

## Earnings - Half Year 2023

### Stable top line and PAT of Rs 124m, notable operational improvements in East Africa with group fundamentals remaining solid.

#### Press Release

14 August 2023

MUA Ltd (MUA) today released its financial results for the **six months ended 30 June 2023**. Some of the key highlights for the period include:

- **Gross Premium Earned** remained stable at **Rs 3,769m** (compared to Rs 3,784m as at June 2022). **Group Profit After Tax (PAT)** stood at **Rs 124m**, an improvement compared to the previous quarter, albeit down by 36% compared to June 2022.
- **Profitability of General Insurance** in Mauritius stabilised as prior year reserves proved sufficient after strengthening in Q1 2023 and **motor price increases grew into the portfolio**. In Health, the effect of **price adjustments still lags behind claims inflation** because the Health book can only be repriced at its renewal dates, which are predominantly in the second half of the year.
- **MUA Life Ltd** remained a profit engine with **PAT up by 36% to Rs 137m** for the six-month period alone. Top line was down by 28% but only because some banks shifted customers from single premium unit linked to banking products in a context of higher interest rates.
- **East African subsidiaries** become **increasingly profitable**, with turnaround confirmed in Kenya, and all other entities in the region also posting **PAT increases at double-digit** rates. Amidst the depreciation of the Kenyan Shilling, the operational profitability improvements of MUA Kenya are not yet fully visible in the Mauritian Rupee accounts of the Group.
- Following a **challenging year 2022**, which had still impacted Q1 2023 via late reported claims, our **strong pricing and underwriting measures** are now increasingly showing effect. As they continue to do so, we expect **profit recovery to continue to show** in our bottom line in the second half of the year.



**MUA Ltd**, the **largest insurance company by market capitalisation** in Mauritius, today reported results for the half year ended 30 June 2023. The group's **Gross Premium Earned was stable** at Rs 3,769m, compared to Rs 3,784m as at June 2022. The **group posted PAT of Rs 124m**, affected by prior years' run-off. Net Assets per Share edged up to Rs 82.65 as at 30 June 2023 compared to Rs 81.26 as at 31 December 2022. The bond credit rating of MUA Ltd was confirmed **at CARE MAU AA- Positive** (issued by CARE Ratings (Africa) Limited).

**General insurance operations** in Mauritius reported **Gross Premiums Earned of Rs 1,538m**, up 16% compared to June 2022. Profitability stabilized as strengthened prior year reserves in Q1 2023 proved sufficient. The health segment was impacted by **significant increases in cost of claims** during the first six months. However, with the majority of renewals occurring in the second half of the year, a **substantially positive impact on profitability is expected** to show as from Q3 2023 onwards, as upward price revisions grow into the portfolio. For the **motor business line**, price increases to combat rising cost inflation have already proved beneficial. Overall, **further improvement and return to positive results** is expected for the second half of the year.

**MUA Life** continued to perform well with **PAT remaining solid at Rs 137m** for the first six months of the year, an increase of 36% compared to June 2022. A decline in Gross Written Premium was largely driven by lower single premium sales as some bank clients substituted these for banking products in a context of higher interest rates. **Fair value on investment portfolios increased notably** amidst improving global equity markets and fixed income fair value gains.

**East Africa continues to become increasingly profitable.** The turnaround in Kenya was confirmed and all other entities in the region reported **strong double-digit profitability**. Due to the depreciation of the KES, this turnaround is not yet fully visible in the MUR accounts of the Group. In Tanzania, **premium grew by 22%** and PAT rose by 42%. MUA Uganda reported **premium growth of 30%** and PAT multiplied by 400%. In Rwanda, **premium grew by 14%** whilst bottom line was up by 21%.

“Last year, inflation led to turbulence which ultimately impacted bottom line. We continue to focus on what makes MUA unique, namely the group's **remarkable and increasingly profitable growth** in East Africa, building upon the **solid base established in Mauritius**,” said **Joerg Weber**, MUA's Group CEO. “The operational improvements in East Africa **demonstrate the opportunity that this region** presents, and we remain convinced of the growth generation potential of these markets for the group. Recent actions on portfolio and pricing reviews, more stringent underwriting processes and cost control measures have already had a **positive impact on operations and profitability** across all entities. Execution of the **4X+1 Transformation Program** continues. This program is centered around



excellence across four pillars, notably customer, technical, human resources, and operations and sales. **Group solvency and fundamentals remain solid** and the Executive team and the Board are confident in the group's ability to **derive value for shareholders** and to be the leading insurance company in the region".

Details of the results for the quarter ended **30 June 2023** are available for download at **[mua.mu](https://mua.mu)**.

For more information on MUA's **4X + 1 Transformation Program** and the group's regional ambitions, please click **[HERE](#)**.