



**CIC GROUP**

# **Investor Briefing**

**2021 End Year Results**

**16<sup>th</sup> March 2022**

GENERAL • LIFE • HEALTH • ASSET

# Agenda

**1. Overview and Strategy**

**2. Economic Overview**

**3. Financial Performance**

**4. Geographical Segments Performance**

# OVERVIEW & STRATEGY

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# CIC at a Glance



**19.6B** Gross  
Written Premium



**41.5B** Assets



**42%** Asset  
Management  
Unit trust Market  
Share



**5.8%** Life  
Assurance Market  
Share



**7.8%** General  
Business Market  
Share



**4** Countries



**25** Branches

## QUICK CIC FACT

# Our Philosophies and Values

## ❖ **Our Purpose**

A financial service industry institution predominately owned by the Co-operative Movement transforming lives.

## ❖ **Why we exist as CIC Insurance Group**

We operate in Kenya and the region using the co-operative model to ensure that we economically and socially transform our stakeholders by the Innovative Insurance and Asset Management solutions that we offer.

## ❖ **Our Vision Statement**

To be a world-class provider of insurance and other financial services.

## ❖ **Our Mission Statement**

To enable people achieve financial security.

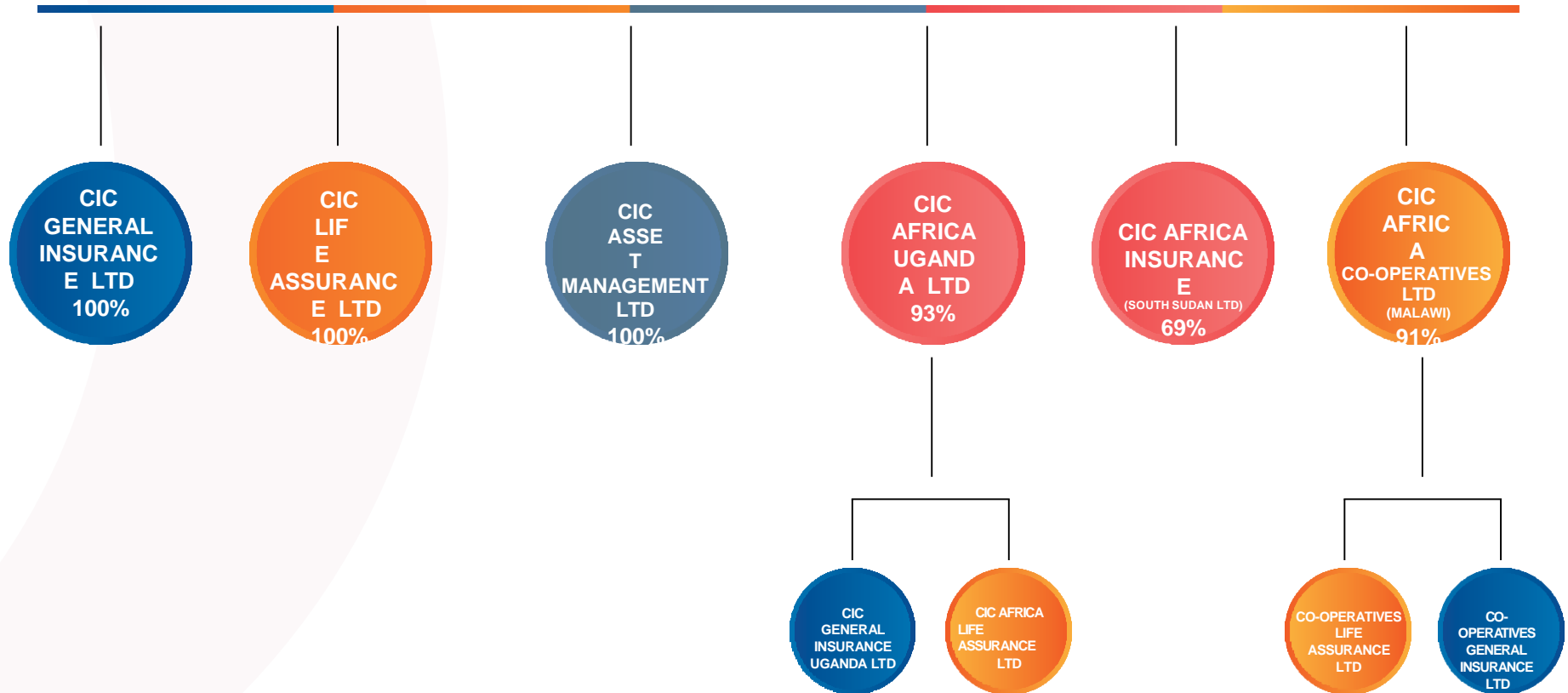
## ❖ **CIC Tagline/Slogan**

We keep our word

## ❖ **Value Proposition**

To offer simple, flexible insurance and financial services built around our customers' needs.

# Group Structure



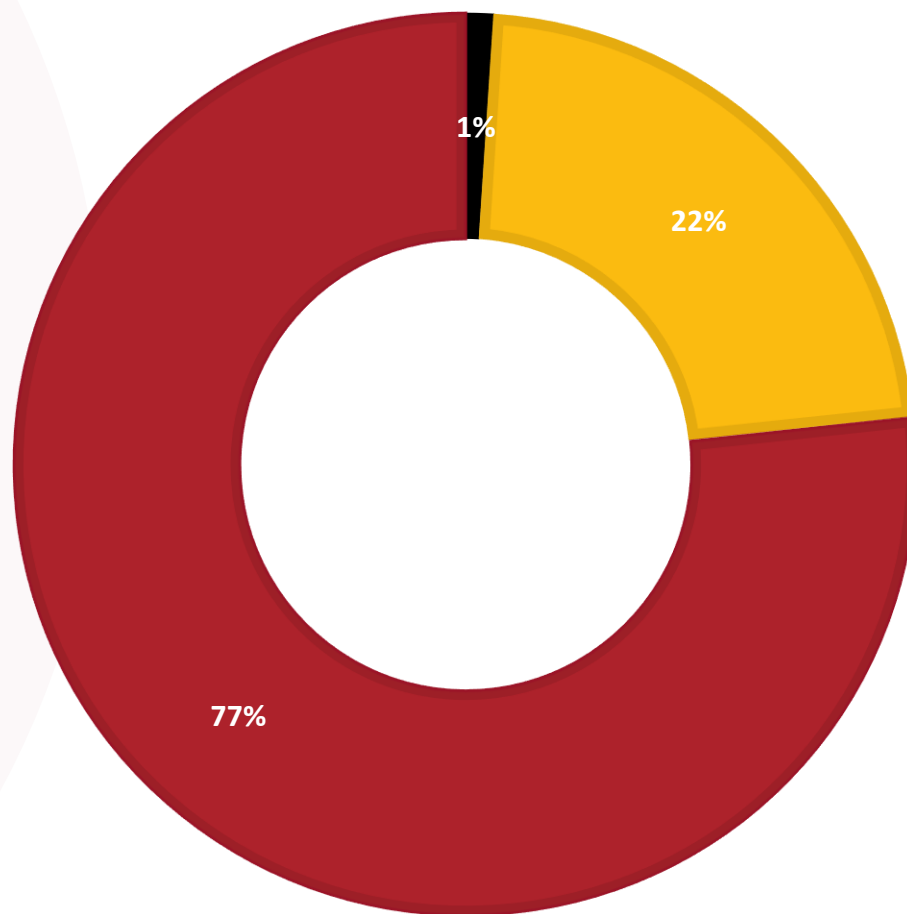
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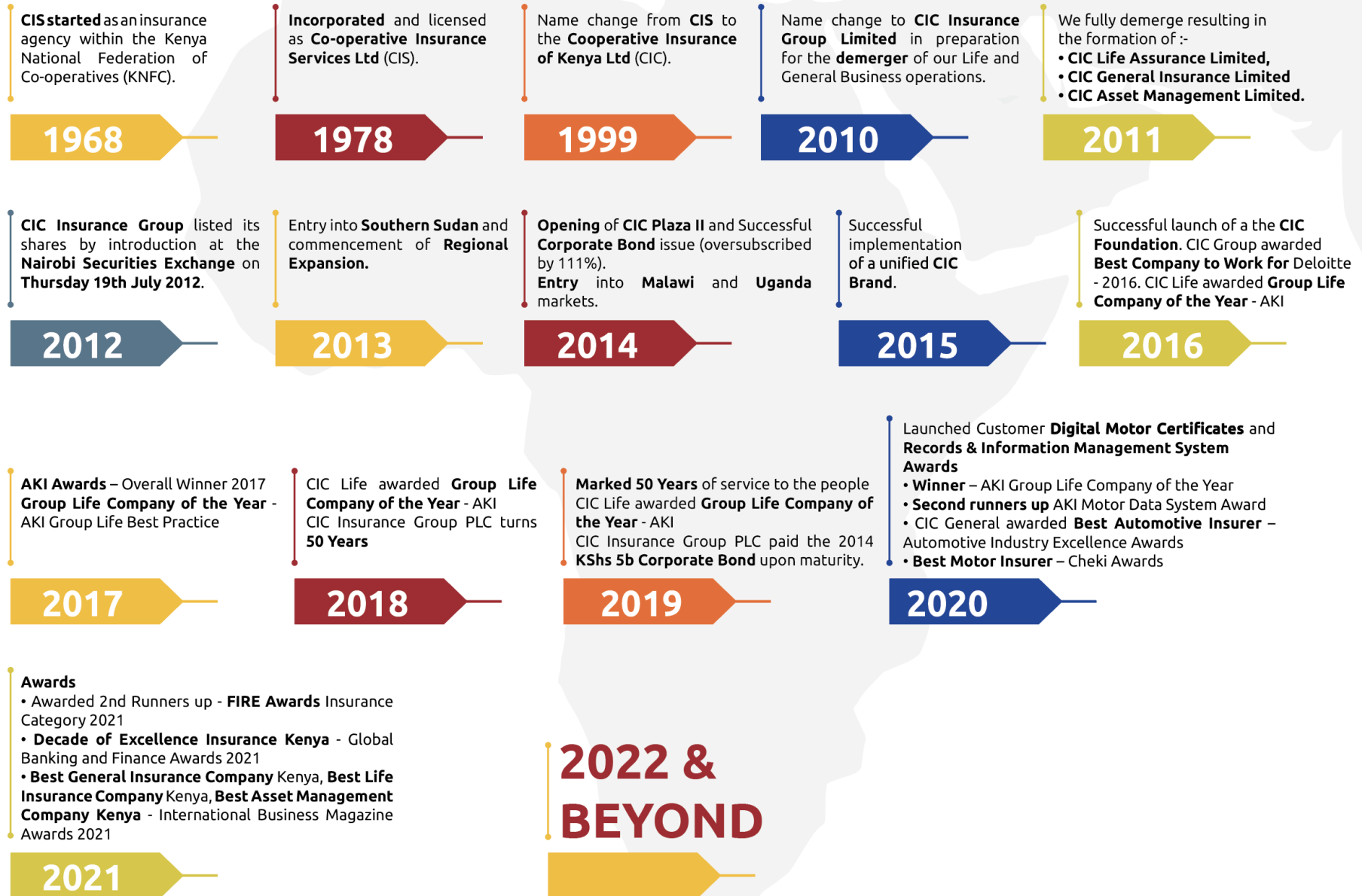
# Ownership Structure

## SHAREHOLDER CATEGORY VS % OF SHARES HELD

■ FOREIGN INVESTOR    ■ LOCAL INDIVIDUAL INVESTORS    ■ LOCAL INSTITUTIONAL INVESTORS

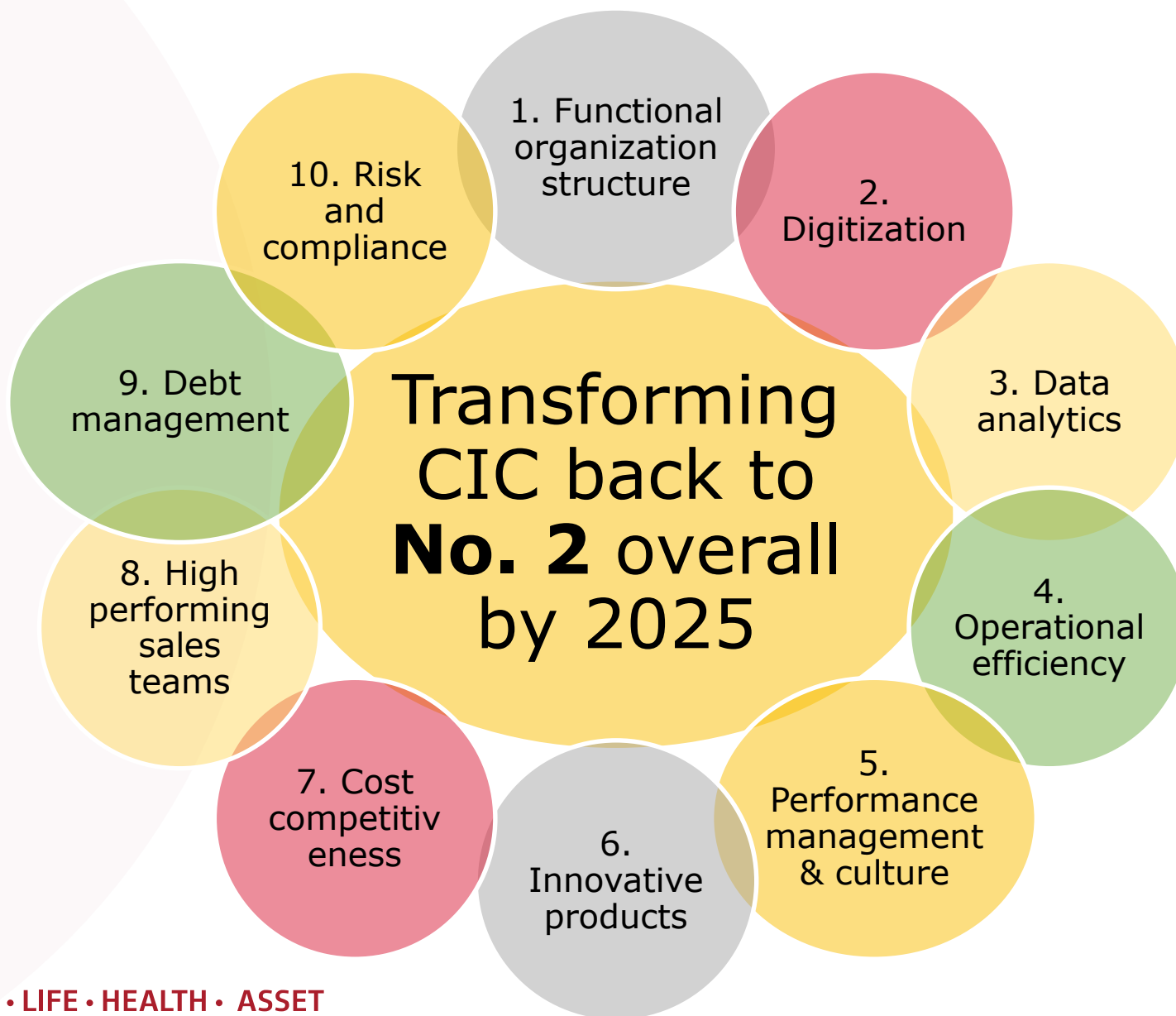


# Our Journey of Growth & Value Creation





# The CIC Group Strategy: 2021-2025 CIC Group Strategy transformational focus areas



# Key Highlights on Our Strategy Execution

Transformational Initiative	Key Highlights
Functional organization structure	<p>Alignment of various roles in HQ &amp; branches e.g. branch distribution, finance &amp; strategy , Cooperatives</p> <p>Establishment of key functions in alignment to the Group strategy e.g. Group training, Research , Cooperatives training, Investor relations</p> <p>Staff rationalization and re-deployments for optimal staff utilization</p>
Digitization	<p>We have implemented various digital innovations as below:</p> <ol style="list-style-type: none"><li>1. Customer APP for CIC LIFE Client</li><li>2. 3 Portals for General business for customers, brokers/agents and claims service providers portal</li><li>3. USSD for CIC Life micro insurance product</li><li>4. Group Website upgrade for the group with better optimization capabilities</li></ol>
Data analytics	<p>Implemented a business intelligence tool for the General business. With management dashboard to track key performance metrics</p> <p>Among other analytical capabilities</p> <p>Key focus is to scale these capabilities to the Group</p>
Debt Management	<p>We have employed rigorous collection initiatives which have seen us improve debt ratio from 11% to 8% as at end of 2021</p>

# Key Highlights on Our Strategy Execution

Transformational Initiative	Key Highlights
Operational efficiency	<p>Deployment and upgrade of systems e.g. GB core system (Premia), Group ERP, CICAM core system (Fund master for client investment)</p> <p>Business processes review especially on claims for GB medical and non-medical</p> <p>On-going system integrations with key partners e.g. banks</p> <p>Key upgrades in our network and uptime monitoring tools which has ensured an average up-time 99.9% for all our systems</p>
Performance management & culture	<p>Introduction of a new KPI tool &amp; quarterly performance appraisal framework</p> <p>Review of various HR Policies e.g. salaries reviews to be based purely on performance</p>
Innovative products	<p>Launch of the seniors medical product</p> <p>Reviewed and enhanced 10 products across the various subsidiaries including some of the loss making products e.g. Loan guard</p> <p>Review of 6 other products is on-going</p>
Cost competitiveness	<p>Contracts review and re-negotiation for key suppliers</p>

# Awards 2021



Awarded 2nd Runners up  
**FIRE Awards Insurance  
Category 2021**



**AKI Awards** - Overall Winner  
Group Life Company of the Year  
**AKI Group Life Best Practice Award**

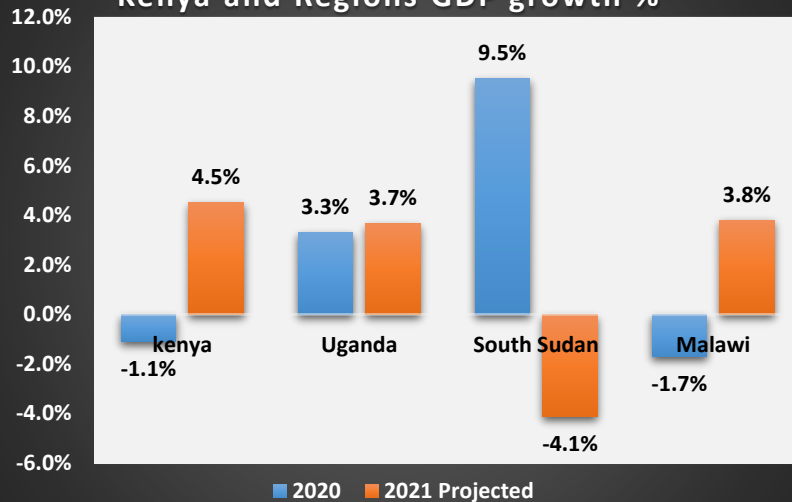
## Other Awards

- Decade of Excellence Insurance Kenya - **Global Banking and Finance Award 2021**
- Best General Insurance Company Kenya - **International Business Magazine Awards 2021**
- Best Life Insurance Company Kenya - **International Business Magazine Awards 2021**
- Best Asset Management Company Kenya - **International Business Magazine Awards 2021**

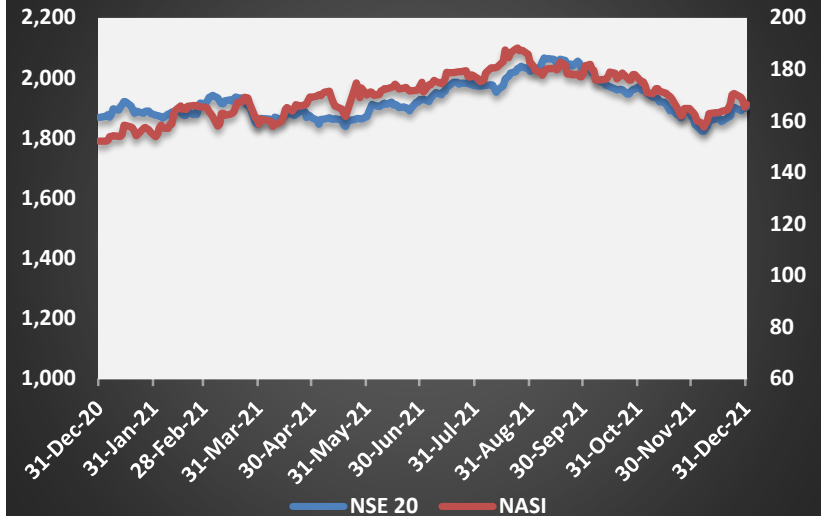
# ECONOMIC OVERVIEW

# ECONOMIC OVERVIEW SUMMARY

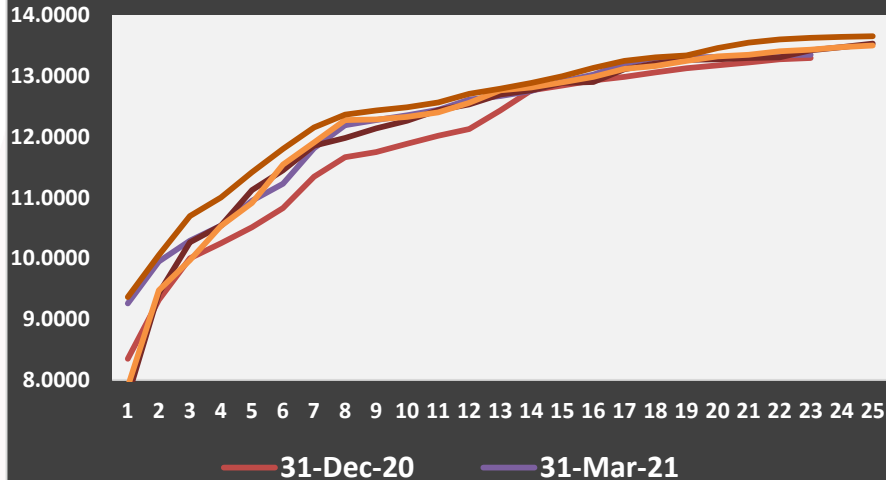
Kenya and Regions GDP growth %



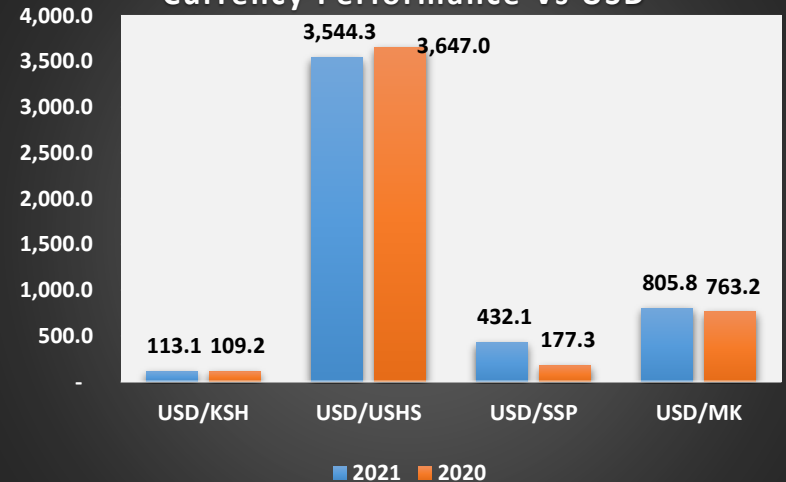
Improved Listed Equities Performance



Yield Curve



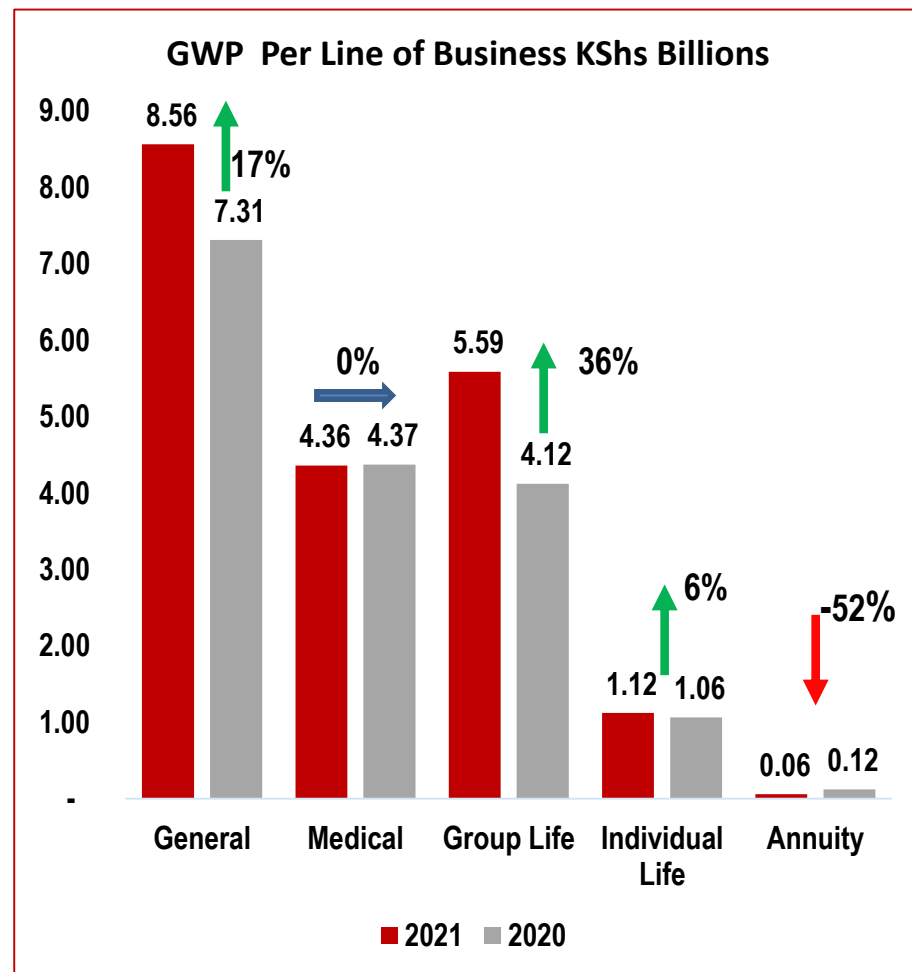
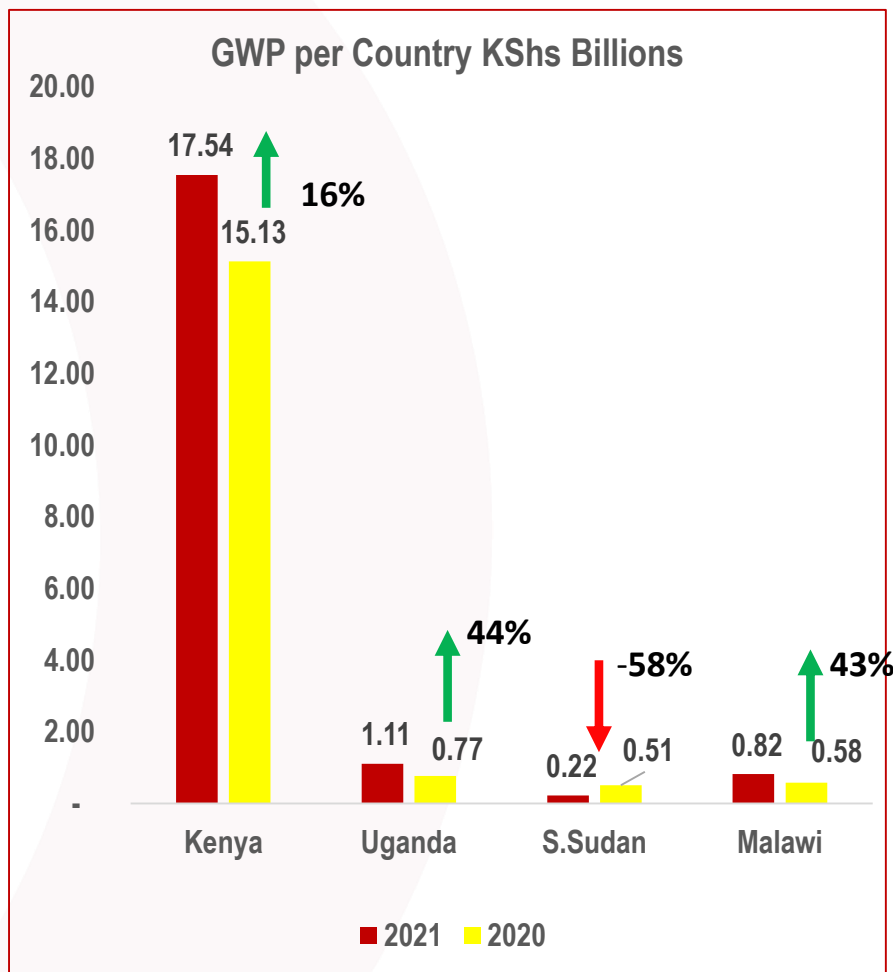
Currency Performance Vs USD



# FINANCIAL HIGHLIGHTS

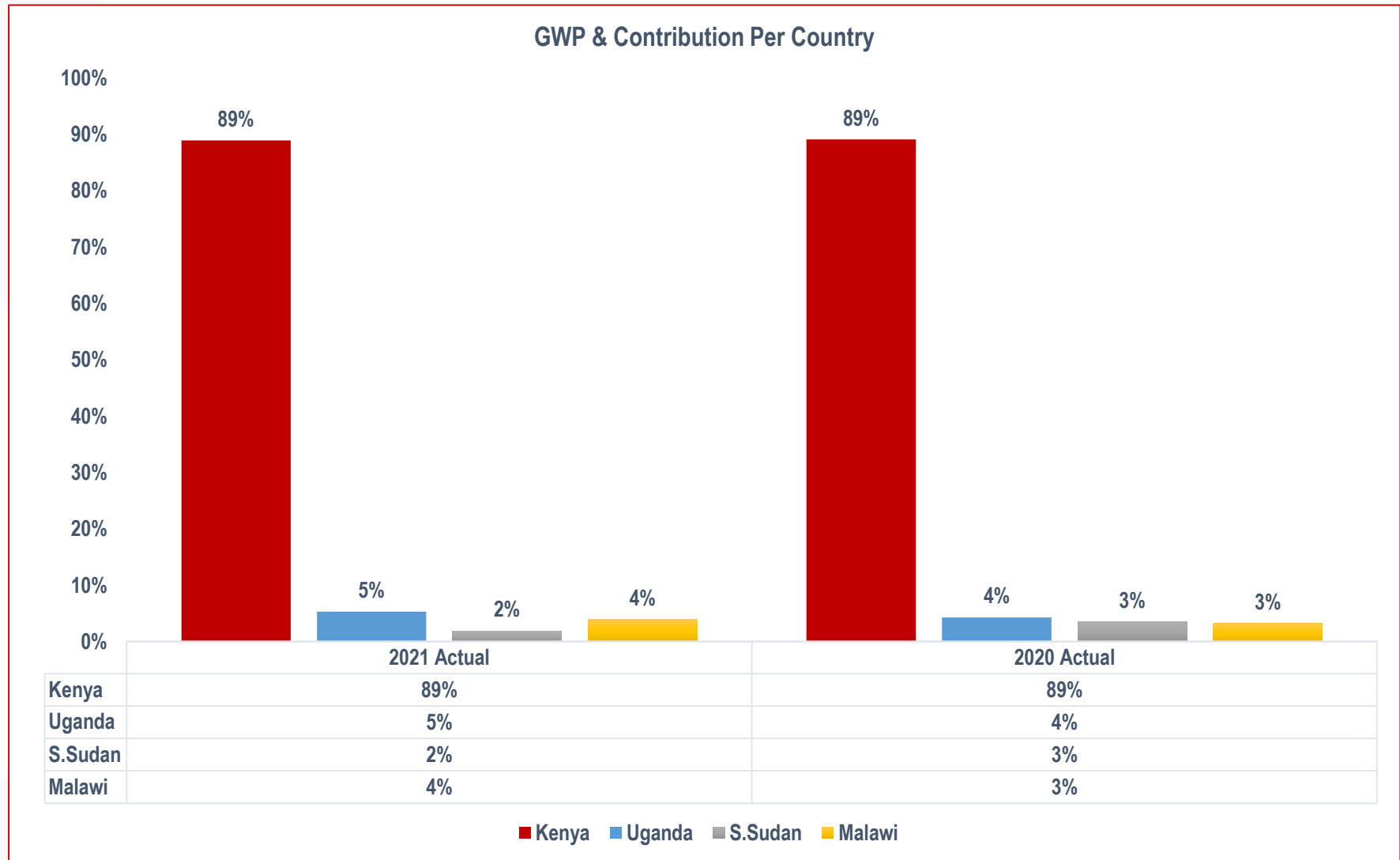
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# 2021 Gross Written Premium





# GWP Contribution per Segment

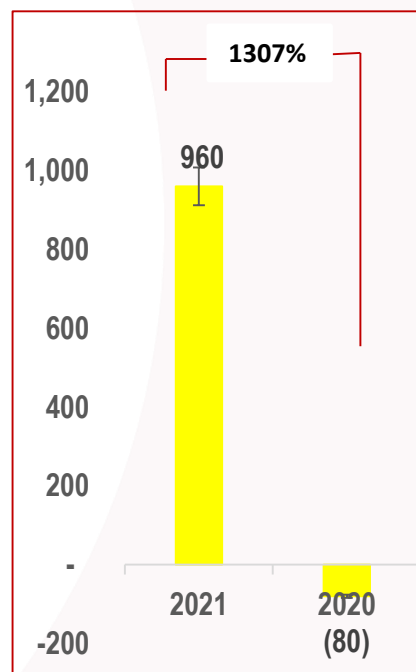


- Movement in contribution from regions with an increase in Uganda's and Malawi's contribution while SS declined.

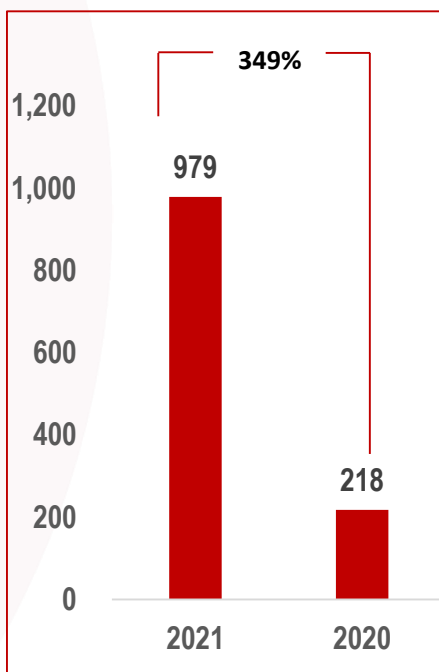
# 2021 Profit Before Tax at Kshs 960 Million

Profit / (Loss) Before Tax in Kshs Millions

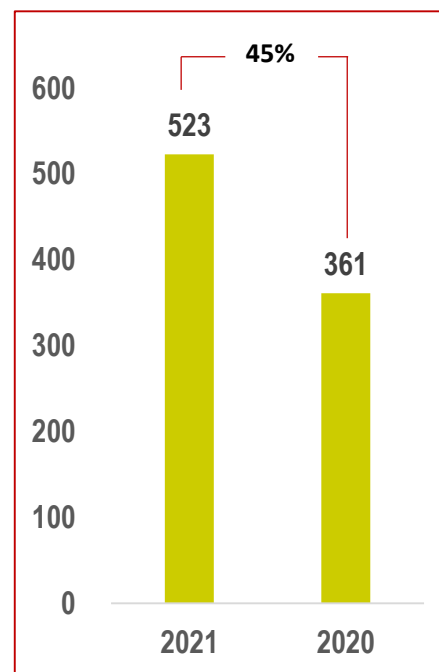
## Consolidated



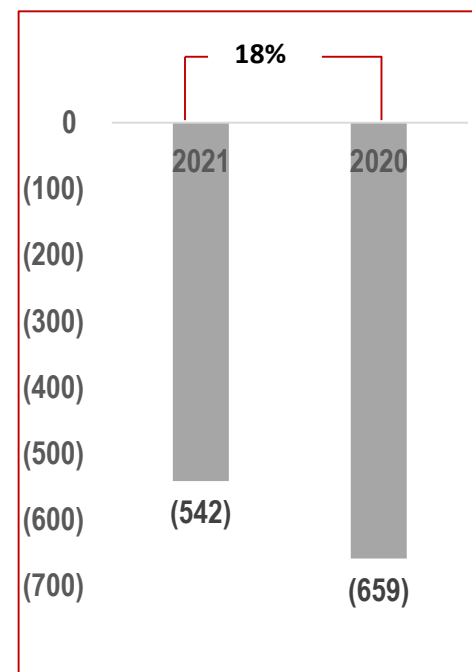
## Insurance Business



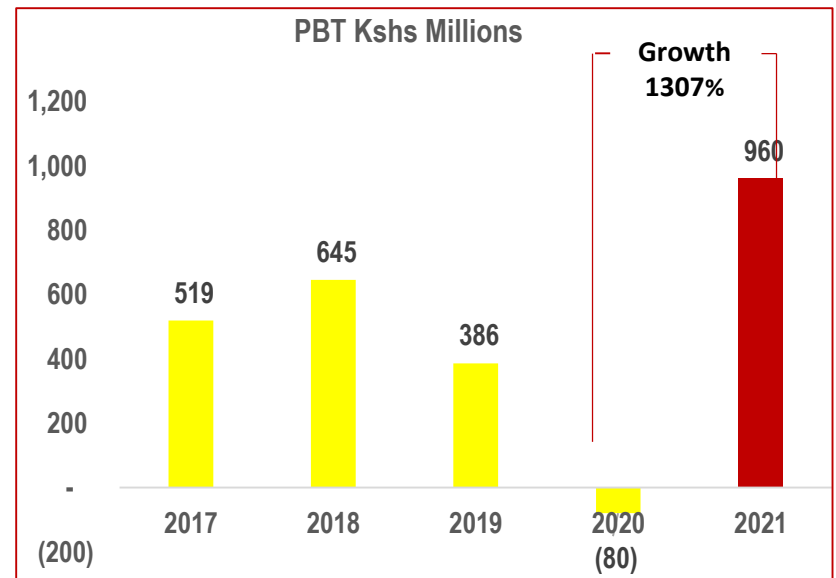
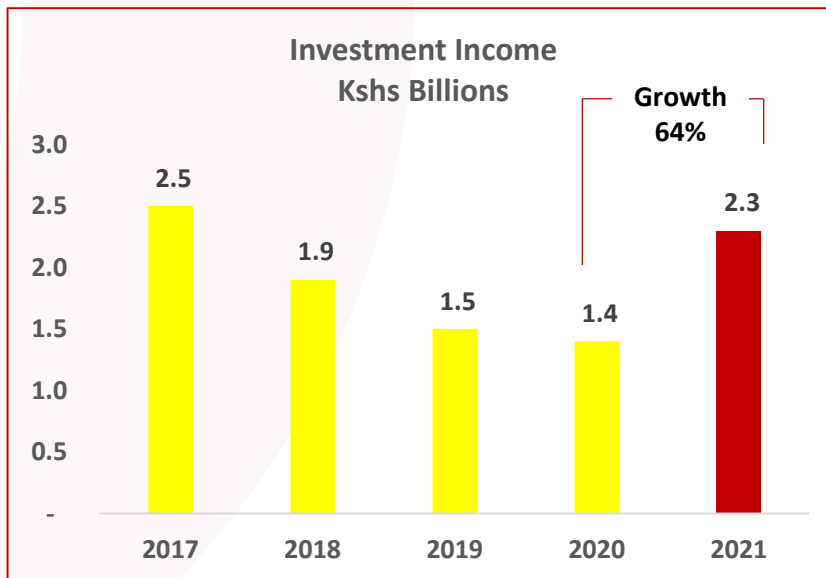
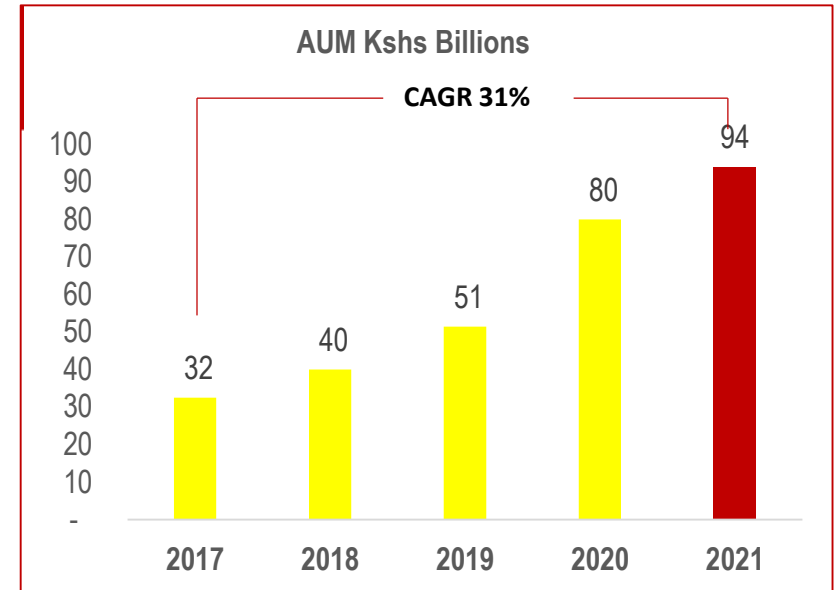
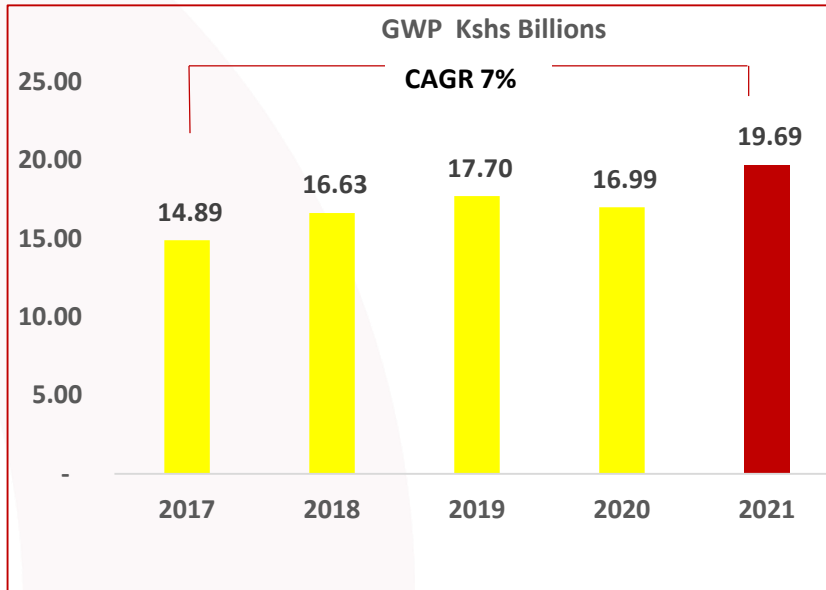
## Asset Management



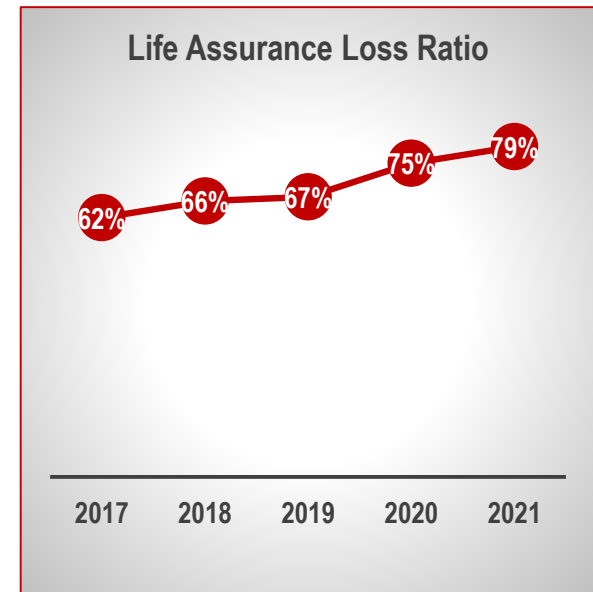
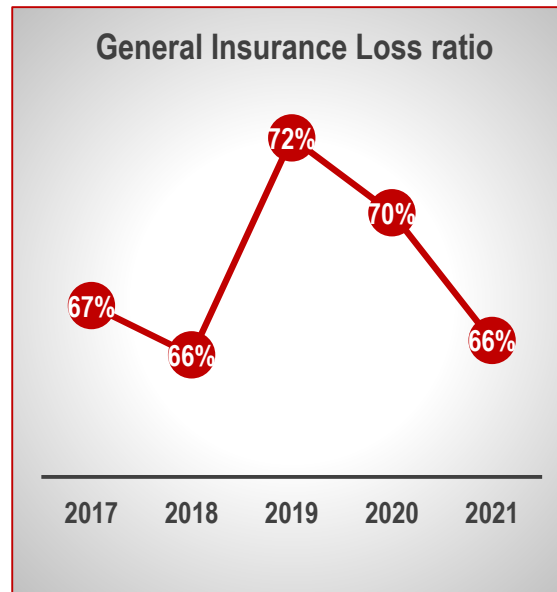
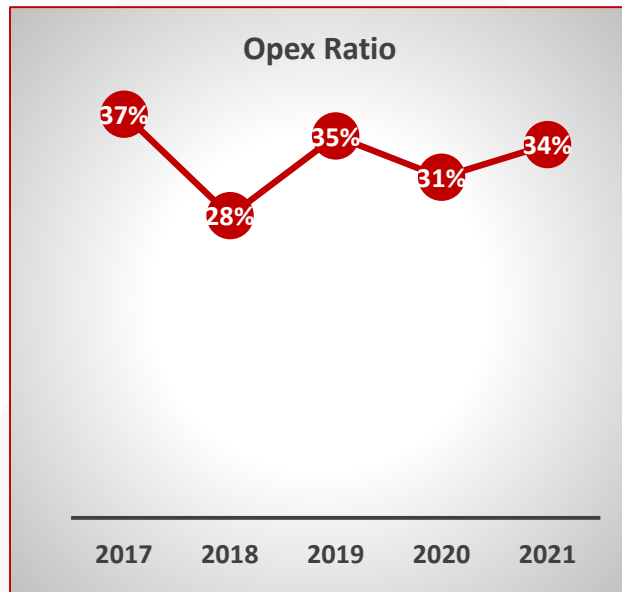
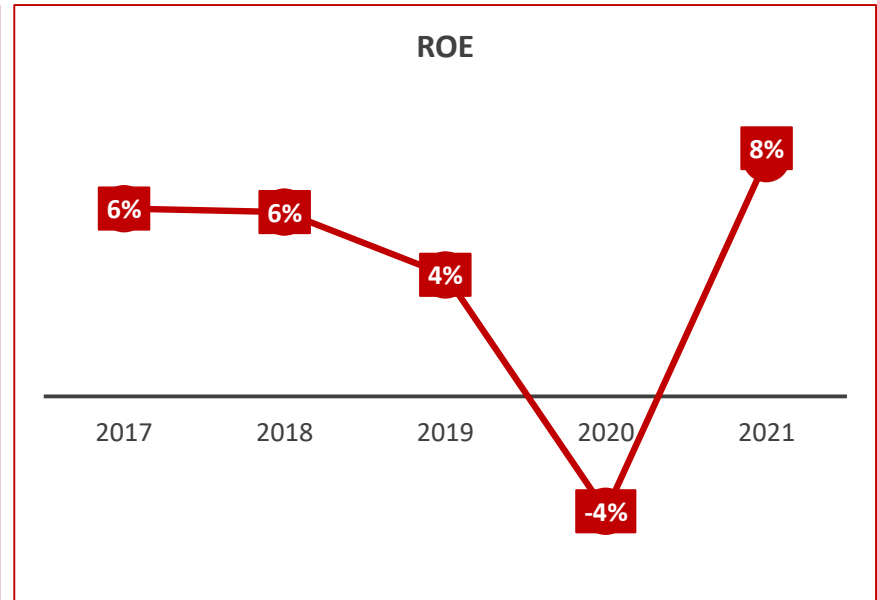
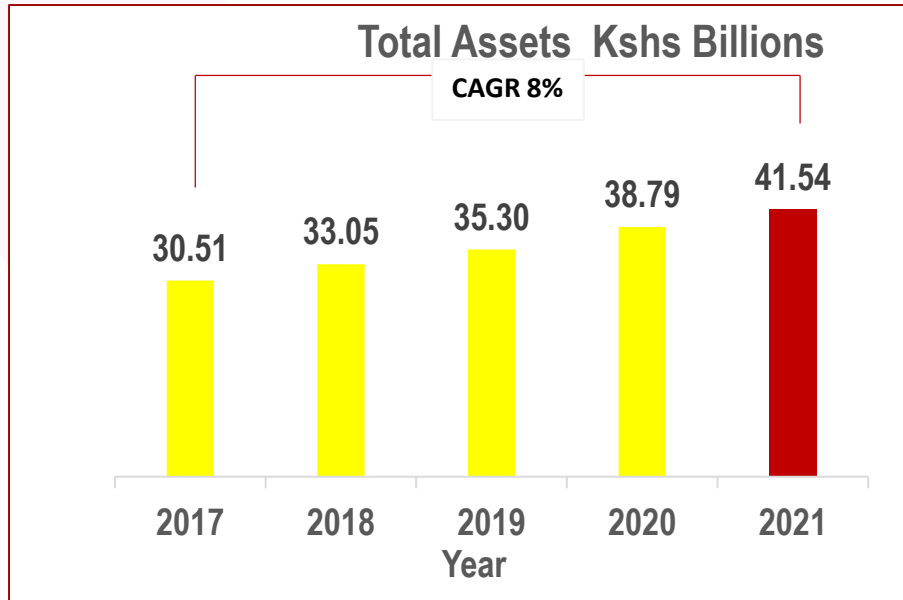
## Non- Insurance Business



# Five Year Financial Highlights



# Five Year Financial Highlights




# 2021 Group Financial Performance

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

## GWP

**Kshs 19.69 B**


(2020:Kshs 16.99 B)

16% 

## Underwriting Result-General

**Kshs (485) M**


(2020:Kshs (790) M)

61% 

## Underwriting Result-Life

**Kshs (882) M**

(2020:Kshs (523) M)

-169% 

## Operating Expense inclusive of Impairment

**Kshs 4.76 B**

(2020:Kshs 4.07B)

17% 

## Receivables Impairment

**Kshs 689 M**


(2020:Kshs 276 M)

150% 

## Fees & Commissions Income

**Kshs 2.14 B**


(2020:Kshs 1.46 B)

46% 

## Profit / (Loss) Before Tax

**Kshs 960 M**


(2020:Kshs (80) M)

1307% 

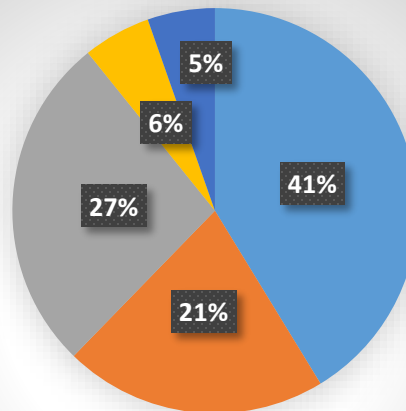
## Investment Income

**Kshs 2,32 B**

(2020:Kshs 1.43B)

62% 

GWP Per Line of Business



■ General  
■ Medical  
■ Group Life  
■ Individual Life  
■ Pensions and Annuity

- GWP grew by 16% driven by a strong performance across the subsidiaries
- General Non-Medical underwriting results improved significantly mainly due to decrease in net claims.
- Group Life Underwriting declined due to high loss ratio reflecting the effects of Covid-19 on this product
- Investment income has grown commendably mainly due to reversed losses in equity of KShs 300 million
- No significant change in property market.
- Increased receivables impairment to Kshs 689 Million
- Key focus on direct and reinsurance debtors collection.

# **GEOGRAPHICAL SEGMENTS PERFORMANCE**

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# Market Segment Performance

## Kenya

### GWP

**Kshs 17.5 B**

(2020:Kshs 15.12 B)

16% 

### Underwriting Result General

**Kshs (242) M**

(2020:Kshs (449) M)

46% 

### Underwriting Result-Life

**Kshs (926) M**

(2020:Kshs (501) M)

-85% 

### Operating Expense inclusive of Impairment

**Kshs 4,28 B**


(2020:Kshs 3.6B)

18% 

### Receivables Impairment

**Kshs 638 M**


(2020:Kshs 150M)

325% 

### Fees & Commissions Income

**Kshs 1.9 B**


(2020:Kshs 1.4B)

44% 

### Profit / (Loss) Before Tax)

**Kshs 565 M**


(2020:Kshs 105 M)

438% 

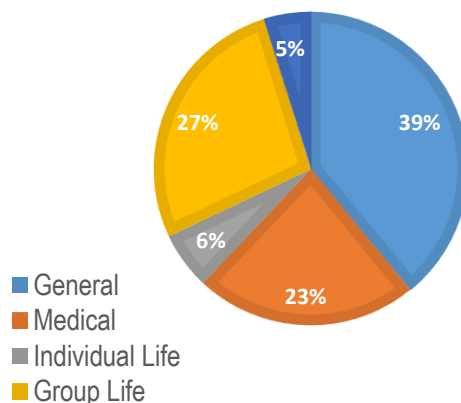
### Investment Income

**Kshs 1.9 M**

(2020:Kshs 1.4M)

33% 

GWP PER LINE OF BUSINESS



### Capital Adequacy Ratio (CAR)

**General  
Insurance**  
**166%**

**Life  
Assurance**  
**106%**

- General insurance GWP up by 16% reflecting new business growth under both non-medical and medical business.
- General Insurance underwriting results improved as a result of new underwriting practices
- Group life GWP up by 32% 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.
- General insurance PBT grew significantly by 152% to Kshs 644 million in spite of high receivables impairment of Kshs 446 million
- Life company remained resilient in the backdrop high Covid-19 related claims posting a LBT of Kshs 79 million and a PBT of Kshs 113 million before receivables impairment

# Malawi

Continued growth trajectory in Premiums written and profits

## GWP

**Kshs 0.82 B**


(2020:Kshs 0.58 B)

43% 

## Underwriting Result-General

**Kshs 47 M**


(2020:Kshs (4) M)

-1174% 

## Underwriting Result- Life

**Kshs 91M**

(2020:Kshs 2 M)

4499% 

## Operating Expenses inclusive of Impairment

**Kshs 194 M**


( 2020:Kshs 139M)

40% 

## Receivables Impairment

**Kshs 21 M**


(2020:Kshs 28M)

23% 

## Profit Before Tax

**Kshs 203 M**


(2020:Kshs 31 M)

546% 

## Investment Income

**Kshs 64 M**

(2020:Kshs 34M)

88% 

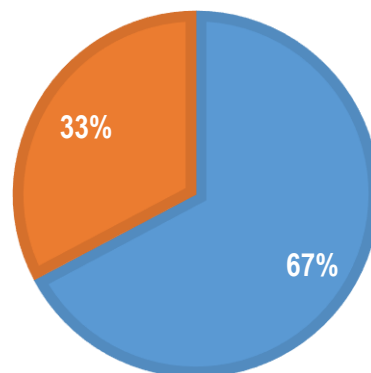
## Capital Adequacy Ratio (CAR)

**General  
Insurance  
20%**

**Life  
Assurance  
270%**

- Life Business: 134% GWP growth coming from group life business. General Business:
- General Insurance GWP growth of 20%.
- Both General and Life Assurance underwriting performance grew commendably as a result to the aggressive growth of the business and modest growth in operating and claims expenses
- The Company PBT also advanced by 546 % driven by favorable underwriting result coupled with notable growth in investment in

## GWP PER LINE OF BUSINESS



■ General ■ Group Life



# South Sudan

Strong operating profit results despite volatile operating environment

## GWP

Kshs 0.22B

(2020:Kshs 0.51 B)

58% ↓

## Underwriting Result-General

Kshs (253) M

(2020:Kshs (151) M)

-67% ↓

## Underwriting Result-Life

Kshs (2) M

(2020:Kshs 14 M)

-112% ↓

## Operating Expenses inclusive of Impairment

Kshs166 M

(2020:Kshs 227M)

-27% ↑

## Receivables Impairment

Kshs 39 M

(2020:Kshs 96 M)

-59% ↑

## (Loss)/Profit Before Tax

Kshs 212 M

(H2020:Kshs (232) M)

191% ↑

## Investment Income

Kshs 466 M

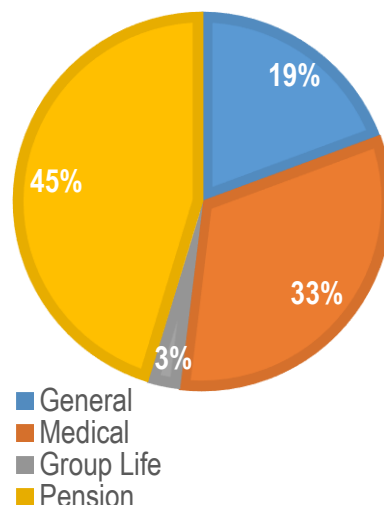
(2020:Kshs 129 M)

261% ↑

## Capital Adequacy Ratio (CAR)

218%

GWP PER LINE OF BUSINESS



- GWP decline due to review **towards profitable underwriting.**
- Decline operating expenses and IFRS 9 provisions amidst high loss ratios.
- **Growth** in **investment income** due to unwinding of foreign exchange losses incurred in 2020.
- The unrealized gains amounted to Kshs 398 million as at 31<sup>st</sup> December 2021

# Uganda

Resilient premium growth and future focus on underwriting

## GWP

**Kshs 1.1B**


(2020:Kshs 0.77B)

44% 

## Profit / (loss) Before Tax

**Kshs (20) M**

(2020:Kshs 57M)

- 135% 

## Capital Adequacy Ratio (CAR)

**General  
Insurance**

**244%**

**Life  
Assurance**

**108%**

## Underwriting Result-General)

**Kshs (39) M**

(2020:Kshs 39M)

-200% 

## Investment Income

**Kshs 113 M**


(H1 2020:Kshs 83 M)

83% 

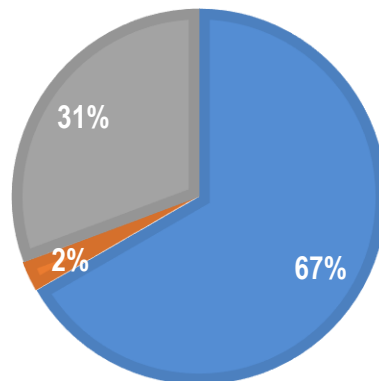
## Underwriting Result-Life

**Kshs (45) M**

(2020:Kshs (36) M)

-23% 

GWP PER LINE OF BUSINESS



■ General  
■ Individual Life  
■ Group Life

## Operating Expenses

**inclusive of the impairment**

**Kshs 214 M**


(2020:Kshs 175 M)

23% 

## Receivables Impairment

**Kshs (9) M**

(2020:Kshs 3 M)

394% 

- **Life Business:** 51% GWP growth registered in Group life business. Underwriting result down marginally reflecting unfavorable claims experience
- **General Business:** GWP up by 40%,. 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*