

Earnings – Half Year 2021

Premium growth across all segments with prudent claims management amid challenging market context

Press Release
16 August 2021

MUA Ltd (MUA) today released its financial results for the half year ended 30 June 2021. Some of the **key highlights** of this first quarter include:

- **Gross premium earned increased by 39%** to Rs 3,197m (compared to Rs 2,304m as at June 2020)
- **Profit after Tax** of Rs 222m for the period, an **increase of 37%** versus Rs 163m as at June 2020
- **Net assets per share up 7%** to Rs 75.53 (compared to Rs 70.66 as at December 2020)
- East African subsidiaries **gross premium earned increased by 90%**
- **Basic Earnings per Share Rs 4.13** (up 37% compared to Rs 3.02 in June 2020)
- **Market capitalisation up 26%** to reach Rs 5.7bn as at 30 June 2020

Gross premiums and **profit after tax up 39%** and **37%** respectively reflected strong business dynamic for the six months ended 30 June 2021. Maintaining its position as the **largest insurance company in Mauritius** by market capitalisation, the group has a growing presence in East Africa, which **represents 37% of gross premiums** and remains focused on being a regional insurance partner of choice. “Despite lingering Covid-19 related restrictions, teams were able to **continue operations seamlessly** through digital solutions and our established **Business Continuity Plan**. Guided by the principles of **prevention, protection** and **responsible investment**, we remain committed to **improving the lives of our clients, employees** and the **communities** in the six countries in which we operate through our current strategic plan which is well underway, **TRANSITION 2023**”, said Group CEO **Bertrand Casteres**.

General Insurance in Mauritius reported **strong results**, a testament to **prudent claims management** measures with the backdrop of a **challenging environment** amidst the Mauritian Rupee depreciation leading to higher costs. **Gross premiums were up 8%** whilst net profit after tax witnessed a decrease of 75% compared to June 2020, albeit an increase in profit since March 2021. Mauritian motor, health and financial risk business lines contributed to the growth in premiums driven by a combination of **higher renewals, new business** and **larger premium size** on average. The general insurance entity's **solvency ratio of 214%** remains well above regulatory requirements.



MUA Life's gross premiums grew by 43% to Rs 765m (compared to Rs 536m as at 30 June 2020) driven by an increase in **new business** and a marked **improvement in the performance of financial markets** including recovered equity prices and rising fixed income yields. A **significant increase in profit** was recorded for the six months to June 2021 of Rs 155m, compared to a loss of Rs 51m for the same period in 2020.

In **East Africa, premiums grew by an impressive 90%** to Rs 1,185m from Rs 623m with all East African subsidiaries reporting **positive growth**, with the exception of Tanzania. Despite the increase in premiums, higher claims, rising costs due to local currency depreciation and persisting Covid-19 lockdown restrictions contributed to a **reduction in profit after tax by 57%** across East Africa. Lower profits were in line with forecasts due to planned integration costs of Saham Kenya and MUA Kenya. Profit levels are satisfactory in Uganda, Tanzania and Rwanda. Economies of scale will now start bearing fruit. An increase in investment income partially countered the decrease in profit with the depreciation of the Mauritian Rupee adding an additional boost after consolidation. “The **integration of MUA Kenya and Saham Kenya** is progressing well, with final regulatory approval received during the quarter. Costs associated with the merger weighed on performance, though this was expected and we look forward to realising the **planned synergies** and **economies of scale**. The teams recently relocated to a single premise in Nairobi” explained Bertrand Casteres.

The group maintains a **strong financial position** and **maintains a positive outlook** for the remainder of 2021 particularly given the improvement in financial markets, vaccination programme success and border re-opening.

“These results reflect the **collective efforts of our team** and partners, the continued **loyalty of our clients** and the **confidence of our shareholders**. I would like to thank them for their unwavering support, engagement and trust in MUA and we look forward to continuing the path of **sustainable and profitable growth together**” said Bertrand Casteres.

Details of the results for the half year ended 30 June 2021 will be available for download at mua.mu on 16 August 2021.

For further information on **Transition 2023** and our **strategic plan objectives**, please click [HERE](#).