

Earnings – First Quarter 2022

Strong gross premium performance across all segments and markets, short term impact in profitability due to higher claims and rising costs particularly in Kenya.

Press Release
16 May

MUA Ltd (MUA) today released its **financial results for the first quarter** ended 31 March 2022. Some of the key highlights for the quarter include:

- **Gross premium earned increased by 12%** to Rs 1,712m (compared to Rs 1,531m as at March 2021)
- **Profit after Tax** of Rs 1.3m for the period, a drop from Rs36.7m as at Q1 2021
- East African subsidiaries **gross premium earned increased by 27%**
- **Net assets per share amounted to Rs 78.40** compared to Rs 77.49 as at 31 March 2021, an increase of 1.2%.
- **Market capitalisation up 4%, reaching Rs 7.3bn** as at 31 March 2022

MUA Ltd, the **largest insurance company by market capitalisation in Mauritius**, today reported results for the first quarter of 2022 ended March.

The group recorded **solid top line growth across all segments** and regions despite persistently challenging market conditions, notably in East Africa. **General insurance operations in Mauritius** reported gross premiums earned of Rs 633M, **up 7% compared to Q1 2021**. The entity recorded **Profit after Tax of Rs 12m**, down 64% since March 2021, impacted by higher management expenses and higher loss ratio following cyclones and floods during Q1. MUA continues to introduce **cost saving measures to mitigate** the impact of inflation. Whereas the business benefited from an unusually low level of claims in the first quarter 2021, the **return to business as usual in Q1 2022** impacted the results markedly.

MUA Life gross premiums earned dropped slightly by 4% to Rs 365M, however **new business written remains higher than pre-COVID-19 levels**. The Life insurance entity reports profit on a bi-annual basis and the continued improvement in local fixed income yields is expected to support profitability in June 2022.

Commenting on the growth in Mauritius, **MUA's Group CEO, Bertrand Casteres**, explained that "The strong performance of gross premiums in Mauritius demonstrates the **strength of our sales teams**, the **value and innovation of the products** provided to the market and our clients. MUA was not immune to the prevailing cost pressures and return to pre-COVID19 claim ratio levels as reflected in the bottom line, however we **remain committed to mitigating rising costs** going forward. We are confident in our ability to implement processes which are expected to bring **tangible savings and higher efficiency**. Our focus remains on being the leading responsible and sustainable insurer across the markets in which we operate, and the costs incurred during the period are paving the way. Introduction of **new products and client tools** across our markets (which include Mauritius, Kenya, Uganda, Rwanda, Tanzania, and the Seychelles) such as **Drive by MUA** and Tanzania's roadside assistance service are examples of our **commitment to encourage prevention and close the protection gap**".

East Africa, where MUA offers general insurance products across four countries, **now represents 42% of total group gross earned premiums**. Most of the entities **continued to perform well** with MUA Rwanda reporting strong profitability and gross premium growth. The **Tanzanian and Ugandan operations reported solid premium growth** and stable profitability. In Kenya, difficult market conditions including rising cost of claims and ongoing integration expenses following the merger with Saham Kenya weighed on the bottom line. **Short term disruption to profitability trajectory** is expected to stabilize in the coming quarters particularly, as MUA continues to **build market share and benefit from economies of scale** in the region. The group is introducing important innovation developments which are expected to be rolled out to its other markets in time.

MUA continued to develop its sustainability initiatives in 2022, further strengthening its **commitments to mitigate climate change** through various energy saving measures and by taking on new **engagements to support the communities** in which we operate through various CSR initiatives, including a **conservation project** to protect endangered species and a **reforestation initiative** of endemic trees in Mauritius. **Growing assets under management** in line with responsible investment practices as outlined in the group's **Socially Responsible Investment Policy** represent another key milestone as part of the strategic plan and the group.



“As the group navigates the prevailing market disruptions, we remain **focused on our strategic plan, TRANSITION 2023**, and through this transitional period continue to invest in **innovative and transformative measures and processes** to ensure improved efficiency and cost mitigation whilst paving the way for future sustainable growth. Execution of ambitious capital management and a focus on limiting volatility will remain important to support sustained and attractive returns for our shareholders. Notable progress is being made in the East African markets of Uganda, Rwanda and Tanzania and we continue to **strive for higher market share** and economies of scale in Kenya following the merger with Saham Kenya. Considering the **overall strong performance** during the recent Covid-19 pandemic, MUA has navigated the volatility and uncertainty in an effective and prudent manner and the **fundamentals of the group remain solid**, reflected in the **unchanged bond credit rating of MUA Ltd** which remains at **CARE MAU AA- (stable)** (CARE Ratings (Africa) Ltd)”.

Details of the results for the year ended 31 March 2022 will be available for download at mua.mu on 16 May 2022.

For further information on **TRANSITION 2023**, our **strategic plan objectives**, and our **Socially Responsible Investment** policy, please click [HERE](#).