



Britam Holdings Plc

FY21 Results Investor Presentation

30 March 2022



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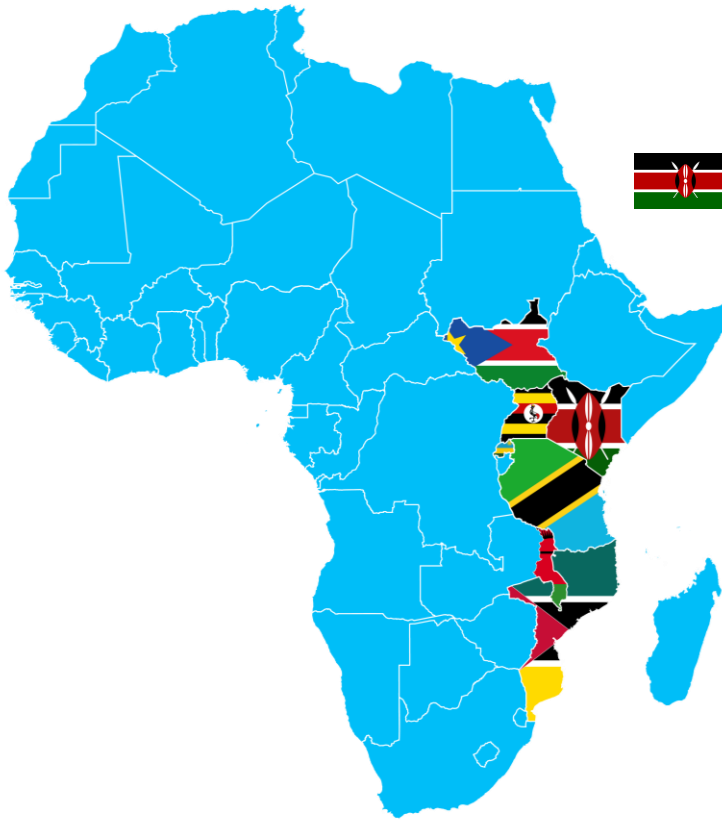
Priorities & Outlook



01 Group Overview

We are a regional diversified financial services Group...

Britam is a leading diversified financial services group listed on the Nairobi Securities Exchange with a presence in seven countries.



Britam Kenya – Headquarters
• Est. 1965

The #1 insurer in Kenya with 13% overall market share:
22% Life (#1)
6% GI (#5)



Britam Uganda
• Est. 2010
• 10% market share (#4)



Britam South Sudan
• Est. 2012
• 38% market share (#1)



Britam Malawi
• Est. 2014
• 13% market share (#2)



Britam Rwanda
• Est. 2012
• 5% market share (#5)



Britam Mozambique
• Est. 2014
• 4% market share (#6)



Britam Tanzania
• Est. 2014
• 5% market share (#6)

Solutions:



Life Assurance



General Insurance



Health Insurance



Retirement Planning

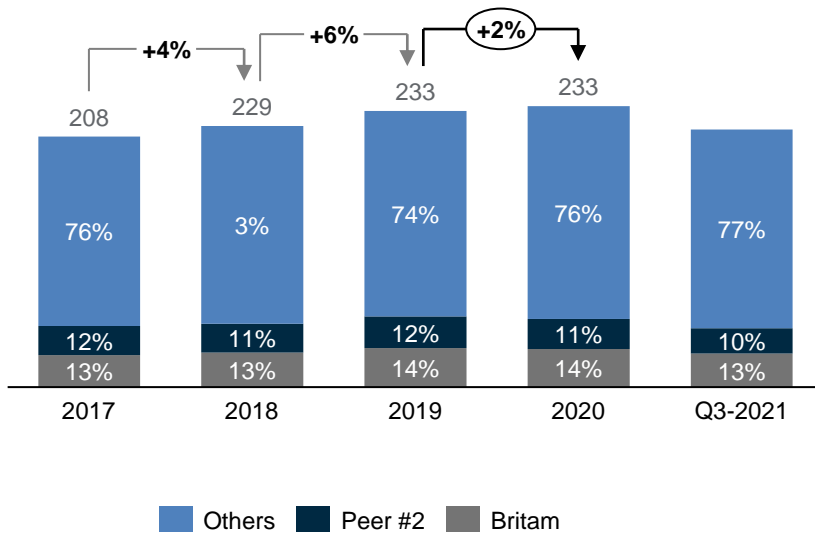


Asset Management



Property

1 insurer in Kenya by Gross Written Premiums (GWP)



- Industry leadership in Combined Life and General Insurance with Share of GWP at 13%*

1 Life Insurer in Kenya



- Maintained Association of Kenya Insurers (AKI) Life Company of the Year Award for 15 years in a row

Our Board Evolving in line with Business Needs



Mr. Kuria Muchiru
Chairman



Mr. George Odo
Representative of
AfricInvest, III SPV 1
(Corporate Director)



Ms. Marianne Loner
Non-Executive
Director



Dr. Peter K. Munga, EGH
Non-Executive Director



**Mr. Jimnah M. Mbaru,
EBS**
Non-Executive
Director



Ms. Josephine Ossiya
Independent
Non-Executive Director



Ms. Caroline Kigen
Independent
Non-Executive Director



Mr. Edouard Schmid
Non-Executive
Director



**Mr. Mohamed S.
Karama**
Non-Executive
Director



Ms. Winniefred Jumba
Company Secretary

Our Executive Team **Aligned to Drive Customer Centricity**



Mr. Charles Njuguna
Group Managing
Director (Ag.)



Mr. Ambrose Dabani
Retail Director



Ms. Carol Misiko
Risk & Internal
Audit Director



Ms. Evelyne Munyoki
Human Resources
Director



Ms. Diane Korir
Customer Experience
Director



Mr. Jackson Theuri
Corporate Director



Ms. Catherine Karita
Strategy & Investor
Relations Director



Mr. Kenedy Aosa
International Business
Director



Ms. Evah Kimani
Partnerships and
Digital Director



Ms. Mulalo Moreo
Legal & Compliance
Director



Mr. Saurabh Sharma
Emerging Consumers
Director

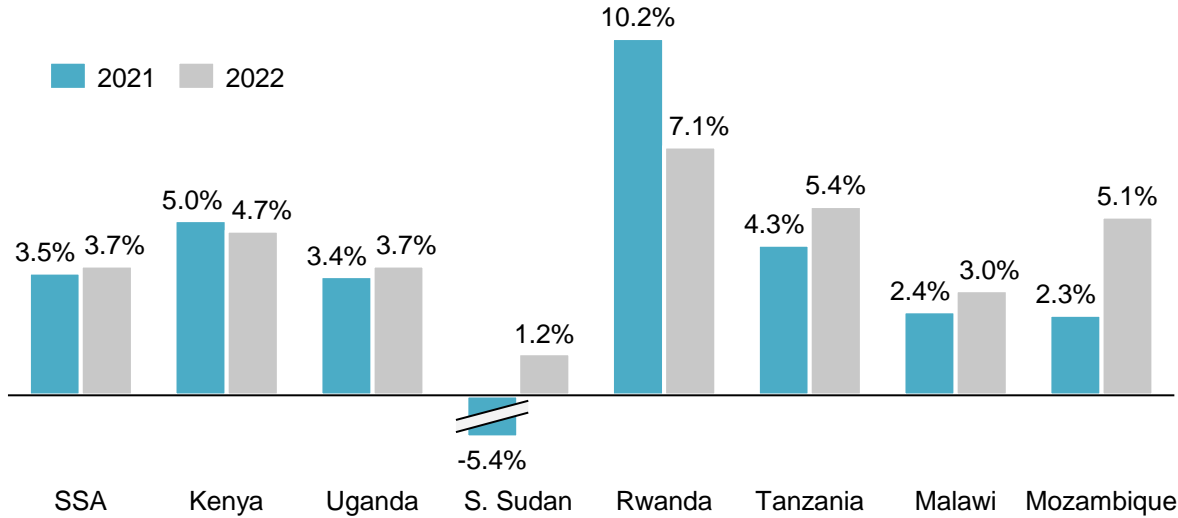


Mr. Zom Chizura
AMC Director

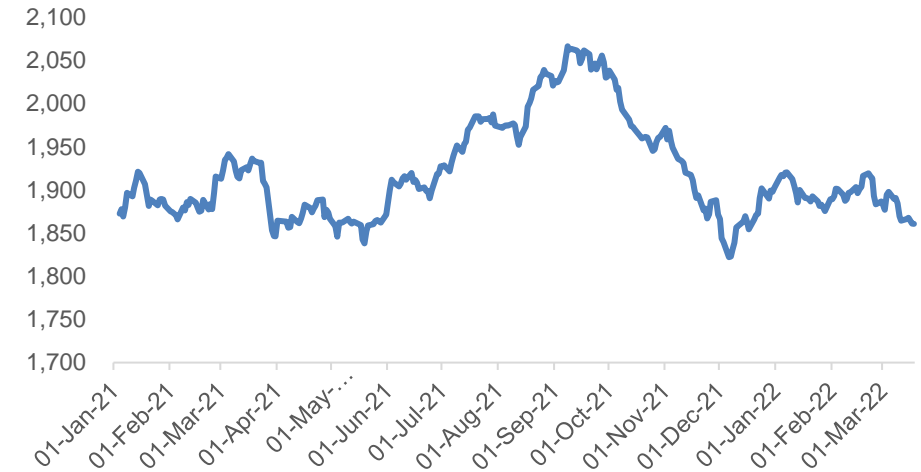
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Operating Environment

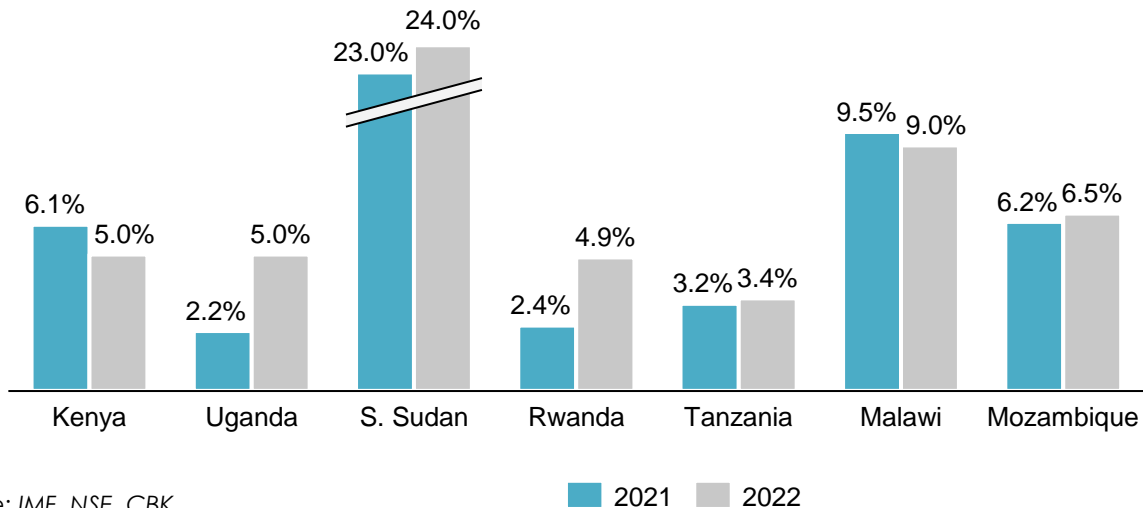
Kenya and the Regional Markets GDP Continue with Recovery Post - 2020



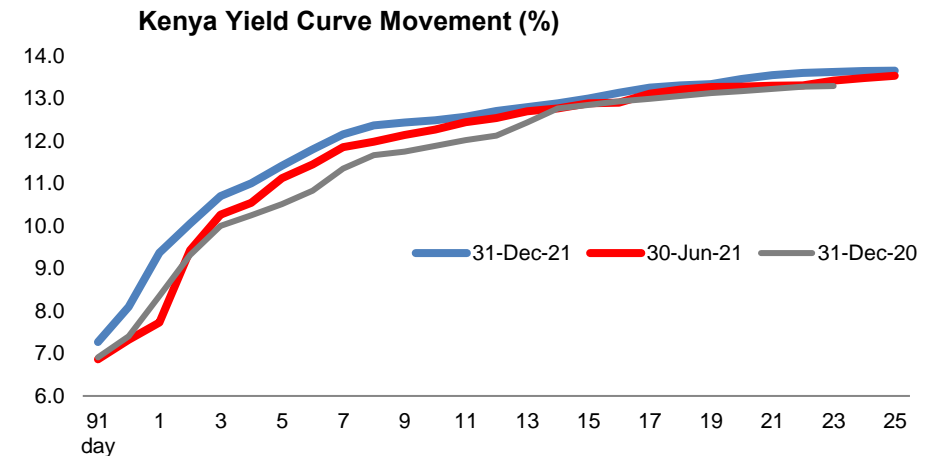
Mixed Market Performance by Listed Equities – NSE 20

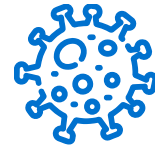
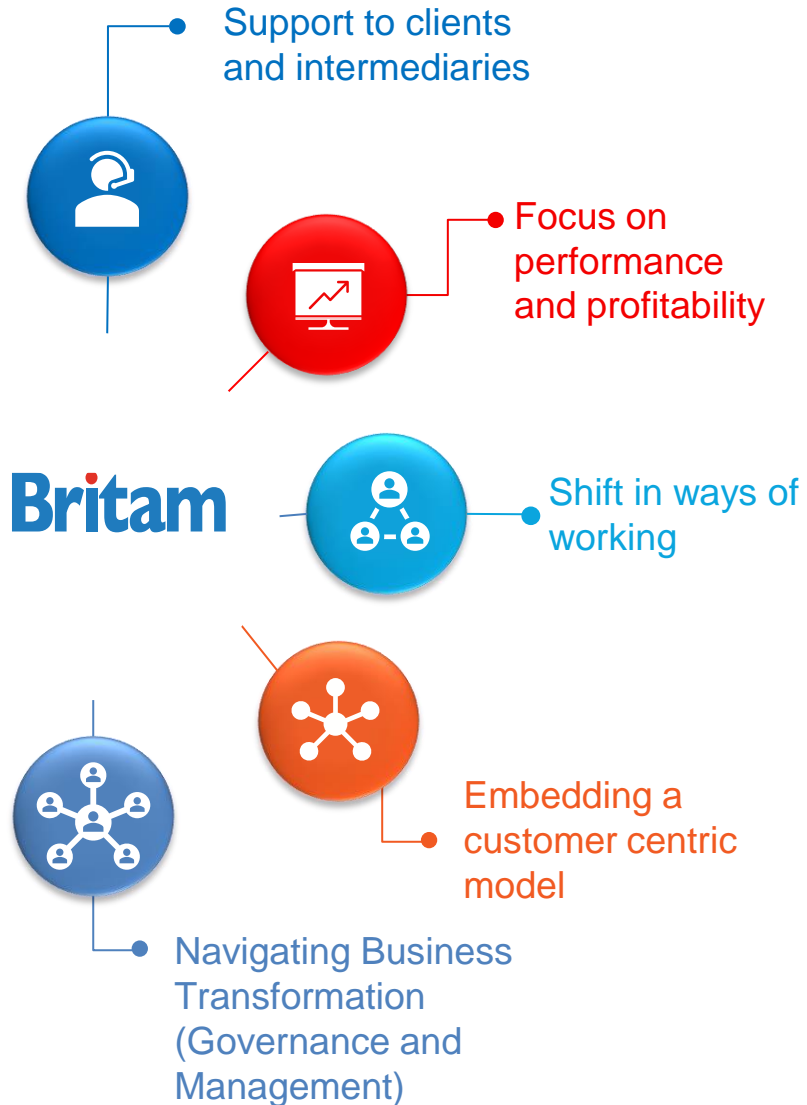


Inflation Across our Markets not Expected to Change significantly - (%)



Bond Yields remain attractive especially LT - (%)





Impact of Covid-19 on clients and businesses

- Economic recovery driving uptake services
- Increasing focus on adoption of digital channels
- Sections of customer base yet to fully recover



Investment Climate

- Performance of listed equities
- Shift towards fixed income
- Property performance yet to recover.



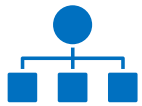
Dynamic Macro - Environment

- Growth with GDP recovery across markets
- Exchange rates remain under pressure
- Inflation pressure remains



Competitive pressure

- Increasing competition from both traditional and non-traditional players
- Rivalry among players sustaining pressure on margins.



Customer-centric model in place to deliver #OneBritam experience

- Kenyan Businesses are now aligned along the fully functional and resourced segments.
- Lean executive team in place



Growing topline & Improved Efficiency

- 12.8% growth in Gross Earned premium and Management fees
- 2.1% Drop in Normalized Operating Expenses
- Drop in Normalized Opex ratio to 32% (36% in 2020).



Investments Strategy Growing Returns

- 15.7% growth in investment Income
- Portfolio rebalancing to reduce the volatility of earnings in progress
- Outsourced management of Kilimani Serviced apartments to optimize returns.



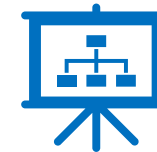
Continued growth & profitability of international businesses

- 25.5% contribution total Gross earned premiums (GEP).
- 3.3 percent growth of regional units GEP



Leveraging on technology

- Refreshed our IT strategy in line with our new business strategy.
- Continued enabling digital capabilities for our customers and intermediaries on our platforms
- Resourcing of new capabilities in line with new IT strategy.



Resolving areas of Concern

- Improved motor underwriting and focus on new business lines
- Improving property occupancy favorable to valuations. Britam Tower closed the year at 86% ahead of 75% year-end target.
- HF – 65% drop in share of loss



Strategic Partnerships

Banca-assurance partners

Health providers

- M-tiba

Telcos

Vodacom Tz

MTN Uganda

Others – Cellulant, Kava,

Koa, Little cab, Bi-smart



Focus on Emerging Consumers

Leadership in unlocking access to insurance for the unprotected population segments – Largest micro-insurer (IRA) Agricultural organizations.

- Kinga ya Mkulima - KTDA
- Soko Afya – Twiga foods
- Afya Tele



Support to Our Retail Customers

- Trusted to support families' health, education, and businesses with a wide array of financial solutions
- COVID-19 Cover



Support to Corporate Customers

- Continue to support business and institutions to achieve their financial goals
- Afya Pension – Post Retirement Medical Cover

03 Strategy Review

Strategic Focus: **The EPIC² ..#OneBritam Strategy**

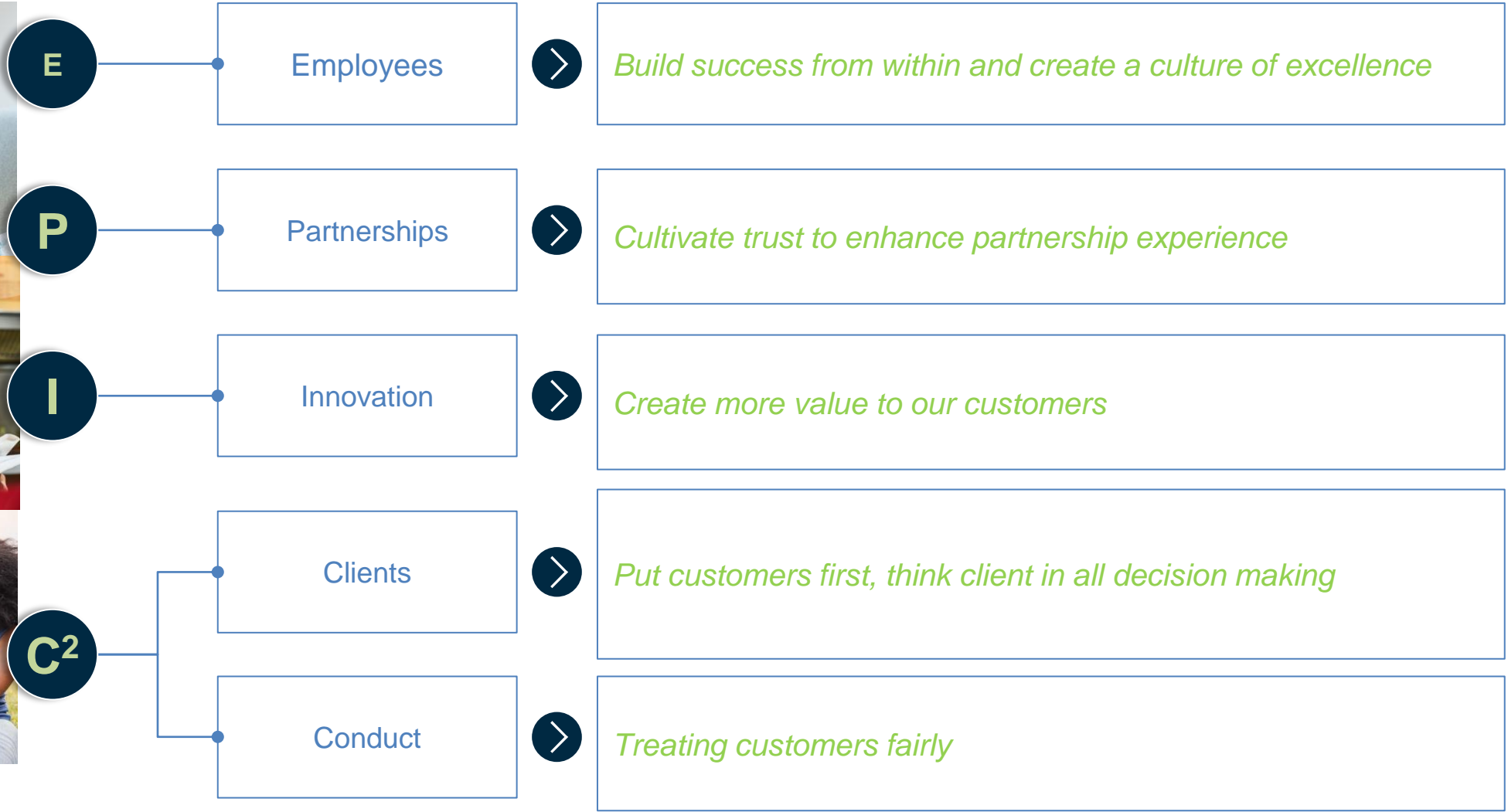


- We will transform Britam by putting **Customer needs** at the centre of everything we do
- Our Customers will experience “One Britam”; We will deploy deep customer insights and data analytics to understand their needs and provide solutions they want.
- We will leverage our **People, Technology and Culture** and enable our partners to deliver meaningful interactions, satisfying experiences, all the time

The 2021 – 2025 Strategy is about
Delighting the Customer

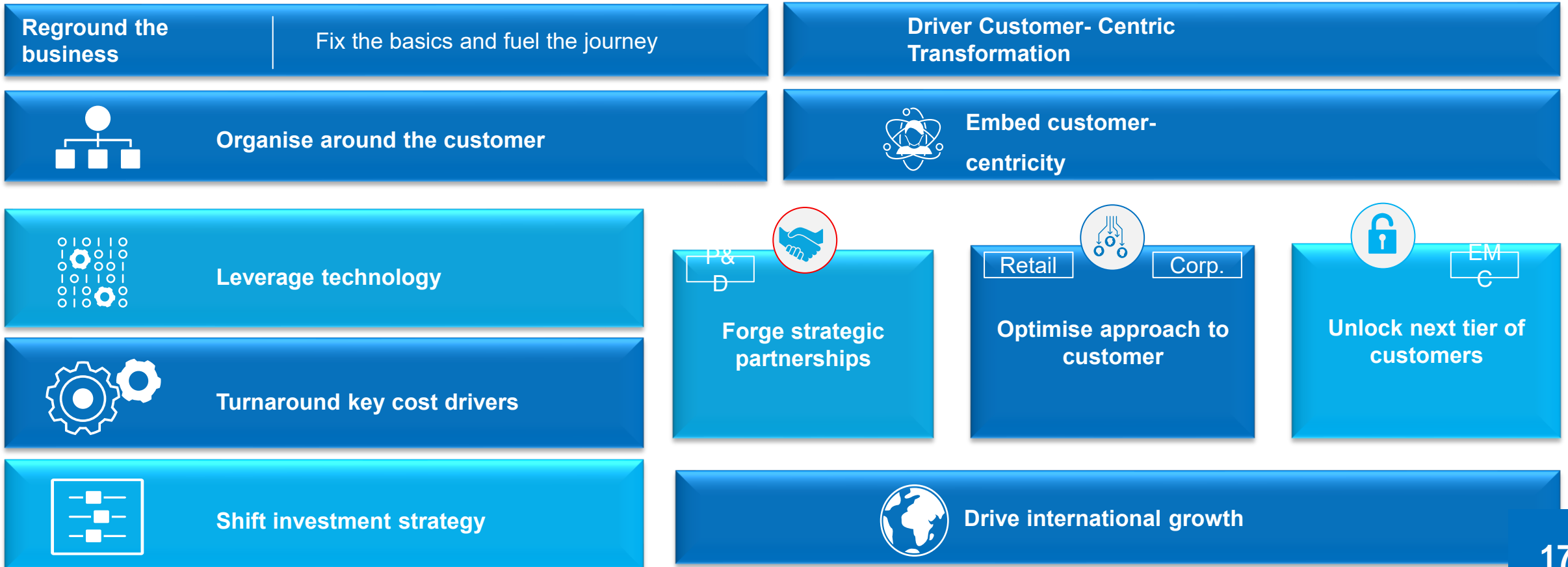
EPIC² ..#OneBritam

Strategic Focus is about Offering Customers an EPIC² Experience



Our EPIC² Strategy is Transformational from the Core

Our Strategy draws on a transformational vision to grow customer base through focus on customer centricity – while strengthening our foundations



04 Financial Performance

Gross earned premiums and
Fund management fees



+12.8% Up YoY, to Shs 32.5 billion

Investment Income (Interest & dividends)



+15.7% Up YoY, to Shs 10.9 billion

Operating Expenses



Down -15.8% YoY, to Shs 11.3 billion
(Opex Ratio 44% (2020 – 57%))

Profit Before Tax



Shs 1,011 million (FY20 LBT Shs -9,698 million)

Normalized Operating Expenses*



Down – 2.1% YoY, to Shs 8.1 billion
(Opex Ratio 32% (2020 – 36%))

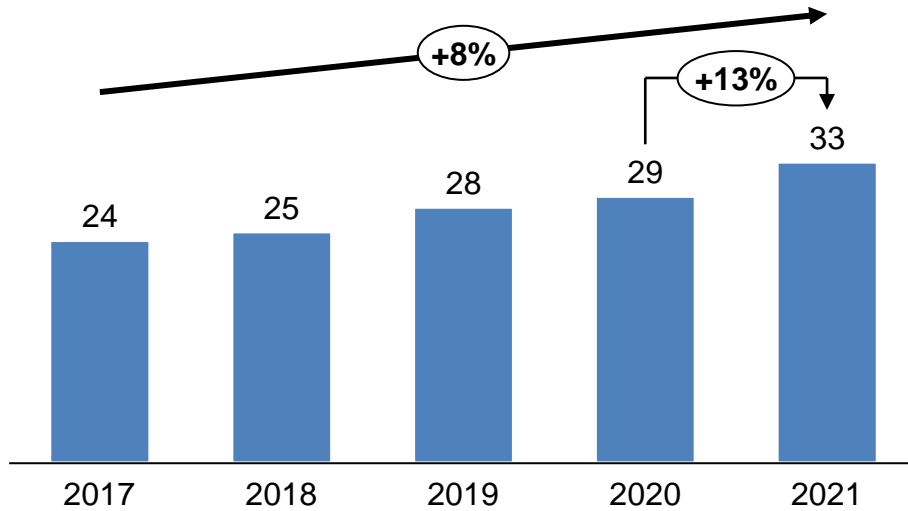
Normalized Profit Before Tax*



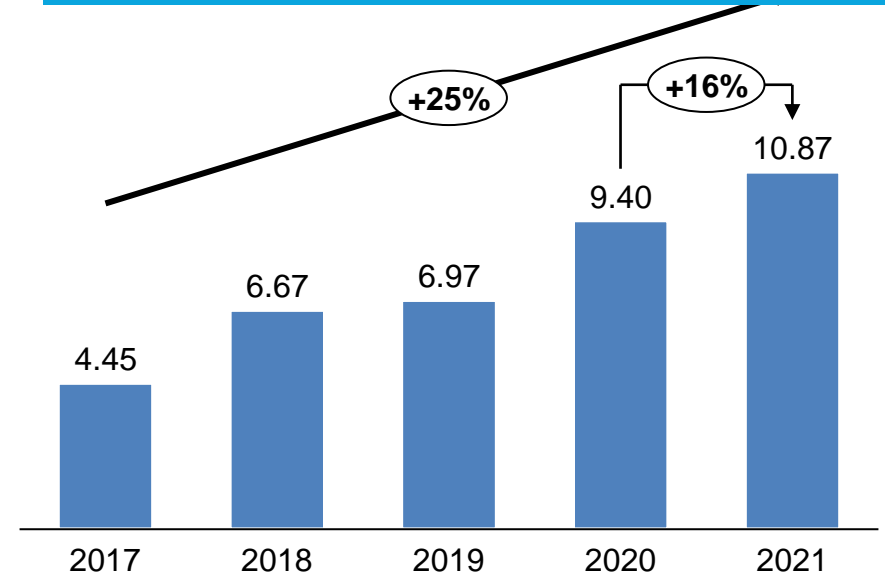
Shs 4,254 million (FY20 LBT Shs -4,491 million)

* Normalized excludes the one-off of Shs 3,243 million (2020 – Shs 5,207 million)

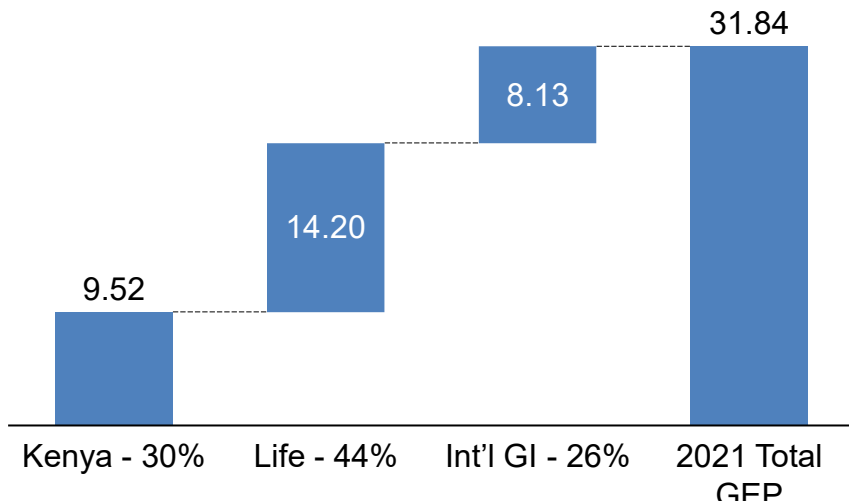
GEP and Fund Management Fees – Shs billions



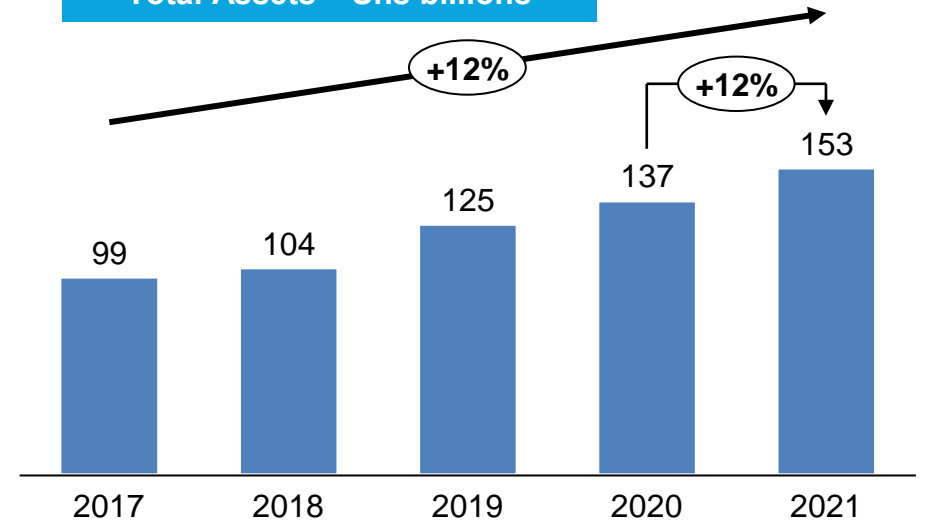
Interest and dividend Income – Shs billions



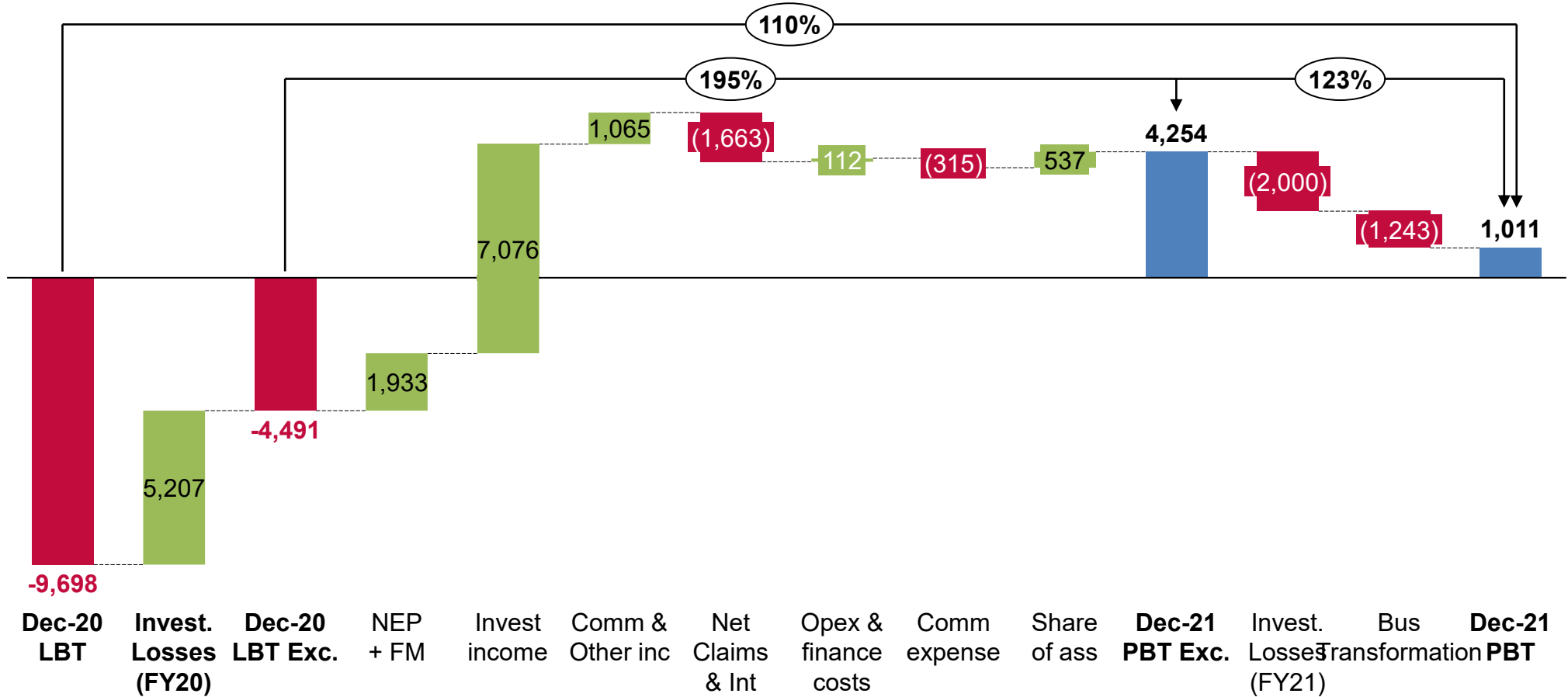
GEP Contribution Kenya and Region – Shs bn / %



Total Assets – Shs billions



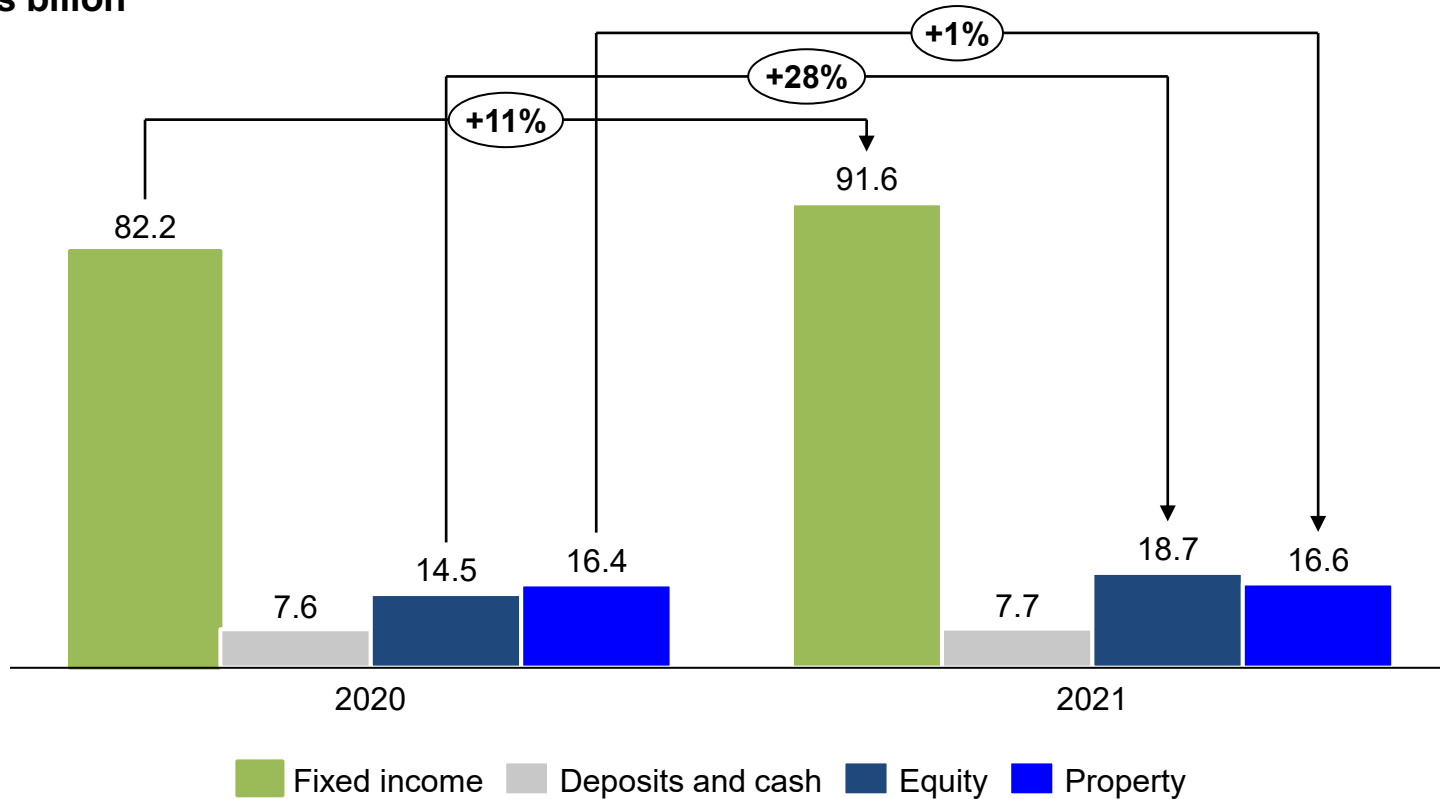
PBT Driven by Revenue growth and investment returns



Results impacted by:

- Growth in Net earned premiums
- Increase in Investment Income (Interest, fair value gains)
- Increase in commission and other income
- Claims and interest from growth and higher units returns
- Growth in Commission paid inline with GEP
- Drop in the share of loss from HF

Shs billion



Shift in Investment Strategy with outcomes below:-

Fixed Income + 9.4 billion



Equities + 4 billion



Property - flat +153k



Deposits and Cash flat + 94k

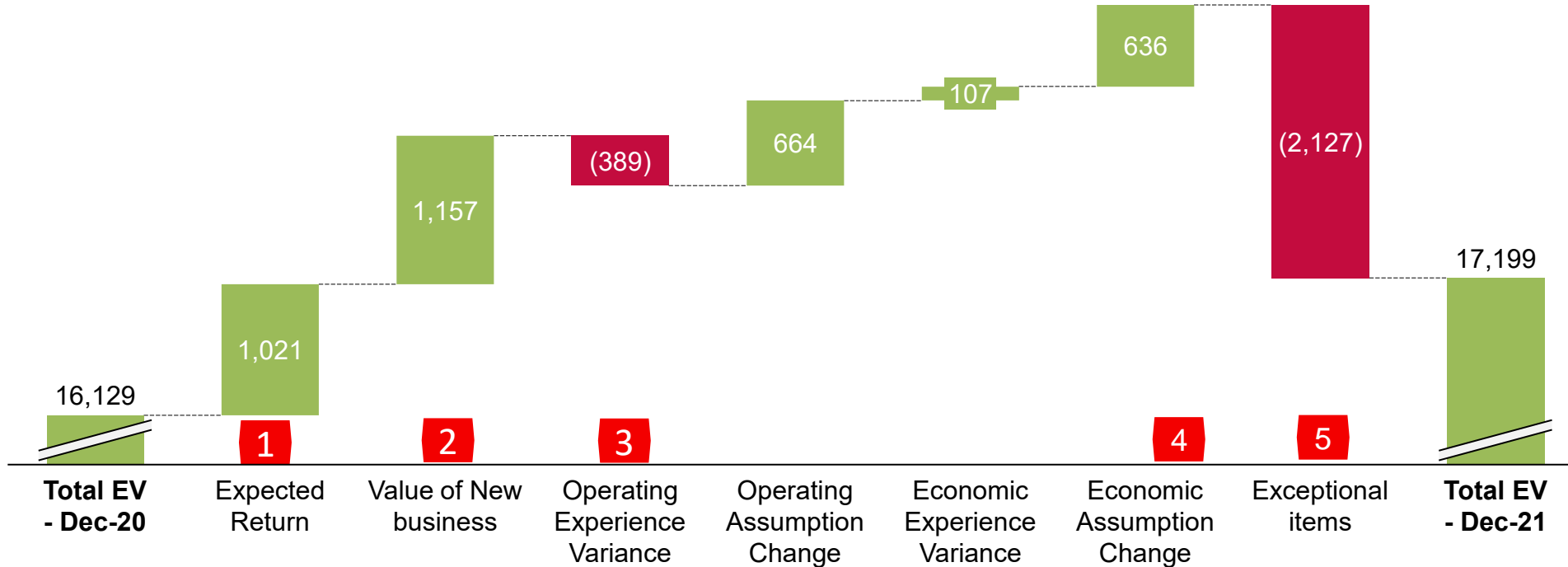


The increase in assets driven by:-

Fixed Income – Increased allocation

Equities – Fair Value Gains

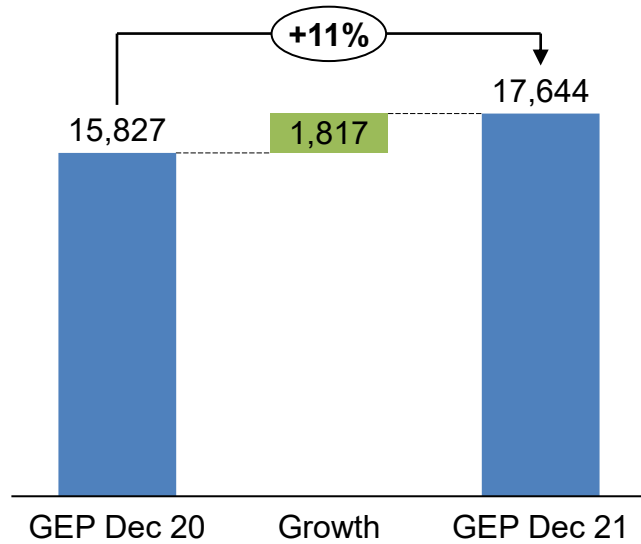
EV records recovery achieving an annualized growth of 6.6 Percent



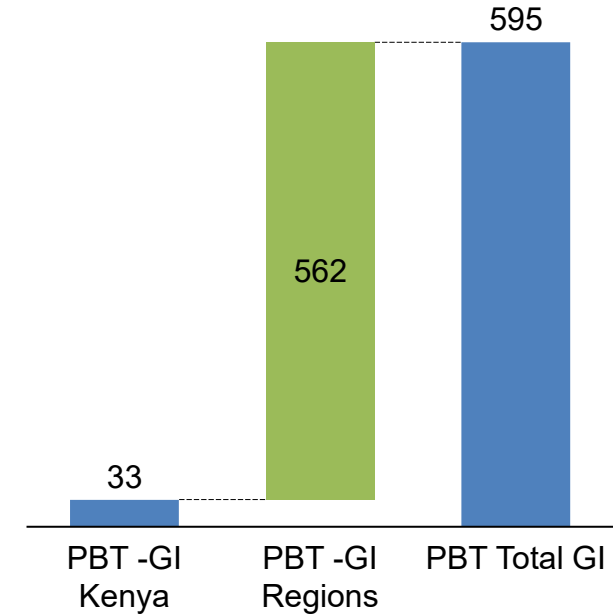
- 1** Positive EV earnings from expected releases in margins in the reserves.
- 2** Positive value of new business from profitable business written.
- 3** Actual operating experience worse than anticipated mainly the impact of lapses.
- 4** Improvement in investment experience.
- 5** Exceptional items result from opening adjustments to reserves and PVFP to account for a change in tax application on annuity benefit payments; change in inflation risk premium from 4% to 1.5% to reflect experience; and a change in the PVFP yield curve from yield to maturity curve to a derived spot curve. One-off costs were also incorporated.

Regional GI Units Continue to Support Group's Total GI Profitability

FY 20 / 21 GEP Growth



Combined GI PBT – Shs mn



Total GI GEP Growth of 11%

GI Kenya +20%

GI regions +3.3%

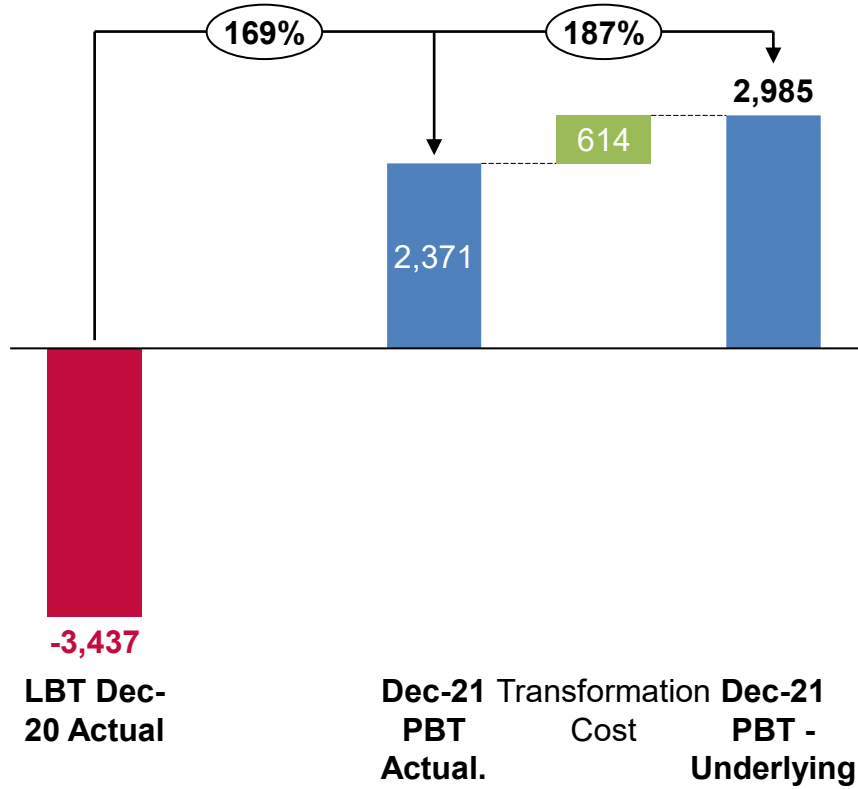
Total GI PBT Contribution

GI Kenya - 6% - Shs 33 m

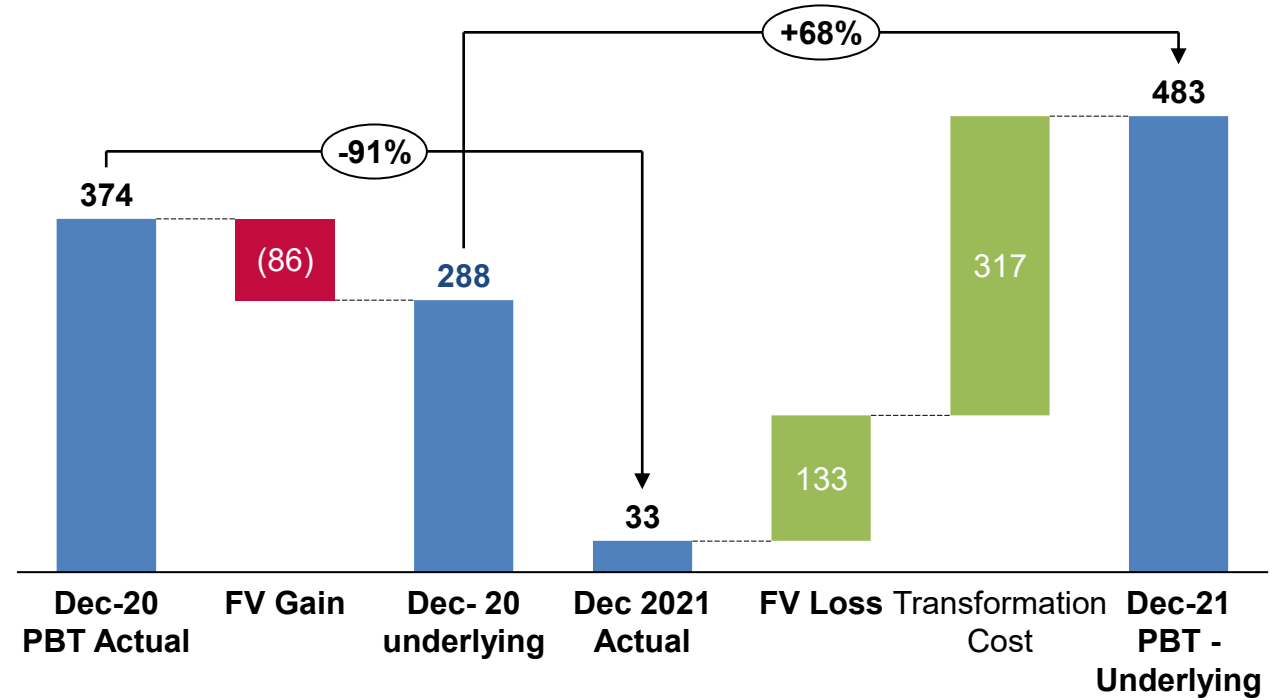
GI regions - 94% - Shs 562 m

Life and GI Deliver Strong Underlying Results

Life Business Underlying PBT



GI (K) Underlying LBT



Life PBT Growth

Actual PBT +169%

Underlying PBT +187%

GI Kenya PBT Growth

Actual PBT - down 91%

Underlying PBT +68%

Key Ratios for the Group records improvement

Key Metric	Group		Life			GI Kenya		GI Regions		
	FY21	FY20	FY21	FY20		FY21	FY20	FY21	FY20	
Opex Ratio	44%	57%	26%	25%		35%	37%	45%	39%	
Underlying	32%	36%	21%	23%		31%	37%			
Loss Ratio	N/A	N/A	-	-		65%	65%	60%	42%	
Underlying						68%	68%			
ROE	0.4%	- 53%				-	-			
Underlying - ROE	15%	- 18%	-	-		-	-	13%	24%	
Solvency			119%	136%		149%	160%			
Underlying	-	-	119%	136%		149%	160%	-	-	

Key Properties

Britam Tower



- Grade A 31 storey property with EDGE certification as a green building.
- The occupancy level beat 2021 target of 75% to close at 86% in Dec 2021.

Kilimani Serviced Apartments



- Hotel Serviced Apartments Launched in Q1 2022 under the Brand Somerset.
- Under management by Ascot

Britam Centre



Grade B, 8 storey & 8,600 Sq m² building located at the upper hill area of Nairobi.

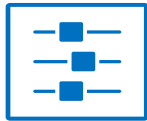
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Priorities and Outlook



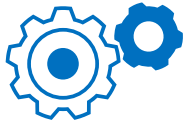
Growth and Expansion

Seeking opportunities for Regional Expansion
Expanding our distribution
Growth through Partnerships & Digital and Emerging Market Consumers



Shift in Investment strategy

Continue to drive optimization of returns from our investments.
Strengthen solvency levels



Turning around key cost drivers

Deliver further cost savings from the business transformation
Drive operational and cost efficiencies capitalizing on our investments in technology



Organizing around the customer

Continue to Embed the Customer Centricity
Developing targeted, customized offerings & grow customer base.
Continue leveraging strategic partnerships to drive scale, unlock the next tier of customer



Leveraging on technology

Optimize the current IT platform and continue with the transformation journey in line with the new business operating model



Cautiously optimistic of continued economic recovery supported by the turnaround of businesses from the adverse effects of the pandemic but risks remain from emerging challenges.



Political environment in Kenya and its impact on the macro economic indicators to remain an area of focus as we approach General Elections in August



Inflation rate expected to remain within the government's target. global oil prices expected to continue putting pressure on the inflation rate.



Britam

With you every step of the way

Thank You