



**PERFORMANCE &
STRATEGY**



PERFORMANCE REVIEW GROUP CEO

Dear Shareholder,

It is thanks to the **commitment** and **engagement** of our teams that we have delivered a robust performance in the first year of our three-year strategic plan **MUA Ambition 2020**. These strong results build on the concerted work done in the past four years to deliver sustained value to all our stakeholders, through our first strategic plan. Our focus has been on achieving greater **efficiency**, proposing **innovative** products and services to our **wide network** of insurance partners and our clients, and most importantly remaining **customer-centric** in our approach.

This past year was on many levels a pivotal one in our group's history, as we launched a **single, strong brand MUA** across all our business units in Mauritius (General Insurance, Life, Pension, Mutual Funds and Stockbroking) as well as our operations in Kenya, Rwanda and Uganda. We are well on track with our MUA Ambition 2020 strategic plan, focusing on the execution of clear **management levers**, and pursuing the tandem of **business growth** and business **transformation** within the various entities. Our stated objective is to become a **regional leader in insurance**, empowering our stakeholders to live a better life.

In terms of our results, the Gross Earned Premiums of our key General Insurance operations in Mauritius **grew by 7%**, whilst our operations in East Africa **grew by 10%** despite a volatile environment. The revenue of our Mauritian Life operations crossed the **Rs 1 billion mark** for the first time thanks to continuing focus on business development and distribution.

As we take stock of this past year, I would like to extend my sincere thanks to **our clients** for their trust. They remain our **primary focus**, as we develop new products and client tools to deliver on our engagement to better serve their needs every day. My gratitude also, to **our teams across six countries**, our distributors and key **business partners**, who have been working closely with us to deliver these strong results and maximise the impact of our strategic initiatives. We are confident that our collective efforts and energy will create **sustainable long-term value** for all our stakeholders.

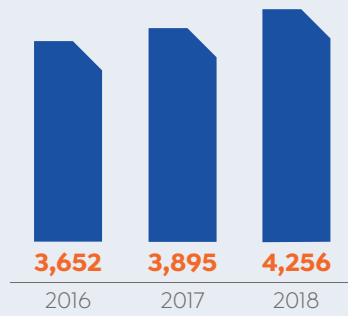


Our focus has been on achieving greater efficiency, proposing innovative products and services to our wide network of insurance partners and our clients

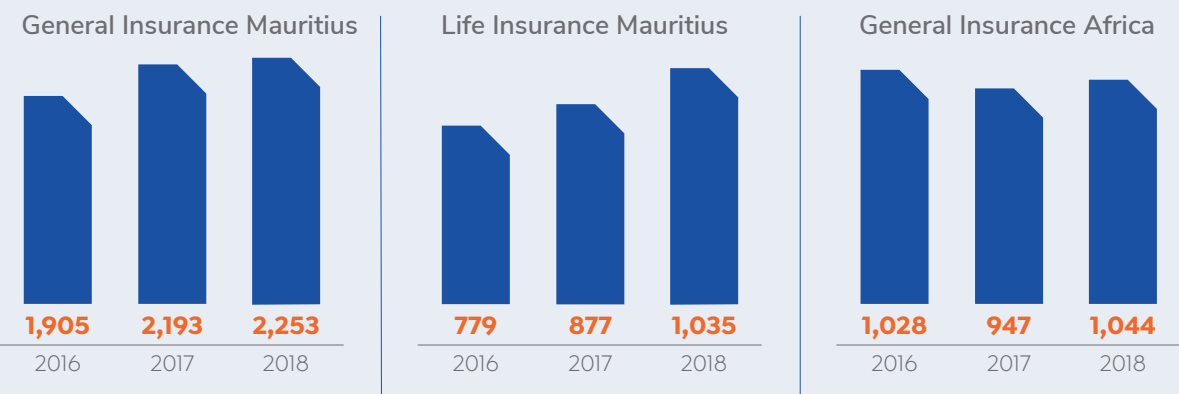


FINANCIAL HIGHLIGHTS

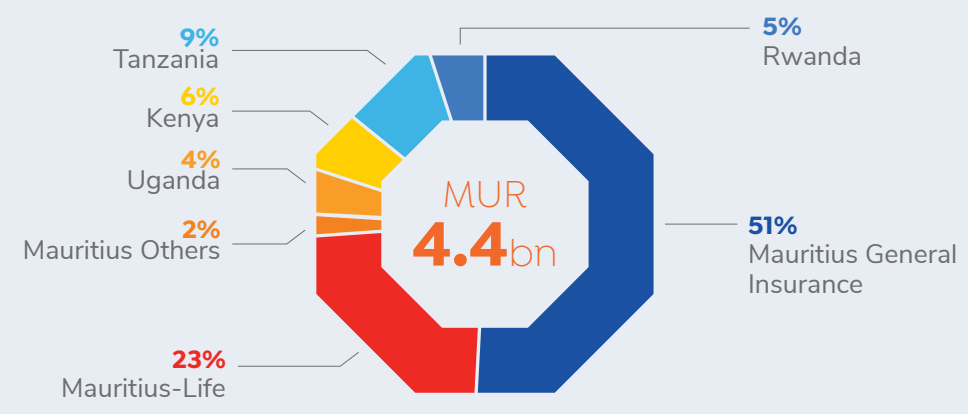
▶ GROUP GROSS PREMIUM EARNED (Rs m)



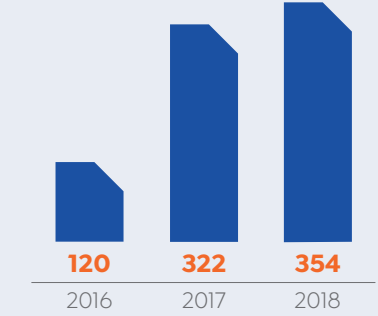
▶ GROUP REVENUE (Rs m)



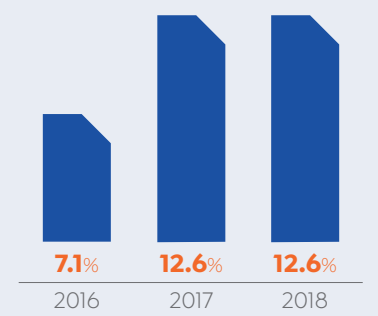
Revenue by Country



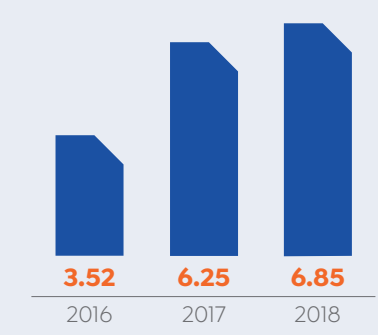
▶ GROUP PROFIT AFTER TAX (Rs m)



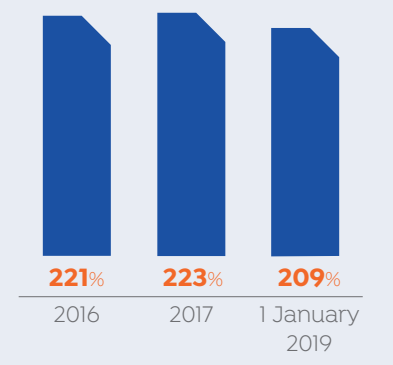
▶ GROUP RETURN ON EQUITY



▶ EARNINGS PER SHARE (Rs)



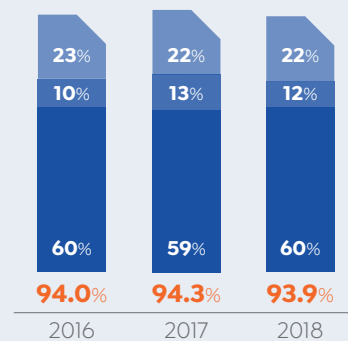
▶ GROUP SOLVENCY RATIO



► GENERAL INSURANCE
MAURITIUS

Rs m	2016	2017	2018
Gross Written Premium	1,905	2,193	2,253
Net Claims and Benefits	-917	-965	-1,028
Operations and Administrative Expenses	-629	-700	-745
Impairment of Subsidiaries	-104	-	-
Profit from Operations	90	183	196
Profit Before Tax	69	165	179
Income Tax Expense	-12	-19	-26
Profit After Tax	57	146	153

Combined Ratio



● Loss Ratio ● Commission Ratio ● Expense Ratio

Market Share: in terms of Gross Premiums*

Motor: 23% market share – No. 1
 Accident & Health: 22% market share – No. 2
 Property: 19% market share – No. 3
 Overall: 25% market share – No. 2

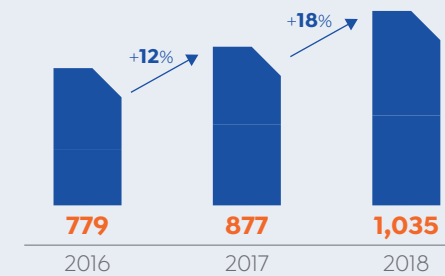
* Latest available FSC statistics 2017.

KEY FOCUS & OUTCOMES:

- **Process review** with the aim of achieving greater efficiency in terms of subscription, administration and claims.
- Continued focus on **digitalisation** and **innovative** solutions, notably with the launch of our car insurance Mobile App and a new partnership with MyChauffeur.
- **Rebranding** journey: systematically transform our branches, offices, documentation, marketing and communication collateral to MUA.

► LIFE INSURANCE
MAURITIUS

Gross Written Premium
(Rs m)



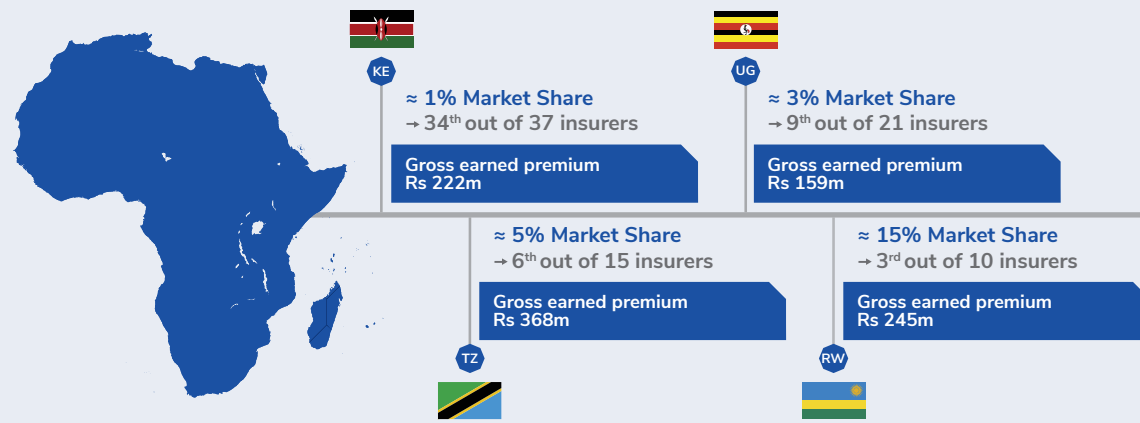
Profit After Tax
(Rs m)



KEY FOCUS & OUTCOMES:

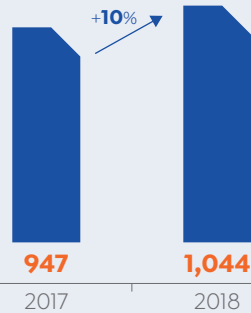
- Life subsidiary reached the **Rs 1bn gross premium** mark for the first time.
- **10% market share** (latest FSC statistics) and 18% growth in Gross Written Premium.
- Ongoing focus on **business development and growth**, in line with our strategic plan.
- **Digital orientation** to enable the sales force and administration to automate certain tasks, for increased efficiency.
- The **rebranding** of La Prudence Life Insurance to MUA signified a major change, aligning our short and long term insurance brands.

► GENERAL INSURANCE
EAST AFRICA

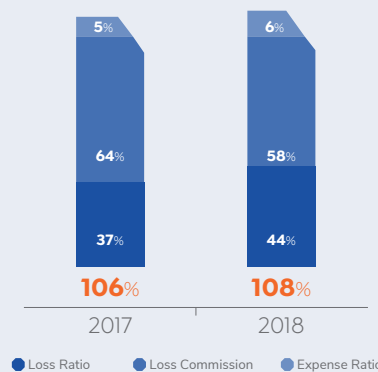


NOTE: Market share based on latest available figures (2017), in terms of GWP

Gross Written Premium
(Rs m)



Combined Ratio



Profit After Tax
(Rs m)

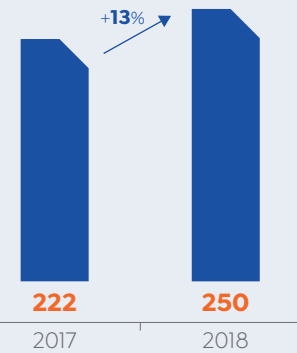


KEY FOCUS & OUTCOMES:

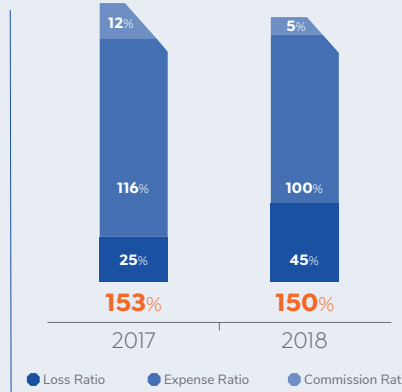
- **Steady growth** in terms of Gross Written Premium combined with stable profits.
- Focus for the region has been on two key aspects of **MUA Ambition 2020**, namely a strong **regional group culture** and sustained **growth in revenue**, supported by various teams in Mauritius. This is the first time the group's strategic plan has been integrated into the objectives of the four East African subsidiaries.

KENYA

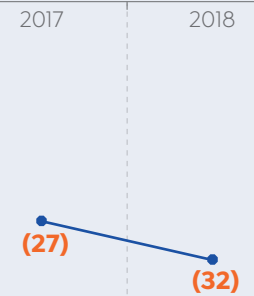
Gross Written Premium
(Rs m)



Combined Ratio
(%)



Profit After Tax
(Rs m)

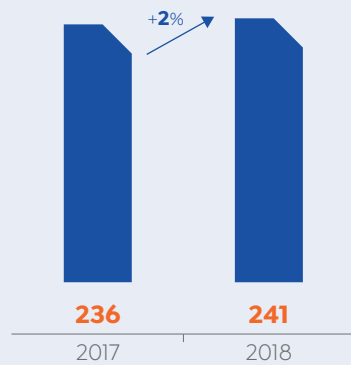


KEY FOCUS & OUTCOMES:

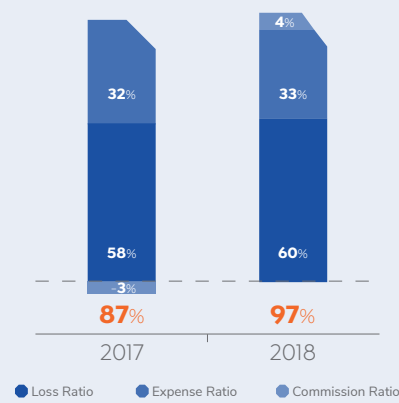
- Focus on **growing market share** through more strategic partnerships, reinforced relationships with intermediaries, a wider and more efficient **distribution network** and better products, despite challenging market conditions. This subsidiary is close to **reaching critical mass** to attain a viable scale in this market.
- The **rebranding** of Phoenix of East Africa to MUA marked a significant turning point, aligning the subsidiary's brand and presenting a **fresh & dynamic image** to the local market.
- **Digital transformation** continues, as we launched micro-insurance product via the USSD mobile platform.

RWANDA

Gross Written Premium (Rs m)



Combined Ratio (%)



Profit After Tax (Rs m)

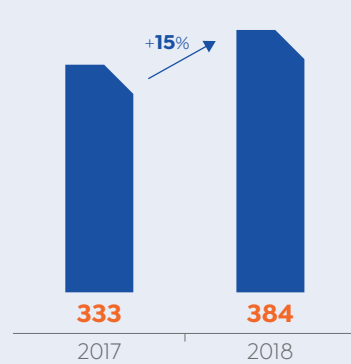


KEY FOCUS & OUTCOMES:

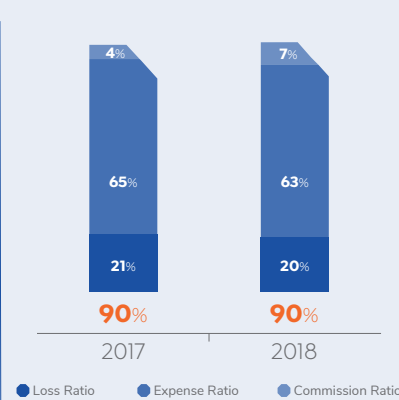
- A **26% increase** from Rs 19m to Rs 24m in investment income. The drop in operating profits was mainly due to the reinforcement of our reserves, requested by the regulator.
- MUA **consolidated its position** in Rwanda by injecting Rs 86m into the subsidiary, buying out minority shareholders and subsequently controlling 82% of the shares.
- The **continued growth** of the Rwandan economy and our 15% market share means we are well positioned to achieve our strategic objectives.
- The **rebranding** of Phoenix of Rwanda to MUA has also been instrumental in repositioning the brand in the local market, presenting a more **modern and vibrant** entity.
- Ongoing **digital transformation** with the implementation of key IT business applications.

TANZANIA

Gross Written Premium (Rs m)



Combined Ratio (%)



Profit After Tax (Rs m)

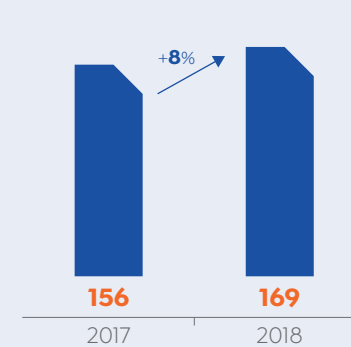


KEY FOCUS & OUTCOMES:

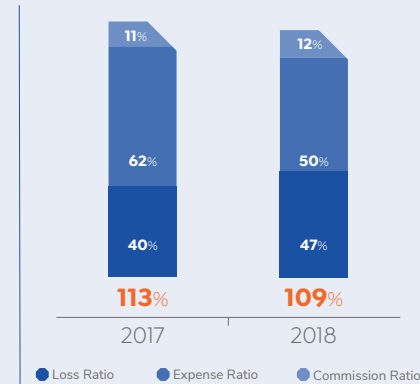
- Much **improved performance** with a solid 15% increase in Gross Written Premiums, with profits nearly doubling for the period and a stable combined ratio.
- Continued **focus on growing** our current 5% market share through a more dynamic and wider distribution network.

UGANDA

Gross Written Premium (Rs m)



Combined Ratio (%)



Profit After Tax (Rs m)



KEY FOCUS & OUTCOMES:

- **Healthy growth** in Gross Written Premiums and Profits, with an improved combined ratio.
- We continue to look for **opportunities to grow** our existing 3% market share, supported by the opening of new agency outlets in 2018.
- Phoenix of Uganda **rebranded** to MUA, presenting a **contemporary & dynamic** brand to the local market.
- Launched a **new product** 'TradeGuard' for the SME market at the beginning of 2018.

Financial Services - Mauritius



MUA Pension

- Steady **turnover growth** of 6%, coupled with a 32% increase in profits after tax.
- Pioneer in **corporate pension** fund administration and a top 3 market player.
- Focused on **business development** and the continued integration of the SIPF operations into MUA Pension.



MUA Mutual Fund

- Manages two exclusive and **well-performing funds**, in the midst of difficult market conditions. MUA Property Trust was up 9% for the year. MUA General Fund grew by a very modest 1%, versus the market benchmark of -1%.
- The **rebranding** of the company and its two funds was implemented smoothly for all unit holders, presenting a fresh and contemporary entity.
- Business development focused on **growing monthly savings** plan with individual clients.



MUA Stockbroking

- **Respected stockbroking** and investment dealer and a member of the Stock Exchange of Mauritius.
- Focused on providing a **quality trading service** for individual and institutional investors.
- A growth in MUA Stockbroking's overall **market share** consolidates its position during a generally lacklustre year on the SEM.

OUR VALUE-CREATION & VALUE-SHARING BUSINESS MODEL

HOW WE CREATE AND OPTIMISE VALUE

GROUP STRATEGY

The group has launched in 2018, its three-year strategic plan, MUA Ambition 2020, which is a holistic framework guiding the fast-paced development and transformation of all its entities. The main pillars of the plan are solid growth strategies and an ambitious set of technological initiatives to increase efficiency and control risks.

More about **MUA Ambition 2020** on page 37

THE BUSINESS UNIT & OPERATING CONTEXT

Each of our business units has developed its own set of operating strategies aligned with the group's strategy, whilst being flexible and proactive in adapting these to their specific operating context and the structural or cyclical shifts in the local industry. This two-fold alignment ensures a relevant and effective operational execution and creates enhanced value.

More about **Our Markets** on page 36

CAPITAL & RISK MANAGEMENT

Our group strategy is implemented in line with a systematic and rigorous risk management approach with a risk-aware culture instilled throughout the group. We are also focused on the need to optimise our capital management with appropriate return-based allocations and investments.



HOW WE SHARE VALUE

Our vision, mission and strategy are all centered on creating sustainable social, economic and environment value. It is our strong belief that our responsibility does not simply end with creating value for our shareholders but that as an insurance group, we also have the responsibility to enable healthier and happier lives for our employees, our clients and the communities we serve.

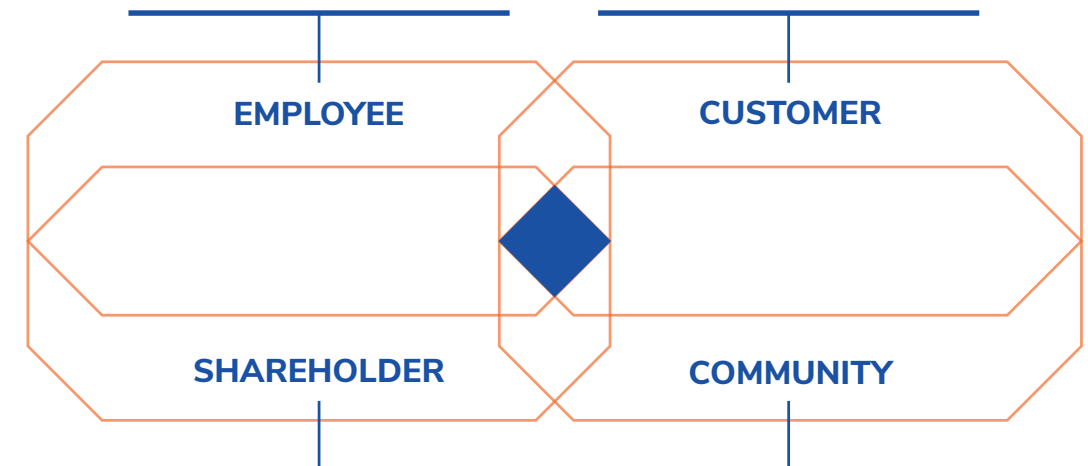
CREATING VALUE FOR ALL STAKEHOLDERS

Our people are our strongest asset and are key to creating a sustainable competitive advantage. Our strategy goes beyond simply attracting, developing and retaining a diverse, qualified and motivated workforce.

We are working hard to create a great place to work where our employees feel a strong sense of belonging to the MUA family, are empowered, recognized and encouraged to achieve their full potential.

We are strongly committed to delivering service excellence. We believe that a customer who has been well-advised about their insurance product at subscription and who has been well-assisted during the claim process is a customer we are more likely to retain for longer.

We want to be positioned as the lifelong insurance partner who looks after their needs diligently and not as an insurance service provider completing financial transactions in a detached and profit-driven manner.



Backed by our strong business model and prudent risk management approach, we have consistently delivered sustainable growth and superior returns in the form of share price appreciation and dividends to our shareholders over the years.

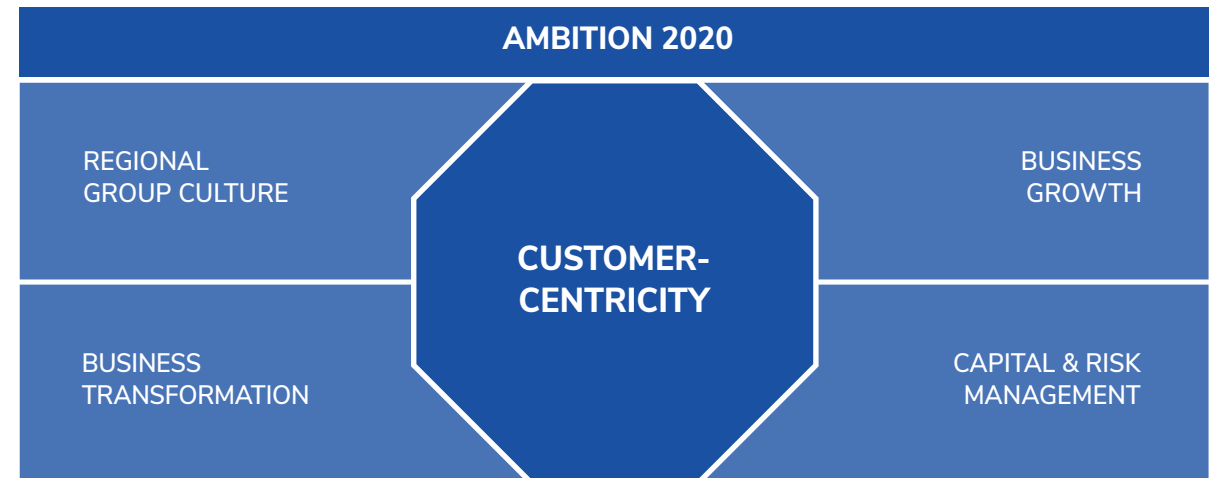
We are focused on bringing tangible and intangible value to our communities by delivering a clear, well-articulated value proposition which meets their needs. By providing insurance that adequately protects them from the risks and perils of life, we contribute to a continuously thriving society. Our Corporate Social Responsibility initiatives further reinforce our commitment to the communities in which we operate.

UNDERSTANDING OUR MARKETS

	COUNTRY OUTLOOK	MATERIAL RISKS & OPPORTUNITIES
MAURITIUS NON-LIFE & LIFE OPERATIONS	<p>Economic growth, measured at basic prices, is expected to be at 3.8% for 2019, contrasted to 3.6% achieved in 2018.</p> <p>This relative improvement comes mainly from a strong pick-up in public investment. Nonetheless it is worth noting that the growth prognosis for 2019 has been reviewed downwards at the start of the year, taking into account the worsening global economic conditions, especially those of our key export markets.</p>	<ul style="list-style-type: none"> • Non-Life operations: <ul style="list-style-type: none"> - Difficult prevailing soft market conditions; - Intense price competition; - Growth stagnation for some business lines. • Significant regulatory, governance and accounting developments • Impact of an ageing population • Lackluster investment returns and increased volatility • Consumer disposable income under increasing pressure
EAST AFRICAN NON-LIFE OPERATIONS	<p>KENYA: Economic rebound in 2018 with 5.7% GDP growth forecasted after the economic slowdown experienced in 2017 mainly due to the prolonged period of political uncertainty following the elections.</p> <p>TANZANIA: Relatively high economic growth sustained in the recent years with the medium-term outlook positive. However there are increasing risks being felt, namely the growing private sector concerns about economic policy uncertainty, the increased domestic arrears, infrastructure bottlenecks and inefficient public enterprises.</p> <p>UGANDA: Significant economic rebound from 3.9% GDP growth in 2017 to a forecasted 6.1% in 2018, fueled by a pick-up in investments and exports, strengthened credit to the private sector and a boost in agriculture. The positive trend is expected to last, driven by anticipated increases in investments.</p> <p>RWANDA: A robust growth has been achieved in 2018 led by strong industrial activity, low inflation and deficit containment. A strong implementation of the macroeconomic program supported by the IMF Policy Support Instrument (PSI) 2014 – 2018 has also led to numerous structural reforms, enhancing the country's resilience. A favourable medium-term outlook is expected.</p>	<ul style="list-style-type: none"> • Volatile and uncertain economic and/or social environment with a resultant slower growth and/or social unrest in the region • Disparate regulatory standards across countries • Increasing regulatory and governance demands and requirements • Significant accounting developments including IFRS 9 • Rapid population growth • Infrastructure challenges • Resource mobility • Talent and expertise scarcity leading to a competition for specialized skill sets • Disruptive technologies • Increased competition • Disintermediation & digitalization of insurance offerings • Unethical practices • Consumer fraud • Raised expectations of customers • Lack of trust in the financial services sector and low financial literacy
	STAKEHOLDERS' EXPECTATIONS & WELFARE	
	LEVERAGING ON OUR POSITIONING & COMPETITIVE ADVANTAGE	

OUR 2018 – 2020 STRATEGIC PLAN: MUA AMBITION 2020

MUA Ambition 2020 is the ambitious strategic vision and plan that sets in motion the fast-paced development and transformation of all the entities of the Group for the period 2018 – 2020.



The plan is underpinned by four key strategic pillars, two of which are led at a group level.

REGIONAL GROUP CULTURE	<p>Fostering a Regional Group Culture is about bringing all the entities of the group together as one family which shares similar values, culture and branding ethos.</p> <p><i>"We strive towards creating a dynamic, inclusive working environment where our employees feel valued, motivated, empowered and have a strong sense of belonging to the MUA Family, irrespective of which country they are in or what entity they work for. OUR PEOPLE are our strength and creating ONE MUA is our goal"</i> - Bertrand Casteres, Group CEO.</p>
CAPITAL & RISK MANAGEMENT	<p>The second group-wide strategic focus is on a prudent Capital & Risk Management Approach. We strongly believe in achieving a coherent fit between our capital resource allocation frameworks, our risk appetite and the returns generated.</p>

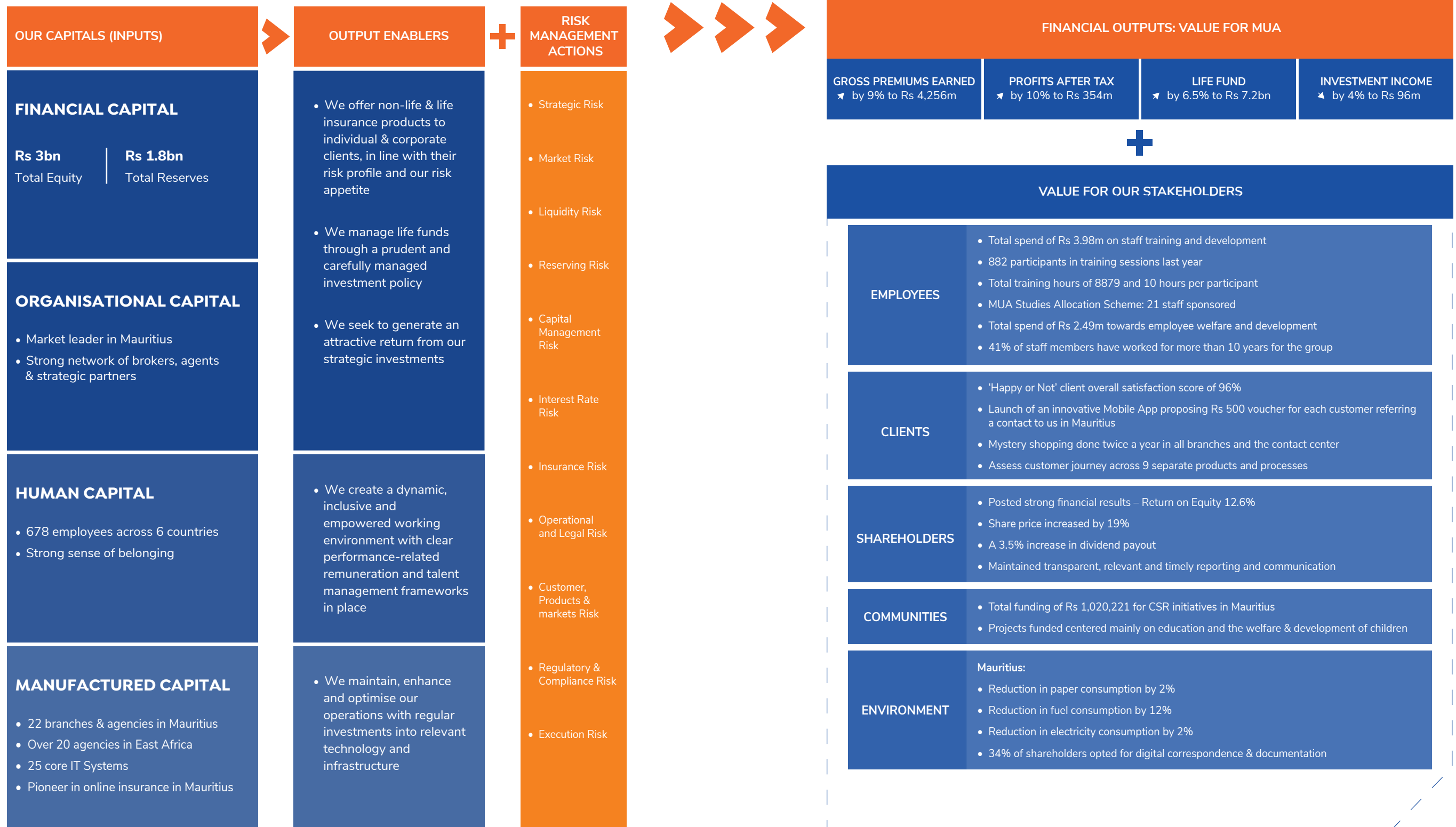
In addition, we also have two other strategic pillars that each entity applies as per its respective business context. This approach allows for enhanced flexibility, agility and cultural sensitivity in the interpretation of our strategic model.

BUSINESS GROWTH	<p>This strategic pillar focuses on delivering a sustainable growth trajectory, balancing challenging market conditions and new business opportunities. Each entity develops a set of business development initiatives to maintain its growth trajectory.</p>
BUSINESS TRANSFORMATION	<p>Our aim is to transform our operations from a transactional and disconnected financial services provider to become a full-fledged business partner enabling our clients to live their best life. The first step on this journey is already underway, as we focus on creating simple & affordable products, coupled with an efficient, transparent and hassle-free claims experience.</p>

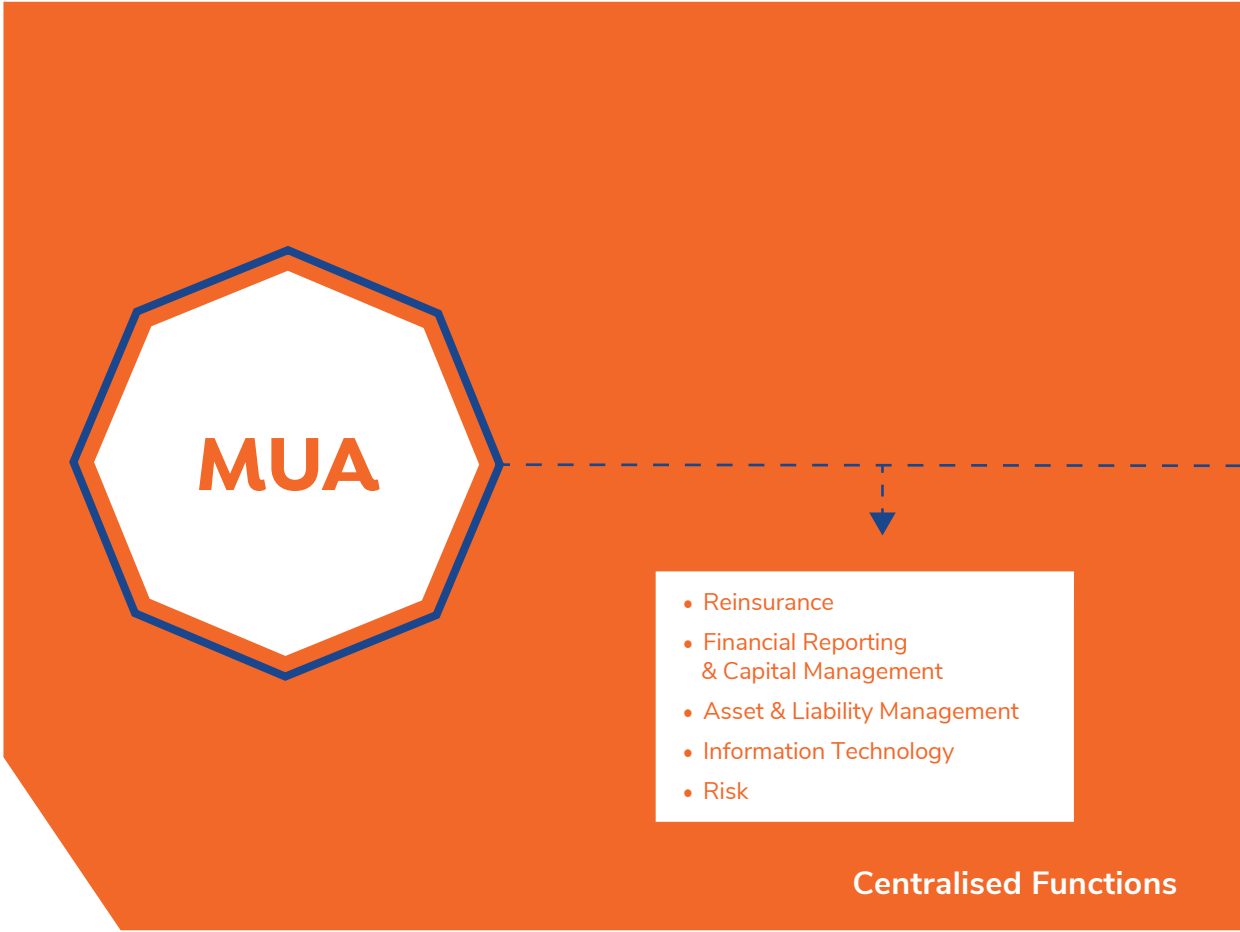
The four pillars ultimately rest on a commitment to foster a customer-centric approach at every level of the organisation. The client must remain at the heart of all our endeavors and solutions.

KEY CAPITALS

OUR VALUE CREATION PROCESS

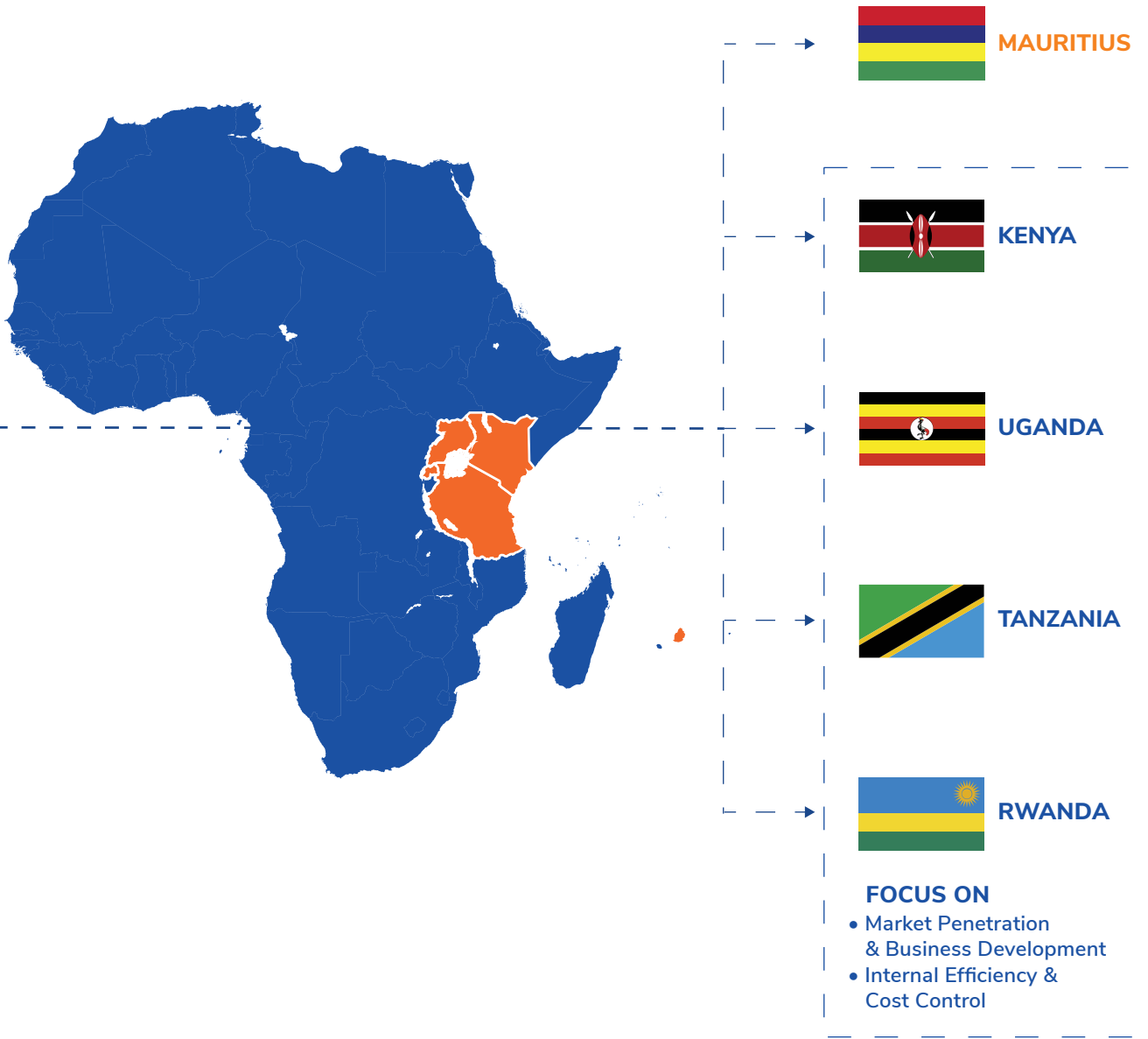


OUR INTEGRATION PLAN FOR OUR EAST AFRICAN SUBSIDIARIES



To assist our East African Subsidiaries in unlocking their potential for growth and expansion, we have gradually rolled out, since 2017, an integration plan. The framework focused on centralizing some core functions for the group. This approach allows us to achieve significant economies of scale, enable an efficient transfer of know-how across the entities and provide the East African operations with the technical support they need.

In 2019, we intend to expand the centralized functions further so as to include the Marketing & Communication function and Human Resources. As all the entities now operate under the same brand, the Marketing & Communication Department will be tasked to build our brand salience, particularly in East Africa and position MUA as a dynamic, modern and trustworthy insurance company.



THE NEEDS & EXPECTATIONS OF OUR STAKEHOLDERS

Our long-term targets to meet the needs and expectations of our stakeholders

In line with our 'Shared Value' model (more about that on page 35), we have set ourselves some long term goals to guide our value creation for our key stakeholders. We firmly believe that a well-balanced ecosystem is vital for MUA to thrive in and we are committed to adequately deliver on the needs and expectations of our stakeholders.



SUSTAINABILITY OVERVIEW

INVESTING IN OUR CUSTOMERS



- Client Experience Initiatives:
 - Mystery shopping done twice a year in all branches and the contact center, with corrective actions and follow-up coaching done where required.
 - Assess the customer journey across 9 separate products and processes, taking corrective action where needed.
- E-document: we continue to encourage all our stakeholders to switch to e-documents, with many business partners already using this value-added service.
- Happy or Not: 96% overall satisfaction.

INVESTING IN OUR COMMUNITY



CATEGORY	APPROVED PROJECTS	
	Number of projects	Amount (Rs)
Advocacy awareness & preventive campaigns	1	85,000
Education, welfare & development of vulnerable children	6	575,221
Poverty alleviation community development & capacity building	3	155,000
Protection health & social integration of vulnerable groups	3	155,000
Sustainable development/environment	1	50,000
GRAND TOTAL	14	1,020,221

Major projects supported:

- **Atelier Sa Nou Vize** (Rose Belle): remedial classes.
- **Association d'Alphabétisation de Fatima** (Triolet): annual salary of a teacher.
- **Foundation Projects** (Batimarais, St Croix & Labrasserie): distribution of school materials, food & Christmas gifts.

INVESTING IN OUR STAFF



- Training Programmes:

TRAINING	
Training hours	8879
Participants	882
Hours per participants	10
Training budget	Rs 3,977,819
Tertiary education: staff sponsored	21

- Employee welfare activities: energising Tai Chi and Zumba classes; futsal, bowling, trail, walking outing.
Total Budget spent on Employee Welfare initiatives = Rs 2,489,901

- Group headcount:
 - Mauritius: 473
 - Kenya: 50
 - Tanzania: 85
 - Uganda: 35
 - Rwanda: 35
 - Percentage of employees who have served longer than 10 years: 41%

INVESTING IN OUR ENVIRONMENT



	Paper Consumption	Fuel Consumption	Electricity
	No. of sheets	No. of litres	No. of KWh
2016	3,438,750	140,253	1,266,689
2017	3,365,560	147,856	1,231,607
2018	3,301,350	131,690	1,202,375
2018 vs 2017	-2%	-12%	-2%

34% of shareholders have opted to receive their correspondence, documentation and Annual Reports electronically.

