

Earnings – Half Year 2020

Solid general insurance performance offsets Covid-19 impact on results

Press Release

14 August 2020

MUA Ltd (MUA) today released its financial results for the half year to 30 June 2020. Some of the **key highlights** of the period include:

- **Gross premiums earned up 6%** to Rs 2,304m (compared to Rs 2,183m as at June 2019)
- **Profit after Tax down 10%** to Rs 162.7m (versus Rs 181.7m as at June 2019)
- **Earnings per Shares Rs 3.02** (Rs 3.50 in June 2019)
- **Net assets per share of Rs 65.35** as at 30 June 2020 compared to Rs 62.97 as at 31 December 2019.
- **MUA maintains its status as a top performing share on the SEMDEX** year to date (**up 9%** during the first six months of 2020 and **up 16%** year to date).

MUA has shown resilience in the challenging context of the Covid-19 pandemic. Whilst profit after tax was down 10% for the period, total **gross premiums earned saw a 6% growth**. General insurance operations reported **growth in gross premiums earned of 4%** and the East African subsidiaries performance remained stable, with **growth in gross premiums earned of 19%** for the period. **Lower motor claims** as a result of the national lockdown period **positively impacted** general insurance bottom line, with the depreciation of the Mauritian Rupee acting as a **further positive impact** to Mauritian consolidation of results.

“MUA’s **strategic vision, robust business processes** and **agile digital operations** have ensured the group has been **well positioned to navigate the crisis** over the past months”, said **Bertrand Casteres**, MUA's Group CEO. “The focus on **diversification of business lines** and **expansion into East Africa** in recent years has stood the group in good stead as the impact on results from the ongoing challenging market conditions in Mauritius has been partly offset by **positive results from the group’s East African operations**. The completion of the acquisition of **Saham Kenya acquisition** is another significant milestone for MUA's **regional ambitions**”.



“With a prolonged period of **low interest rates** and persisting **equity market volatility** expected, the group’s **investment portfolio remains relatively stable** and **low risk** with a focus on investment in **long term fixed income assets** and a **prudent investment approach**. Nevertheless, the recent significant drop in fixed income yields, the negative impact of the pandemic on the local economy and ultimately the local equity markets and a decline in new business were the main contributing factors to the **net loss of Rs 51.4m** reported for MUA Life Ltd (compared to profit after tax of Rs 100.8m for the first half of 2019).

The current pandemic has highlighted the **critical role of insurance companies** in providing **protection** and **financial peace of mind** to clients. As an insurance leader, MUA continues to take **decisive measures** to meet the challenging times ahead, including ongoing **risk management**, **alignment of recovery strategies** and development of the group’s **long-term strategic plan**.

Details of the results for the half year to 30 June 2020 will be available for download at mua.mu on Friday 14 August 2020.