



INVESTOR BRIEFING HALF YEAR 2021

Agenda

1. Overview and Transformation Initiatives

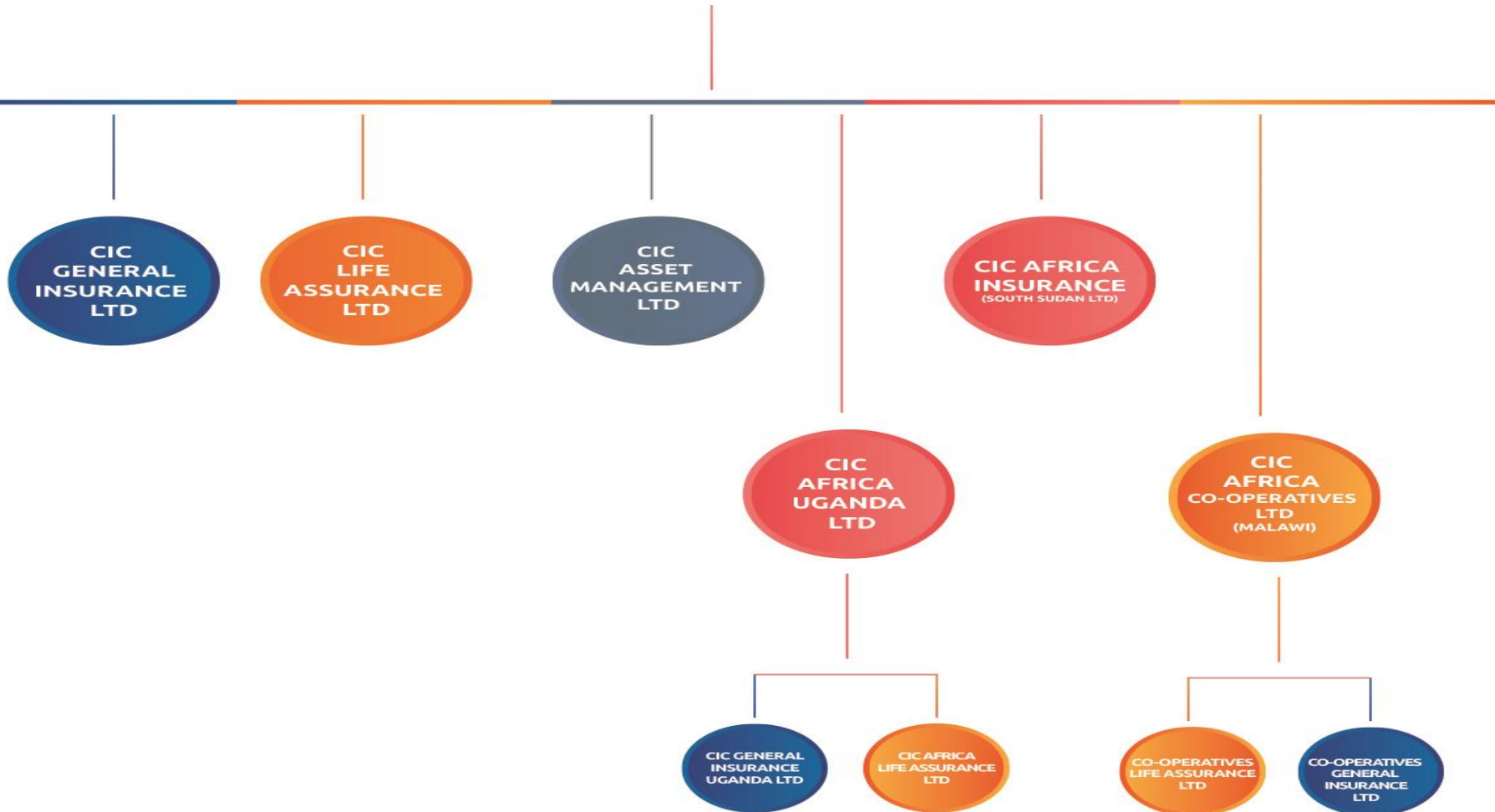
2. Economic Overview

3. Financial Performance

4. Geographical Segments Performance

OVERVIEW & TRANSFORMATION INITIATIVES

GENERAL • LIFE • HEALTH • ASSET



GENERAL • LIFE • HEALTH • ASSET



Group Performance Overview



Principal drivers of Group Performance

- ❑ GWP growth driven by a strong performance in all the subsidiaries except South Sudan.
- ❑ General insurance improved significantly with focus on cost control and claims management.
- ❑ COVID-19 pandemic impacted our Group Life business. Remains resilient with 21% growth.
- ❑ Investment income saw a marked improvement due to unwinding of prior year exchange losses in South Sudan and gains from our equity portfolio.
- ❑ Additional provisions on account of IFRS 9 provisions resulted in an increase in expense base.

Transformational Initiatives

The transformation will focus on the following key areas



Functional Organization structure

- Continue to restructure the company functions to support achievements of the Group objectives in Kenya and the Regions.
- Management of staff numbers and alignment to strategy.



Digitization

- Implementation of Digital Strategy
- Increasing/developing digital platforms in all our businesses
- Focused digital group in General business
- New portals for General Insurance & CICAM (Asset Management)



Operational efficiency –

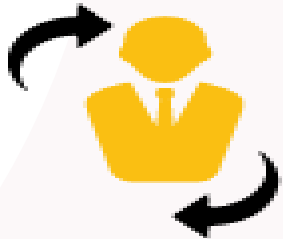
- Improved systems uptime,
- Conclusion of systems issues in Premia and AX ,
- New CIC Life system implementation,
- Focus on regional country systems ,
- Implementation of Customer Relationship System (CRM) for better sales

Transformational Initiatives



Data analytics:

- Data is very critical to sales and decision making
- Consolidation of our disparate systems for ease of mining data
- Implementation of data management system (CRM)



Performance Management

- New KPI tool implemented
- Quarterly appraisal with effect from Q1-2021
- No Cola salary reviews purely based on performance
- Significant review of HR policies
- Enhance staff engagement and productivity

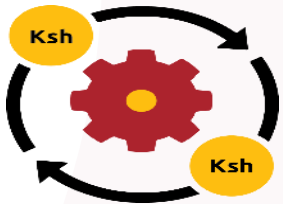
Transformational Initiatives

The transformation will focus on the following key areas



Innovation/ Research & Product Development

- Established the unit and staffed it
- Agile product development involving customers
- Review of our products to ensure relevant to customers
- Development of new products eg. Micro Insurance penetration products



Cost Optimization

- Enhancement of sourcing and procurement process as well as facilities management
- Review and re-engineer various processes e.g claims across the group

Transformational Initiatives



Risk and Compliance

- Increased focus on Risk Management and compliance
- Significant improvement on disciplinary process
- Increased the number Fraud Risk Officers
- Significant focus on fraud with zero tolerance to fraud and integrity issues
- Focus on Anti Money Laundering (AML) & Counter terrorism financing (CTF)



Sales force effectiveness

- Development of target customer hit lists in all our business
- Frequent visits to customers. Be on the face of the customer
- Frequent staff meetings to discuss sales progress plus other customer service issues

Transformational Initiatives

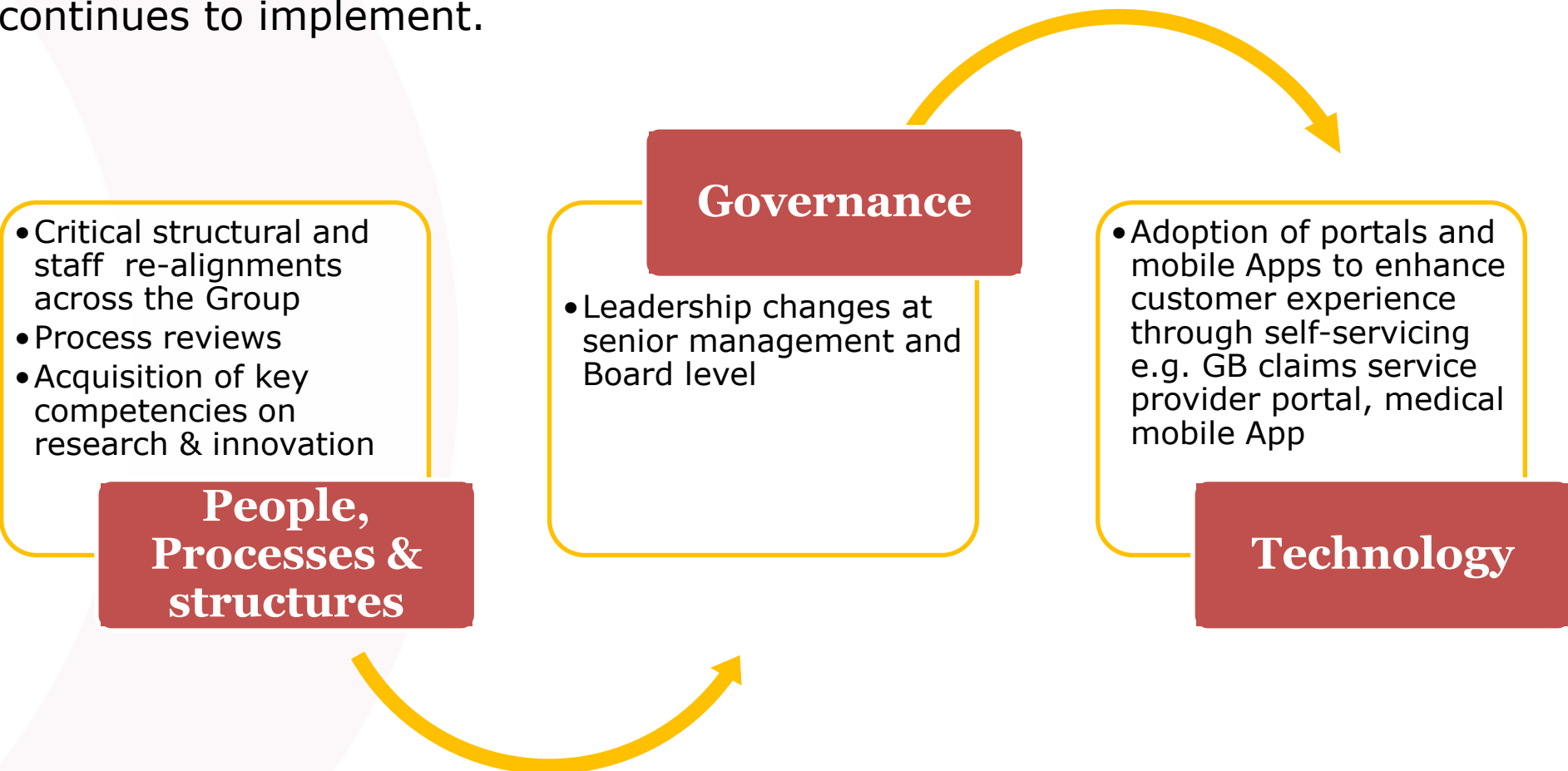


Co-operative Strategy

- Refocused the team to Sacco's , Transport Housing & Infrastructure ,Agriculture and Other Sacco's
- Visitation to the Sacco's
- Product review awareness to co-operatives
- Specific educational seminars for Sacco's regionally and nationally
- Focused and regular client visits to the Sacco's

Some Key Highlights

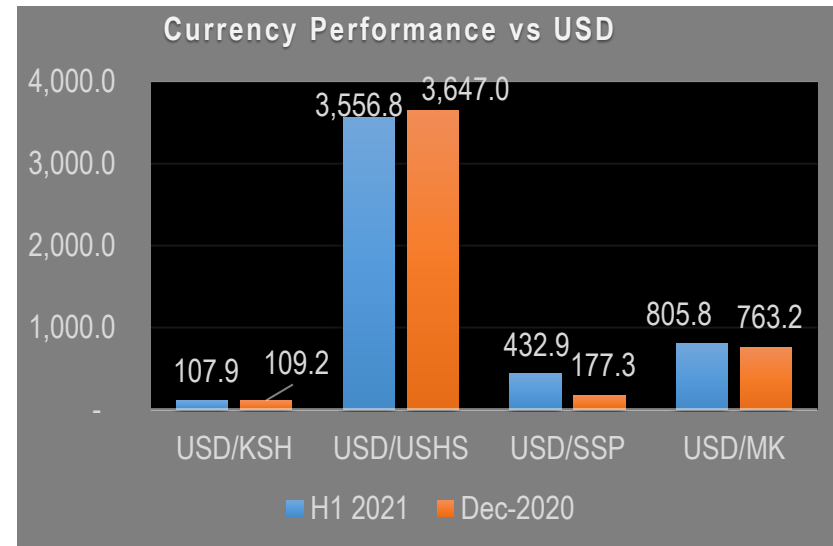
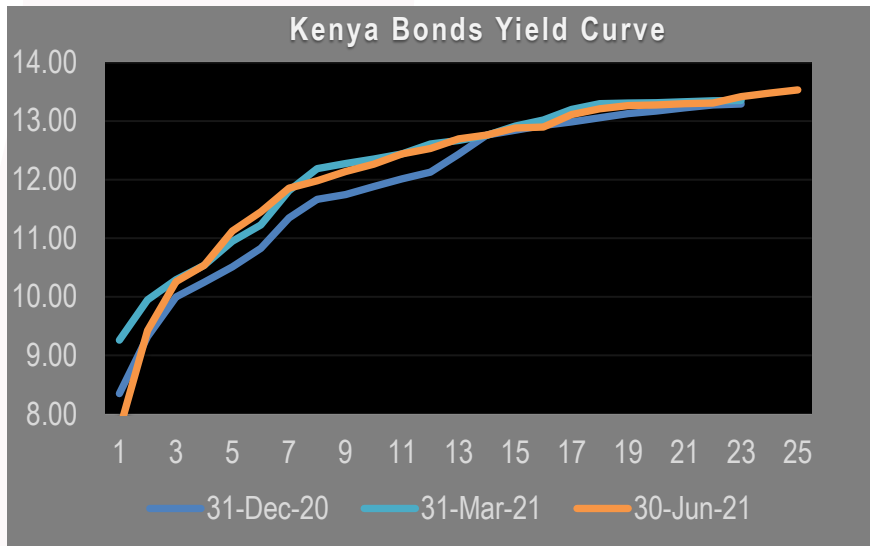
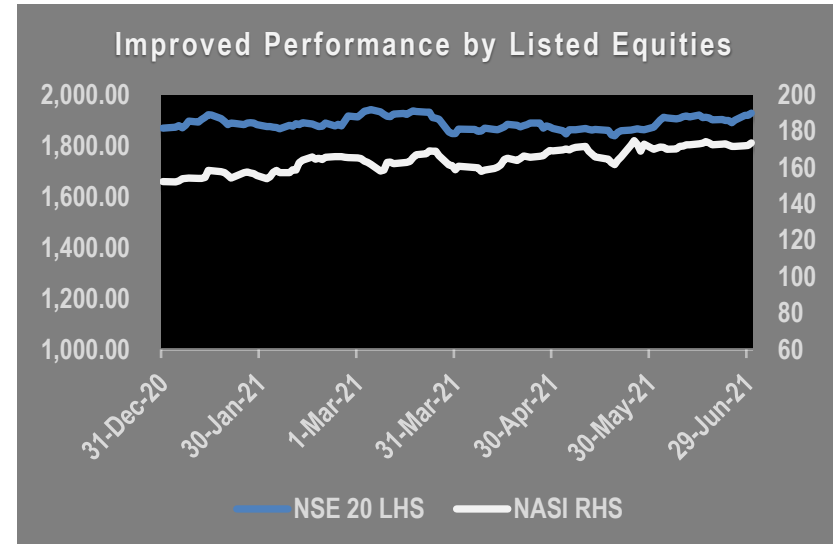
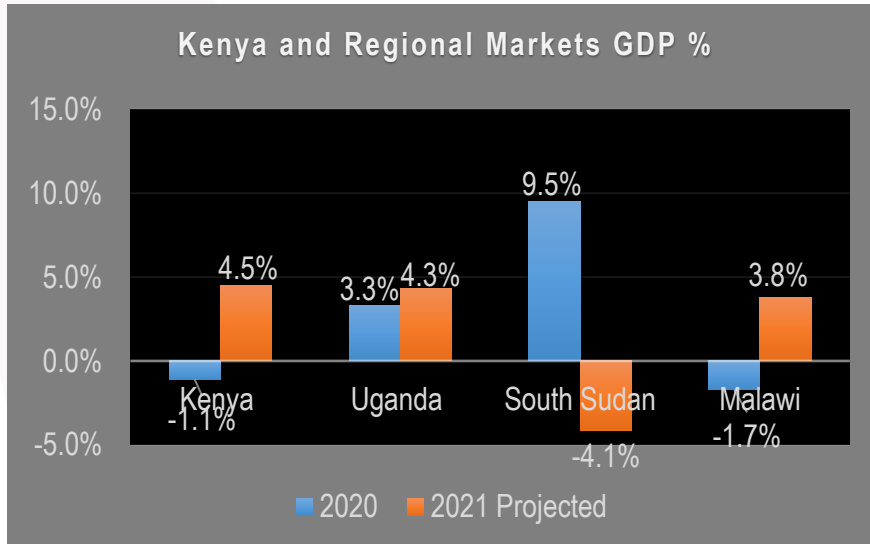
The transformation journey has earnestly started across the Group. Below are some of the key highlights of the initiatives that the business has and continues to implement.



ECONOMIC OVERVIEW

GENERAL • LIFE • HEALTH • ASSET

ECONOMIC OVERVIEW SUMMARY



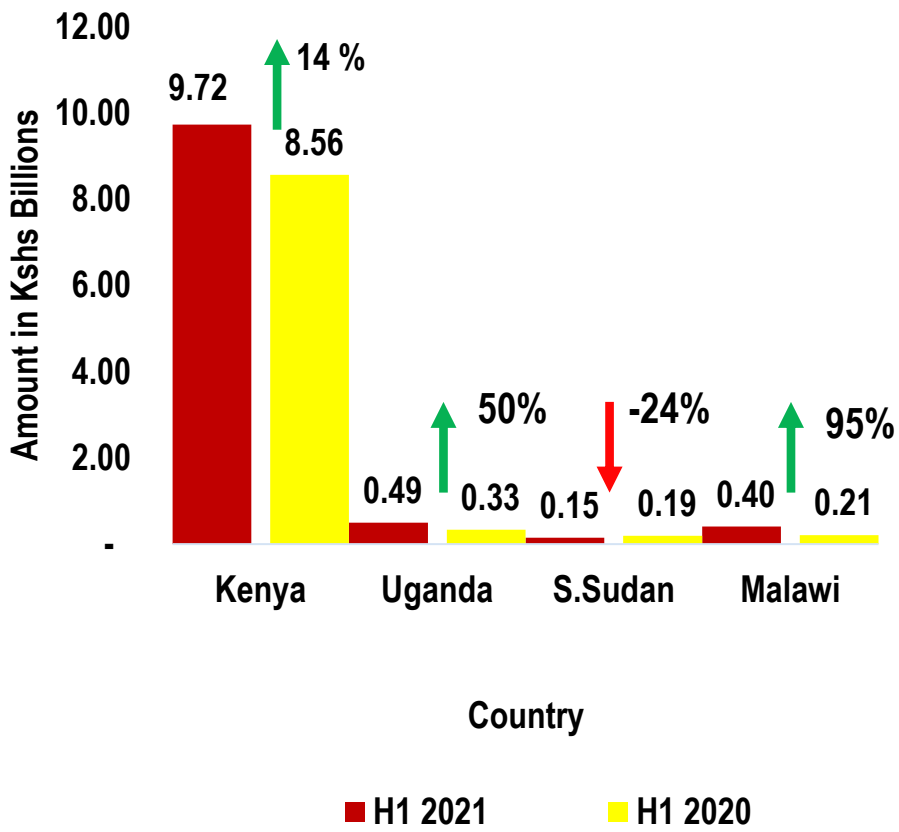
FINANCIAL HIGHLIGHTS

GENERAL • LIFE • HEALTH • ASSET

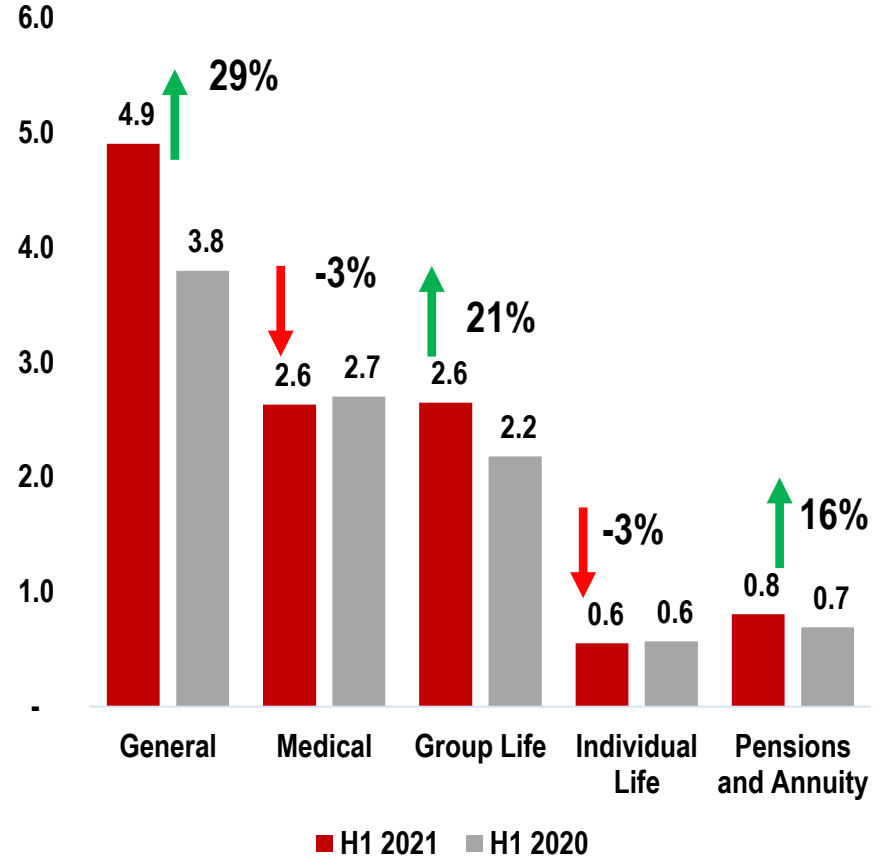


H1'2021 Gross Written Premium

GWP & Contributions Per Country



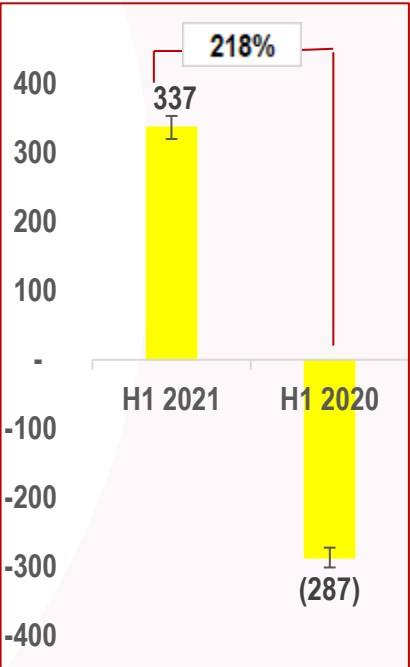
GWP & Contributions Per Line of Business



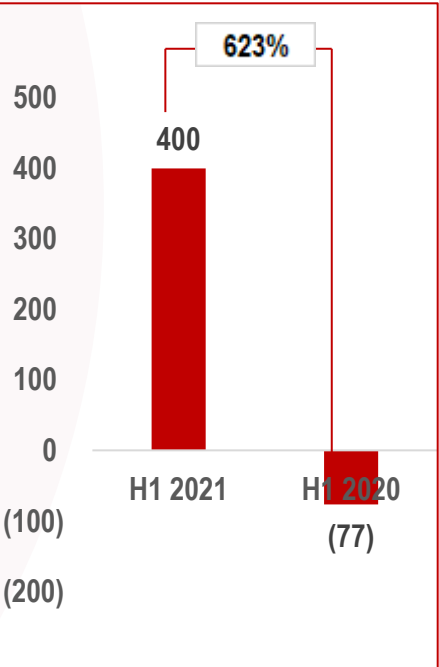
H1'2021 Profit Before Tax at Kshs 337 Million

Profit / (Loss) Before Tax in Kshs Millions

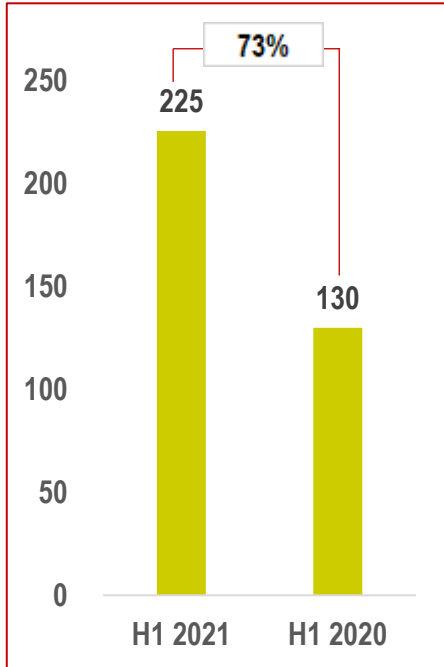
Consolidated



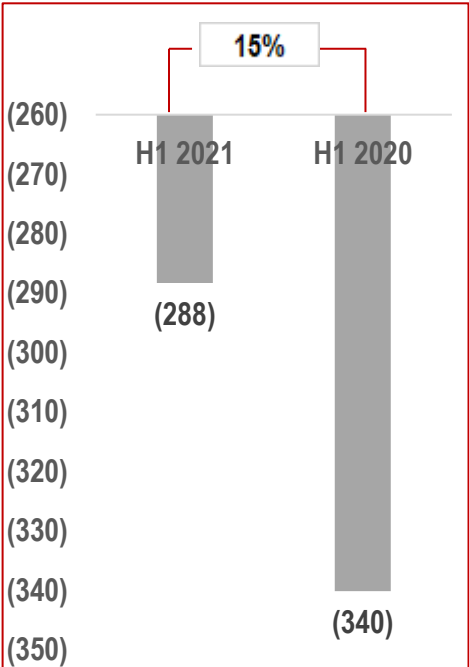
Insurance Business



Asset Management

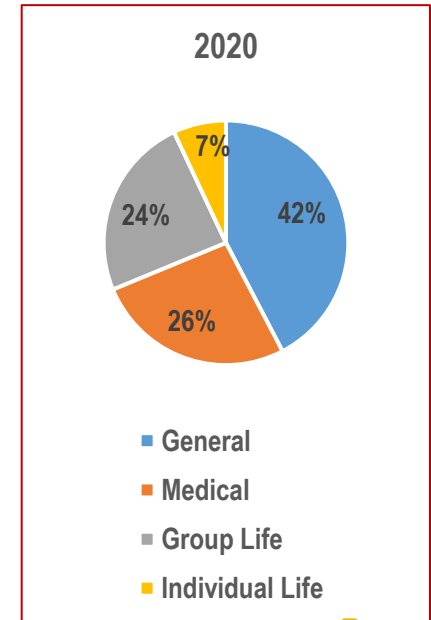
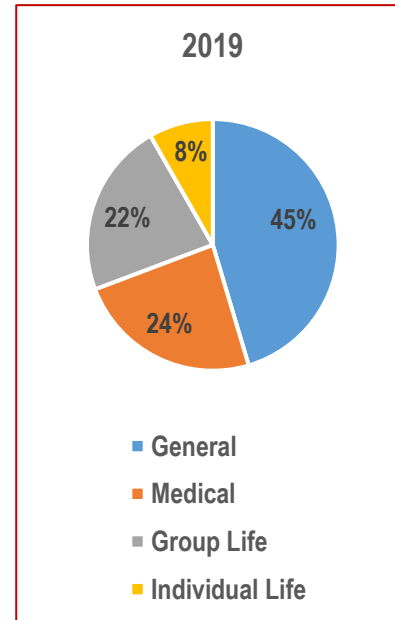
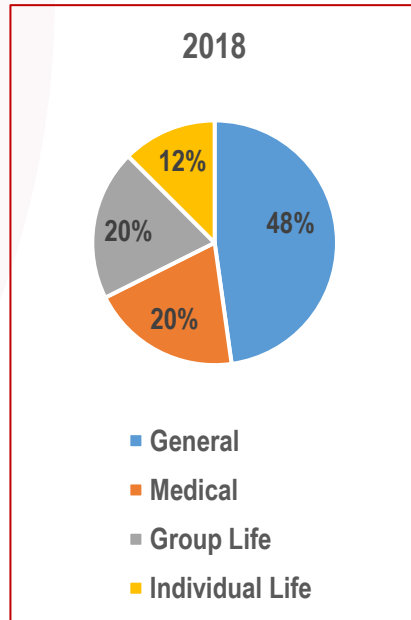
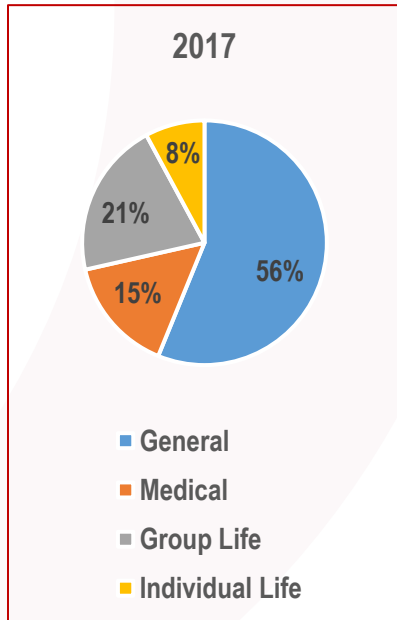
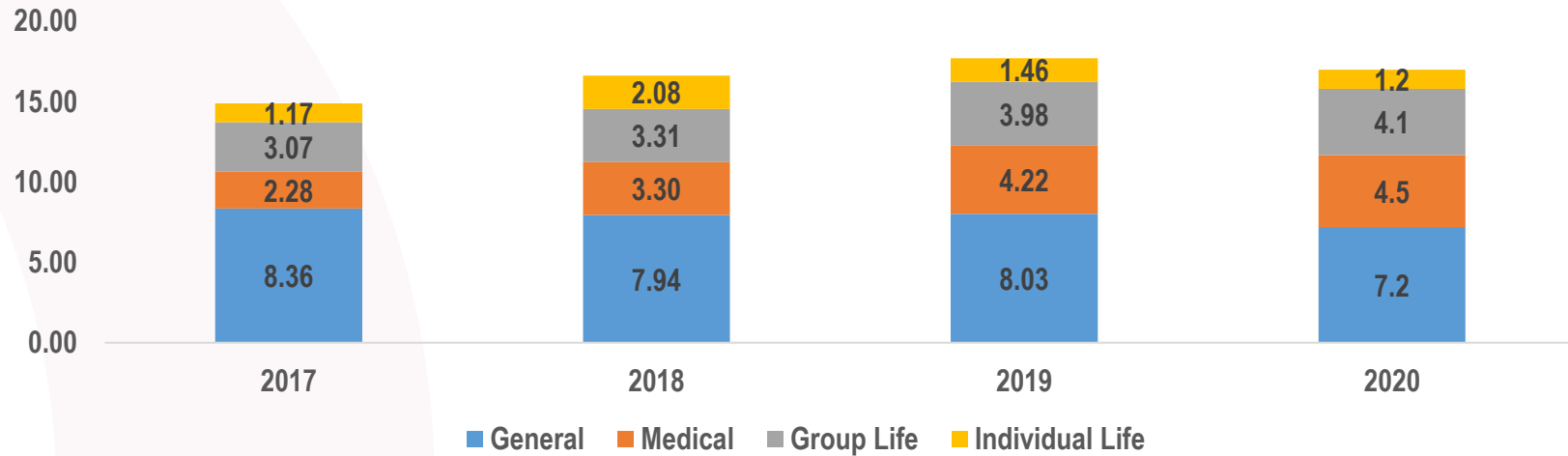


Non- Insurance Business

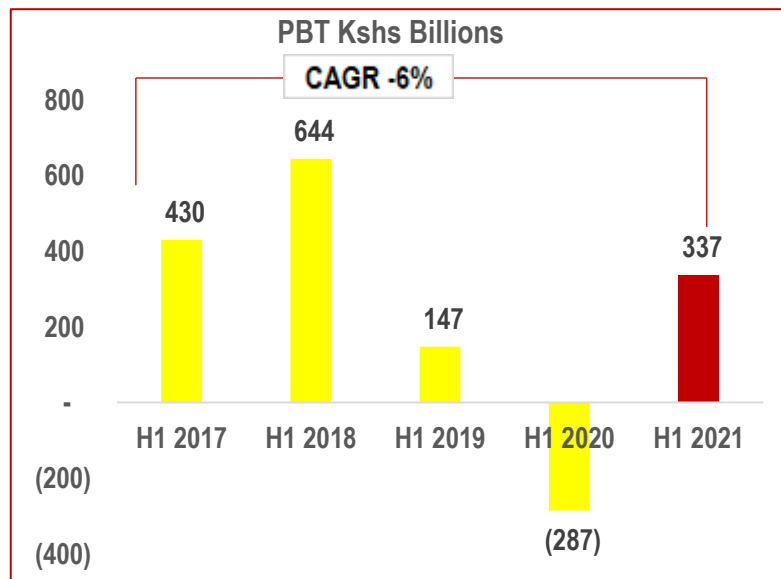
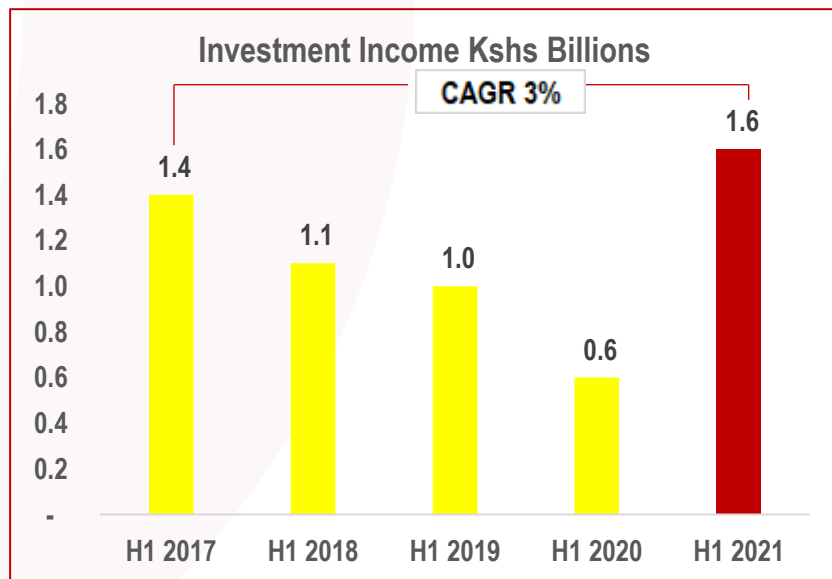
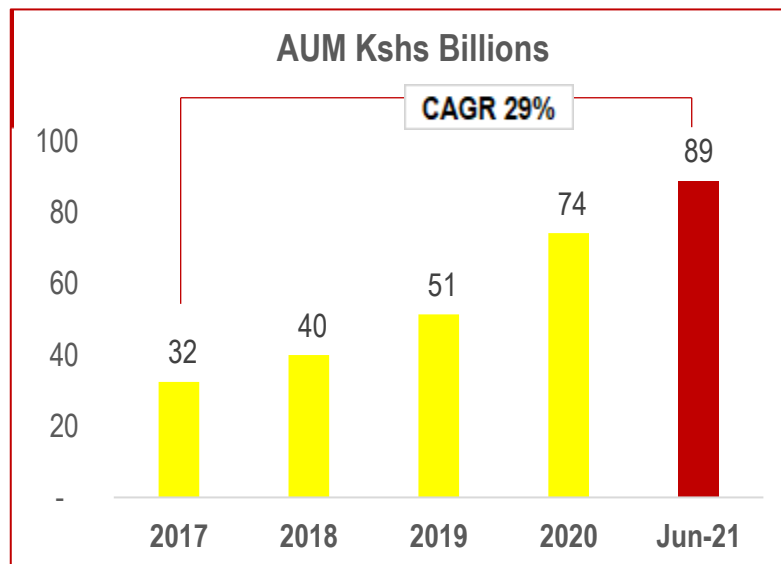
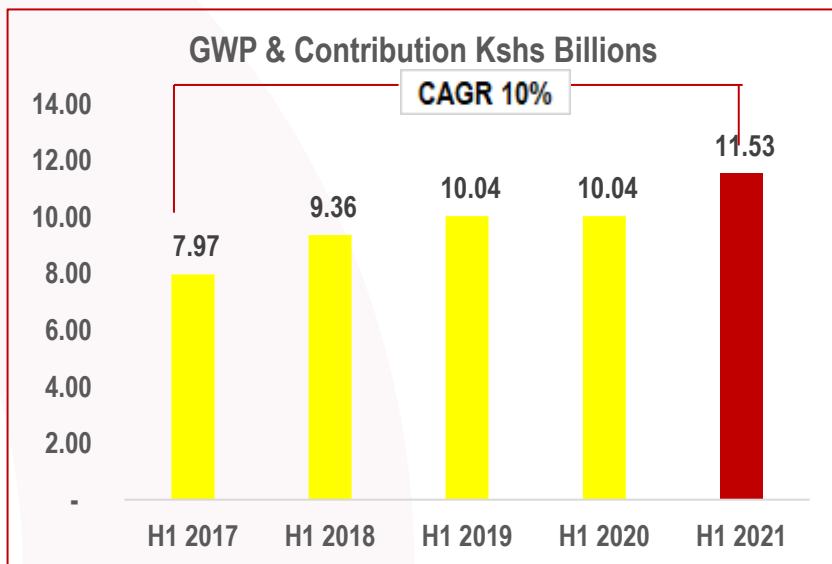


Revenue (GWP) for the Past 4 years

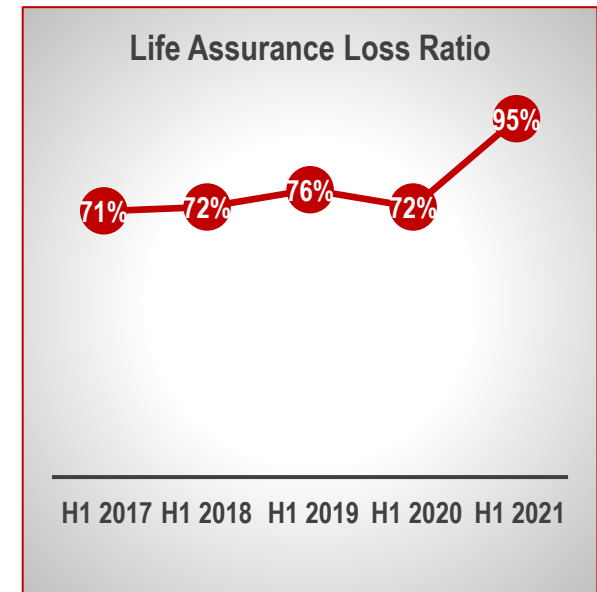
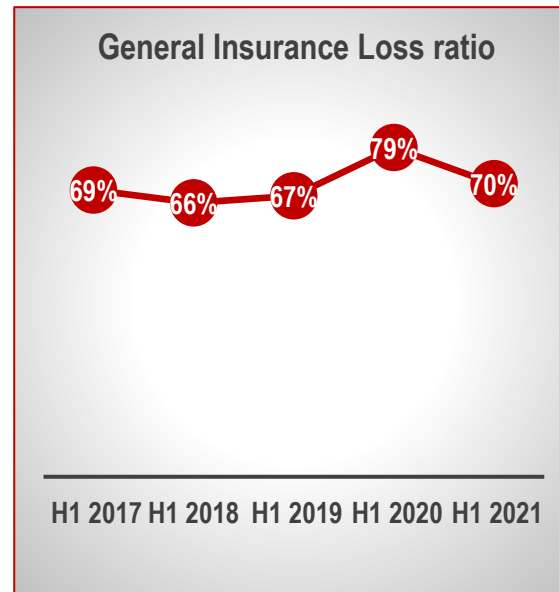
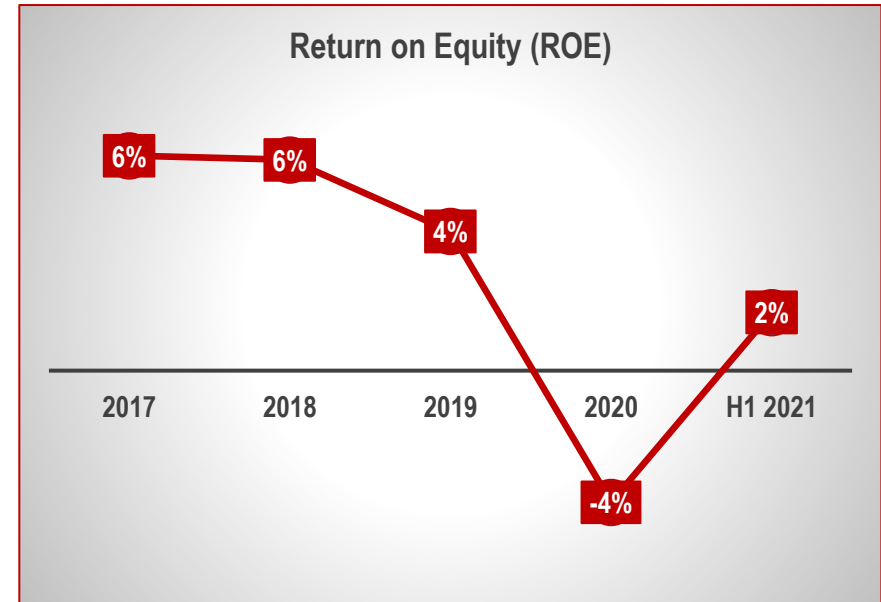
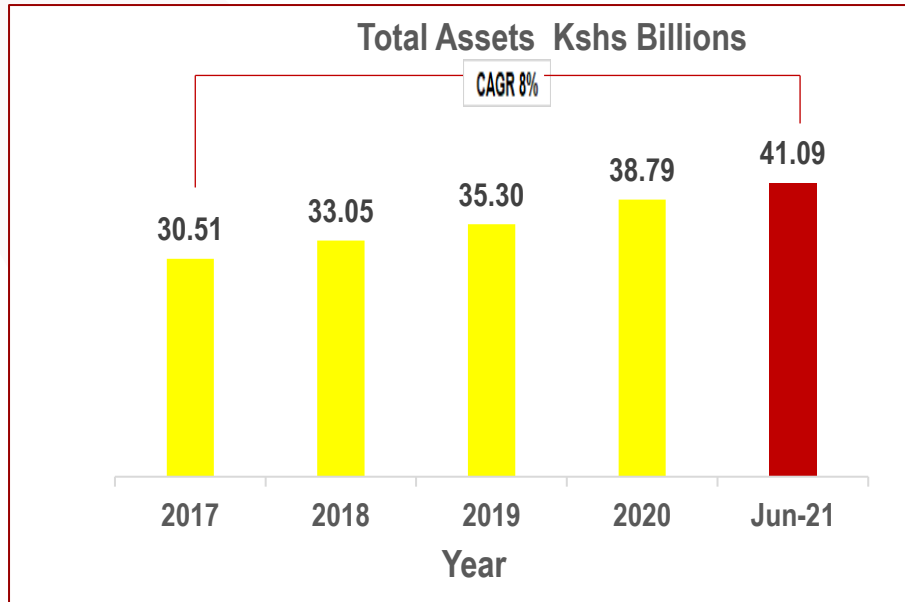
GWP Contribution Kshs Billions



Five Year Financial Highlights to June 2021



Five Year Financial Highlights to June 2021



H1'2021 Group Financial Performance

Performance improved boosted by resilient growth in topline and strong investment returns

GWP & Contributions

Kshs 11.5 B

(H1 2020:Kshs 9.9 B)

16% 

Fees & Commissions Income

Kshs 1.1 B


(H1 2020:Kshs 673 M)

63% 

Underwriting Result-General

Kshs (369) M


(H1 2020:Kshs (469) M)

21% 

Profit / (Loss) Before Tax

Kshs 337 M


(H1 2020:Kshs (287) M)

218% 

Underwriting Result-Life

Kshs (772) M

(H1 2020:Kshs (147) M)

-427% 

Operating Expense

Kshs 1.93 B


(H1 2020:Kshs 1.86B)

4% 

Investment Income

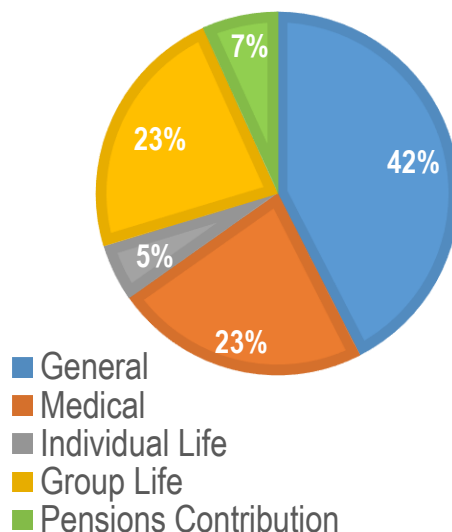
Kshs 1.6 B

(H1 2020:Kshs 594M)

168% 

- GWP and contributions **grew by 16%** driven by a **strong performance across all the subsidiaries**
- **Underwriting excellence** continues to be the Group focus going forward.
- **Investment income has registered strong growth** due to gain in equity portfolio and unwinding of forex losses in South Sudan.
- Overall Group **PBT up 63%** as our transformation journey commences.

GWP PER LINE OF BUSINESS



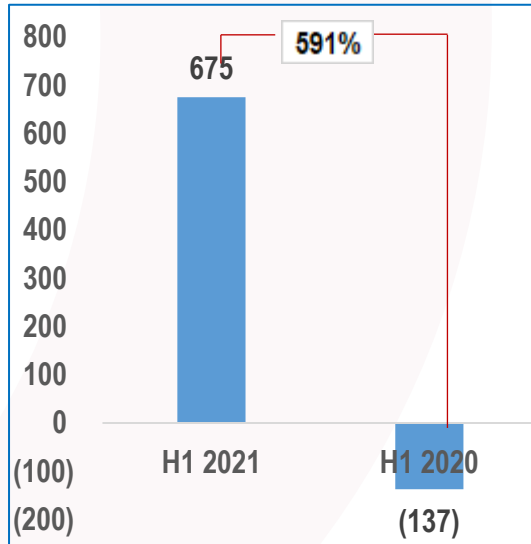
General Insurance & Asset Management propelling Group Profitability

Profit/(Loss) Before Tax Kshs Millions

General Insurance

GWP
Kshs 7.5 B +16%

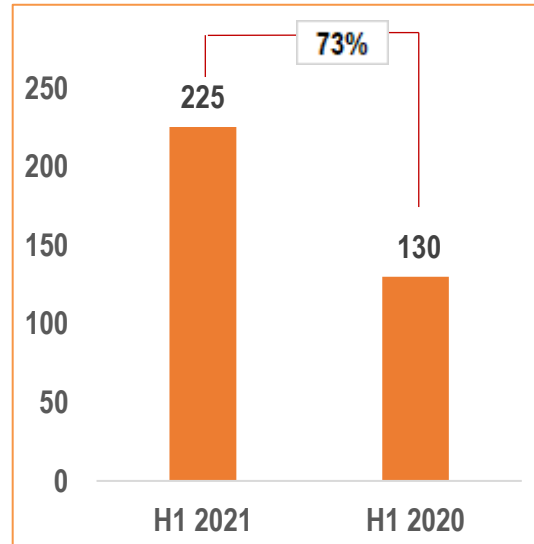
(H1 2020:Kshs 6.5 B)



Asset Management

AUM
Kshs 89 B +35%

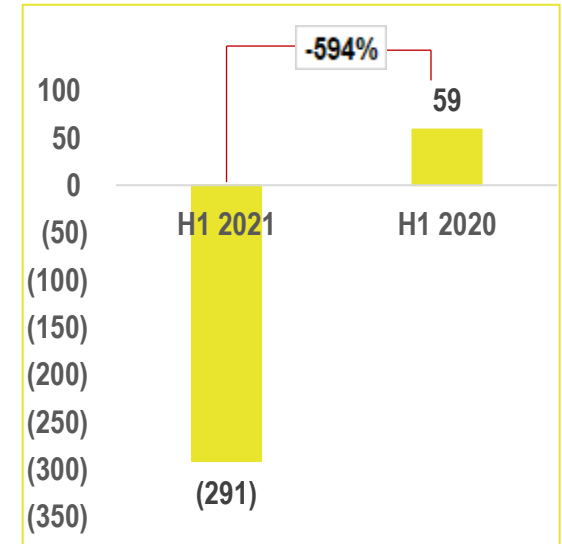
(H1 2020:Kshs 66 B)



Life Assurance

GWP & Contributions
Kshs 3.2 B +16%

(H1 2020:Kshs 2.8 B)



GEOGRAPHICAL SEGMENTS PERFORMANCE

GENERAL • LIFE • HEALTH • ASSET


Market Segment Performance

Kenya

GWP & Contributions

Kshs 10.1 B

(H1 2020:Kshs 9 B)

13% 

Fees & Commissions Income

Kshs 1 B

(H1 2020:Kshs 673 M)

55% 

Capital Adequacy Ratio (CAR)

**General
Insurance**

134%


**Life
Assurance**

117%

Underwriting Result General

Kshs (114) M


(H1 2020:Kshs (447) M)

75% 

Profit / (Loss) Before Tax

Kshs 52 M


(H1 2020:Kshs (341) M)

115% 

Underwriting Result-Life

Kshs (721) M

(H1 2020:Kshs (151) M)

-379% 

Operating Expense

Kshs 1.68 B


(H1 2020:Kshs 1.61M)

4% 

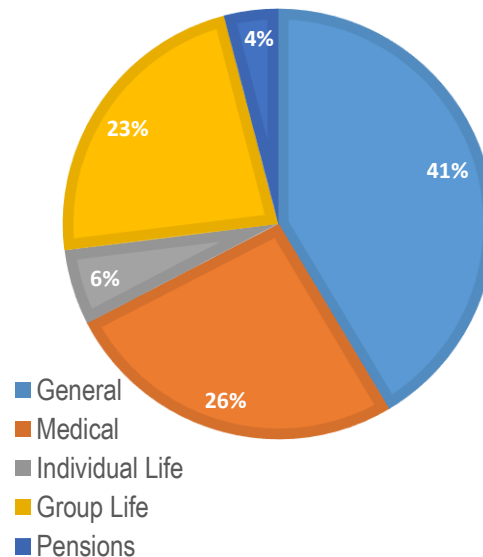
Investment Income

Kshs 961 M

(H1 2020:Kshs 496M)

94% 

GWP PER LINE OF BUSINESS



- **General insurance** GWP up by 16% reflecting new business growth under both non-medical and medical business. Improved underwriting results due to **cost control on claims** majorly in **medical, motor private and Fire industrial** classes.
- **Group life** GWP up by 13% coming from **diversified** channel distribution. Underwriting result impacted by Covid pandemic related claims.
- **Individual life** GWP resilient despite the impact of lower rate of new business due to the impact of Government shut down and slow down of business operations in the market.
- **Growing Profits** improved by better reinsurance management and commissions and **strong returns on investment portfolio**.


Malawi

Continued growth trajectory in Premiums written and profits

GWP

Kshs 0.4 B

(H1 2020:Kshs 0.2 B)

95% 

Underwriting Result-General

Kshs 11 M

(H1 2020:Kshs 18 M)

-35% 

Underwriting Result- Life

Kshs 8 M

(H1 2020:Kshs 11 M)

-31% 

Operating Expenses

Kshs 74 M

(H1 2020:Kshs 45 M)

64% 

Investment Income

Kshs 29 M

(H1 2020:Kshs 13M)

127% 

Profit Before Tax

Kshs 48 M

(H1 2020:Kshs 41 M)

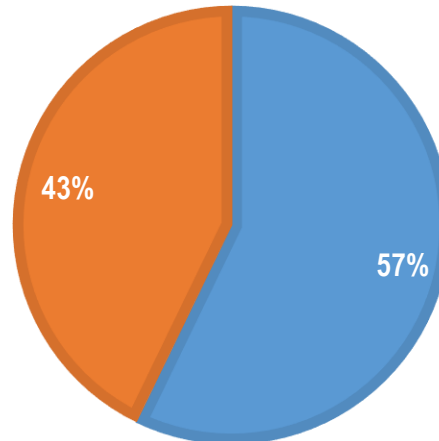
16% 

Capital Adequacy Ratio (CAR)

**General
Insurance
16%**

**Life
Assurance
181%**

GWP PER LINE OF BUSINESS



■ General

■ Individual Life

- **Life Business: 374% GWP growth** coming from group life business. Underwriting profit down marginally due to Covid related claims
- **General Business: GWP growth of 35%.** Marginal drop in underwriting results due to growth related expenses and increased claims
- **Increase in investment income** as a result of growth in the investment portfolio

South Sudan

Strong operating profit results despite volatile operating environment

GWP & Contributions

Kshs 0.5B
(H1 2020:Kshs 0.4 B)
23%

(Loss)/Profit Before Tax

Kshs 330 M
(H1 2020:Kshs 5 M)
6073%

Capital Adequacy Ratio (CAR)

295%

Underwriting Result-General

Kshs (227) M
(H1 2020:Kshs (51) M)
-342%

Underwriting Result-Life

Kshs 5 M
(H1 2020:Kshs 12 M)
-61%

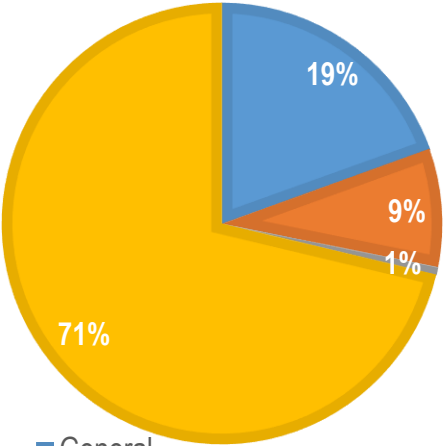
Operating Expenses

Kshs 65 M
(H1 2020:Kshs 83 M)
22%

Investment Income

Kshs 552 M
(H1 2020:Kshs 45 M)
1235%

GWP PER LINE OF BUSINESS



■ General
■ Medical
■ Group Life
■ Pension

- GWP decline due to review **towards profitable underwriting.**
- **Positive growth** in Group life business. Stable underwriting result
- **Growth in investment income** due to unwinding of foreign exchange losses incurred in 2020.


Uganda

Resilient premium growth and future focus on underwriting

GWP

Kshs 0.5B


(H1 2020:Kshs 0.3B)

50% 

Profit / (loss) Before Tax

Kshs (93) M

(H1 2020:Kshs 5M)

1996% 

Capital Adequacy Ratio (CAR)

**General
Insurance**

1581%


**Life
Assurance**

110%

Underwriting Result-General)

Kshs (40) M


(H1 2020:Kshs 12 M)

-439% 

Underwriting Result-Life

Kshs (63) M

(H1 2020:Kshs (19) M)

-235% 

Operating Expenses

Kshs 130 M

(H1 2020:Kshs 117 M)

11% 

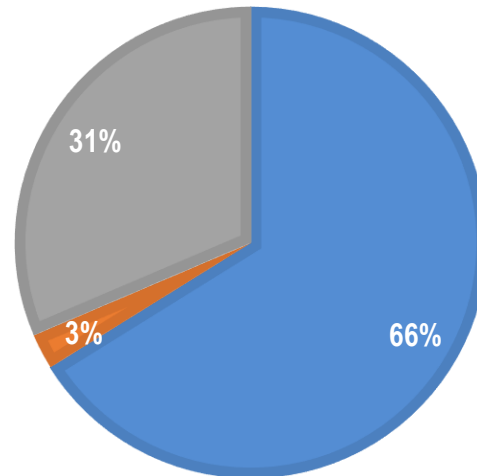
Investment Income




Kshs 50 M

(H1 2020:Kshs 40 M)

25% 

GWP PER LINE OF BUSINESS



-  General
-  Individual Life
-  Group Life

- **Life Business:** 89% GWP growth registered in Group life business. Underwriting result down significantly reflecting unfavorable claims experience
- **General Business:** GWP up by 37%,. Underwriting results continue to be the focus for future profitable growth.
- Stable growth in **investment income.**

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Thank you

We keep our word