

Earnings – First Quarter 2020

MUA shows resilience and growth despite volatile market conditions

Press Release

18 May 2020

MUA Ltd (MUA) today released its financial results for the quarter ended 31 March 2020.

Some of the **key highlights** of this quarter include:

- **Gross earned premiums up +8%** to Rs 1,100m (compared to Rs 1,019m in March 2019)
- **Profit after Tax up +11%** to Rs 56.5m
- **Earnings per Shares Rs 1.02** (Rs 0.88 in March 2019)
- **COVID-19:** although limited impact in Q1, the situation is being closely monitored

The first quarter of 2020 was marked by strong performance, with revenue **growth driven by African operations and gross premiums earned increasing by 8%** compared to the same period in 2019. With the spread of COVID-19 globally, Mauritius went into lockdown in the fourth week of March, with **fairly limited impact on the group's first quarter results**.

“MUA’s **balance sheet remains resilient in these volatile market conditions**, with a solvency ratio well above regulatory requirements, and a **low debt gearing** level of 23%”, said **Bertrand Casteres**, MUA Group CEO. “A **well-diversified business portfolio** reduces MUA’s risk exposure in any one particular sector of activity. MUA has a **high quality asset portfolio**, consisting primarily of fixed income instruments with limited exposure to vulnerable sectors and volatile asset classes. This coupled with our **long-standing relationships** and **solid agreements** with highly rated reinsurers and creditors, has ensured a **comfortable level of liquidity** and invaluable **risk management support** at this critical juncture.”

With the unprecedented health, economic and financial challenges associated with COVID-19, **MUA’s priority** has been the **safety of our 674 employees** across our six countries of operation and continuing to provide the **best level of service to our clients**. “We have been able to provide partner and client support with **minimal interruption** as a result of three key factors. Firstly MUA embarked on a **digital strategy** over five years ago and has since constantly invested in its IT platforms and digital innovation” commented Bertrand Casteres. “Secondly the group’s **Business Continuity Plan**,

an integral part of our last two strategic plans, has largely enabled our teams to **work from home, maintain operational continuity** and fulfill our responsibilities to our clients. Finally the commitment and **dedication of our staff** has provided stability in these challenging circumstances.”

Although the true extent of the pandemic’s impact on the group’s earnings is uncertain, we remain confident in our **capital and risk profile** and the **risk management measures** already implemented. We expect an **impact on sales and revenues**, notably through a reduction of new business, although it is too early to estimate the full impact.

Over and above business considerations, MUA is very conscious of the **devastating human cost** of the pandemic, with the acute health, sanitary and economic **impact on our communities**. The **MUA Foundation** has partnered with FoodWise and Small Step Matters to launch the first of a number of **CSR initiatives to distribute food packages** to the most vulnerable in Mauritius. To find out more about this initiative, please follow this [link](#).

“I would particularly like to **express my gratitude to all MUA colleagues and partners, for their commitment** during this crisis. Our teams worldwide have shown **determination, tenacity and an ability to mobilise**. With their continued support, we prepare for a **safe and progressive end to the lockdowns** in each of our markets. The crisis will undoubtedly affect societies and economies, though we must focus on the long term and the opportunity to **build the post-crisis environment**.”

Details of the results for the quarter ended 31 March 2020 will be available for download at mua.mu on Monday 18 May 2020.