

Earnings – Third Quarter 2022

Strong top line performance across all business lines in Mauritius and East Africa, profit impacted by challenging market conditions in East Africa.

Press Release
15 November 2022

MUA Ltd (MUA) today released its financial results for the nine months ended 30 September 2022. Some of the key highlights for the period include:

- **Gross Premium Earned increased by 15%** to Rs 5,728m (compared to Rs 4,962m as at Sept 2021).
- **Profit after Tax of Rs 149m** for the period, down 41% from Rs 254m as at Q3 2021.
- East African subsidiaries **Gross Premium Earned increased by 16%**.
- The outlook for the **bond credit rating** of MUA Ltd is stable at **CARE MAU AA- Positive** (issued by CARE Ratings (Africa) Limited).
- **Net Assets per Share amounted to Rs 81.99** compared to Rs 77.49 as at 31 December 2021, **an increase of 5.8%**.
- Conclusion of **milestone investment by Proparco**, an internationally renowned strategic investor, set to make an **equity investment of USD 10m in MUA**.

MUA Ltd, the **largest insurance company by market capitalisation in Mauritius**, today reported results for the nine months ended September 2022. The group recorded **top line growth across all segments** with **gross premiums earned increasing by 15%**. However, challenging economic conditions led to **group profit after tax falling by 41% to Rs 149.2m** compared to September 2021. Profits of MUA Life Ltd and the East African subsidiaries were notably impacted by **volatile equity markets** and **higher cost of claims** given rising inflation and prior years' run-off.

General insurance operations in Mauritius reported **Gross Premium Earned** of Rs 2,265m, **up 14%** compared to Q3 2021. The growth was driven by **more new retail business** across the health and motor segments as well as **international partnerships** which lead to new sources of business particularly in financial and special risk. The GI entity recorded **Profit after Tax (PAT) of Rs 31m**, 46% lower than Q3 2021, impacted predominantly by **higher-than-expected claim costs**, and **higher management expenses** driven by planned investments in Human Resources.



MUA Life Ltd's gross premiums increased by 20% whilst profit was down by 35% compared to September 2021, representing almost half of the drop in group profit. **New business experienced notable growth of 31%**, however **volatile equity markets** impacted return for the period. Improved profit is expected to be reflected in the next bi-annual actuarial valuation supported by rising yields in fixed income markets.

All **East African subsidiaries** reported **positive top line growth**, with **gross written premiums increasing by 16%**. Profit after tax dropped in Kenya, Tanzania, and Uganda while Rwanda showed a **14% growth in profit after tax**. Overall, profit after tax decreased by 61% across East Africa as a whole with **improvement noted in expense and loss ratios** albeit diluted to some extent by changes in reinsurance arrangements. Non-operational expenses such as IFRS 17 related costs also weighed on profit. It was important to **strengthen prior year reserves**, especially in Kenya, to bolster balance sheet strength of the East African subsidiaries. The group is addressing legacy issues in two East African subsidiaries. Beyond this, bottom line was impacted by increases in the number of claims, higher cost of claims amidst rising inflation and increasing competition.

The outlook for the **bond credit rating of MUA Ltd** has been maintained at **CARE MAU AA- Positive** (issued by CARE Ratings (Africa) Limited). During the period, **MUA concluded its USD 10m capital raise** from new strategic investor, **Proparco**, a leading Development Finance Institution, and the private financing arm of the Agence Française de Développement Group.

“MUA remains committed to **driving growth** and **prudently managing costs** particularly in the current challenging context of rising inflation and market volatility. Our focus remains **delivering outstanding customer service** whilst delivering upon our strategic objectives as a **responsible and sustainable insurer** and creating long term value for our shareholders. With the introduction of our new shareholder, Proparco, MUA's capacity to **strengthen our position as a market leader** in the region is bolstered with an **improved capacity to extend insurance coverage** and **increase market share** in the Mauritius and East Africa.” said MUA's Group CEO, Joerg Weber.

Details of the results for the **nine months ended 30 September 2022** will be available for download at mua.mu on **Wednesday 16 November 2022**.

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