

Earnings – Full Year 2022

Strong top line performance across all entities with East Africa continuing to grow and recording notable improvements in operational results.

Press Release

31 March 2023

MUA Ltd (MUA) today released its financial results for the twelve months ended **31 December 2022**. Some of the key highlights for the period include:

- **Gross Premium Earned increased by 13%** to Rs 7,565m (compared to Rs 6,680m as at Dec 2021).
- **Profitability in Kenya strongly improved** despite further strengthening of reserves for older accident years as well as foreign exchange losses on financial debt. Consequently, **East African subsidiaries' profit was up 373%** to Rs 52m. Gross Premium Earned in the region was up by 14% despite active portfolio cleaning by our Kenyan subsidiary in the context of its profit improvement program.
- **In Mauritius, profitability suffered** from the market wide drastic and unexpected increase in inflation which meant that the cost of claims increased faster than premiums could be adjusted. Notwithstanding, **General Insurance operations remained profitable** even though result decreased from Rs 93m to Rs 23m in 2022.
- With a **growth of 17% and a profit of Rs 269m**, **MUA Life Ltd** again was a dynamic and growing profit engine for the group. Despite decreases in the Mauritian and worldwide capital markets, as well as higher tax charges did not allow to fully reach the record high of 2021.
- Overall, **Profit after Tax amounted to Rs 338m** for the period, down 19% from Rs 415m as at December 2021.
- The outlook for the **bond credit rating of MUA Ltd remains stable** at CARE MAU AA- Positive (issued by CARE Ratings (Africa) Limited).
- **Net Assets per Share** amounted to Rs 81.26 compared to Rs 77.49 as at 31 December 2021, **an increase of 4.8%**.

MUA Ltd, the **largest insurance company by market capitalisation** in Mauritius, today reported results for the full year ended 31 December 2022. The group recorded top line growth across all segments with **gross premiums earned increasing by 13%**. Challenging economic conditions, particularly in Mauritius, in a context of rising inflation led to group profit after tax falling by 19% to Rs 338m. However, **top and bottom line improved remarkably in East Africa**, with the region's



entities ending the year with **profit up by 373% and gross premium earned higher by 14%** compared to December 2021. Profits of the Mauritian life and general insurance subsidiaries were impacted by volatile equity markets and higher cost of claims given persisting high inflation.

General insurance operations in Mauritius reported Gross Premium Earned of Rs 2,866m, **up 11%** compared to December 2021. The growth was driven by new retail business across numerous segments including health, motor and travel as well as international partnerships. The entity recorded Profit after Tax (PAT) of Rs 23m, 75% lower than December 2021, impacted predominantly by **higher cost of claims and management expenses** following capacity building and investment at human resources level. **Claims inflation remains under pressure**, with motor claims being impacted by capacity constraints in the repair industry, and medical claims' cost impacted by higher healthcare expenses. Improvement in the loss ratio across non-motor and financial risks business lines acted as a mitigating force against the impact of higher cost and frequency of health claims in the health segment.

MUA Life Ltd's gross premiums increased by 17% to Rs 1,818m, driven by unit linked and protection business. This sustained sale of protection products partially mitigated the drop in profit, which was down 7% compared to December 2021, amidst volatile equity markets, fair value losses in a context of rising yields and higher taxation. Other operations in Mauritius performed well, such as **MUA Pension which reported a 31% increase in profit after tax**, driven by new business growth and efficiency gains following new digital transformation efforts. The group aims to continue bringing more **value-added services to clients** and investing in **innovation**.

East African subsidiaries reported notable top line growth, with gross written premiums increasing by 10% over the 12 months to December 2022. In terms of profitability, **MUA Kenya in particular showed a marked improvement**, with the loss almost halved in local currency terms compared to the previous year as well as lower expense and loss ratios. In the absence of an exceptional downward revaluation of the MUA Kenya loan from MUA Ltd, and without the strengthening of reserves from old accident years, the entity would have made a profit in 2022. **MUA Rwanda remains a strong performer**, with a decrease in the loss ratio, the **PAT and premiums earned increasing by 126% and 22% respectively**. Higher operational costs and professional fees (as a result of IFRS 17 implementation) impacted the bottom line for **MUA Uganda**, despite a rise of **20% in premiums earned**. Growth in premiums in Tanzania was offset by a partial impairment of a property asset and non-operational costs as a result of IFRS 17 and audit charges. Overall, **East African operations have demonstrated operational improvements and higher profitability**, and the region remains a key growth area for the group.



“Our focus remains on **creating long-term value for shareholders** and **steady improvements to client experience**. MUA’s **fundamentals remain strong** and we are uniquely positioned to benefit from our **strong foothold on the dynamically growing African continent**” said **MUA’s Group CEO, Joerg Weber**. “MUA Ltd’s share price has not been immune to the impact of heightened global geopolitical tensions, rising inflation rates and macroeconomic uncertainties which have been echoed MUA’s local markets. However, **share liquidity and frequency of trading have improved notably over the past 3 years**. With the need for strengthening the fundamentals of our East African subsidiaries coming to an end, and once the measures that we have taken to counter the claims inflation in Mauritius bear fruit, **MUA is poised to excel in both, growth and profitability.**”

Details of the results for the full year ended **31 December 2022** are available for download at **mua.mu**.

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