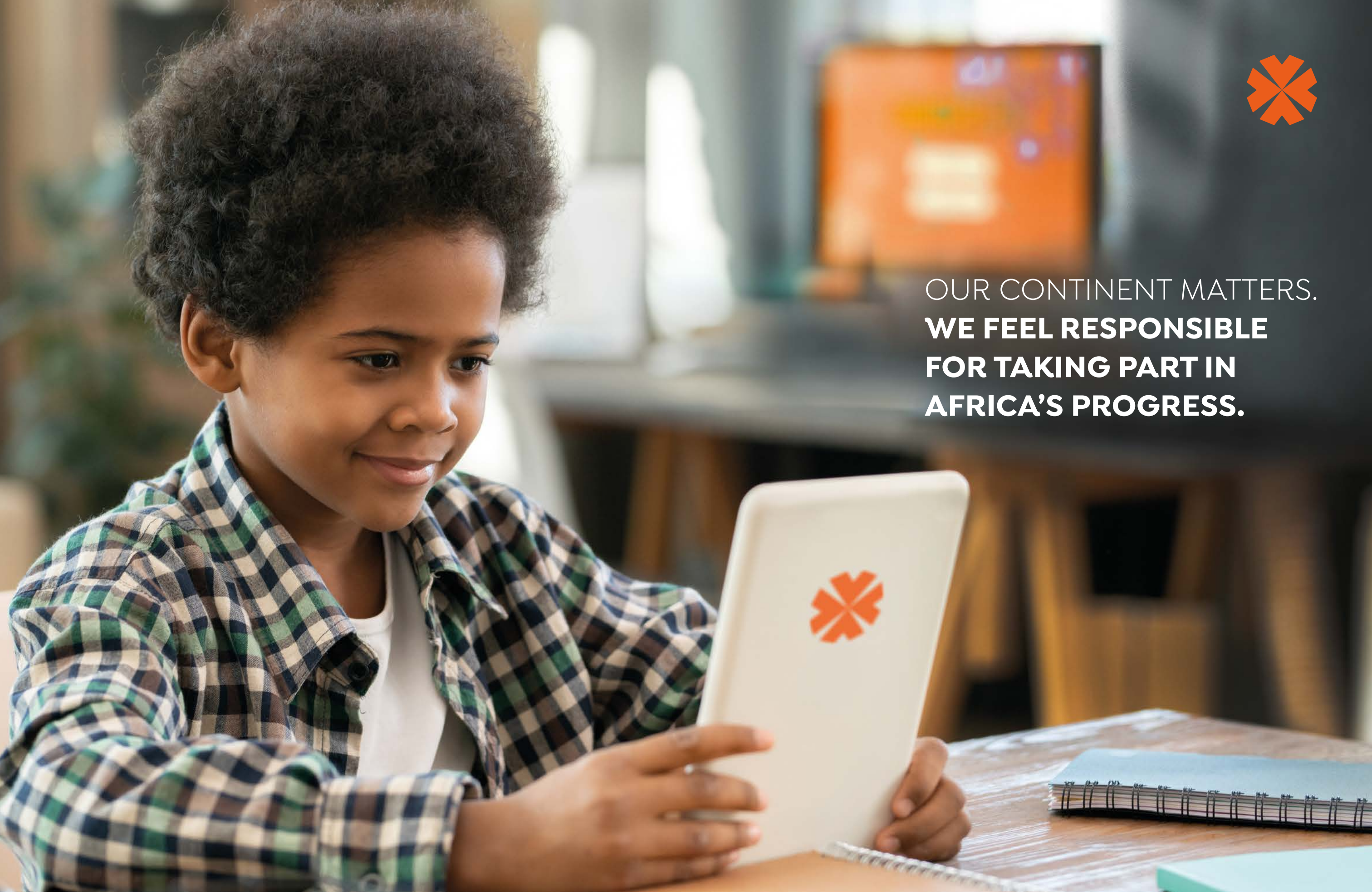




OUR CONTINENT MATTERS.
**WE FEEL RESPONSIBLE
FOR TAKING PART IN
AFRICA'S PROGRESS.**



"As we implement our three-year strategic plan TRANSITION 2023, we continue to build and protect our communities diligently."

Bertrand CASTERES
Group CEO



Performance Review by Group CEO

Dear Shareholder,

As we reflect on a second year impacted by Covid-19 and its economic consequences, it is important to remember the lessons learnt, the flexibility of our teams and the resilience of our business. In a somewhat challenging business environment, there have been many positives as we collectively worked to deliver value to all our stakeholders. The very challenges we faced have also fundamentally shaped our three-year strategic plan, TRANSITION 2023, which we began implementing in early 2021. Our very purpose as an insurer, founded on the principle of solidarity, gives us reason to be positive about the future, to continue building and protecting our communities diligently.

As a regional insurer, MUA is focused on delivering insurance and financial solutions to individuals and corporates in a responsible and sustainable manner, in line with our strategic plan. Our digital solutions and diversified distribution channels have enabled us to connect with clients and provide efficient service, translating into growth across all segments of the business. We continue to explore partnerships and opportunities to streamline our operations, while remaining focused on our clients' needs and our proximity to them, offering innovative financial solutions that resonate in their everyday lives.

It gives me pleasure to report another solid set of results for MUA in 2021. The group recorded growth across all segments and markets despite challenging market conditions. Gross Premium Earned across the group increased by 28%, with Profit After Tax growing by 14%. MUA Ltd thereby remains the largest insurance company by market capitalisation in Mauritius. Market capitalisation was up an impressive 55%, reaching Rs 7bn at the end of 2021, and the company was amongst the top performing shares on the Stock Exchange of Mauritius.

Much of our focus in 2021 was in East Africa, where MUA has been present since 2014. Since that initial investment, our teams have worked to build the capacities of each business unit, focusing on building

a strong talent pool, a robust IT infrastructure and technical expertise. As we continue to build market share in each of our East African markets, the region's Gross Earned Premiums now represent over 50% of the group's total general insurance premiums for the first time.

The East Africa operations broke even as a whole, with good performance in Tanzania, Rwanda and Uganda. Tough market conditions and higher claims weighed heavily on MUA Kenya's results. The integration of MUA Kenya and Saham Kenya, which MUA acquired in 2020, continues to progress well with the two teams based in the same premises since August 2021. Economies of scale and global partnerships such as GLOBUS, are expected to lead to improved performance. Despite some challenging market conditions, our operations in East Africa are paving the way for future growth for the group. Our forward-looking approach to expand and diversify the group's footprint is expected to ensure sustainable growth in years ahead.

In Mauritius, General Insurance operations reported Gross Premiums of Rs 2,593m, an 9% increase compared to 2020. The entity recorded Profit After Tax of Rs 148m, down 42% over the 12-month period, as the number of claims returned to pre-pandemic levels and their cost increased due to the depreciation of the Mauritian Rupee, shipping crisis and rising inflation. Life insurance solutions, which are provided to clients in Mauritius, ended the year with strong performance and continued to be a growth driver. New business reached another all-time high, with Gross Premiums of Rs 1,556m as at December 2021, up 19% compared to the previous year. Profit After Tax was up 243% to Rs 290m, following continued recovery in equity markets and rising yields. An increase in corporate tax of Rs 19m, following the introduction of the alternative minimum tax in Mauritius, did not hinder the performance of the entity. These excellent results for this segment of our business are a testament to our digital transformation initiatives and a focus on capital-light products

Deeply ingrained in our team, is a sense of purpose, a willingness to offer a helping hand wherever we can. I am very proud of the initiatives which the MUA teams have run this year, through the MUA Foundation in Mauritius and all the community-building initiatives rolled out in East Africa. These include clean-ups in Albion and Daruty Forest, cancer checks in collaboration with Link to Life, and supporting financial literacy programmes devised by JA Mascareignes in Mauritius. MUA Foundation also sponsored the Mauritian Wildlife's Foundation's Fody Protection Programme, hence contributing to the protection of our indigenous fauna and flora. Through these actions and many other CSR initiatives, we carried on delivering on our strategic objectives, by creating value for all stakeholders in a responsible and sustainable manner.

As mentioned above, we started implementing our three-year Strategic Plan, TRANSITION 2023, at the beginning of 2021. We have noted some key milestones already linked to each of our three strategic pillars:

Prevention:

- The launch of Drive by MUA, a telematics app to encourage Mauritians to adopt better driving habits.
- Granting MUA clients free access to DietSensor's premium edition.
- Home Check video series, sensitising people around the risks present at home and how best to avoid them.
- Various road safety initiatives, including the sponsoring of traffic marshals and educational sessions to sensitise children around road safety in Kenya. In Uganda, MUA donated reflector jackets to traffic wardens and motorcyclists, while in Tanzania we sponsored a Road Safety Week. In Mauritius, we provided reflector vests to clients and partners.

Protection:

- MUA Select Garages, giving clients peace of mind after a car accident by providing a concierge service and professional repairs through a network of approved garages.
- Utulivu: the introduction of a 24/7 Roadside Assistance Service in Tanzania, the first of its kind in the country.

Socially Responsible Investment:

- MUA Ltd entered the Stock Exchange of Mauritius Sustainability Index in February 2021. Companies are eligible for inclusion in the index if they meet Environment, Social and Governance criteria.
- MUA implemented its Socially Responsible Investment Policy, which provides clear investment parameters to ensure all funds managed by MUA adhere to stringent ESG criteria, guidelines for active stewardship and a defined exclusions list.

The past year has seen some important changes in our senior management, notably in Mauritius. The most important one was the creation of a new role - that of Country CEO - for Mauritius, as announced at the beginning of 2022. MUA has reached an auspicious turning point in its development, where we fully expect our East African markets to grow steadily. As the business landscape changes, it was important to evaluate the group's current organisational architecture, so it better reflects and sustains our evolving business. It has become increasingly important for the Group CEO to dedicate more time and energy to guide our regional business model and ensure, together with the Executive Committee and our East African leadership, steady and balanced growth trajectory. It is this new focus and dynamic within the group that encouraged us to appoint Naresh Gokulsing, the Managing Director of Life & Pension at MUA, as Country CEO for Mauritius.

Several other changes touched the structure of our General Insurance business in Mauritius and across the group. Delphine Ahnee was named Chief Operating Officer for the General Insurance division in Mauritius, overseeing mainly the business development and claims operations. Kenny Wong took up the position of Group Chief Underwriting Officer. We also welcomed two new members to our Executive Committee, Annie Nankou as Group Human Resources Manager, and Vikash Boolell as Head of Legal, Compliance & Risk.

In East Africa, there have been several changes at country management level. The integration of Saham Kenya into the MUA Kenya operations meant some important leadership changes in Kenya and regionally. Ashraf Musbally, previously CEO of MUA Kenya, took up his new responsibilities as CEO of the group's Tanzanian operations since August. Based in Dar es Salaam, Tanzania, he retains his role as Regional CEO for East Africa. Tanzania is MUA's second biggest market in the region, with a local market share of about 5% and currently the 5th largest insurer in the country. This is a key market for MUA, with enormous potential for growth in the coming years. Following the integration of the Kenyan operations, Lydia Kibaara – Nzioki was appointed as Managing Director of the merged entity. Well known in the industry, the former Saham Kenya Managing Director brings with her a wealth of experience in Kenya and regionally. Lydia was appointed Managing Director of Saham Kenya in 2014, overseeing a period of important transition for the business through its acquisition by Sanlam and, subsequently, MUA. Our operations in Rwanda also saw a change in leadership with the arrival of Konde Buringo, who was appointed Managing Director of MUA Rwanda in November.

Safe to say that all the senior management and structural changes that have been announced over the last year have positioned MUA's regional operations to better respond to the new realities our business will face. I take this opportunity to salute all the exceptional work, energy, ingenuity and agility shown by our teams across 6 countries. The resilience of our business, the steadfastness of our strategy and the engagement of our employees, is evident in the solid results we are presenting in this 2021 Annual Report. These strong performances give impetus to the value we will continue delivering to our stakeholders, to the communities that we serve, to the clients we protect and to our shareholders.

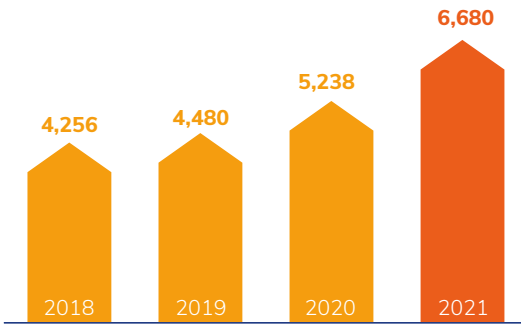
As announced earlier in 2022, I have resigned as Group CEO to relocate to France for family reasons. After ten years at MUA, seven of which as Group CEO, I will ensure the group's leadership until September 2022, or the appointment of my replacement. Thereafter, I will remain as a strategic consultant for the group for a period. I am leaving MUA with the sense of satisfaction that comes with having contributed to improving our services, offering more innovative products, consolidating our presence on the Mauritian market and ensuring a successful expansion in East Africa. I wish to express my gratitude to the entire MUA team and our business partners who have collectively ensured MUA's growth and success over the past decade. I am confident that the foundations we have built together will continue to serve our respective markets and generate value for all our stakeholders.



Bertrand CASTERES
Group CEO

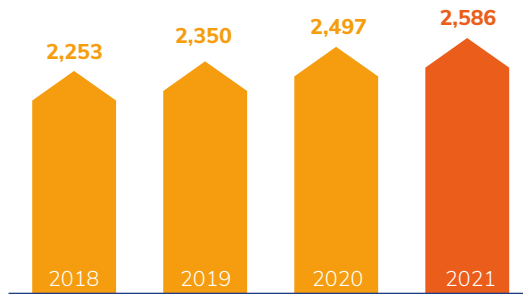
Financial Highlights 2021

Gross Earned Premium (Rs m)

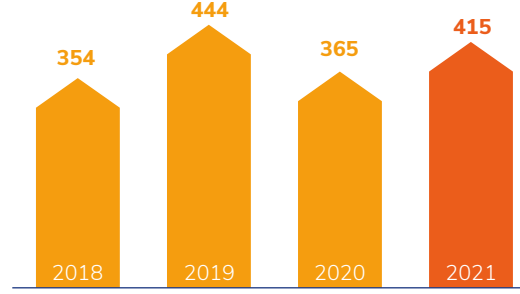


Group Revenue (Rs m)

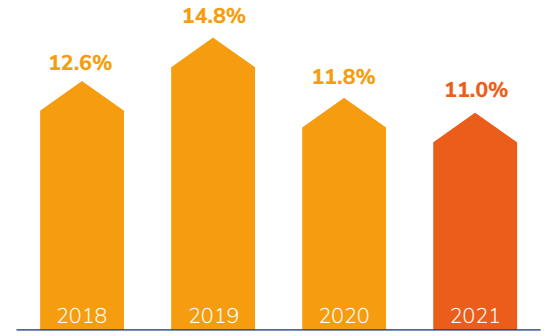
Mauritius – General Insurance (Rs m)



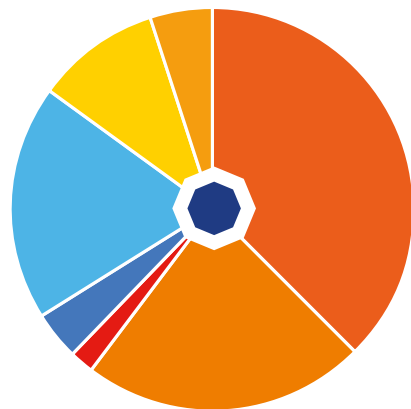
Group Profit After Tax (Rs m)



Group Return on Equity (Rs m)



Revenue by country

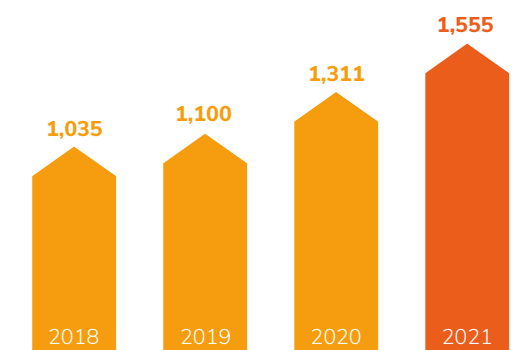


Rs **6.7bn**

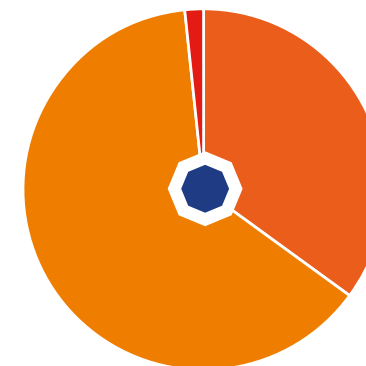
- Mauritius – General Insurance: 2,586 – 38%
- Mauritius – Life Insurance: 1,555 – 23%
- Mauritius – Others*: 162 – 2%
- Uganda: 273 – 4%
- Kenya: 1,320 – 19%
- Tanzania: 655 – 10%
- Rwanda: 347 – 5%

* Includes Pension, Mutual Fund and Stockbroking

Mauritius – Life Insurance (Rs m)



PAT by region (Rs m)

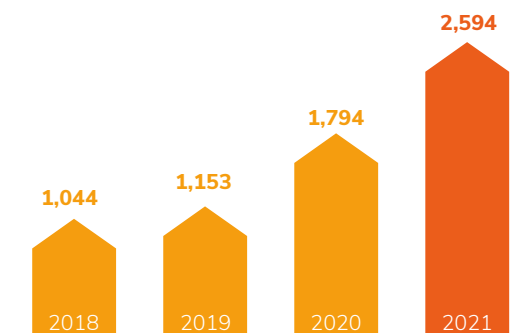


Rs **415m**

- Mauritius – General Insurance: 147.9
- Mauritius – Life + Others*: 266.3
- East Africa**: 0.4

* Others include consolidated adjustments, pension, mutual funds, stockbroking, MIM
 ** Includes consolidated adjustments

East Africa – General Insurance (Rs m)



A Recap Of Our Strategic Framework: Transition 2023

Our 2021-2023 Strategic Plan is aptly named TRANSITION 2023. It acknowledges where MUA is in its journey – a transition period, given the high level of global uncertainty and the shift towards embedding sustainability values at the core of our business model.

This critical phase is also in line with our strategic evolution since 2014 and is testament to our ambitions of establishing MUA as a strong regional player:

2014 – 2017: Focus on transforming our General and Life businesses in Mauritius into highly efficient models, with a strong base for further business growth and digital transformation.

2018 – 2020: Focus on creating a strong regional group identity and employee culture, on developing the business significantly in East Africa and on major transformation projects for the Mauritian General and Life businesses.

2021 – 2023: Focus on establishing MUA as a strong and sustainable regional insurance player.

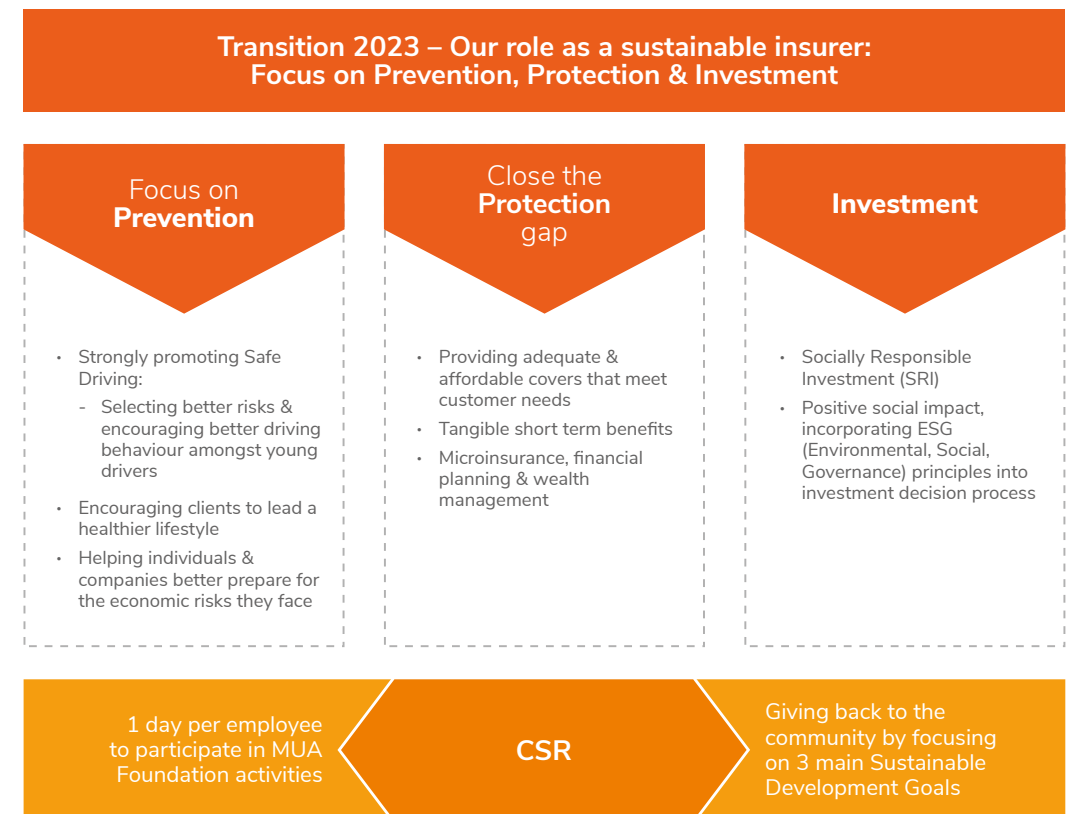


Our 2021-2023 Strategic Framework

Our strategic plan has our clients at the heart of our operations.

We endeavour to have a company-wide culture where each member of our team can think of the impact on customer experience, before taking a decision.

The model is circular as we strongly believe we need to have a motivated and engaged workforce in order to have efficient and effective insurance operations. This will in turn create a positive experience for our clients, ensuring we make a meaningful contribution to the community by creating real and sustainable value for both our clients and the community. The MUA family will be fully engaged and derive a strong sense of purpose.



Mauritius

Mauritius - General Insurance

Description

- MUA is amongst the leading local insurance companies, with **73 years' experience**. Through its **wide and diverse distribution channels**, MUA offers a comprehensive insurance product range for both individual and corporate clients:



9 Strategically located MUA branches



14 Accredited agents



37 Brokers



44 Salespersons



6 Bancassurance panels

- MUA is part of the **well-respected Globus network**, a federated network of insurance companies covering 49 countries on the African continent and offering insurance products in the Life and Non-Life branches. The member companies are amongst the best companies on their respective markets.
- MUA strives to provide its clients with an excellent service and innovative solutions, using:
 - E-commerce websites for Motor, Travel and Home Insurance products.
 - Client Portal for the renewals, submission and tracking of claims, as well as online payments.
 - Telematics Mobile Application to improve driving habits and ensure road safety.

Market Analysis

In 2021, GDP growth was at 3.9% when calculated at basic prices. The low nationwide growth can be attributed to the downward trend in tourist arrivals, due to the travel lockdown that was only lifted in October 2021. Additionally, 2021 witnessed a slower rebound of the textile manufacturing sector, a more pronounced decline in the production of sugar and a major deterioration in the net exports of goods and services. Headline inflation has reached its highest level in a decade, because of inflationary pressures emanating from fuel and food items, as well as the weakening of the Mauritian Rupee as compared to the Dollar.

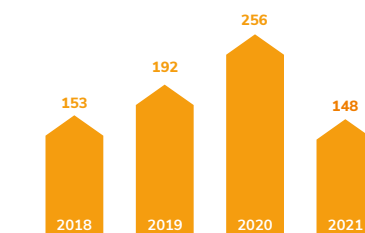
With the hospitality sector predicted to experience a significant rebound, positive spill-over effects are awaited on related sectors and a recovery across all levels is expected in 2022. Based on the International Monetary Fund's (IMF) latest projections, real GDP can be expected to reach 6.7% in 2022 when measured at market prices. Growth will also be supported by the continued impetus of the ICT sector, which has efficiently shifted to online transactions and operations. The exit of Mauritius from the European Union's list of high risk third countries will further boost the financial sector, through a reinforcement of our reputation as a credible and robust jurisdiction. However, the Mauritian economy remains vulnerable, being open and reliant on external economies. The uncertainties of the conflict in Ukraine, the fuel crisis and other foreign disturbances are factors that put the economy at risk.

Performance Review

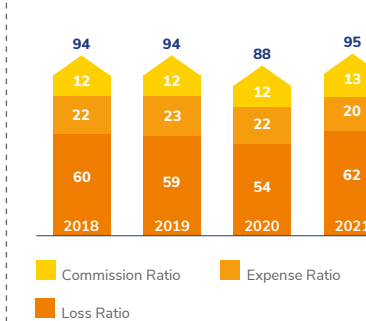
Mauritius – General Insurance

	2018 (Rs m)	2019 (Rs m)	2020 (Rs m)	2021 (Rs m)
Gross Written Premium	2,253	2,350	2,497	2,586
Net Claims and Benefits	(1,028)	(1,033)	(985)	(1,232)
Operations and Administrative Expenses	(745)	(778)	(792)	(868)
Profit from Operations	196	232	311	182
Profit Before Tax	179	212	295	167
Income Tax Expense	(26)	(20)	(38)	(19)
Profit After Tax	153	192	256	148

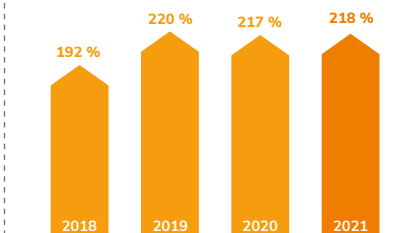
Profit After Tax (Rs m)



Combined Ratio (%)



Solvency Ratio (%)



Mauritius

Mauritius - General Insurance (continued)

Performance Review (continued)

Market Share: in terms of Gross Premiums*

21.0%

Motor market share
No. 1

19.6%

Accident & Health market share
No. 2

23.5%

Property market share
No. 2

50.8%

Liability market share
No. 1

22.6%

Overall market share
No. 2

* Latest available FSC statistics 2020.

Key focus and outcomes

- A 59% decrease in operating profits was driven by:
 - Inflationary pressures on motor claims, where severity of motor claims increased significantly. The number of claims returned to pre-pandemic levels, with the cost of claims increasing due to the depreciation of the Mauritian Rupee and rising inflation.
 - The impact of inflation on medical claims was also significant.
- The impact of the second lockdown on health claims was subdued compared to the first lockdown of 2020.
- For 2022, primary focus areas include:
 - Continued strategic focus on prevention and protection.
 - Improved claims efficiency and enhanced customer experience for health insurance clients.
 - Stronger local partnerships.

Main achievements by strategic pillar



Prevention

- **DRIVE by MUA:** Successful launch of MUA's telematics app to promote road safety amongst Mauritians.
- **Partnership with DietSensor:** Partnership with one of the leading worldwide health applications, DietSensor, to offer nutritional coaching to clients.
- **Home Check campaign:** A web-series featuring a home maintenance coach to sensitise Mauritians on how to avoid common risks at home.



Protection

- **MUA Select Garages:** Continued deployment of a value-added client service to optimise the motor claims and vehicle repair process.
- **Biz Pack campaign:** Client testimonials to sensitise SMEs on the importance of protecting business assets.
- **Expect the Unexpected campaign:** A web-series in creole, to raise awareness on how insurance products protect against home incidents.



Socially Responsible Investment

- **"2 minutes pour demain":** Partnership with "2 minutes pour demain" to raise awareness on various social, environmental and safety subjects amongst the public.
- **SEMSI:** Entry of MUA on the Stock Exchange of Mauritius Sustainability Index – the first tangible milestone of the new strategic plan, TRANSITION 2023.
- **MUA Foundation:** Through the MUA Foundation, MUA contributes meaningfully to CSR initiatives promoting sustainable development, social advancement and development of vulnerable communities.

Short-To Medium-Term Outlook

As the world emerges from the shadows of the Covid-19 pandemic, the general insurance business is projected to have a stronger growth in 2022, though they remain resolutely in moderate single-digit rates.

With the motor insurance as the largest line of business on the General Insurance market, the dual shocks of the lasting shipping crisis and the Russian-Ukrainian conflict can potentially result in a significant increase in vehicle spare parts costs. This in turn can inflict considerable damage to the profitability of the business line, given the intense competition that applies downward pressures on the premiums.

For the other retail lines, we expect the health and household business lines to experience a positive and upward upturn in demand as consumers grow increasingly conscious - given the pandemic and recent flooding incidents - of the importance of insurance. This upturn though, might not be as generous as forecasted given the extent to which household spending has been curtailed by the pandemic and inflationary pressures.

For corporate business lines, market growth will depend heavily on the recovery of the economy in terms of key tourism market rebounds and investment in infrastructure. A major risk element to the economic recovery remains our exposure to key eurozone trading partners and, as the uncertainties about the Russian-Ukrainian conflict intensify, the future remains equally unpredictable.

Long-Term Strategy

Our long-term business approach is firstly to consolidate our customer base by moving from being a transactional service provider to a strong insurance partner providing simple, affordable and emphatic insurance. Secondly, we wish to improve our operational performance in view of the complex set of market conditions, by optimising our distribution channels and further developing process automation and IT system upgrades and enhancements to unlock efficiency gains.

In addition to the above, 2021 has been an important year for MUA, as we launched our new strategic vision, centred around the humbling acknowledgement that, as insurers, we are duty-bound and ideally positioned to contribute to the transition towards a more sustainable society and world.

Our long-term strategy fully reflects this vision as we look to focus on risk prevention initiatives, to close the protection gap and to invest in sustainability initiatives.

Mauritius

Mauritius - Life Insurance

Description

MUA is ranked 3rd in terms of life insurance market share (distribution of assets). For both individual and corporate clients, a simple, affordable and relevant product range is offered. Savings and investment plans, protection plans as well as retirement plans, are provided through our multi-channel distribution approach:

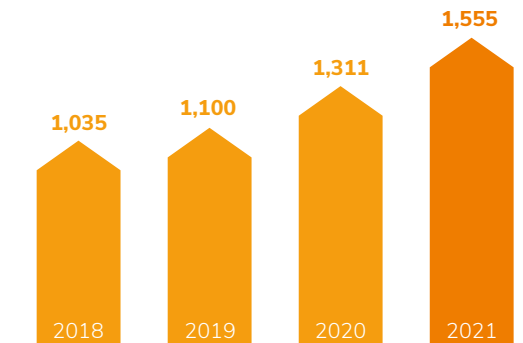


Market Analysis

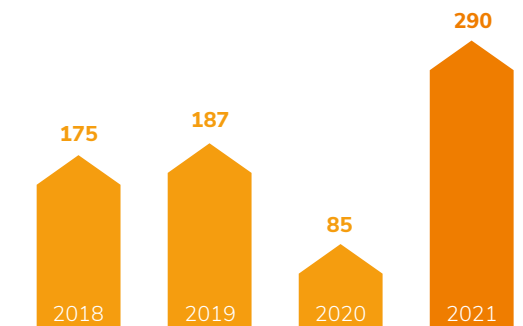
Please refer to page 32.

Performance Review

Gross Written Premium (Rs m)



Profit After Tax (Rs m)



Performance Review (continued)

Key focus and outcomes

- The 19% growth in Gross Written Premiums was driven by a robust increase in the protection product segment mainly for unit-linked business.
- The strong rebound of Profit After Tax to Rs 290m significantly exceeded the pre-pandemic levels of Rs 185m recorded in 2019.
- For 2022, the primary focus areas are to:
 - Maintain focus on the capital-light savings product and protection business
 - Improve the digital customer journey
 - Leverage process automation to increase efficiency

Main achievements by strategic pillar



- **Assurance Cancer Féminin (ACF):** 360-degree communication campaign to raise awareness on the importance of early breast cancer testing. Promotional campaign in October, offering new ACF subscribers 1 month of free insurance.



- **Communication campaigns focusing on protection:** Social media and digital campaigns on MUA's various protection products, namely Loan Protection plan, Income Protection plan and Retirement plan, to create awareness on these products and generate leads.
- **Agent Portal:** Continuous leverage of the Agent Portal to boost sales productivity and improve customer experience.



- **Partnership with Link to Life:** MUA Life and MUA Foundation collaborated with the Link to Life to offer "Pink Ribbon Masks" to all MUA employees.
- **MUA Foundation:** Through the MUA Foundation, MUA contributes meaningfully to CSR initiatives promoting sustainable development, social advancement and the development of vulnerable communities.

Mauritius

Mauritius - Life Insurance (continued)

Short-To Medium-Term Outlook

The recent years have been marked by high levels of global and local financial volatility and uncertainty as the world grapples with the impacts and aftermath of the Covid -19 pandemic. The momentum at the start of the year was highly encouraging though the Russian-Ukrainian conflict shall pose a downside risk to global growth projections, more so if it stretches over a long-time horizon. Moreover, the current situation has increased the inflationary pressures with food and commodity prices consistently on the rise with the compounding effect of higher shipping costs.

The Monetary Policy Committee of the Bank of Mauritius has responded in early March 2022 by raising the Key Repo Rate to 2% per annum, with a resultant impact on the profitability competitiveness of life insurance products in the short term.

If the inflationary pressures are not eased, the impact of reduced household disposal income and business spending might hamper the growth of life insurance premiums.

On the long-term, as we have an ageing population with an average life expectancy on the rise, we expect to have a greater demand for retirement and investment plans, but this is on the other side balanced by the difficulties encountered in raising the penetration rate substantially given the slow growth in the middle-income segment.

Long-Term Strategy

Our long-term strategy for MUA Life is to develop our digital capabilities, with the aim to both optimise and widen the reach of our distribution network and to unlock efficiency gains.

We believe that technology is the enabler that will allow us to provide our client base with relevant, affordable and transparent products, delivered effectively with a seamless client experience and supported by the competent and easy-to-understand advice from our salesforce.

We are also working towards demystifying life insurance products by promoting various awareness campaigns and other such initiatives.

Mauritius - Other Entities

MUA Pension

Description

MUA Pension owns the following licenses:

- Pension Scheme Administration
- Investment Advisory
- Actuarial Services

With more than 30 years of Corporate Pension experience, MUA Pension manages over 500 pension schemes and total pension fund assets under administration in 2021 exceeded Rs 11bn.

Performance Review In 2021

As at 31 December 2021, net asset value amounts to Rs 44m, the number of corporate pension clients stood at 518, total assets under administration was Rs 11bn and MUA Pension counts more than 22,000 members. As compared to 2020, revenue remains stable and profits after tax increased by 17%.

Rs 44m
Net asset value

518
Number of clients

Rs 11bn
Total assets under management

22,000
Total number of members

17%
Increase in profits after tax

In 2021, MUA Pension embarked on the migration to **new software**, which is expected to streamline processes and ensure access to the **latest technology** to support business needs. Employers and employees will have access to their **dedicated Client Portal**, which will ensure more **transparency** and access to **real-time information**.

Performance Review in 2021 (continued)

A slight drop in pension administration services was nevertheless observed on account of the Covid-19 lockdown, the fire at Caudan and employees having to spend time on the software migration. Although the Caudan fire resulted in minimal material damage, the operations were impacted. The Business Continuity Plan was triggered to ensure the disruption was kept to a minimum. The team has been working remotely in various office locations and from home until the offices are operational once again in the second half of 2022.

2022 Outlook

With the advent of the Portable Retirement Gratuity Fund (PRGF), we have noted an increased interest in pension funds. It has been a record year for new client onboarding. Our long-term strategy is to ensure we are well embarked on the digital transformation path and to eventually provide our services regionally.

Mauritius - Other Entities

MUA Mutual Fund

Description

MUA Mutual Fund is a pioneer in Mutual Funds in Mauritius, with more than 30 years of experience. MUA Mutual Fund manages two Funds: General Fund and Property Trust. With over Rs 790m assets under management, unitholders as at 31 December 2021 are 4,716 for MUA General Fund and 2,133 for MUA Property Trust; hence 6,849 in total.

Rs 790m

Total assets under management

4,716

MUA General Fund unitholders

2,133

MUA Property Trust unitholders

Performance Review In 2021

Compared to 2020, revenue increased by 26% and profit after tax increased by 119%. With the launch of an online application form on MUA's new website, it is easier for clients to subscribe to a Mutual Fund plan. Several communication campaigns such as testimonials campaigns aimed to increase awareness of MUA Mutual Fund and educating the public on its features and advantages. More than 200,000 people were reached through the numerous social media campaigns.

MUA Stockbroking

Description

MUA Stockbroking is a 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, MUA Stockbroking is a licenced stockbroking entity regulated by the Mauritius Financial Services Commission.

By being the leading expert in stockbroking with 32 years of experience, MUA Stockbroking is involved in many assignments as Financial Advisor and Sponsoring Stockbroker in Public Offerings, Rights Issues and Private Placements of Shares. Knowledgeable of various types of capital market instruments, MUA Stockbroking has achieved a well-balanced client base.

Performance Review In 2021

As a transaction-oriented firm, we are structured to service institutions and individuals looking for ways to grow their portfolios. MUA Stockbroking's website offers its clients a comprehensive overview of the Mauritian Stock Exchange, enabling worldwide access to online trading, with electronic password control, within a totally secure environment.

The pandemic has certainly slowed down the market, but investors are seeking deals and looking for opportunities to invest. It has also forced us to quickly adapt to new ways of getting work done and connecting with our clients.

Mauritius - Other Entities

MUA Insurance Management (MIM)

Description

MUA Insurance Management Limited is a joint venture involved in the provision of insurance management and captive management services. Their specialised services include captive feasibility studies, underwriting and risk management support, as well as claims handling and advocacy.

Performance Review In 2021

In 2021, MIM saw a growth in revenue and a return to profitability following a more complicated year in 2020. MIM has proven resilient to the Covid-19 impact, with the team able to adapt and work remotely without any disruption to operations. However, Covid-19 did delay some projects and long-term partnerships that MIM had planned for 2021.

2022 Outlook

There are several opportunities for MIM and the focus in the short to medium-term is finalising long-term partnerships with key players in the industry. This should help the company have more consistent results and a perennial business model.

MUA Reinsurance (MUA Re)

Description

MUA Reinsurance Company Limited (MUA Re) is one of the latest wholly owned subsidiaries launched by MUA, incorporated in 2019. MUA Re holds a Professional Reinsurer licence as well as a Global Business licence issued by the FSC, with the aim of providing reinsurance solutions across Africa. MUA Re offers reinsurance on the following lines of business - Property, Engineering, Miscellaneous Accidents, Liability, Marine and Motor on a facultative and treaty basis.

Performance Review In 2021

2021 was MUA Re's second year of operation. As we are still on a learning and observation curve, MUA Re did not venture in any major change in operations. The recommendations of our external auditors were applied, notably to outsource our accounting processes to an external company.

Gross premiums of more than Rs 68m were recorded in 2021, representing a growth of nearly 475% compared to 2020. Out of the 1,394 risks handled, 213 firm orders were made, highlighting our prudent approach.

2022 Outlook

Due to the lack of visibility on the world sanitary and economic situation, MUA Re has been meticulous in planning for 2022, with no major changes in our strategy. The entity will continue implementing the recommendations of external audit. A digitisation of our processes by adopting a customer database management system tailored to our requirements is planned for the coming year. The long-term strategy of MUA Re is to be a rated reinsurer by the most respected rating agencies and further building MUA Re's reputation across the African continent.

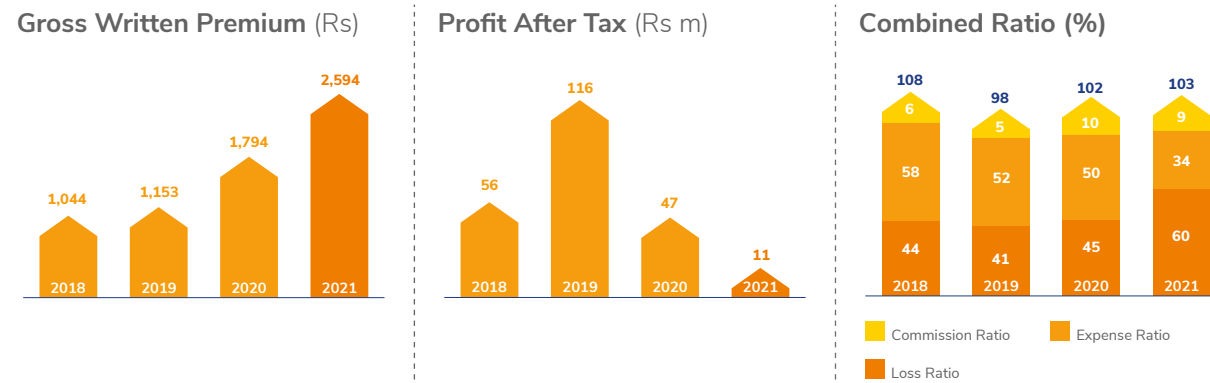
East Africa

East Africa - General Insurance

Description

With over 110 years of experience, MUA East Africa offers a personalised service to corporate and individual clients, as well as a comprehensive range of short-term insurance products. MUA East Africa is in the process of expanding its distribution networks and digitalising its product offerings.

Performance Review In 2021



Note: Incentive fee ratio for East Africa = 5%

Key focus and outcomes

- Our main focus in 2021 was the integration of Saham Kenya and MUA Kenya. The operations, processes and employees of the respective entities have been integrated. This will allow us to unlock significant economies of scale and to build a single, strong and diversified team to drive the business.
- The results for East Africa were impacted by an increase in motor loss ratio in the industry but also a few exceptional costs such as the past year's reserve and the integration costs of Saham and MUA Kenya. Kenya's results somewhat dampened the good performance in Uganda, Rwanda and Tanzania.
- In 2022, the main focus areas are to:
 - Successfully complete the integration of Saham and MUA Kenya.
 - Optimise the distribution network in terms of bancassurance, strategic partnership, government business, niche segments and digital channels.
 - Grow our international partnerships.

2022 Outlook

East Africa has proved to be resilient to the Covid-19 pandemic, though the lag in vaccination rate compared to developed countries could dampen the economic recovery. In addition, the decline in household incomes has had a negative impact on livelihoods, which effectively destroys years of progress made by the region to address income inequality.

More specifically, our attention for 2022 will be strongly focused on Kenya, which faces a year of uncertainty and potentially unrest as it goes to the polls. The insurance market conditions are also markedly complex and difficult to navigate, exacerbated by a high increase in underwriting loss in the motor private and motor commercial classes, due to the relaxation of the sanitary restrictions imposed on travel due to the Covid-19 pandemic. Persistent issues such as price undercutting and fraud also underpin the market, making a recovery to sustained and consistent profitability difficult to achieve.

However, the potential of East Africa is there to be harnessed given the largely underdeveloped insurance sector and the growing economies. In a way, the crisis has also hastened the development of the sector through the shift towards digital and remote channels, which open a cost-effective means to directly interact with the mass market.

East Africa

Kenya

Description



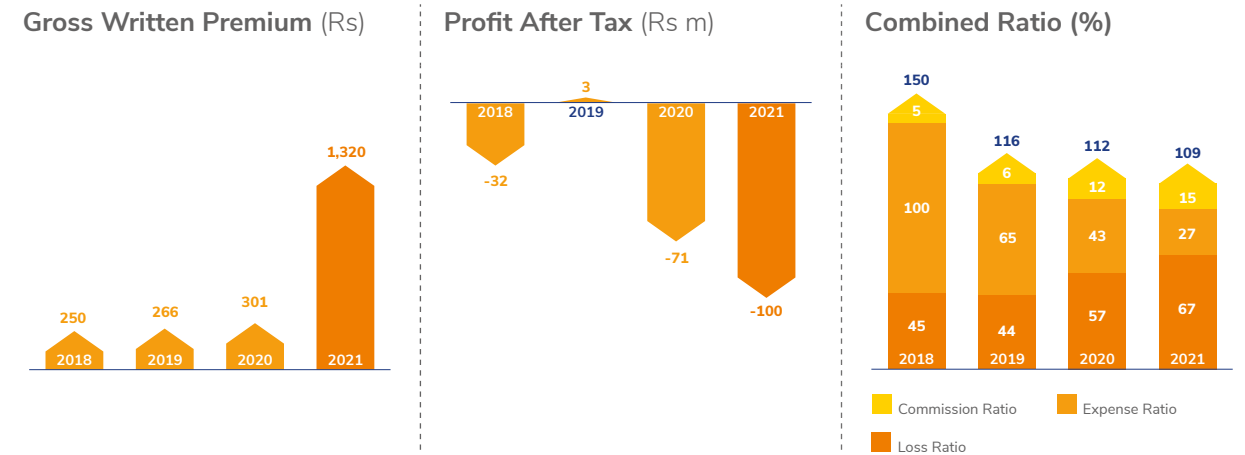
Note: Market share based on latest available figures, in terms of Gross Written Premium (GWP). Following Saham's acquisition, ranking has improved from 35th to 17th.

Market Analysis

The Kenyan economy has demonstrated strong resilience to the Covid-19 wave, with output in 2021 increasing above pre-pandemic levels. After decreasing by 0.3% in 2021, real GDP rose by 5.3% year on year in the first half of 2021, backed by rebounds in industry and, particularly, services. The increase in headline inflation in 2021 resulted from domestic tax measures with once-off price effects, higher oil prices on an international level and temporary disruptions in supply, affecting foodstuffs because of dry weather conditions.

For 2022 and beyond, a robust economic performance is expected for Kenya. A projection over 2022-2023 predicts a real GDP growth of 4.9% per year on average. Several factors will contribute to this positive estimation, including the strong bounce-back of some sectors like the education sector and the predicted recovery of hotels, transport, trade and other services. This will however depend considerably on the vaccination progress to minimise new waves of infection and drastic containment measures. The planned elections in 2022 will add to the level of uncertainty, with possible impacts on the economy.

Performance Review



Note: Incentive fee ratio for Kenya = 9%.

Key focus and outcomes

- Obtain approval for the amalgamation of Saham's general insurance business with MUA Kenya, and the transfer of Saham's life business to Sanlam Life. The approval was granted in June 2021. Consequently, the legal transfer of Saham General Business and Life Business portfolio, assets and liabilities to MUA Kenya and Sanlam Life, respectively, was completed accordingly.
- Amalgamation of Saham Kenya and MUA Kenya teams. All Saham Kenya employees were transferred to MUA Kenya, effective from 1 August 2021. Harmonisation of the policies will continue in 2022 and 2023.
- Kenya's results were negatively impacted by an increase in motor loss ratio in the industry and a few exceptional costs such as the past year's reserve and the integration costs of Saham and MUA Kenya.
- Strategic plan post-integration. A strategic plan was developed for the next two years.

2021 Highlights and Achievements

- Relocation of offices: following the integration, the MUA Kenya and Saham Kenya head offices were moved to a more modern and spacious location in Nairobi.
- Publicity campaign: A media campaign on print, billboard, radio and social media, to publicise the integration of Saham and MUA Kenya.
- Tulizo Bora Medical Insurance Product added to MUA product offering.
- In line with our strategic objectives, there have been various prevention initiatives: a partnership with National Transport and Safety Authority (NTSA) to sponsor road traffic marshals to ensure the safety of pedestrians at a crossing near MUA's offices, as well as a partnership with the NTSA to educate local children on road safety issues, in an accident-prone area of Nairobi.
- Our CSR initiatives included an environmental cleaning exercise at the Nairobi Safari Walk and Animal orphanage, with the participation of employees.

East Africa

Uganda

Description



4% Market Share
9th Rank out of 20 insurers

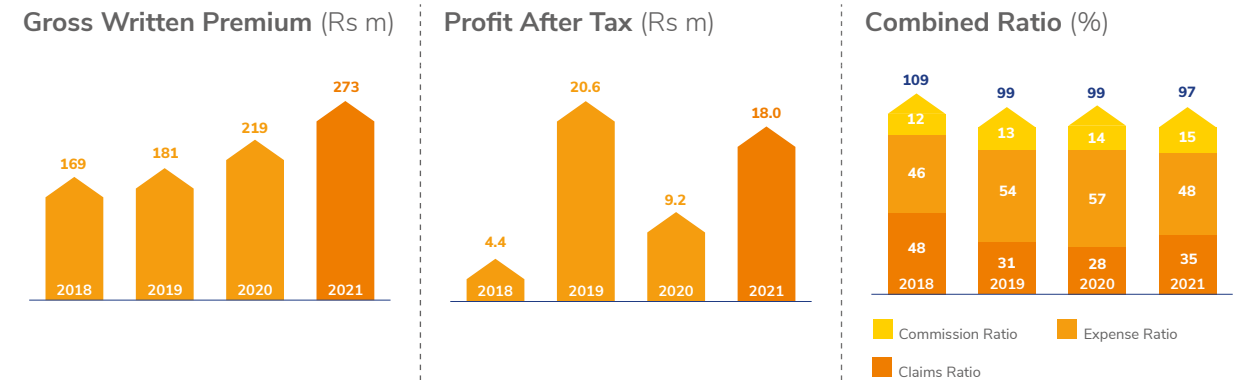
Note: Market share based on latest available figures, in terms of Gross Written Premium (GWP). Medical insurance is excluded.

Market Analysis

The second wave of Covid-19 infections and subsequent lockdown in mid-2021 negatively impacted Uganda's economic recovery at the beginning of 2021. Nevertheless, real GDP growth rose to over 13% in the last quarter of 2021, driven by recovery in public investment and an improvement in consumption in 2021. Although the economic status of many households improved between October 2020 and April 2021, income was still below pre Covid-19 levels for 33% of households before the second wave of Covid-19.

Using baseline figures, real GDP is expected to rise by around 3.5% to 4.0% in 2022 and about 5.5% in 2023. The economy will grow thanks to a pick-up in private consumption, fuelled by a recovery of household incomes and exports as the global economy stabilises.

Performance Review



Note: Incentive fee ratio for Uganda = 3%.

Key focus and outcomes

- Agricultural Insurance: training and sensitisation of farmers on the importance of protecting themselves against certain risks and the solutions offered.
- Broker relations: improved broker relationships, increased engagements and business participation, ensuring good sales growth.
- The poor performing bancassurance segment meant that our in-house sales force worked hard to secure new business.
- Tender business: tender participation increased our brand visibility and proved successful.

2021 Highlights and Achievements

- There was more focus on customer experience through relationship management, to ensure we retain our clients.
- Lost travel business due to prevailing lockdowns and sanitary situation.
- The Agricultural business also suffered as most farmers opted to only insure for one season as opposed to both seasons.
- As part of our prevention efforts, we partnered with the traffic police to promote road safety awareness, donating 300 reflector jackets to traffic wardens and a further 100 reflector jackets to a local motorcycle riders' association.
- Our main CSR project in Uganda centred around the Kireka School, a school and home for children with Downes syndrome. In addition to financing their Christmas celebrations, we donated a water tank, hygiene items, bedding items and groceries.

East Africa

Rwanda

Description


2 Branches


13 Tied agents


64 Mobile agents


38 Employees

11%
Market Share

5th
Rank out of 9 insurers

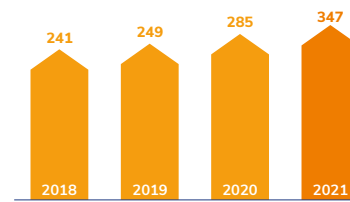
Market Analysis

In 2021, Rwanda's economy achieved a broad based recovery from the adverse effects of the Covid-19 pandemic. The real GDP grew by 10.9 percent following a 3.4 percent contraction in 2020. This strong economic rebound was underpinned by easing Covid-19 related restrictions, thanks to an effective vaccination campaign, Government economic policy support, growing external demand and the prevalence of good weather conditions.

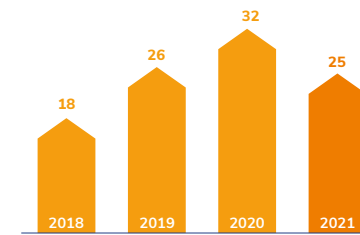
The economic recovery is expected to continue in 2022, supported by ongoing Government programs such as the Manufacture and Build to Recover, the continuous vaccine campaign and reopening of the economy.

Performance Review

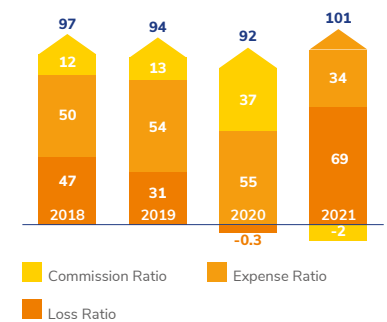
Gross Written Premium (Rs m)



Profit After Tax (Rs m)



Combined Ratio (%)



Key focus and outcomes

Amidst the challenging business landscape, MUA Rwanda remained steadfast in executing its strategies safely and sustaining operational efficiencies. Our solid financial performance in 2021 is a testament to our concerted efforts, as we recorded a significant increase in Gross Written Premiums as compared to 2020, even though profits were under pressure.

2021 Highlights and Achievements

- There was the launch of digital stickers for vehicles and enhanced cyber security internally.
- There was improvement in customer turnaround through the online delivery of policies and communication around claims.
- Reviewed renewal processes by monitoring expiry period and sending reminder messages.
- Management put in place strategies to retain and attract business. These included discounts where possible as well as profit commissions, resulting in an increase in renewal rate and policy count, respectively.

Covid-19 impact and business continuity

- Since the start of the Covid-19 pandemic, our first priority has been the health & safety of our employees and clients. This included testing all frontline workers, limiting the number of employees at the office to only 30% and enabling the teams to continue working from home, and providing transport for employees working in shifts during the Covid-19 travel restrictions.
- Prioritising critical business activities that needed to continue in whatever situation, such as motor insurance, and implementing measures to serve clients remotely by issuing digital stickers.

East Africa

Tanzania

Description



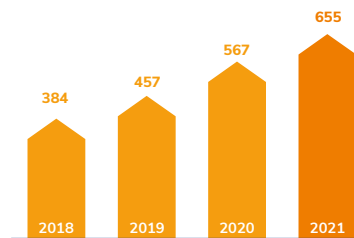
Market Analysis

Although the major economic indicators in 2021 highlight the recovery of the economy, most activities are yet to return to their pre-pandemic levels. For instance, credit's growth rate in the private sector rose in 2021 but remained well below 2020's level and less than half of the level of 2019. Imports of non-fuel goods and exports of products & services both expanded in 2021 but remained below half of their pre-pandemic levels. Additionally, telecommunications activity, mobility, cement production and tourist arrivals, show progression but have not yet matched 2019 levels.

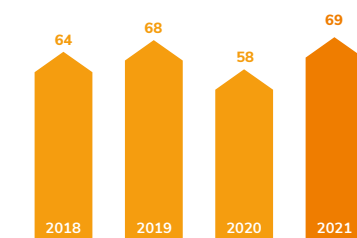
Assuming pandemic conditions and the external environment improve, economic growth of Tanzania is expected to strengthen. Around 4.5 – 5.5% is the projected real GDP growth rate in 2022, averaging 6% over the medium-term as domestic demand and exports recover. After decreasing in 2020 and rebounding in 2021, GDP per capita will continue to expand in 2022.

Performance Review

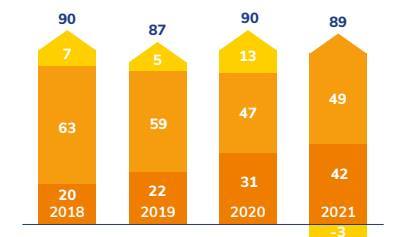
Gross Written Premium (Rs m)



Profit After Tax (Rs m)



Combined Ratio (%)



Commission Ratio Expense Ratio Loss Ratio

Note: Incentive fee ratio for Tanzania = 0.3%.

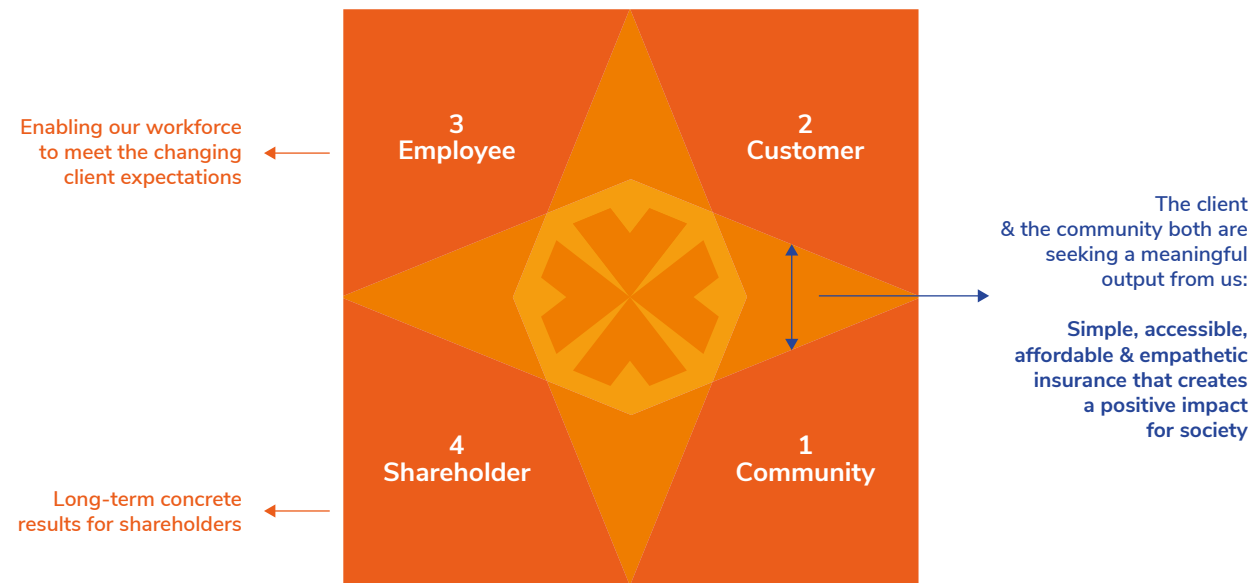
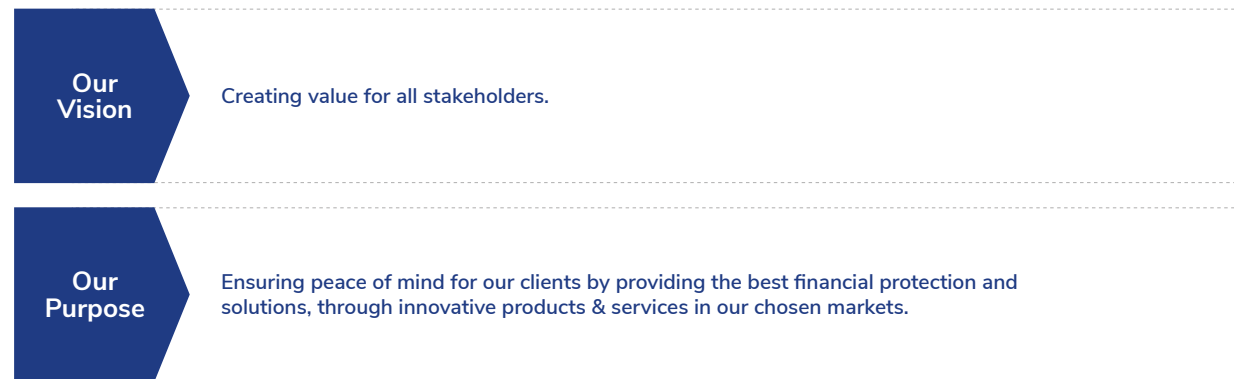
Key focus and outcomes

Despite ongoing pressure on the local economy, Gross Written Premiums continued their positive progression, with a 15% growth from 2020. A 20% increase in Profit After Tax in 2021 surpassed 2019 levels. There was a concerted focus on the entity's distribution network and local Information System enhancements, with the objective of providing proximity and quality service to clients.

2021 Highlights and Achievements

- Building up of international partnerships with the Globus network and Unisure, a group providing global solutions for health and life insurance needs.
- Smart Policy integration: MUA integrated with the local regulator's information system.
- Implementation of enhanced cyber security internally.
- Revamping of our business development strategy and operations.
- Launch of Utulivu, a roadside assistance value added service of ours, with the support of the Tanzania Insurance Regulatory Authority (TIRA).
- CSR sponsorships included the National Road Safety Week, which was done in the Arusha region and included a donation of 40 reflector vests and 20 "stop and go" signs for the campaign. We also sponsored the University of Dar Salaam Actuarial Exhibition in June 2021.

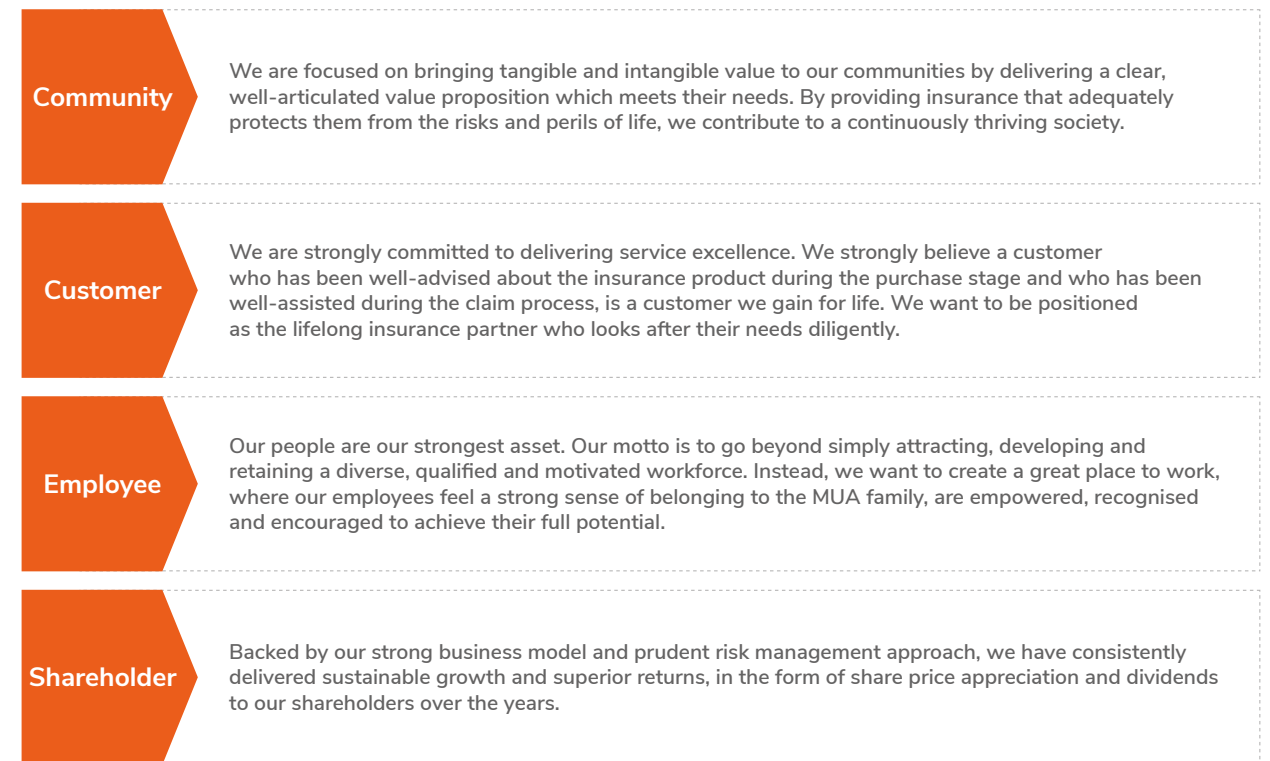
Our Value Creation & Value Sharing Business Model



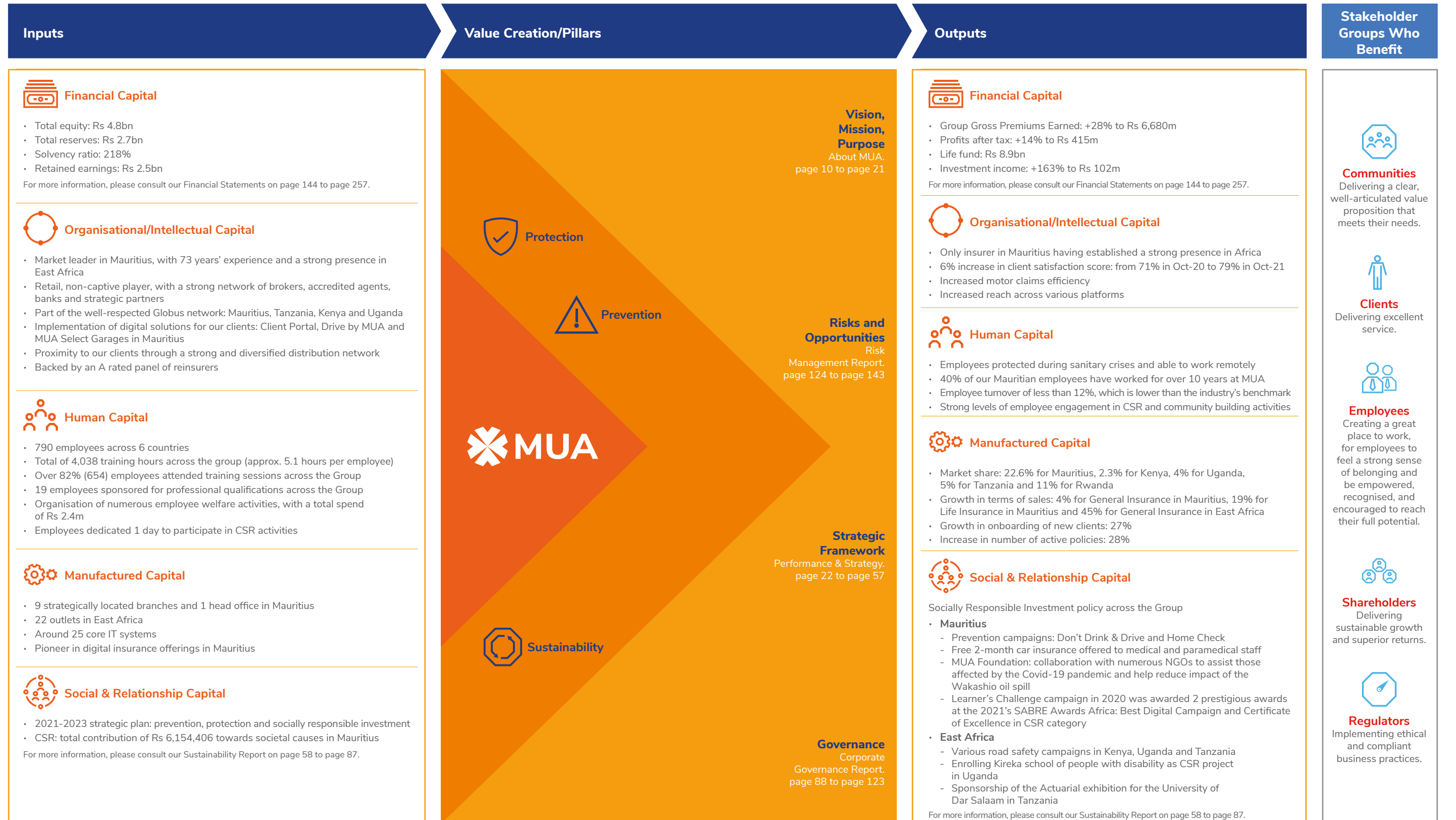
At the heart of our vision & mission, is the notion of SHARED VALUE - an approach that pushes us every day to contribute meaningfully and significantly to creating value for ALL:

- The communities we operate in;
- Our clients who rely on us for their financial protection;
- Our employees who form part of our family; and
- Our shareholders who look for long-term success.

We strongly believe our success and profitability work in tandem with the advancement of society. As society progresses and grows, so too will our growth opportunities.



Our Value Creation Process



Needs & Expectations of our Shareholders

In line with our “Shared Value” model, we have set ourselves some long-term goals to guide our value creation for our key stakeholders. We firmly believe a content ecosystem is vital for MUA to thrive in and we are committed to adequately deliver on the needs and expectations of our stakeholders.

* Learn more on pages 52 to 53

Stakeholders

 Employees	<ul style="list-style-type: none"> • 790 employees • 489 based in Mauritius and 301 in East Africa • 59% female, 41% male across the Group • 8% with more than 20 years of service in Mauritius • 22% aged less than 30 in Mauritius • 5,184 training hours in total across the Group • 19 employees sponsored for professional qualifications across the Group
 Clients	<ul style="list-style-type: none"> • All individuals in Mauritius, Seychelles, Kenya, Uganda, Tanzania and Rwanda, for a wide range of insurance & investment products. • Corporates, small & medium enterprises and public institutions, for their insurance and corporate pension needs.
 Shareholders	<ul style="list-style-type: none"> • 2,168 ordinary shareholders • Rs 7.71 earnings per share, v/s Rs 7.24 in 2020 • Net assets per share of Rs 75.50 v/s Rs 70.66 in 2020
 Regulators	<p>Mauritius:</p> <ul style="list-style-type: none"> • Financial Services Commission <p>Kenya:</p> <ul style="list-style-type: none"> • Insurance Regulatory Authority <p>Tanzania:</p> <ul style="list-style-type: none"> • Tanzania Insurance Regulatory Authority <p>Uganda:</p> <ul style="list-style-type: none"> • The Insurance Regulatory Authority of Uganda <p>Rwanda:</p> <ul style="list-style-type: none"> • National Bank of Rwanda
 Communities	<p>Local communities of the countries in which we operate, including any societal and environmental concerns.</p>

The Needs & Expectations Of Our Stakeholders

MUA Employees should do Meaningful Work

- We serve a critical purpose and have a noble profession as insurers: we provide protection when people need it the most.
- Shift from high volume repetitive tasks to higher value work through automation.

MUA Employees should have Growth Opportunities through:

- Talent management.
- Learning, development and sponsorship.
- Leadership programmes for individual and team effectiveness.
- Career opportunities across the group.
- Competitive salary.

MUA Employees should feel a Sense of Belonging to the group

- We are One MUA: Leveraging on our diversity to boost innovation, productivity and progress and celebrating together like one MUA Family.

MUA Employees should work in a Productive Environment

- Adequate work-life balance (Work From Home and Flexitime).
- Cross-functional collaboration.

Active participation in CSR activities:

- One free working day to participate in CSR activities, for all employees.

- Compliance with all legal and regulatory requirements.
- Active participation to the Insurers' Association of Mauritius and other regulatory or governmental working groups.
- Acts as a thought leader on insurance matters.

- Fast and clear claim settlement process.
- Unambiguous terms communicated in layman language.
- Simple, accessible, affordable and empathetic insurance that creates a positive impact for society.
- Excellent customer service.
- Trusted insurance partner who they can count on.

- Share price appreciation.
- Attractive and sustainable dividend payout.
- Growth in net asset value and good return on equity.
- Sustainable high growth strategy.
- Strong solvency and sound balance sheet.
- Experienced management and sound governance.
- Transparent and regular reporting.

- Access to insurance and micro-insurance products that protect individuals and their families against specific risks.
- MUA to recruit and train local workforce.
- An insurance company that uses its knowledge and expertise to encourage risk prevention.
- Significant and long-lasting contributions to societal causes.

Our Long-Term Goals

- To have a knowledgeable and dynamic workforce growing in tandem with the company
- To give employees the opportunity to become owners of the company through the Employee Share Scheme

- To become the preferred insurance partner on the market, positioning MUA as a sustainable insurer

- To increase profits in a sustainable manner and create significant shareholder value

- To prudently manage our risks while being fully compliant with the local regulatory frameworks

- To link our CSR projects to our core duty and to our business performance
- To promote self-reliance & self-sufficiency in our CSR Projects
- To dedicate one day per year for all MUA Employees to MUA Foundation CSR Activities