





**MUA Ltd, the largest insurance company by market capitalisation in Mauritius**, today reported results for the first quarter ended 31 March 2023. The General Insurance operations in both Mauritius and East Africa recorded **top line growth though bottom line was heavily impacted by inflationary pressures**. The **group posted a loss of Rs 32m** amidst challenging economic conditions and cost increases outpacing revenue growth. However, with the group strategy having sights firmly set on the **growth in the East African region, the strong operational improvements** in each of the countries' results was a positive sign for the future and testament to success of actions taken over the past years.

General insurance operations in Mauritius reported **Gross Premium Earned of Rs 758m, up 20% compared to March 2022**. However, profitability suffered as a result of higher claims incurred on the back of galloping inflation on price of spare parts and significant increase in clinic fees resulting in higher cost of claims for motor and health lines of business whereby the level of reserving for the 2022 financial year had to be complemented by circa Rs 100m in the first quarter of 2023. **PAT is expected to improve gradually** over the coming quarters following implementation of a series of corrective actions such as **revision of premium rates and rationalisation of our acquisition costs**. On a positive note, our **robust reinsurance program mitigated the adverse impact of weather-related claims** incurred following cyclones and torrential rain in the first quarter and resulted in **improvement in loss ratio on the non-motor segment**. The business operation was also impacted by higher management expenses attributed to project costs related to the implementation of the new IFRS 17 accounting standard which becomes effective in 2023.

**MUA Life Ltd's Gross Written Premium remained robust**, despite a 3% dip to Rs 355m. Single premium sales were under pressure, as rising interest rates attracted investors to other fixed income products. **Bancassurance business grew comfortably by 18%**, driven by unit linked and protection business. 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. **MUA Pension performed well, posting a 38% increase in Profit after Tax to Rs 10.5m**.

**All East African entities reported strong growth and improved profitability** compared to previous periods. The region reported a loss of Rs 20m due to provision for non-operational costs and IFRS-17-related expenses. **MUA Kenya profit increased by 103%** compared to a loss posted in the corresponding period for 2022. Profitability was positively boosted by a lower motor loss ratio and dividends paid by subsidiaries. **Gross Written Premiums in the region were up by 27%** and better operational metrics such as lower loss and commission ratios demonstrated the improvement in profitability for the East African market. The **health segment in Kenya boosted Gross Written Premium**, however the positive impact was diluted by a drop in motor premiums following a



cancellation of loss-making accounts, in line with the **target of cleansing portfolios across the group**. **MUA Rwanda maintained its level of profitability** whilst the Tanzanian entity posted a PAT of Rs 18m, down 20% compared to March 2022. **MUA Uganda continued its growth trend** both on top line and bottom line.

**“The improvement in our East African operations** reinforces our conviction in the region and the opportunity for **ProfitableGrowth**. Our aim is to continue striving for long-term shareholder value and recent **cost control measures, more stringent underwriting processes and pricing reviews** are expected to flow through to the bottom line going forward. We remain certain that MUA is well positioned to **grow market share in the region** whilst continuing to **strengthen the Mauritian operations** to weather headwinds, both now and in the future. With the launch of the **“4X + 1” transformation program**, recently presented at our investor meeting, which includes a focus on excellence across four pillars, notably **customer, technical, human resources, and operations and sales**, I am confident in our ability to **achieve steady improvements in client experience and satisfaction**, shareholder return, and stakeholder engagement” said MUA’s Group CEO, Joerg Weber.

Details of the results for the quarter ended **31 March 2023** 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](#)**.