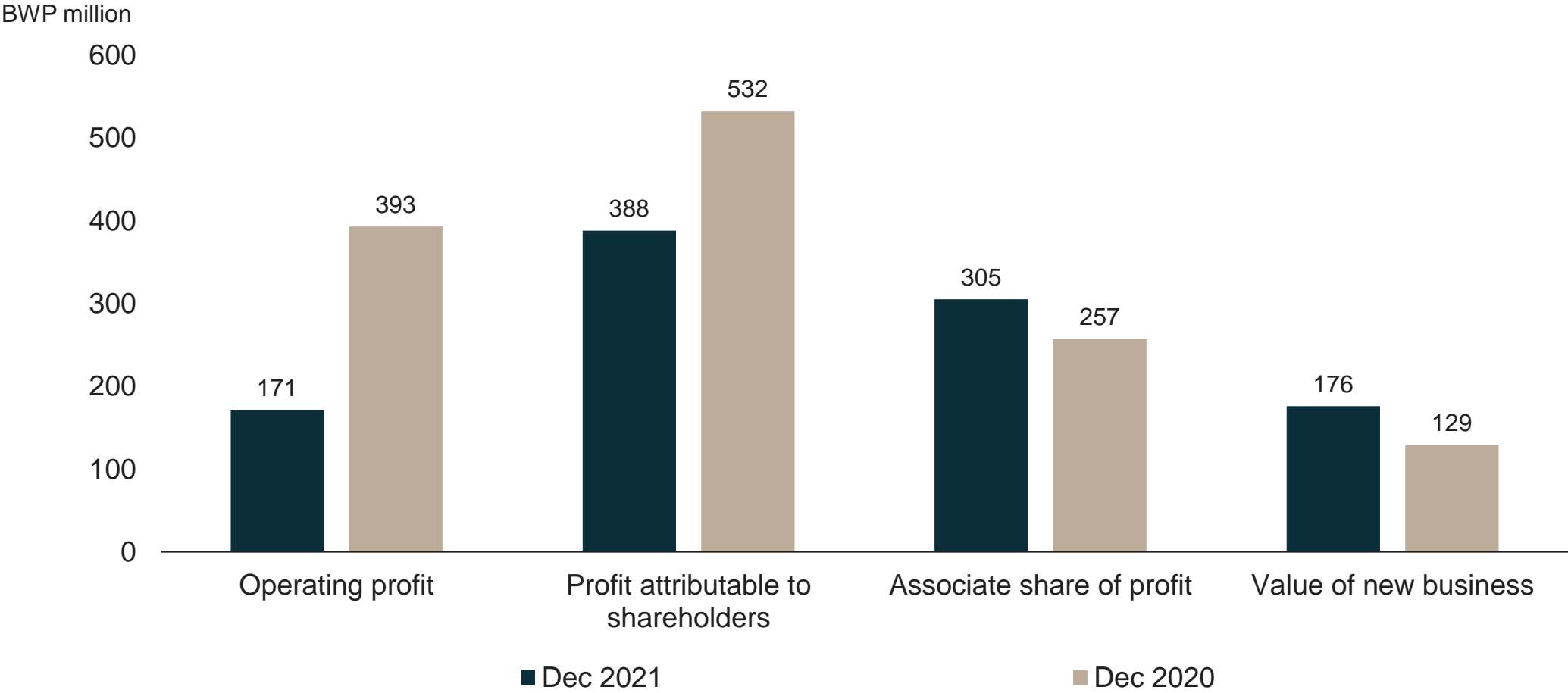
■ Recurring premium ■ Single premium ■ Fee revenue ■ Shareholder investment return

EXPENSES



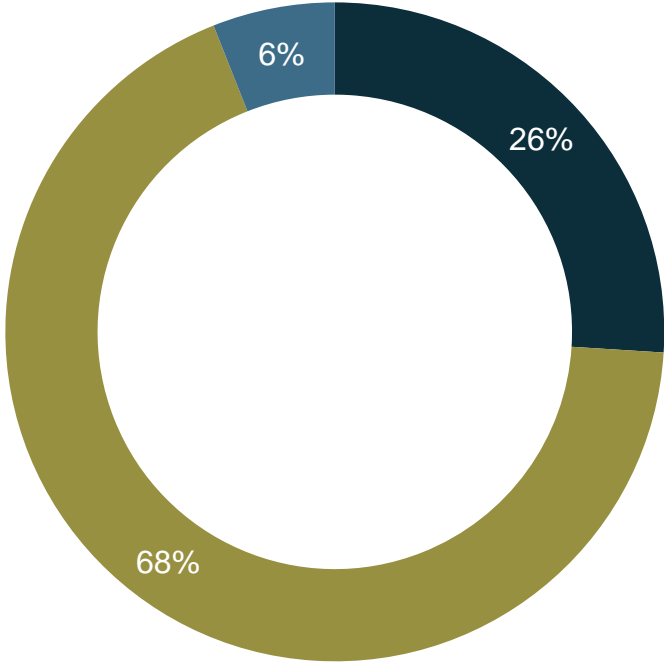


PROFITABILITY



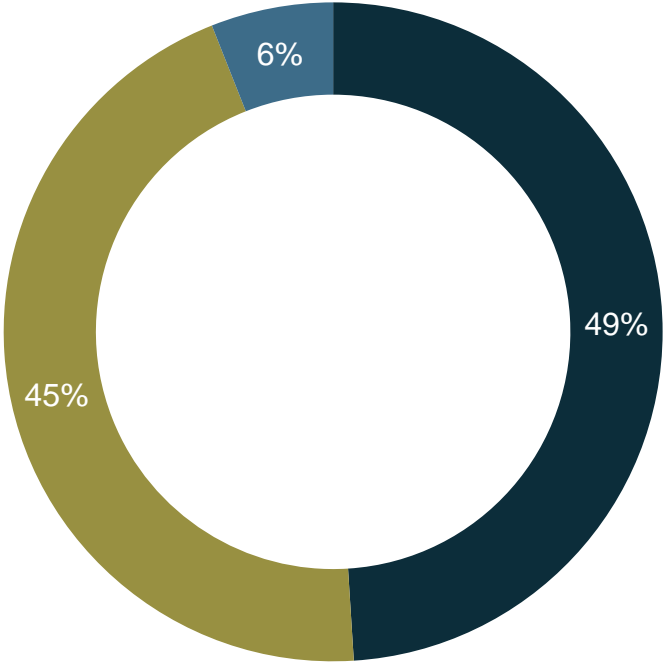
PROFIT SOURCE

Dec 2021



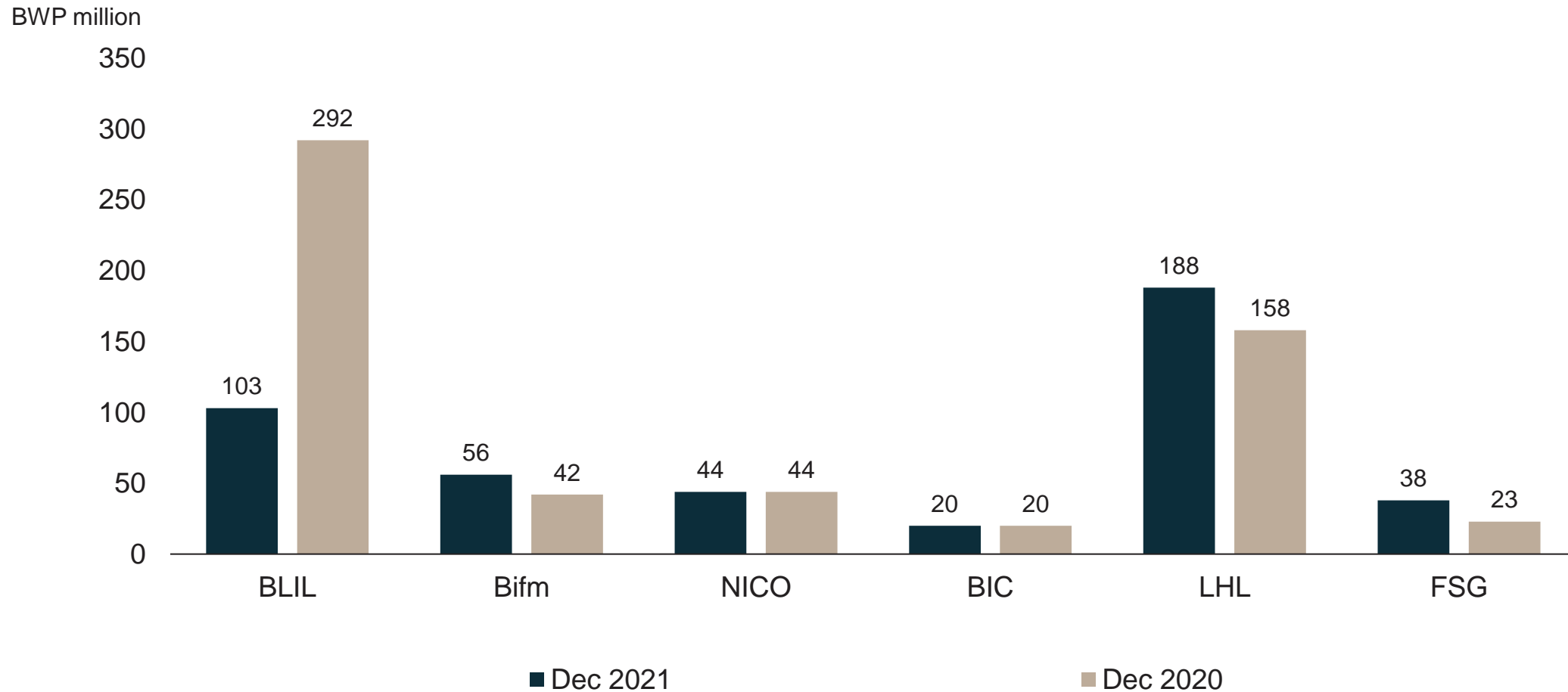
■ Subsidiaries PAT ■ Associate share of profit ■ Investment returns

Dec 2020



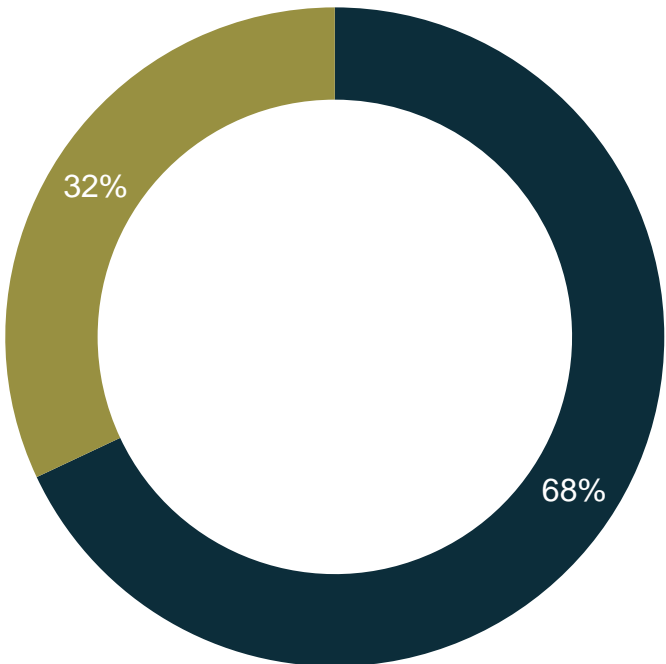
■ Subsidiaries PAT ■ Associate share of profit ■ Investment returns

PROFIT AFTER TAX



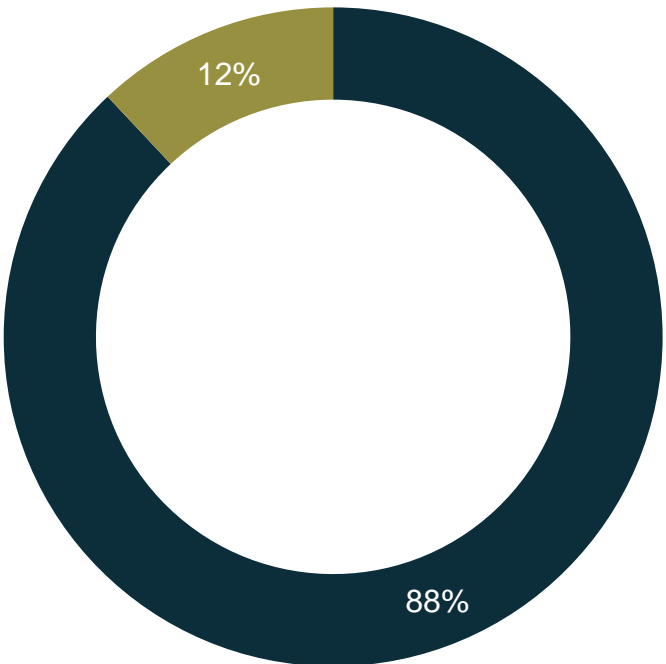
SUBSIDIARIES CONTRIBUTION TO OP

Dec 2021



■ BLIL ■ BIFM

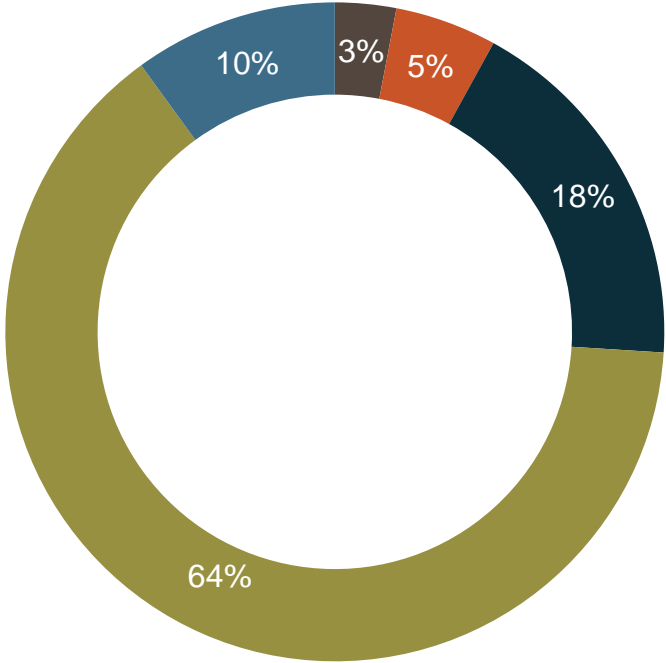
Dec 2020



■ BLIL ■ BIFM

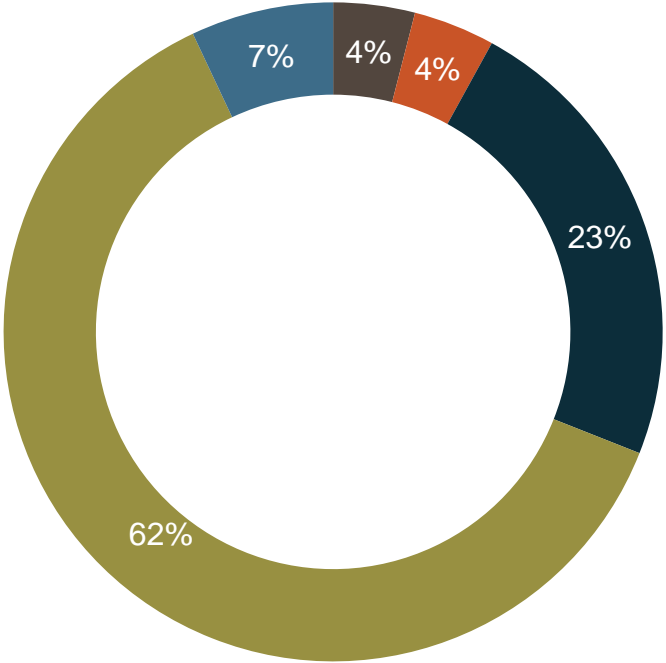
ASSOCIATES CONTRIBUTION TO OP

Dec 2021



■ Aflife Zambia ■ BIC ■ Nico Holdings ■ Letshego ■ FSG

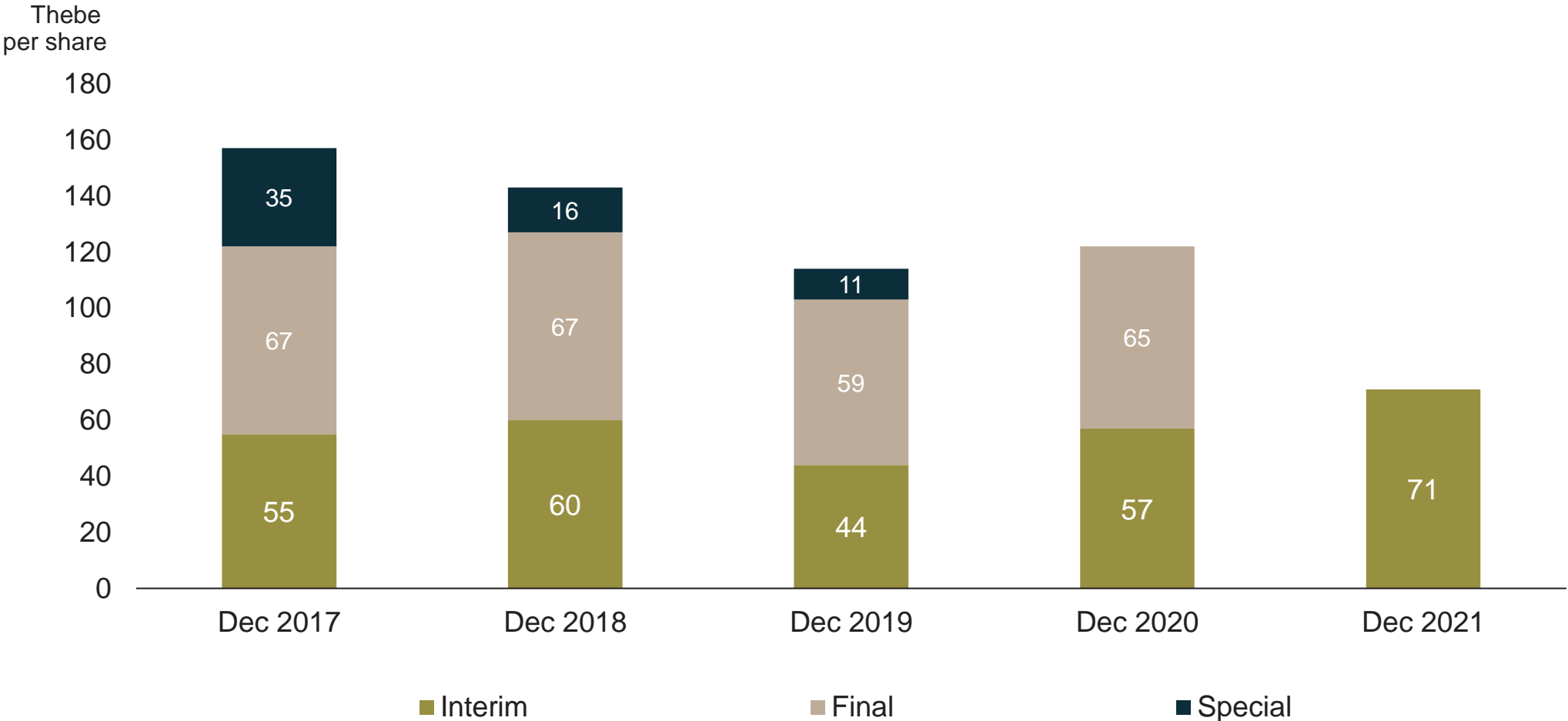
Dec 2020



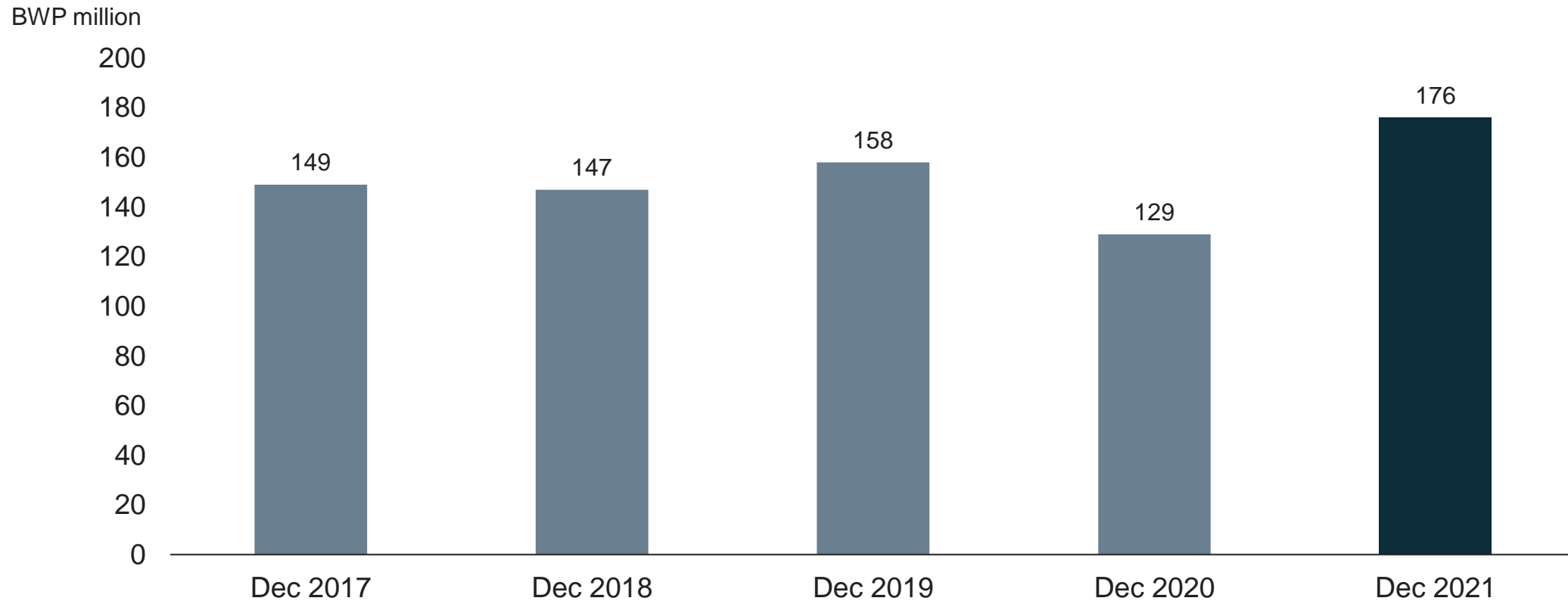
■ Aflife Zambia ■ BIC ■ Nico Holdings ■ Letshego ■ FSG

DIVIDENDS

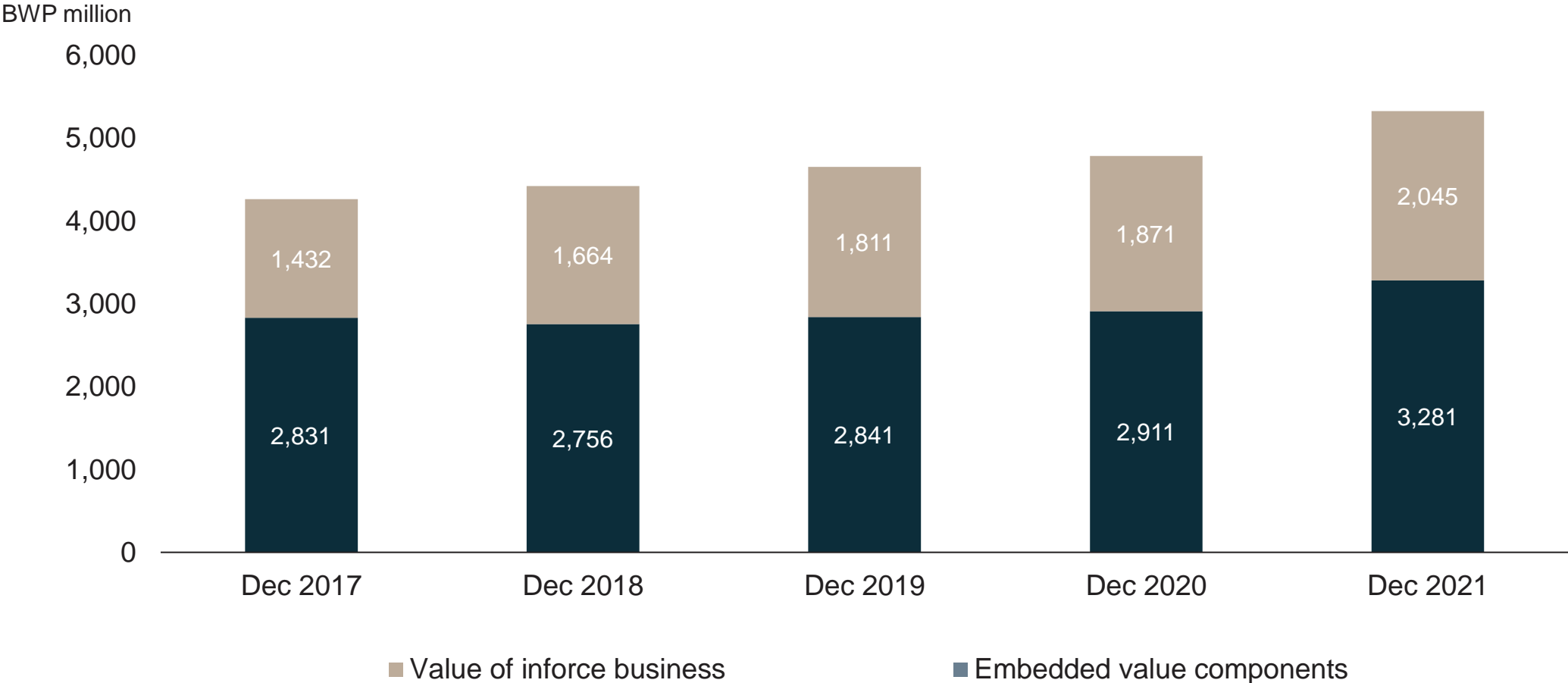
Delivering on our promises



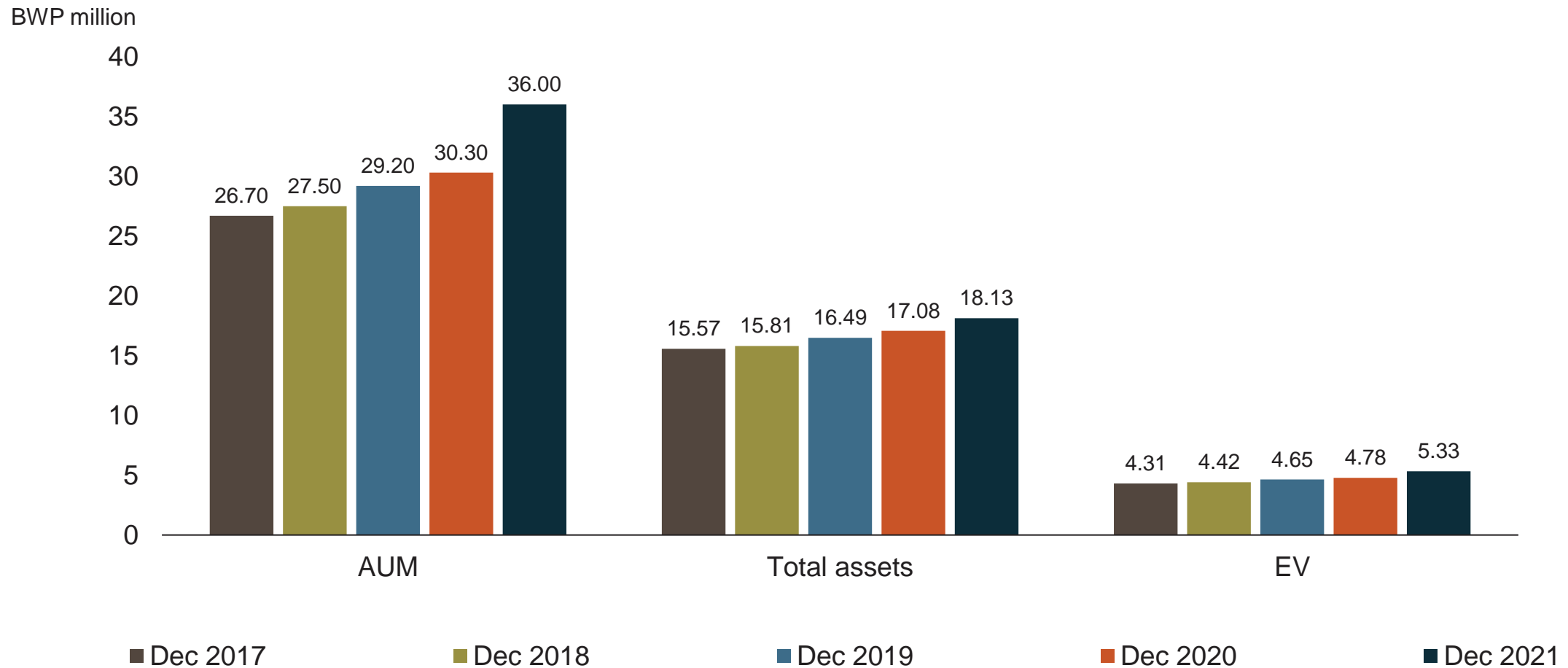
VALUE OF NEW BUSINESS



EMBEDDED VALUE



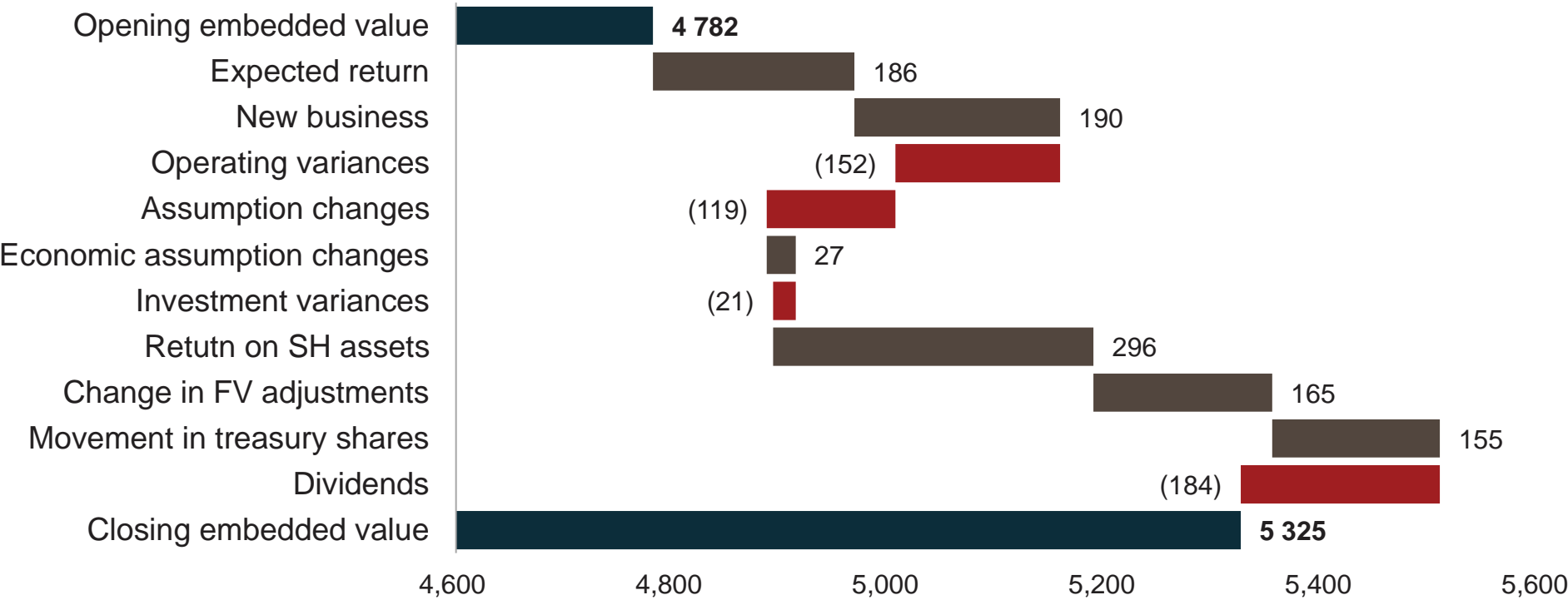
FINANCIAL POSITION



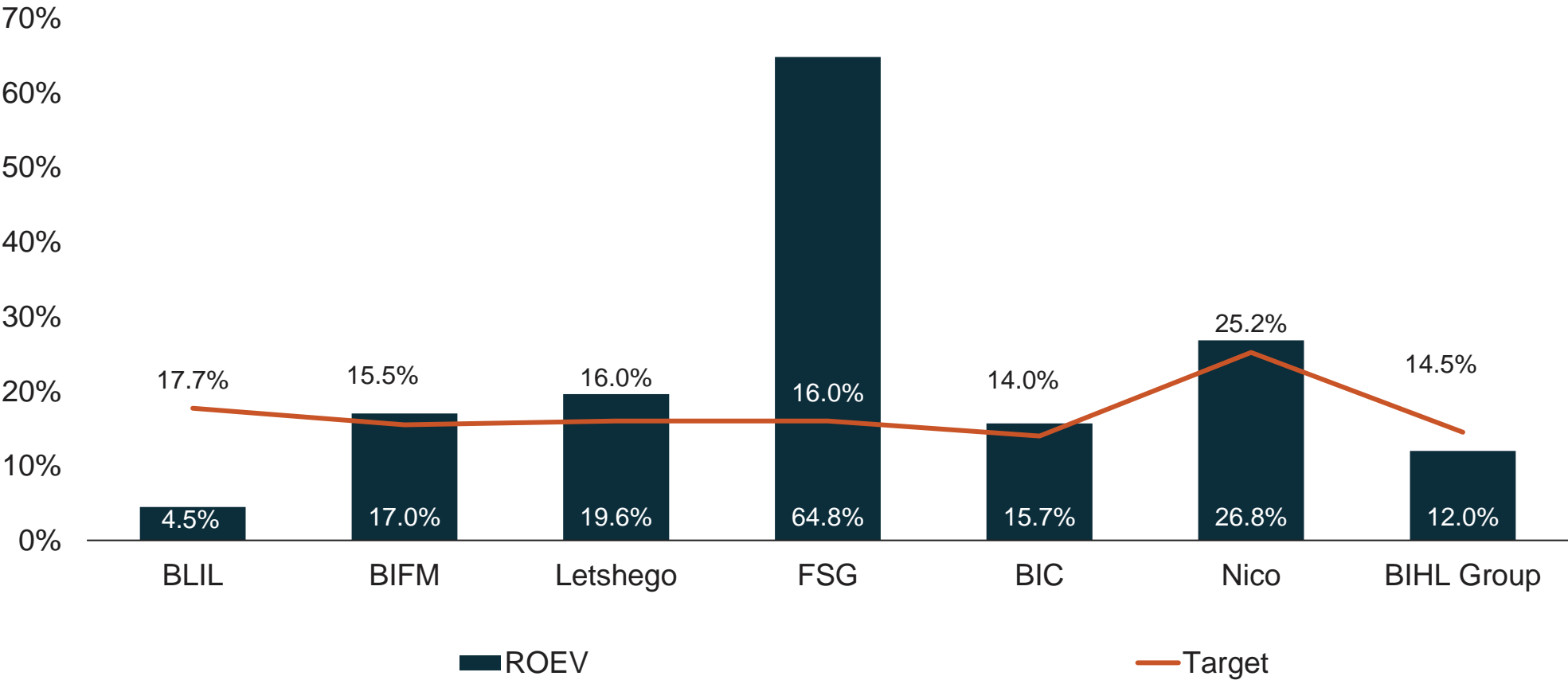
EMBEDDED VALUE EARNINGS

GEV movement

Pm



RETURN ON EMBEDDED VALUE



QUESTIONS?



BIHL GROUP

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Botswana Life

