



Sanlam Maroc

Investor Presentation
18 and 19 October 2023

Agenda

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Moroccan insurance market

- Macroeconomic environment
- Market overview

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Sanlam Maroc overview

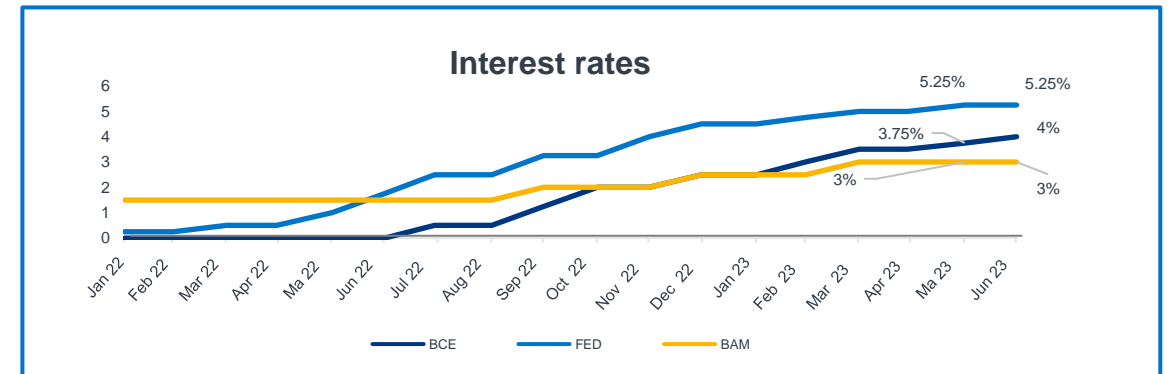
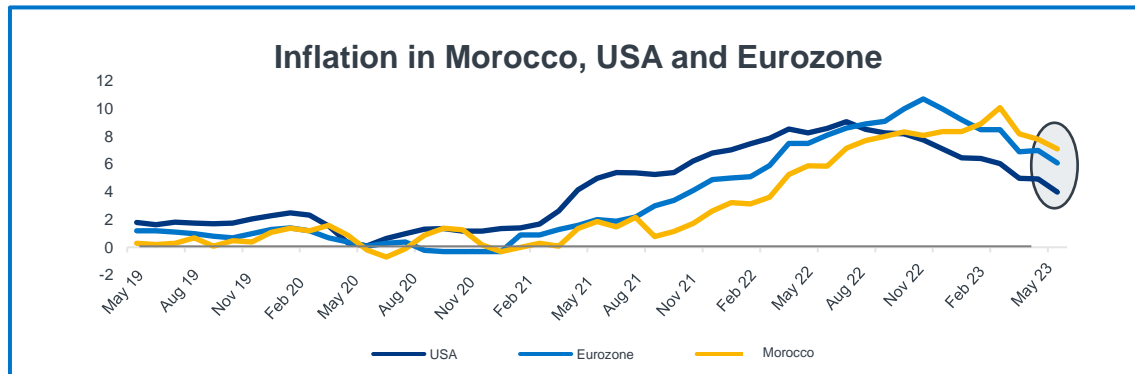
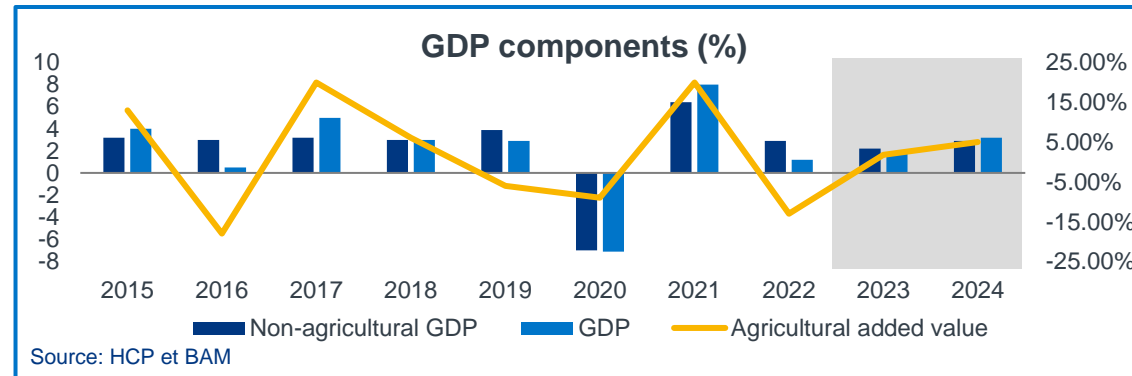
- Our history and main competitive advantages
- Sanlam Maroc market position
- 2022 key figures
- Asset allocation challenges for insurance funds
- Strategic orientations





Macroeconomic environment

A market context marked by rising macroeconomic risks both globally and nationally



- **Significant slowdown in economic growth in 2022** due to the combined effect of **drought**, a **difficult external environment** and **rising inflation**. According to Bank Al-Maghrib projections, **national economic growth** should accelerate to **2.4% in 2023** before consolidating at **3.3% in 2024**, reflecting the improved pace of growth in both agricultural and non-agricultural activities
- **Inflation**, for its part, is expected to **remain high** at **6.2% on average in 2023**, and to fall only to **3.8% in 2024**. However, this outlook remains surrounded by considerable uncertainties linked to geopolitical tensions and persistent inflationary pressures



Market Overview

Moroccan market players



Main insurance market indicators



Gross Written Premium
US\$ bn 5.4



Penetration rate
3.9%



Loss ratio
65.8%



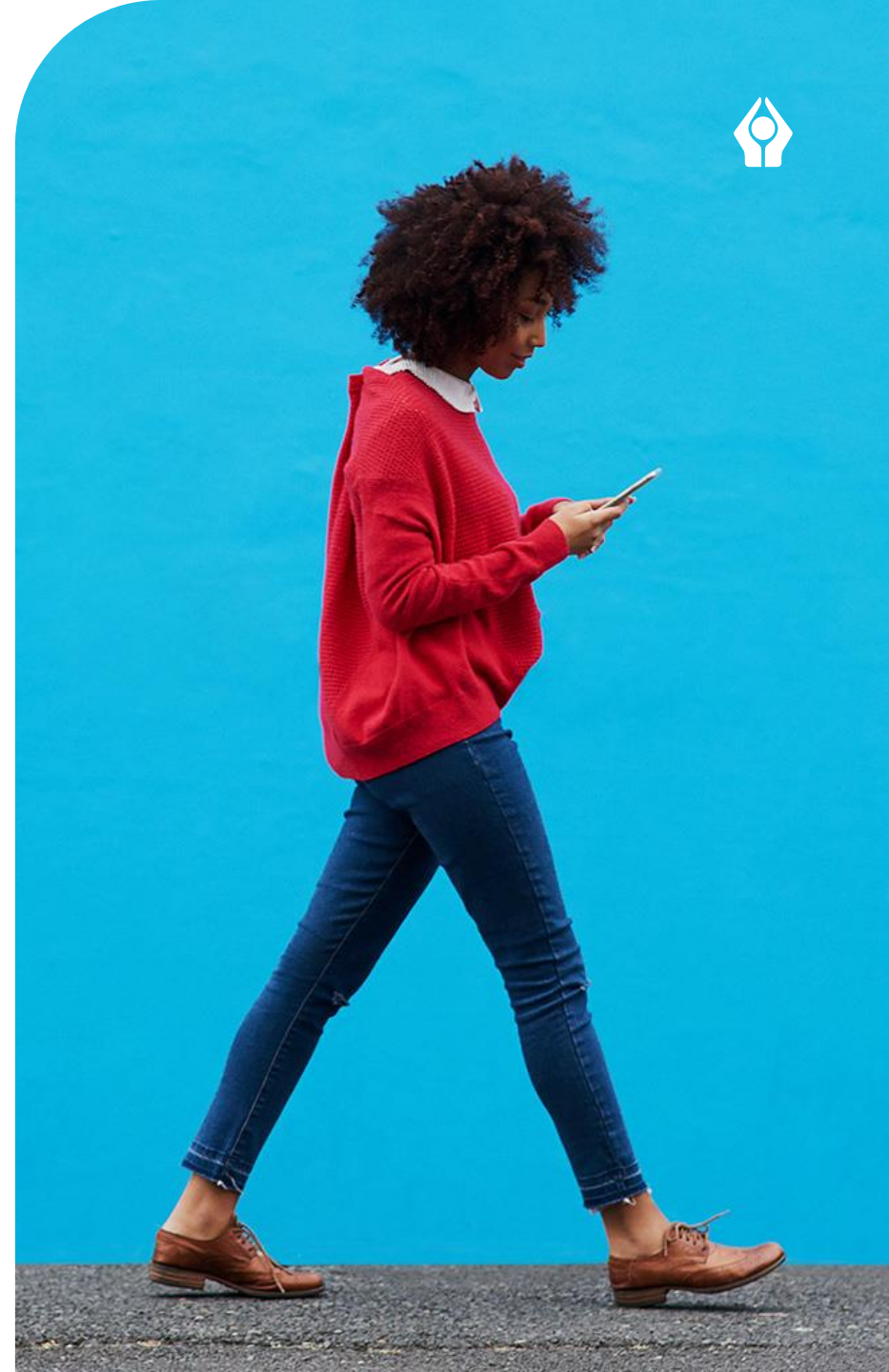
Combined ratio
94.0%



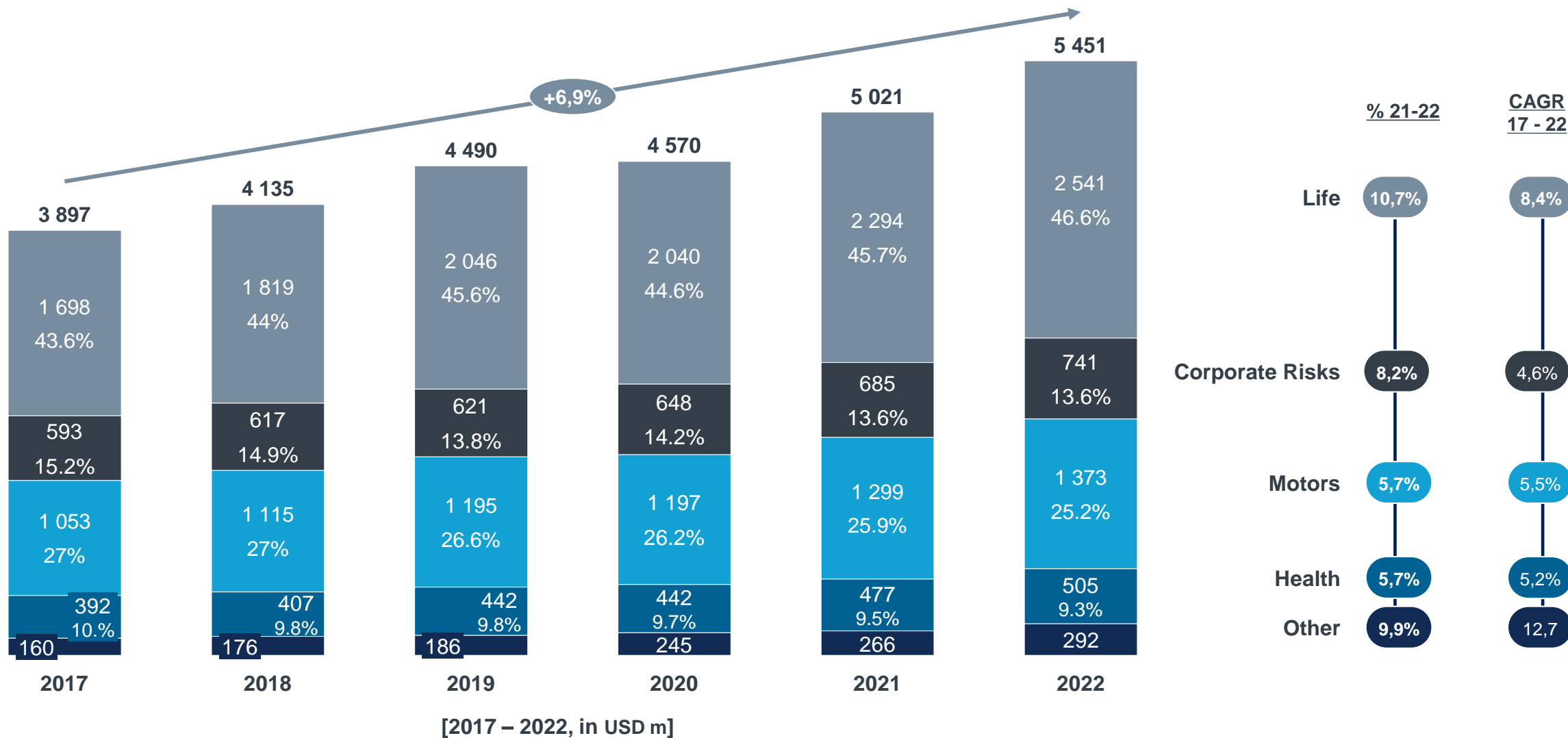
Financial assets
US\$ bn 22.1



Solvency margin
357.3%



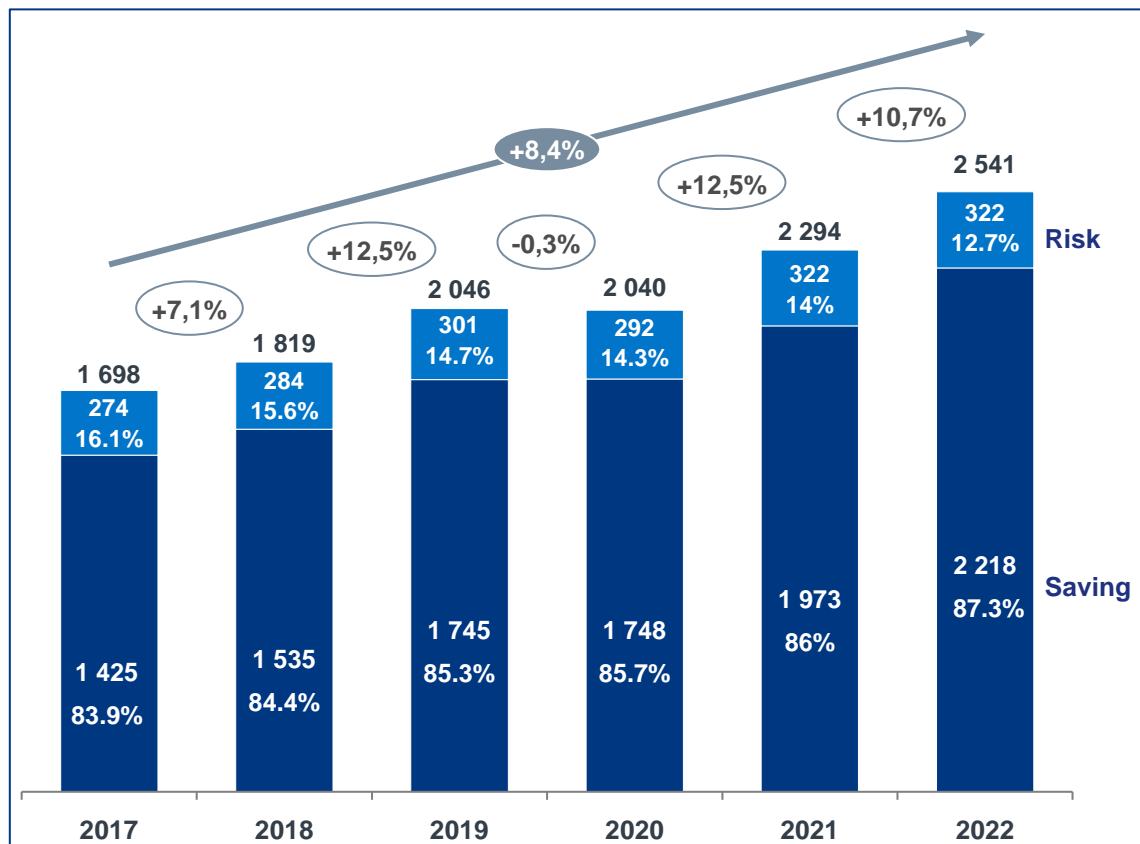
Growing insurance market with insurance penetration increasing from 3.3% in 2017 to 3.9% in 2022



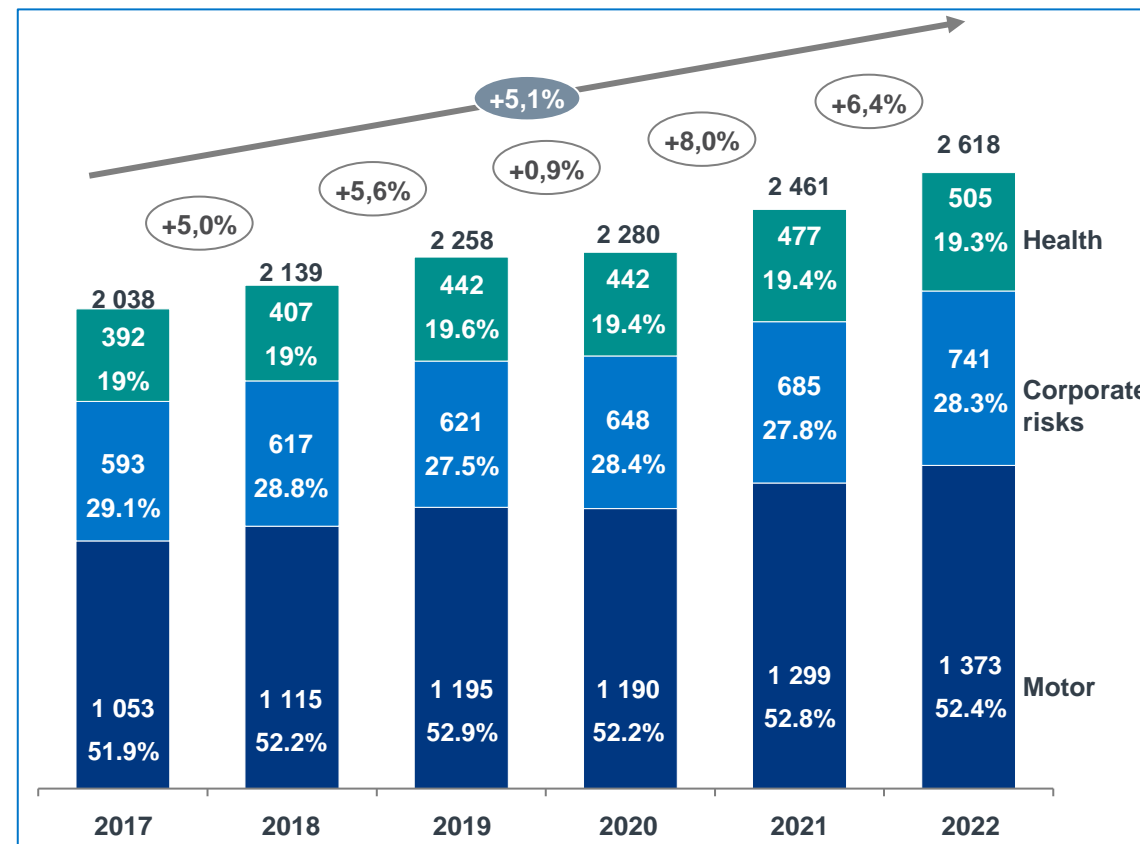
Market growth driven mainly by life insurance, with savings the dominant product



Life gross written premiums [2017 – 2022, in USD m]



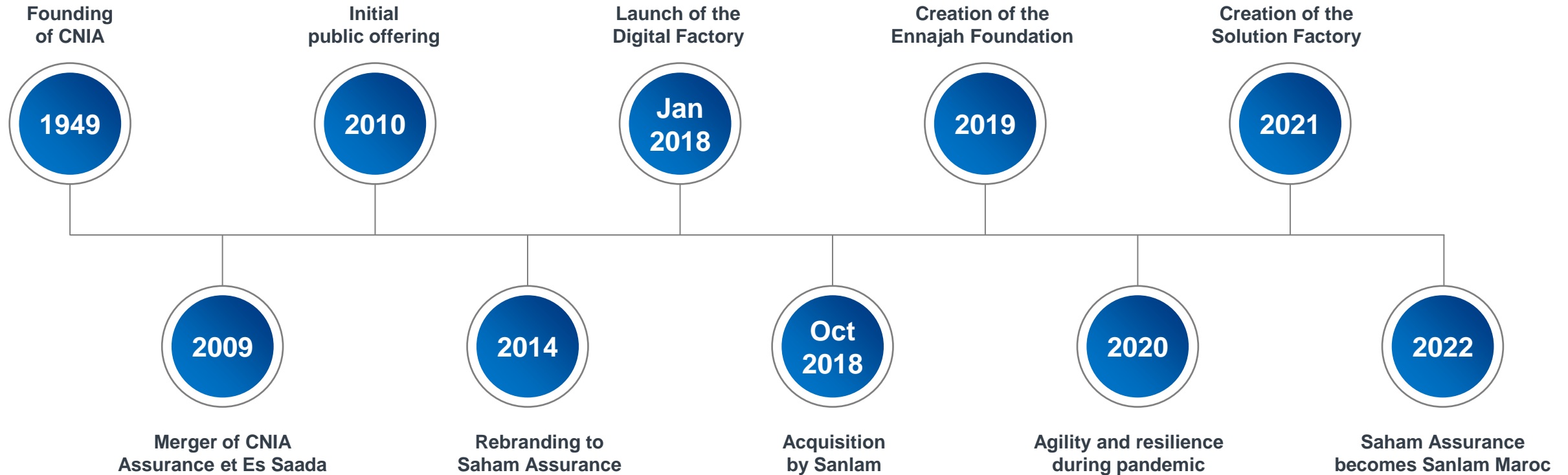
Non-Life gross written premiums [2017 – 2022, in USD m]





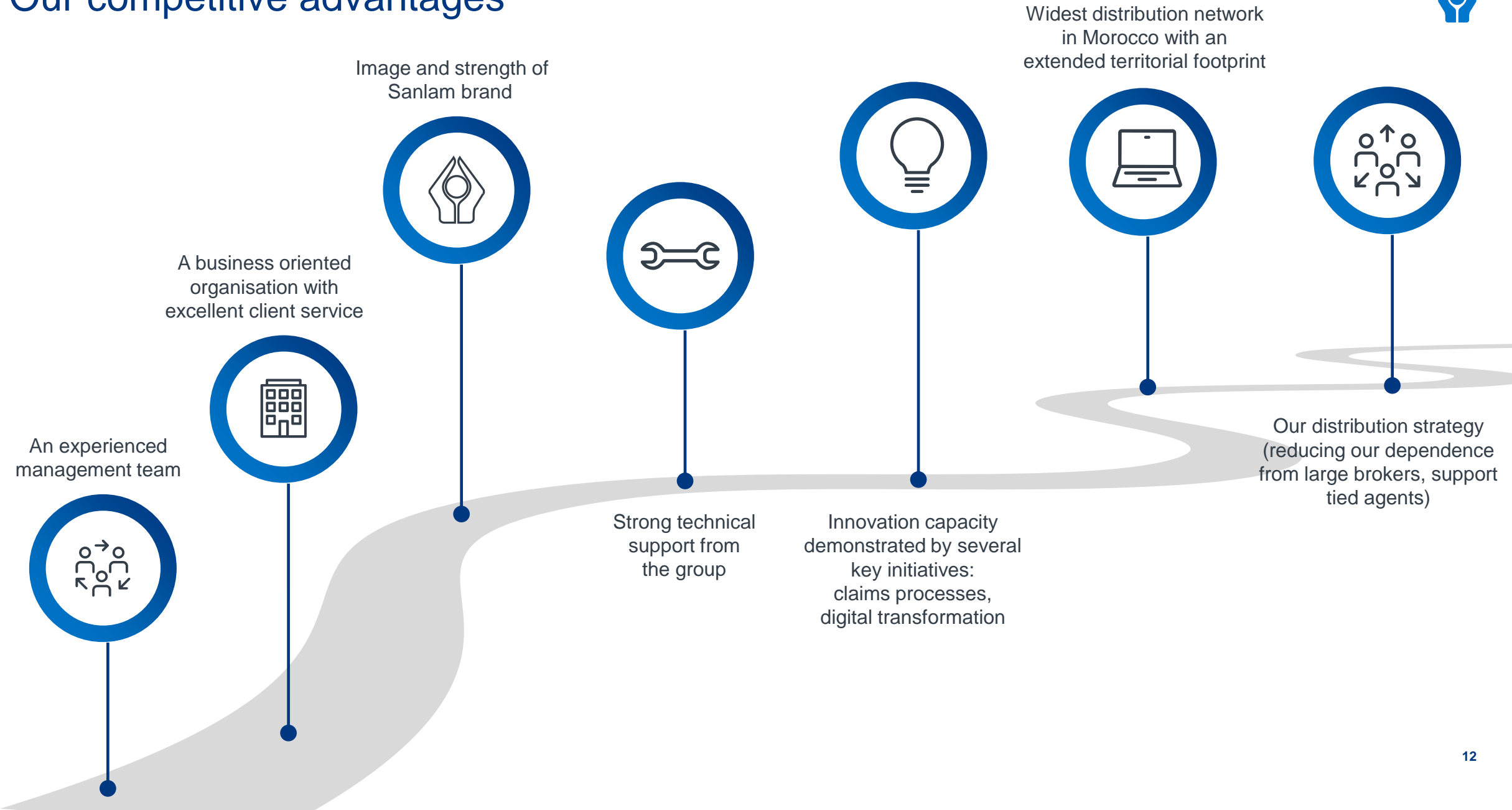
History and competitive advantage

More than 70 years of history within the Moroccan insurance landscape



Deeply rooted in the history of Morocco. Sanlam Maroc illustrates through its evolution the construction of a **pluralistic identity to the world**. This evolution is both Sanlam Maroc's **strength** and **uniqueness** and shapes its **DNA** as a **forward-looking company, always seeking innovation**

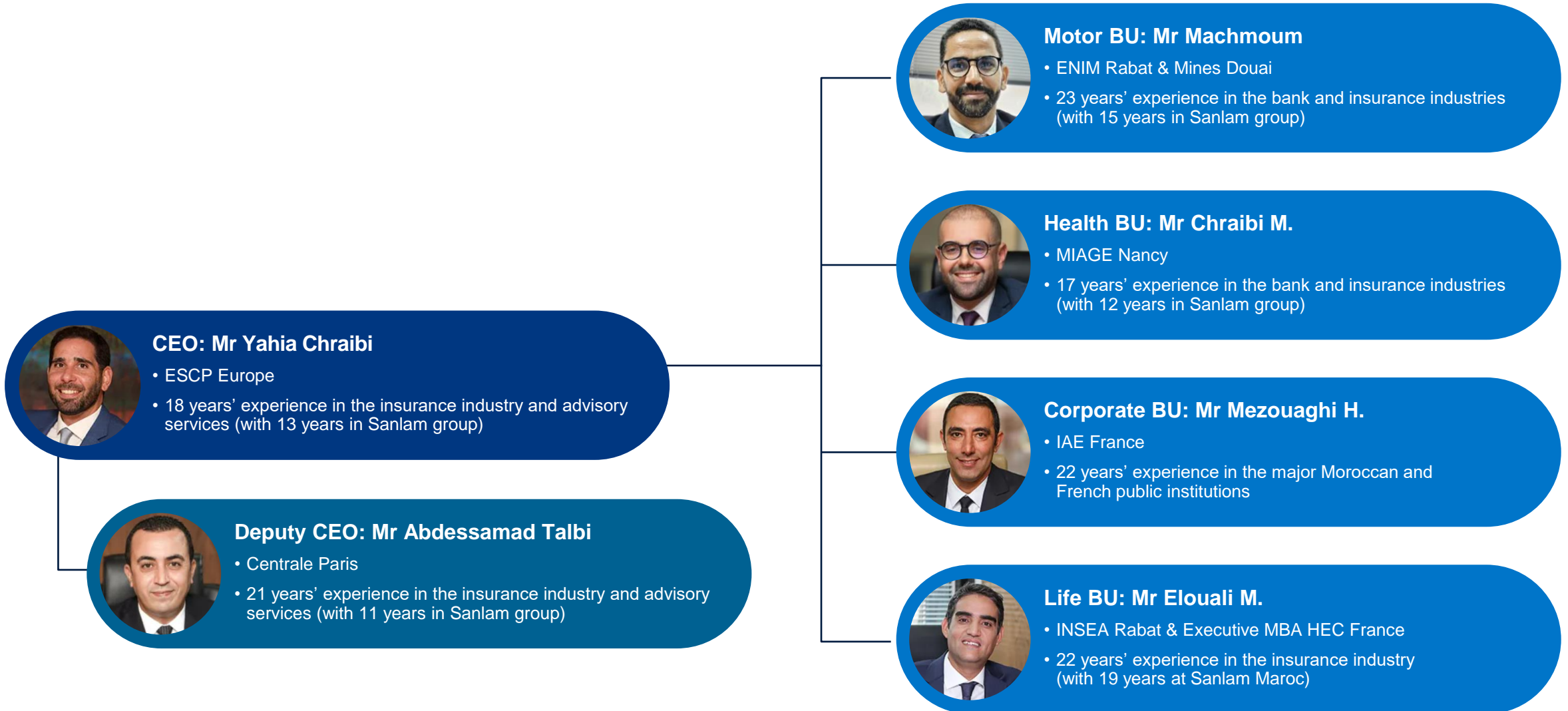
Our competitive advantages



A business-oriented organisation



An experienced management team (1/2)



An experienced management team | Support team members (2/2)



Finance, Technical and Asset Management **Mr Berrada Youssef**

- Chartered accountant
- 20 years' experience in audit firms and insurance industry



Marketing and External communication **Mrs Jamai Anbar**

- ESSEC Paris
- 16 years' experience in the insurance industry and advisory services (with seven years at Sanlam Maroc)



Legal, compliance and control **Mr Zelmade Said**

- Accounting and Finance degree and a master's in law master France
- 22 years' experience in the insurance industry



Human Resources and Purchasing **Mr Samir Chakib**

- Accounting and Finance degree and Law master from Perpignan (France)
- 28 years' experience in HR Management



Solution Factory **Mr Moudatir Yassine**

- IT and System Analysis and Master Executive Mines Paris Tech
- 19 years' experience in the bank and insurance industries



New services for policyholders

Check auto express

- **First rapid compensation centre:**
Today, Sanlam Morocco has 7 centres in the largest cities of the Kingdom

Servicing clients remotely

- **First company to** give policyholders the opportunity to remotely assess vehicle damage

Launch of 'My Auto'

- Platform allowing Sanlam to **optimise** the underwriting, renewal as well as follow-up and management of **motor material damage claims**

Fid' Sanlam

- **New loyalty programme** rewarding clients and encouraging persistency

Automation of health declaration and in-patient journey (on health products):

For the first time in Morocco, a fully digitised **health declaration** and a greatly simplified procedure for **in-patient journey, providing comfort and good customer experience**

Launch of My Santé

- Deployment of **My Santé**, including the **digitisation** of all interactions with **intermediaries, subscribers and beneficiaries** regarding health (administration of affiliates and dependants, health declaration for the extended health insurance, monitoring files progress, etc.)

Assur'Risk

- **First to market** automating the evaluation of fire damage claims

Digitisation and simplification of processes

Online subscription

- **First commercial site** in the insurance market

Unique platform for claims assessment

- **Merged claims and assistance platforms** for a better claims management and improved customer experience

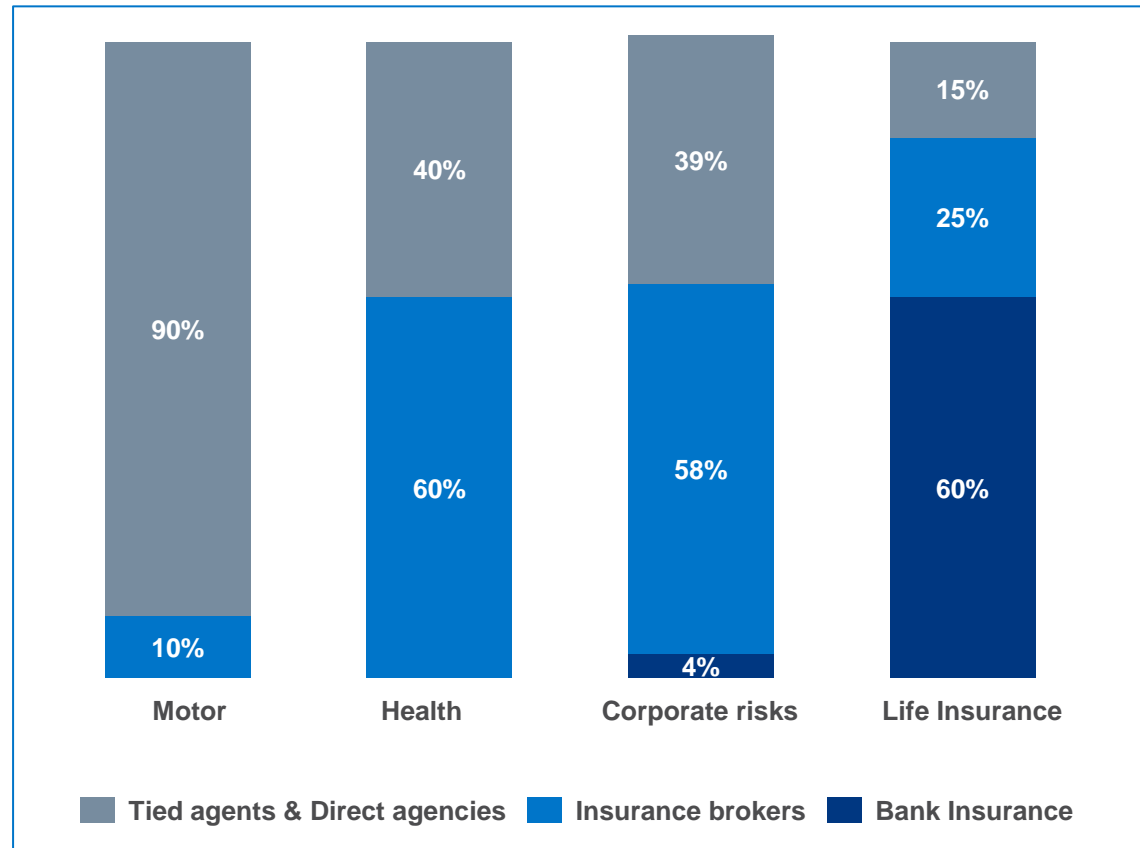
Mobile App

- **First mobile application** in the Moroccan insurance industry and enrichment with new features

Access to all distribution channels, strong agency force distributing motor business



Breakdown of premiums by insurance segment and distribution channels 2022, in %



Comments

Motor

Motor insurance is mainly distributed through the exclusive network of Sanlam

Health

This segment is mainly distributed by insurance brokers and direct agencies

Corporate risks

More than ~58% of the premiums are issued by insurance brokers

Life

The premiums of this segment still mostly distributed by the bank agencies through the bank insurance partnership with Crédit du Maroc

Sanlam has the largest exclusive distribution network in Morocco, with a presence across the country



Largest exclusive distribution network in the country...

511 Tied agents and directs agencies

217 Cities covered

#1 In Morocco (both in rural and urban areas)

Largest exclusive distribution network in the country...

>20 regional coordinators and sales managers

Breakdown of exclusive agents / HQ agencies of Sanlam by region





Sanlam Maroc market position

The Moroccan insurance market is dominated by the major life insurers

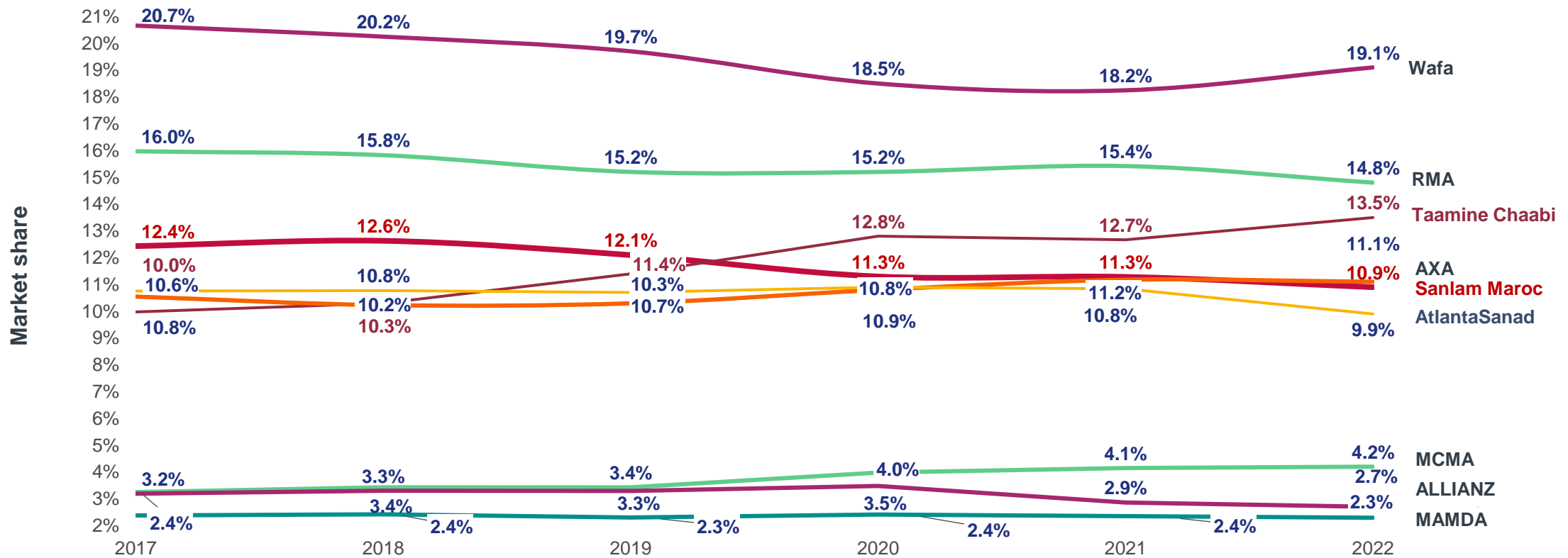


Market leadership positions in:

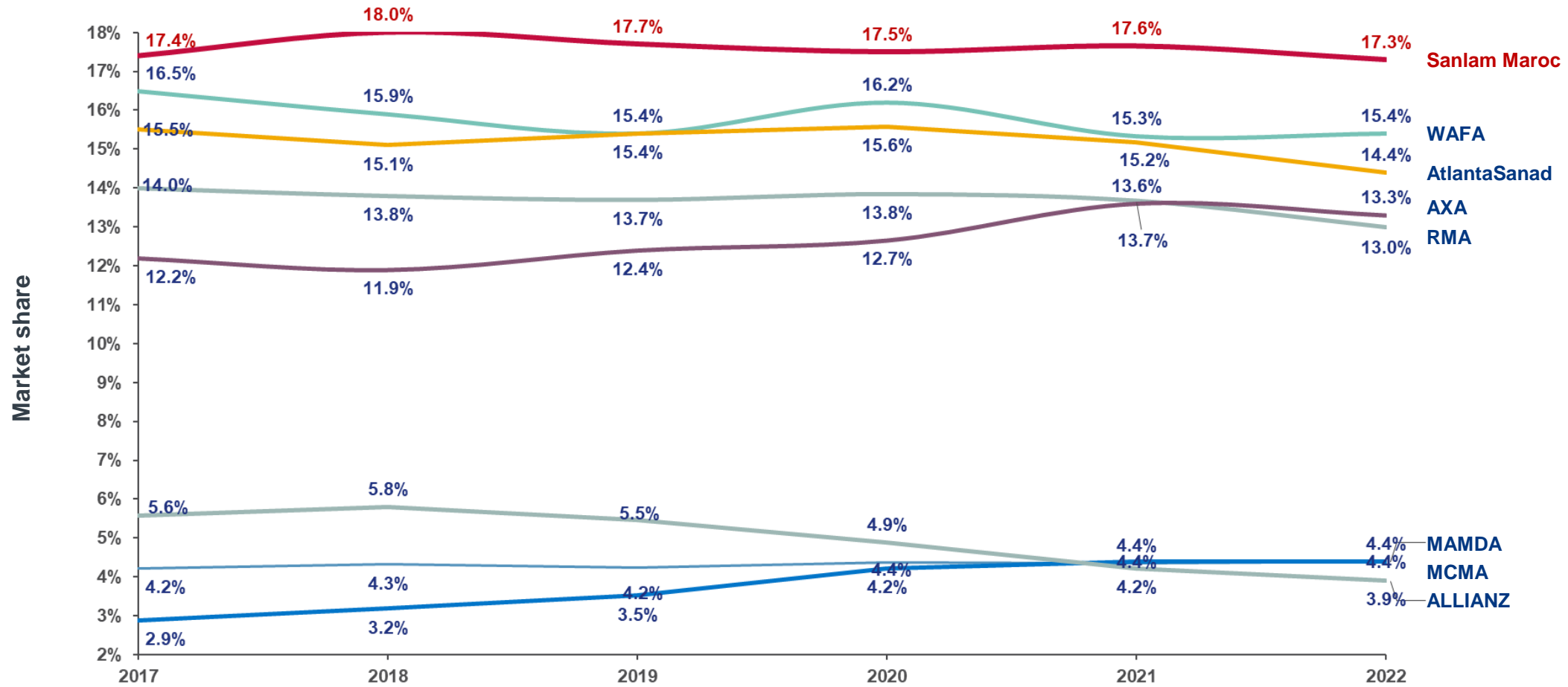
Motor 19.5%
Health 23.7%



Ranks seventh in life market dominated by banks



Sanlam Maroc has held its leadership position in non-life





2022 key figures

Breakdown of written premiums 2022



Non-life
84%



Motor

53% of non-life
gross written premiums



Health

24% of non-life
gross written premiums



Corporate risks

23% of non-life
gross written premiums

Life
16%



Risk

32% of life
gross written premiums



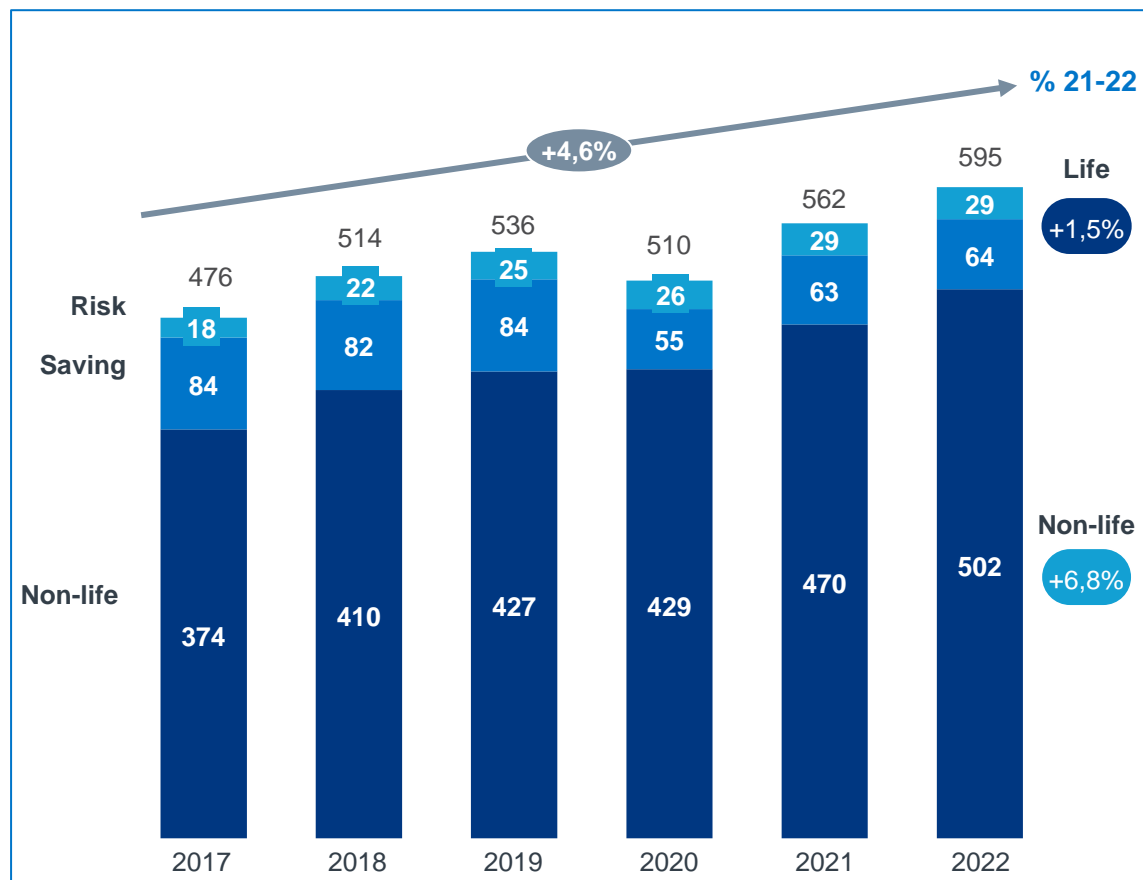
Savings

68% of life
gross written premiums

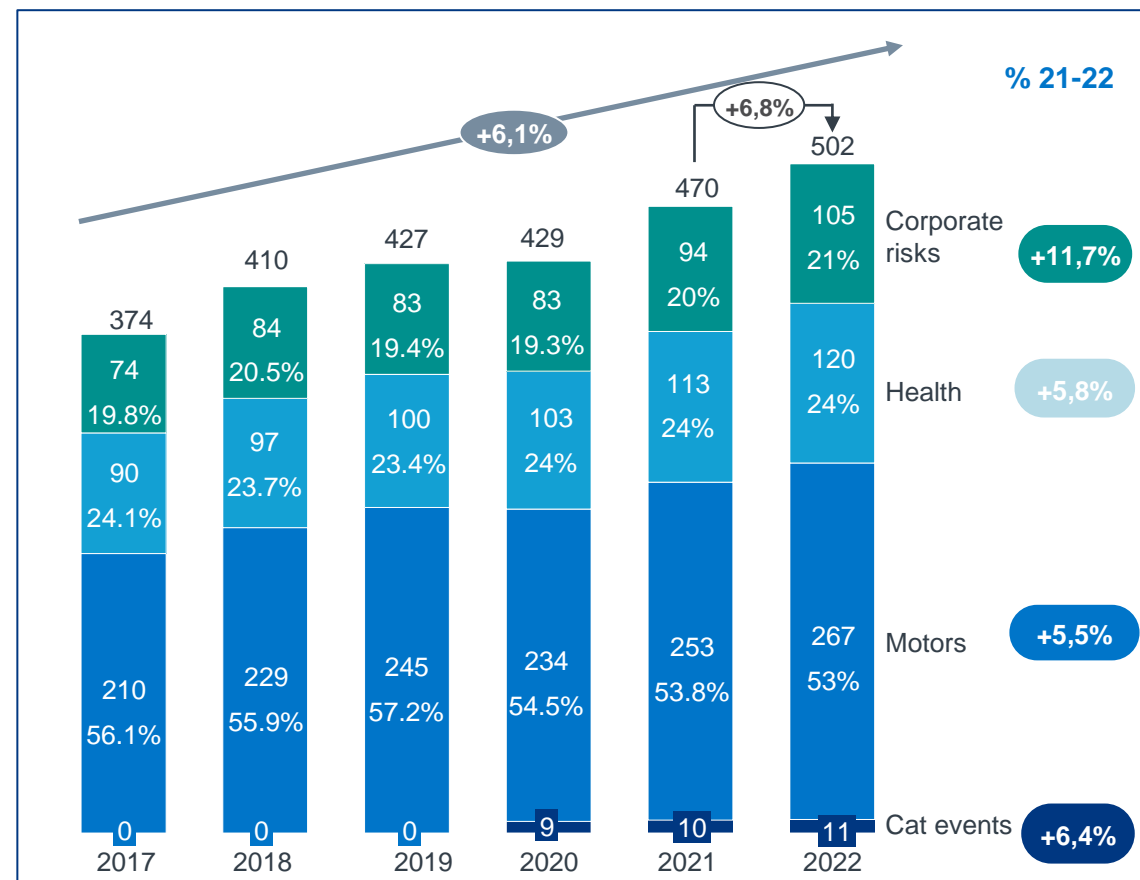
Sanlam Maroc premiums, growth driven by non-life



Sanlam Morocco's Gross written premiums
[2017 – 2022, in USD m]



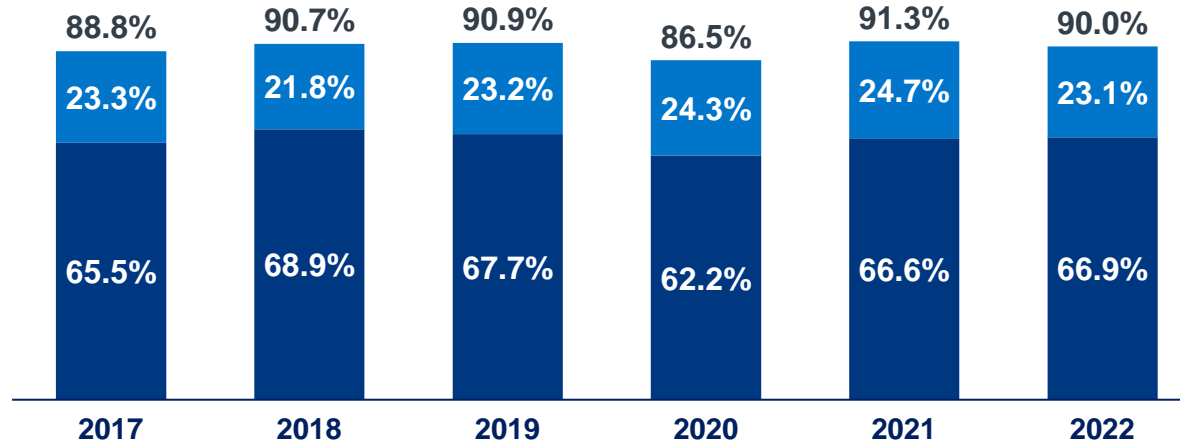
Sanlam Morocco's Gross non-life written premiums
[2017 – 2022, in USD m]



Profitability trends non-life (Sanlam vs market)



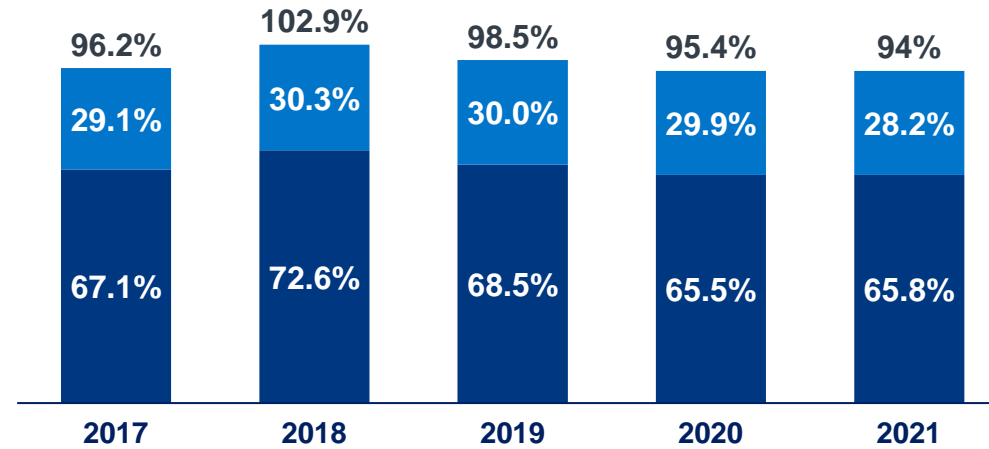
Sanlam Maroc combined operating ratio (2017-2022)



- For **comparability purposes**, the combined ratio presented **does not include the cost of reinsurance** (An average of 7 points)
- A **lower operating ratio** reflecting a **good cost control**



Market combined operating ratio (2017-2022)



Operating ratio Gross Loss Ratio



Asset allocation challenges

Asset allocation challenges for insurance funds



Insurance funds for the General Insurance business are largely allocated to properties and equities, this brings about undesired volatility in results. The business continues to implement measures to address the asset allocation. Over the past years, efforts to rebalance the portfolio have been affected by changes in bond yields and an increase in equity exposures.

Current context

Bond Market: Significant impact of the central bank of Morocco rate increase on the yield curve in 2023 → Decrease in the valuation of bond funds

Equity Market: After a sharp fall in the first quarter of 2023, Morocco All Share Index (MASI) rebounded from second quarter reaching 10% growth at the end of September 2023

2023 Strategy

Significantly reduce our equity exposure in favour of the fixed income market

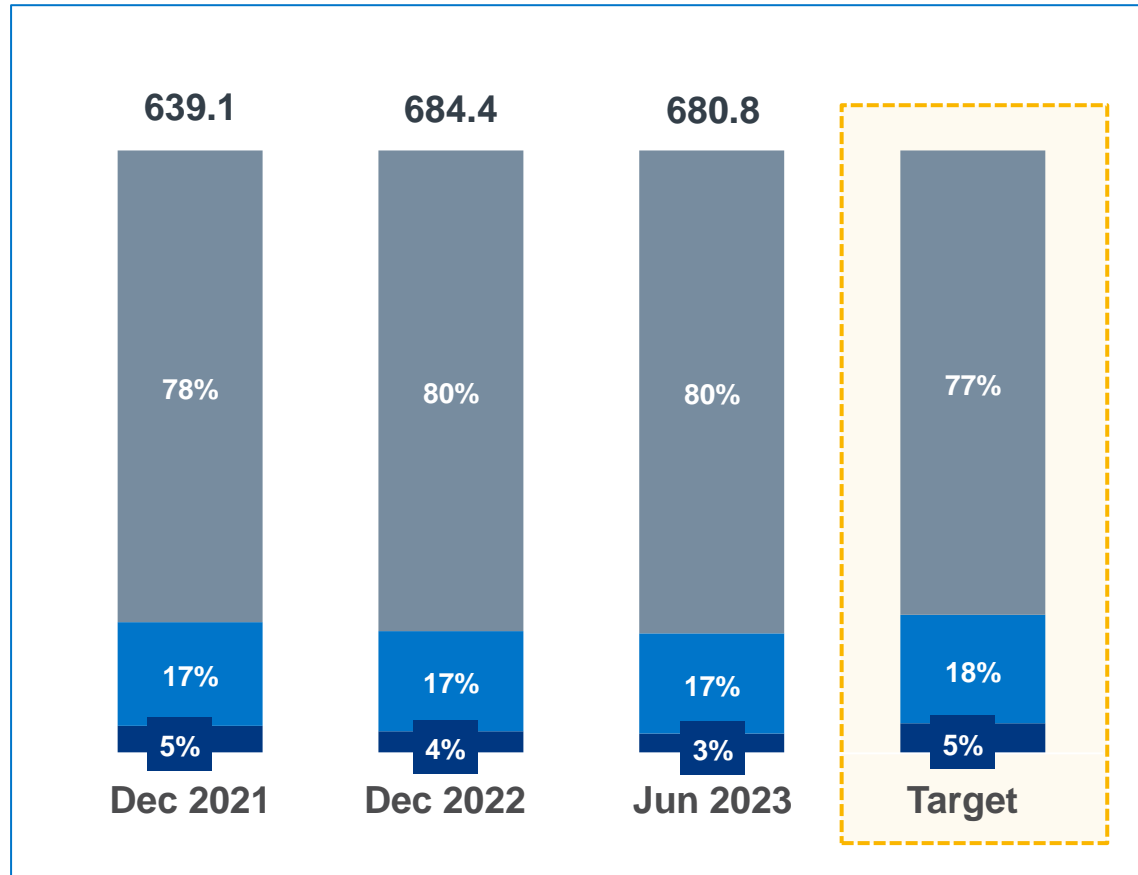
Take advantage of rising interest rates and invest the maximum amount of cash in **term deposits** and **short-term bond funds** (average yield of 3.50%)

Invest in **new bond funds** from April 2023 with an estimated yield of 4%

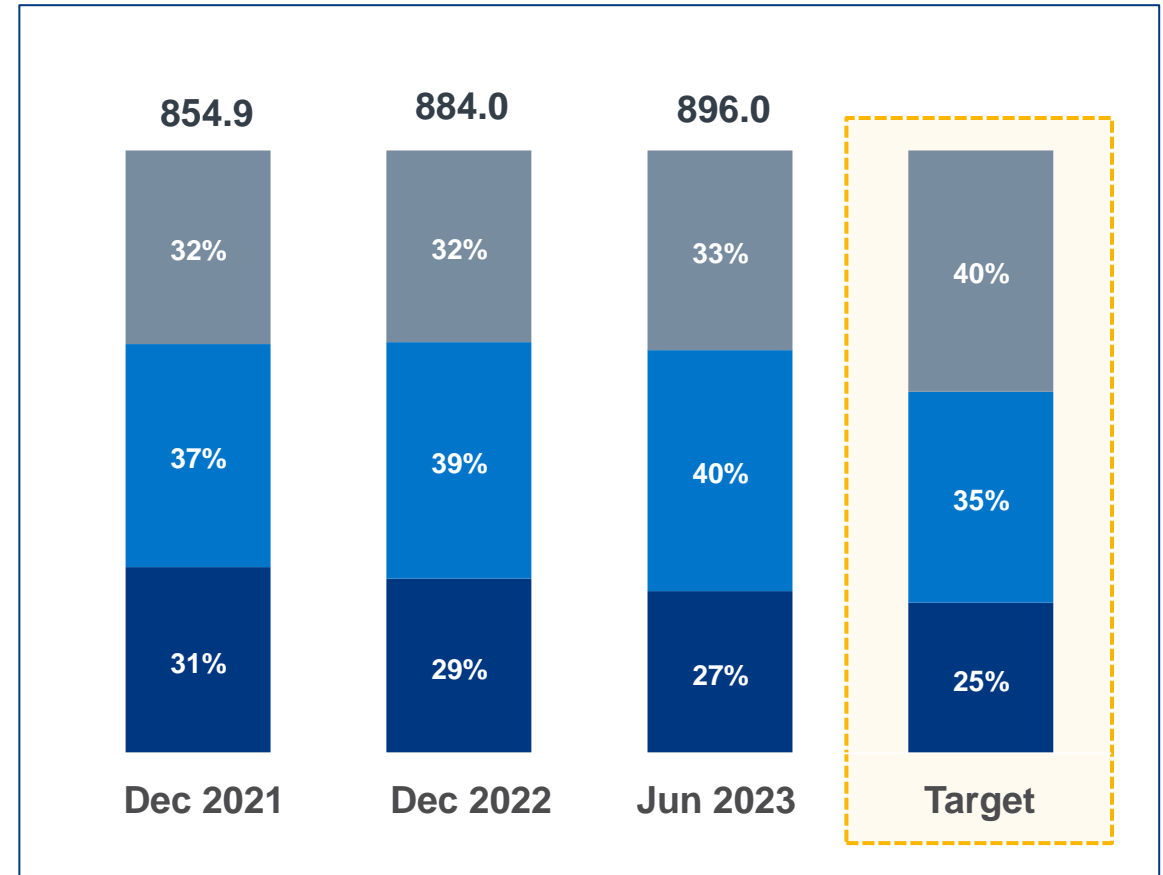
Insurance funds asset allocation | challenges to meet target ranges for the general insurance fund



Life Strategic Allocation (USD m)



General Insurance Strategic Allocation (USD m)



■ Bonds ■ Equity ■ Real Estates



Strategic orientations

Strategic objectives

Ensure a sustainable growth pattern by improving profitability on all GI segments

Tackle the Life business development challenges

Improve quality of service, customer experience and strengthen presence across the country

Optimise financial results through asset reallocations



Key Messages

- Leading non-life insurer in Morocco with strong relative performance on key metrics.
- Strong distribution and reach across the country, with suitable products for all segments.
- Demonstrated track record of innovation and industry firsts.
- Focus on improving market position in life insurance.
- Strong competitive advantage in benefiting from the technical support and years of experience from joint venture partners.





Thank you