



COMMERCE & FINANCIAL SERVICES

CLUSTER PERFORMANCE,
OUTLOOK AND STRATEGIES

ISLAND LIFE ASSURANCE

Performance highlights in 2020

The year was marked by the unprecedented impact of COVID-19 on the economic and social environment across the globe, combined with successive drops of interest rates registered locally during the year.

Life insurance being highly sensitive to interest rates, especially in terms of valuation of liabilities, the successive drops in interest rates caused an increase in the value of our liabilities, and also put a strain on our solvency, all of which prevented us from meeting our investment forecasts.

Our overall premium income dropped by nearly 20% to reach MUR 164.7M, compared to MUR 203.2M in 2019. These drops were caused by a combination of factors: a review of our strategy relating to the products to be marketed, the prevailing adverse economic conditions and our inability to carry out our activities due to the lockdown and ensuing uncertainty around the pandemic.

However, we reaped the benefits of having readjusted our strategy a few years ago:

- We posted an overall asset return of 4.24%, and a 36% increase in investment and other income, as a result of an increase in fair value gains on foreign investment and the revaluation of investment properties.
- In a drive to provide more accessible protection to consumers, we transitioned from single-premium to regular-premium products. We began this shift well before COVID-19 and are today better aligned with today's market realities and new customer demands.
- We upgraded our products to include enhanced protection against the new risk posed by COVID-19. However, sales only picked up towards the end of 2020, as policyholders were unwilling to pay even a slightly higher premium due to the decline in their spending power and a lack of visibility.
- During the year, we focused on restructuring our business to optimise efficiency and on reinforcing our management team. The Board was also strengthened with the addition of members with deep industry knowledge.
- We successfully launched a suite of new products between December 2019 and March 2020.
- As a result of a stronger management team, better product positioning, a review of our sales distribution channels and increased consumer confidence after the announcement of the vaccine, our sales of regular premium policies started to improve by the end of the year, a trend that is expected to further improve during 2021, particularly once all our product approvals are obtained.

Contribution to Group strategy



Opportunities arising from COVID-19

- We ramped up our digitisation efforts to be able to operate efficiently during the lockdown period. Arrangements were made to enable our staff to maintain core operations remotely.
- We also used this time to sensitise consumers on the importance of protecting one's family with life insurance, particularly in the context of a pandemic. We increased our engagement on online platforms to attract new customers.

Priorities for 2021

- We anticipate demand for life products to increase in 2021 and beyond, as people's eyes have opened to the value of life insurance.
- We are aiming to launch our online services by the end of the year to cater for the adoption of digital mediums by a larger segment of the market. We are developing the ability to sell policies online, as well as an efficient online customer service.
- The upgrade of our IT system is being done in collaboration with CINF, which is also enabling us to leverage strengths within the Group and identify ways to create shared value.
- We aim to further bring brand awareness and product offers within the Group. Though we have maintained strong relationships with our clients, we became aware of the importance of building a credible and trustworthy brand, with a solid reputation.

4.24%

Asset return

36%

Increase in investment and other income



OPERATIONAL EFFICIENCY



FINANCIAL RISK MANAGEMENT



BUSINESS PORTFOLIO



SUSTAINABILITY FOCUS

BATIMEX LTD

Performance highlights in 2020	Contribution to Group strategy	Opportunities arising from COVID-19	Priorities for 2021
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- The pandemic brought all our activities (retail, wholesale and projects) to a standstill during the lockdown period which lasted until mid-May 2020. This was compounded by a decline in purchasing power, affecting our retail segment, and the disruption of global supply chains, which impacted our ability to fulfil our orders and procure our products from China and Europe.
- We embarked on a rigorous cost reduction exercise and managed to reduce our administrative costs by 15% on a year-on-year basis. Moreover, the leadership team was restructured and Rishaad Currimjee became CEO of Commercial and Development Projects in January 2021.
- On the upside, the government has singled out construction as one of the main engines of growth. Construction projects which were already in the pipeline went ahead, boosting our Projects segment.
- Despite the unfavourable macroeconomic context, a new METRIC showroom was opened in Phoenix, a range of new taps was introduced under our own brand, Aquavit, and the range of products under the Villeroy and Boch brands was expanded.



- The lockdown period allowed us to renew our focus on operational efficiency:
- we reviewed our processes and managed to streamline our costs
 - we renewed our focus on our people, ensuring they remain engaged, motivated and united around a common purpose, which led to a 27% increase in sales in our wholesale department. We also worked on improving product knowledge and training.
 - we improved our customer journey and increased our engagement and proximity with customers through social media
 - we continued upskilling our sales resources through online training courses

- In response to the acceleration in technology adoption in all customer segments, one of our greatest priorities is the enhancement of the physical and digital customer experience, which we aim to improve by strengthening our digital capabilities and social media strategy, renovating some of our showrooms and leveraging our teams' engagement to drive customer centricity.
- We aim create more customer proximity by opening a Metric showroom in Rose Hill and expanding our wholesale client base.
- We are also working on strengthening our second layer of management in a drive to reduce our operational risks and provide for business continuity alternatives
- We are pursuing strong partnerships in organised retail, international wholesale and digital sale experiences to achieve our growth objectives

MUR **226M**
Turnover

MUR **78K**
Operating profit

