



BIHL GROUP



BOTSWANA INSURANCE HOLDINGS LIMITED (BIHL)
(Incorporated in Botswana on 21 November 1990)
(Registration number: BW00000798601)

Share code: BIHL and ISIN BW 000 000 0033
(BIHL or the Company or the Group)

TRADING STATEMENT

The Listings Requirements of the Botswana Stock Exchange (BSE) require BIHL to announce through the BSE and the press any circumstances or events that have, or are likely to have, a material effect on the financial results of the company for the period to be reported upon next.

The Board of BIHL hereby announce that the Group's interim results (profit before tax) for the six-month period ended 30 June 2021 will be lower than those reported for the six-month period ended 30 June 2020 by between 22% and 26%, this translates to a reduction of between P72 million and P85 million in the Profit Before Tax (PBT). PBT for the six-month period ended 30 June 2020 was P321.8 million.

The Group recorded an increase in claims of 44% during the six-month period to June 2021 due to excess mortality adversely impacting the life insurance business. The increase in mortality was driven by the COVID-19 pandemic as the country continues to battle with high infection rates experienced in the 3rd wave which have overwhelmed medical facilities. In the comparative period the number of claims were lower than expectation, largely assisted by the lockdowns and lower infection rates. The Group recorded a strong top-line performance during the period resulting from impressive volumes of new business underwritten. Capitalization levels continue to be significantly more than regulatory requirements and internally stipulated risk appetite.

The Board is actively monitoring the risks brought about by excess mortality and has put measures in place to manage the impact. However, the trading environment remains volatile, and COVID-19 is expected to continue to pose challenges into the 2nd half of the year.

The Group's results for the six-month period ended 30 June 2021 are expected to be published on or around 2nd September 2021. Accordingly, the shareholders of BIHL and potential investors are advised to exercise caution when trading in the Company's securities until a detailed announcement is made.

The financial information on which this trading statement is based has not been reviewed or reported on by BIHL's Independent Auditors.

By order of the Board
25 August 2021