

INVESTOR MEETING



# MUA 2019 RESULTS

23 April 2020





# AGENDA

- 1 INTRODUCTION & HIGHLIGHTS**
- 2 KEY PERFORMANCE DRIVERS**
- 3 GROUP FINANCIAL REVIEW**
- 4 BUSINESS PERFORMANCE**
- 5 THE YEAR AHEAD**



# **INTRODUCTION AND HIGHLIGHTS**

# INTRODUCTION AND HIGHLIGHTS



## WHO WE ARE

2019: A year of solid performance



**Largest Insurance Company <sup>1</sup>**

Listed on the Stock Exchange of Mauritius



**+21%**  
Increase in share price in 2019



**+6%**  
Gross Written Premium in 2019



**+25%**  
Profits after Tax in 2019

## 2019 Results



**25.1%**  
Total Return<sup>2</sup>

**14.8%**  
Group Return on Equity

**3.4%**  
Dividend Yield

**2.7x**  
ROE Outperformance of Risk Free Rate<sup>3</sup>

1. Based on market capitalisation of Rs 3.9 billion as at 15<sup>th</sup> April 2020; 2. Holding period yield to shareholders; 3. 10 year Government of Mauritius Bonds, outperformance over 3 year period

# INTRODUCTION AND HIGHLIGHTS

## KEY ACHIEVEMENTS DURING 2019



### Strong share price performance:

- 13.8% : Average annual increase in share price over last 3 years
- A direct reflection of the success of Ambition 2020 efforts

### Further expansion into East Africa:

- SPA with Saham Kenya signed, regulatory approvals in progress
- Other pipeline acquisitions including acquisition of minorities

### Debt refinancing – MUR 500M Note Issue

- Lower cost of debt
- Earmarked for African expansion

### Improving client experience & offers

- MUA client portal launch
- Business transformation: streamlining administration and claims management
- New innovative products

# INTRODUCTION AND HIGHLIGHTS

## OUR OPERATIONS - MAURITIUS



### General Insurance

**25% Market Share**  
**> MUR 2,350m** in GWP

**2<sup>nd</sup>** in GWP  
**1<sup>st</sup>** in NEP  
**1<sup>st</sup>** in Motor Insurance  
**1<sup>st</sup>** in Liability Insurance  
**2<sup>nd</sup>** in Accident & Health

### Corporate Pension

**Pioneer** in Pension Fund Administration  
**Top 3** Market Player  
**> 400** Corporate pension schemes

### Mutual Fund

**2** well diversified mutual funds  
**> MUR 669 m** asset value of funds

### Life Insurance

**11% Market Share**  
**11% Growth Rate**

**> MUR 9,876m**  
funds under management

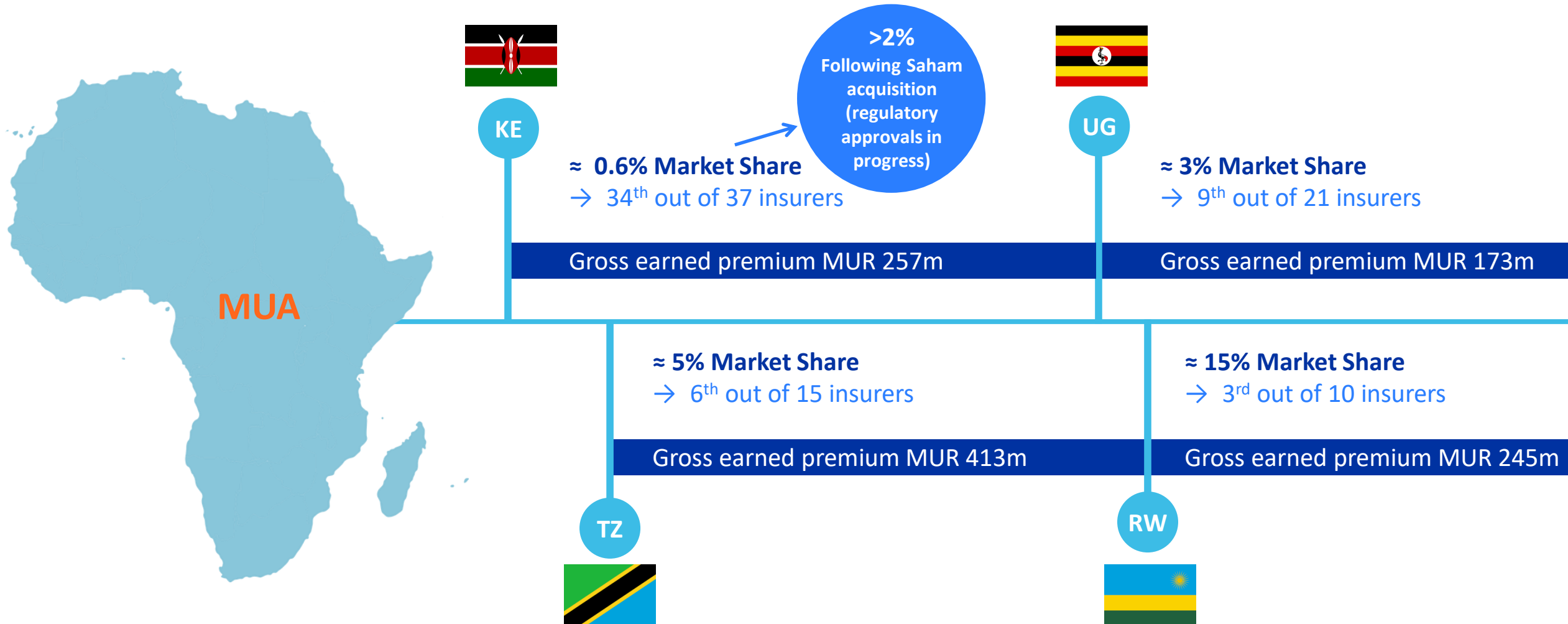
### Stockbroking

**Investment Dealer**  
Member of the Stock Exchange of Mauritius

# INTRODUCTION AND HIGHLIGHTS

## SUCCESS IN EAST AFRICA

Successful execution of strategy – East African operations gaining scale & acting as important growth driver

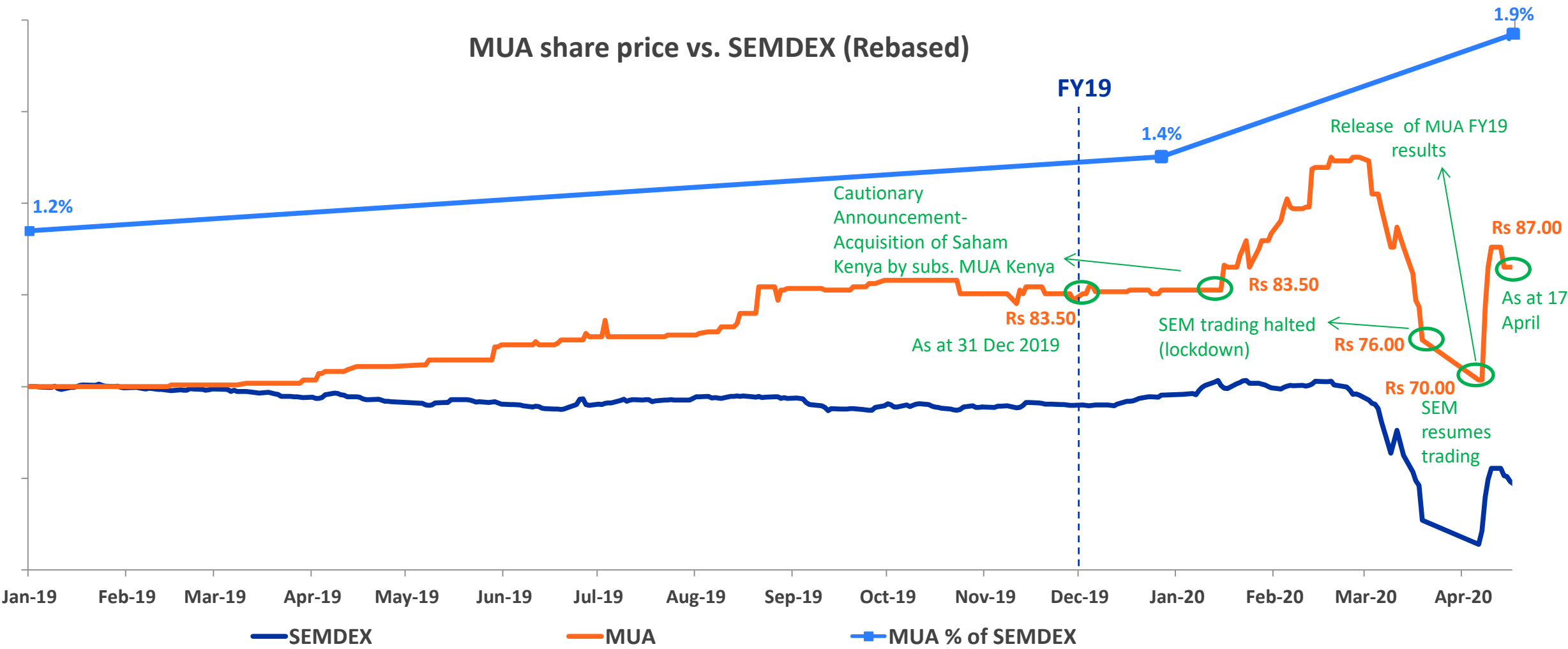




# INTRODUCTION AND HIGHLIGHTS



A share price growth of 21% since the beginning of 2019





# INTRODUCTION AND HIGHLIGHTS

## INVESTORS FIGURES

Consistent increase in DPS & EPS

Pay-out  
ratio<sup>1</sup>

39%

33%

Dividends (Rs' m)

120.8

127.8

DPS (Rs)

2.68

+6%

2.82

EPS (Rs)

6.85

+24%

8.47

3.9%

+2.0%

1.9%

3.0%

2018

■ MUA Dividend Yield

■ Saving Rate

3.4%

+1.7%

1.7%

2019

■ Market Dividend Yield

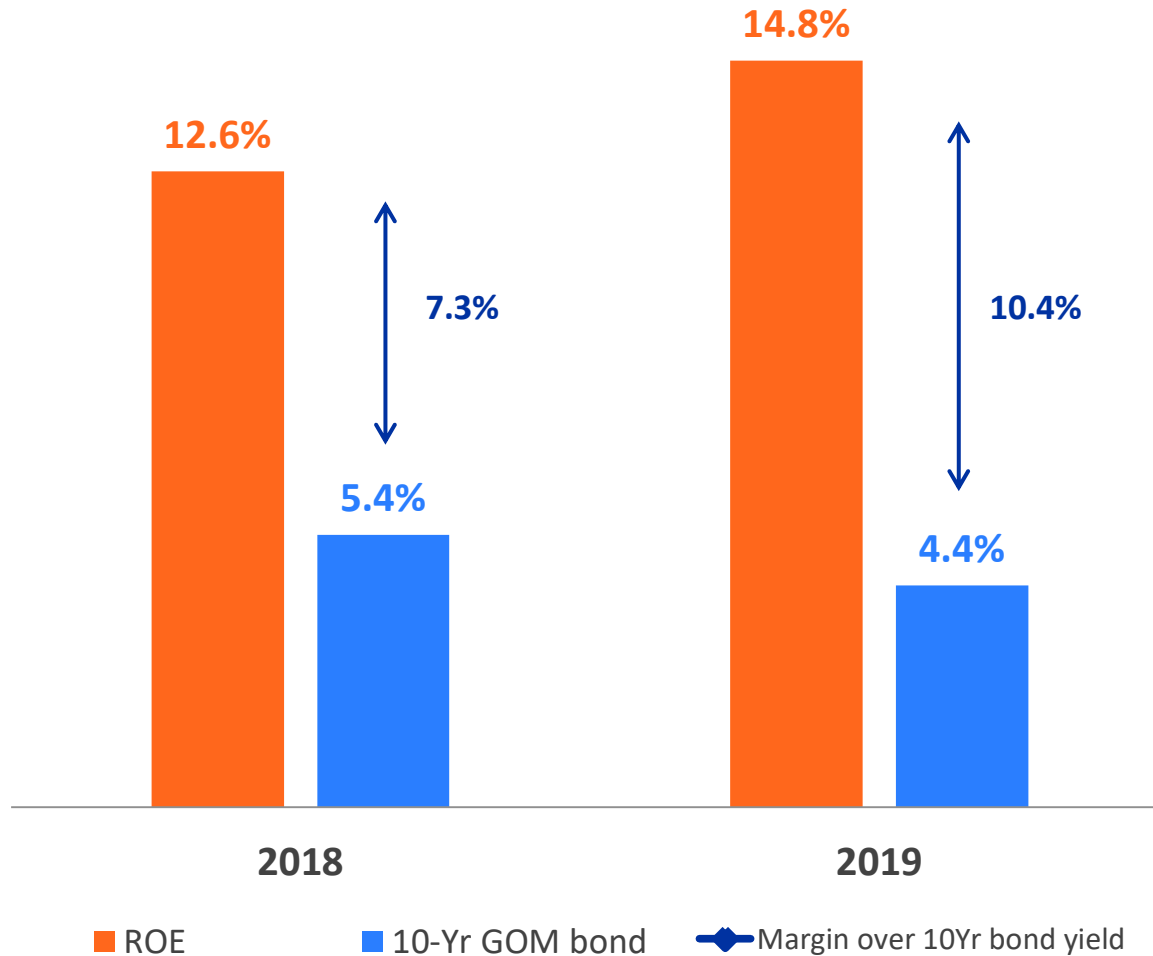
4.4%

# INTRODUCTION AND HIGHLIGHTS

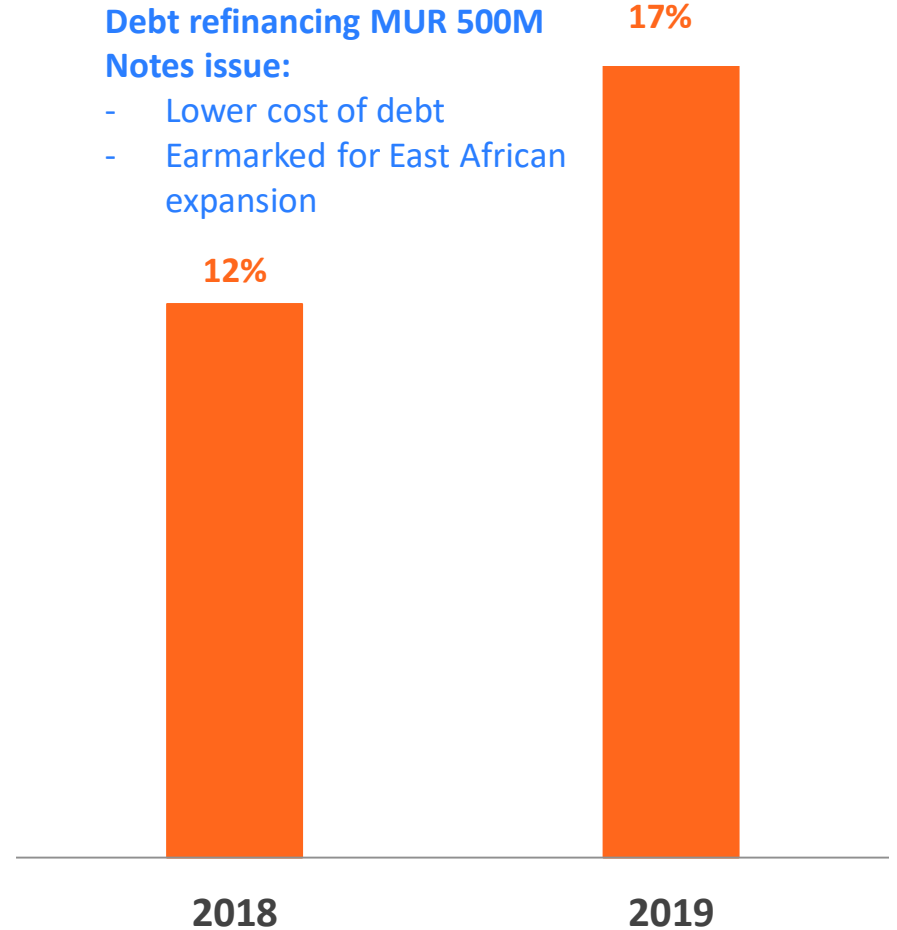
## Strong Return on Equity – Outperforming the market



Group ROE



Debt Gearing<sup>1</sup>



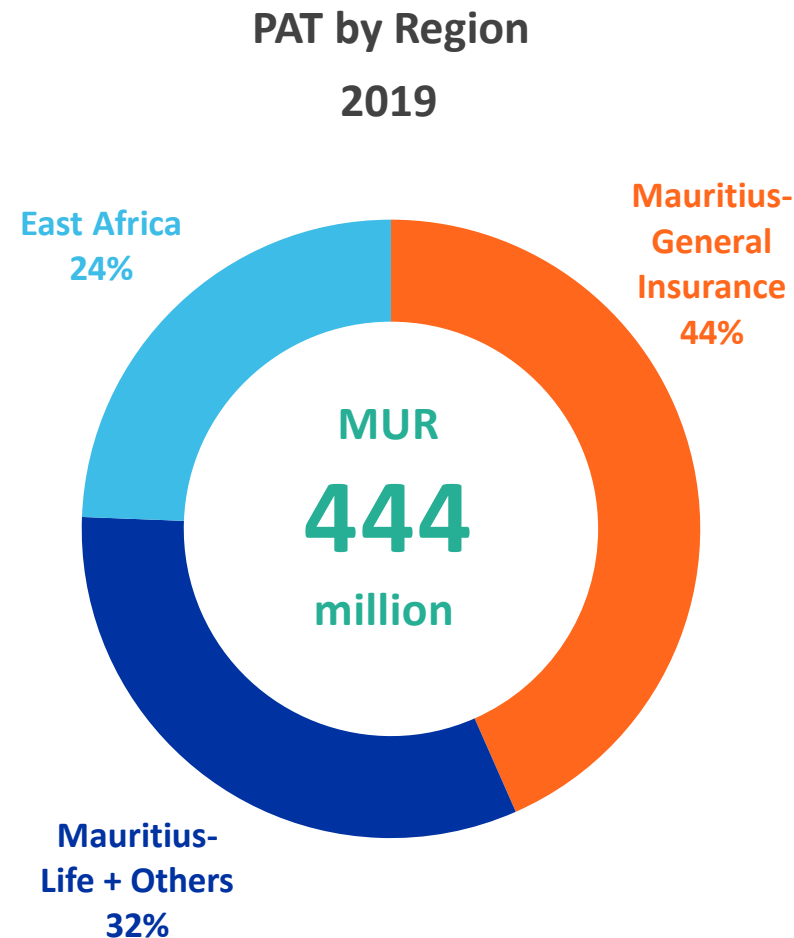
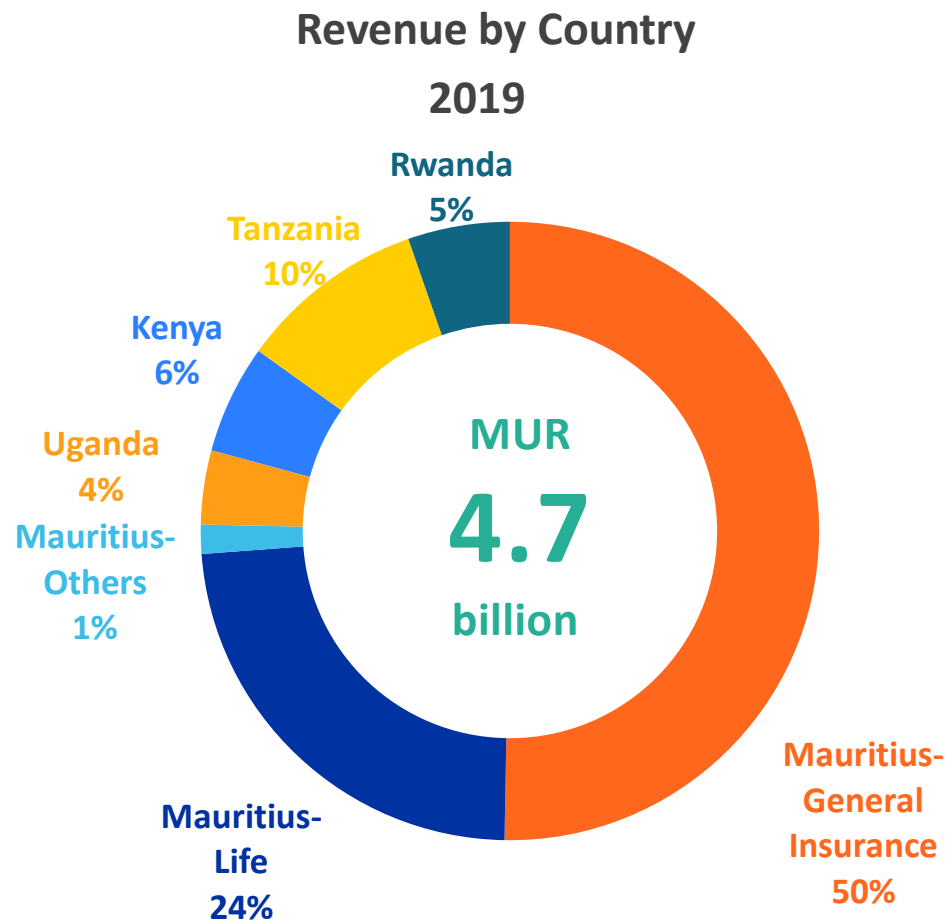
1. Group debt gearing: (Preference share capital + Subordinated Bonds)/Equity.

The background features a solid dark blue field. On the left side, there are several intersecting lines in a lighter blue and a bright orange color, creating a series of geometric shapes like triangles and polygons. The text is centered horizontally and positioned in the upper-middle part of the image.

# **GROUP FINANCIAL REVIEW**

# GROUP FINANCIAL REVIEW

## WELL DIVERSIFIED REVENUE AND PROFIT



Note: Mauritius - Others includes pension, mutual fund and stockbroking

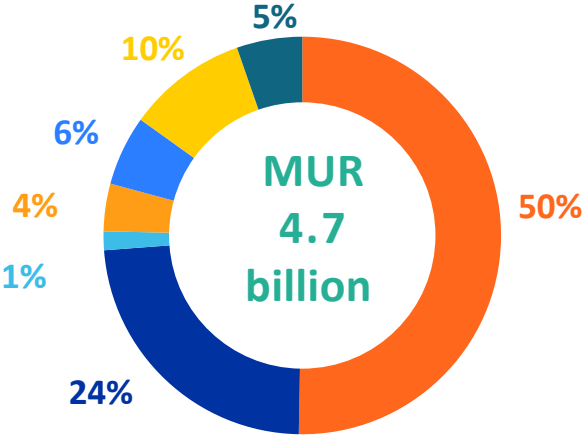
# INTRODUCTION AND HIGHLIGHTS

## KEY PERFORMANCE DRIVERS

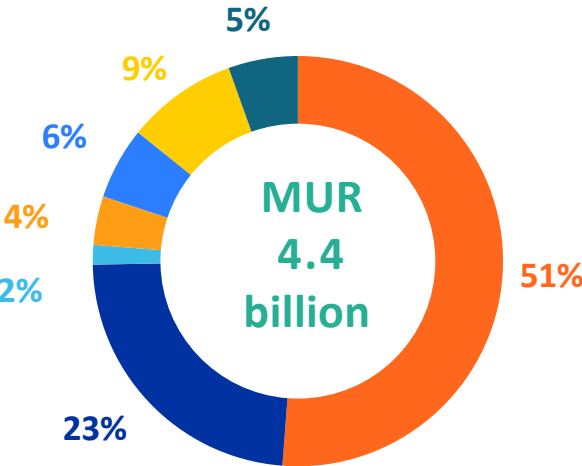


2019

Revenue by country



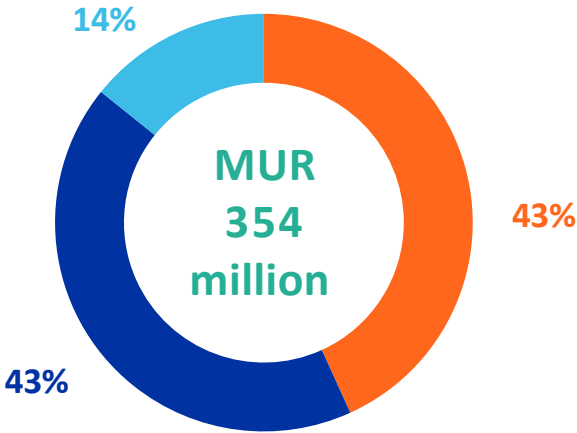
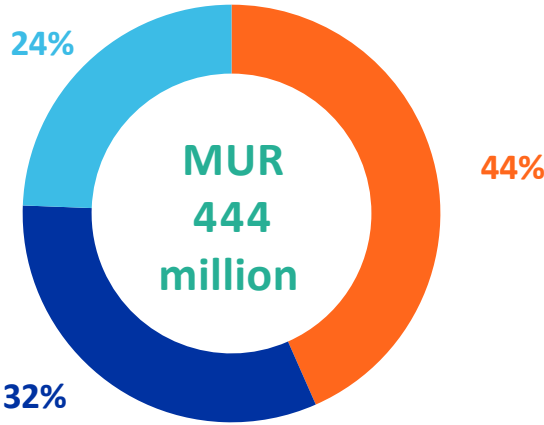
2018



- Mauritius- General Insurance
- Mauritius- Life
- Mauritius- Others
- Uganda
- Kenya
- Tanzania
- Rwanda

Note: Mauritius-Others includes pension, mutual fund and stockbroking

PAT by Region

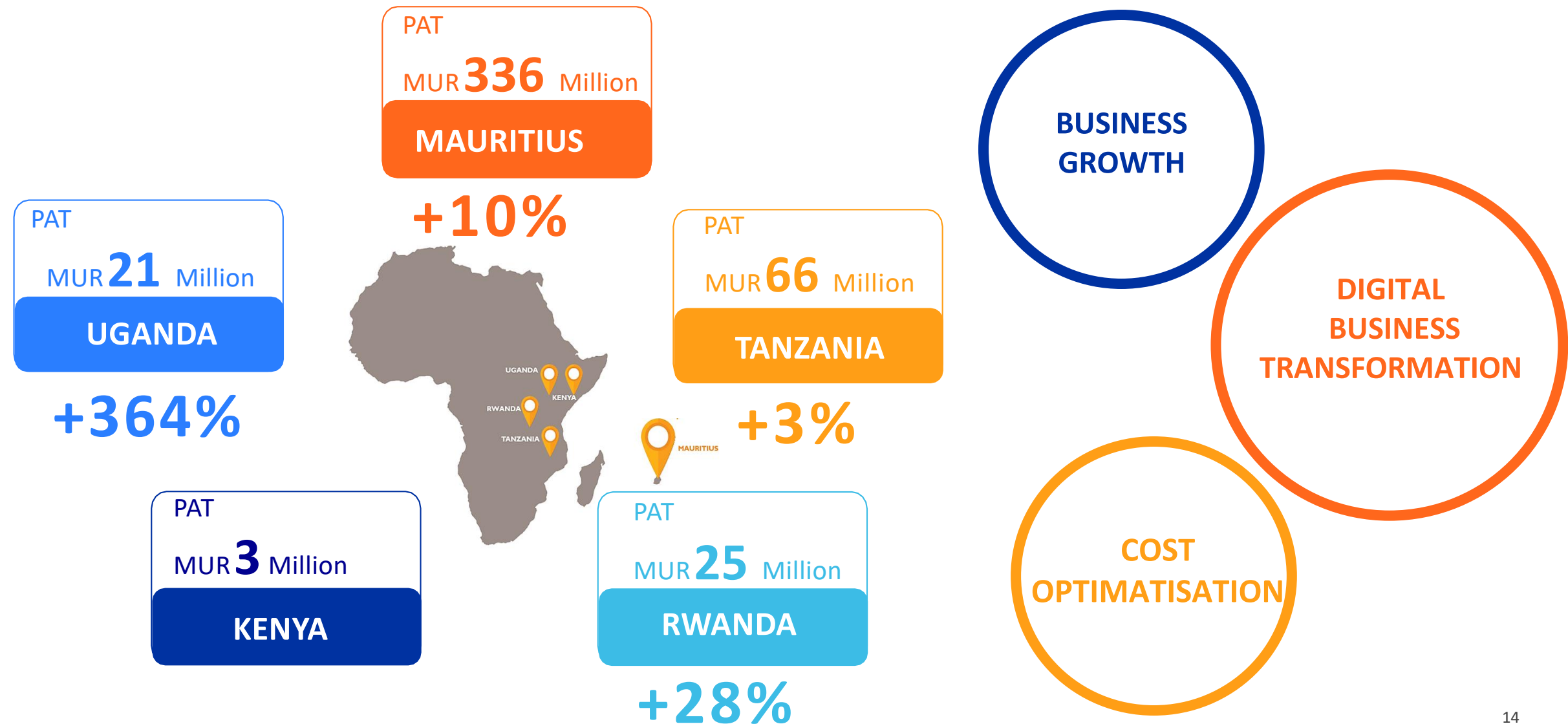


- Mauritius- General Insurance
- Mauritius- Life + Others
- East Africa

# GROUP FINANCIAL REVIEW

## 25% INCREASE IN GROUP PROFIT

Growth reported across all geographies

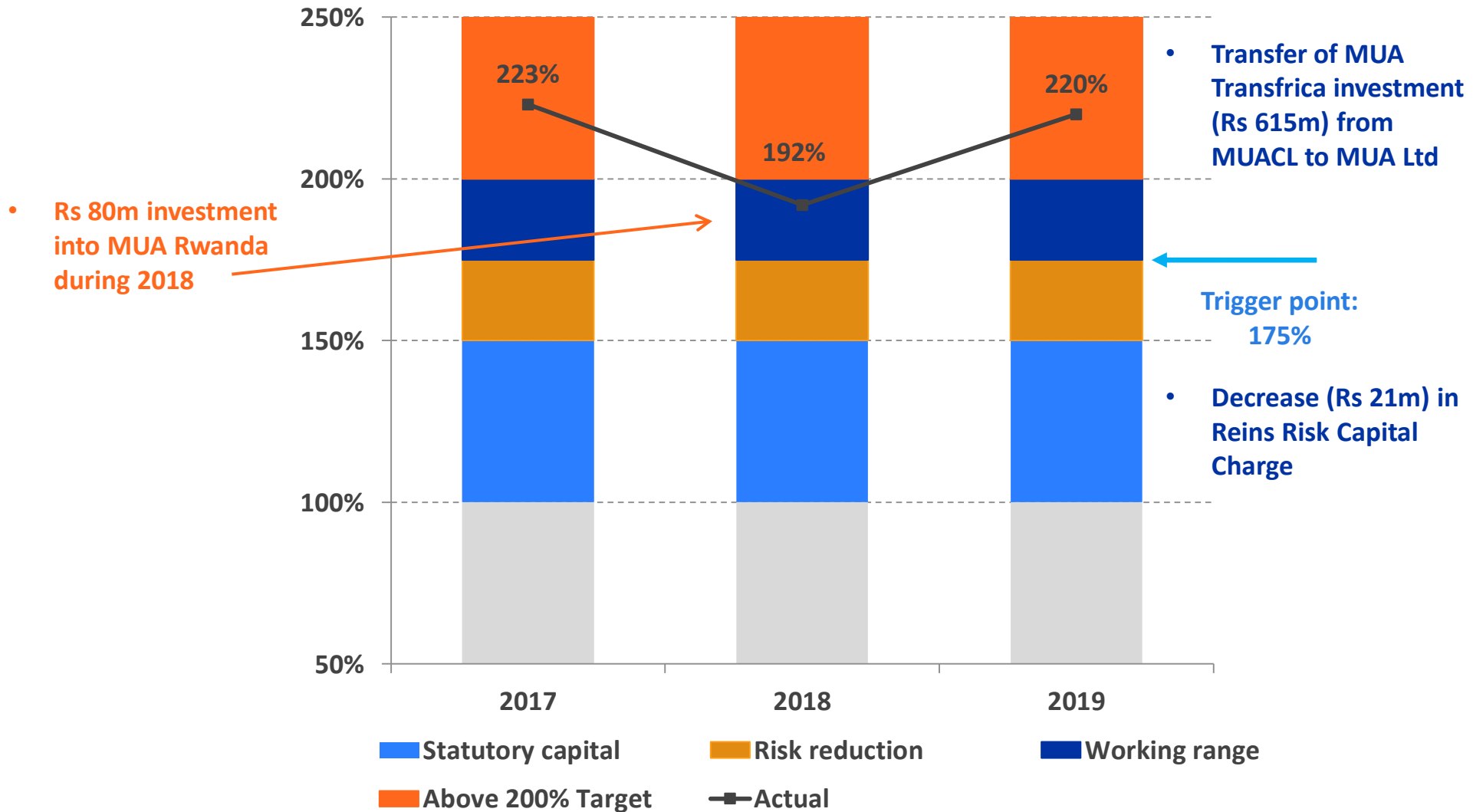


Note: excludes consolidated adjustments

# GROUP FINANCIAL REVIEW

## SOLVENCY of MUACL

Improvement in solvency, above target





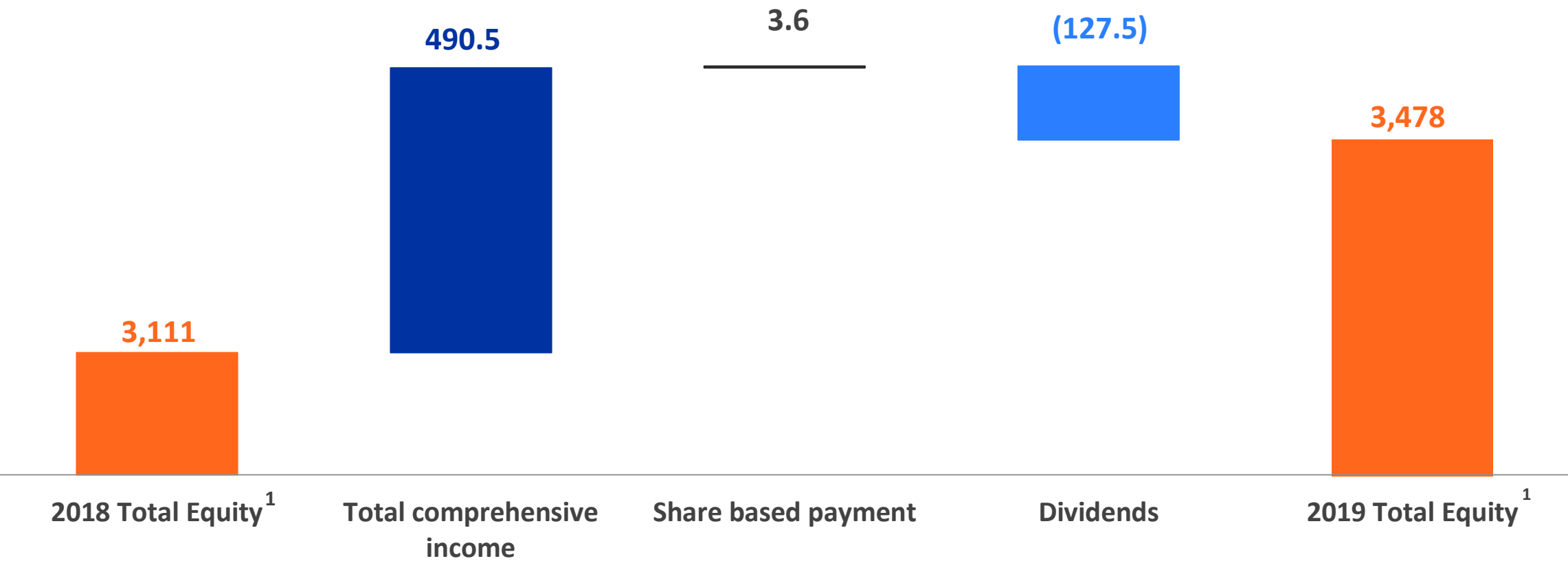
# GROUP FINANCIAL REVIEW

## BALANCE SHEET – SHAREHOLDER’S EQUITY



Shareholder equity up +11.8% during 2019

Rs’ m



1. Includes non controlling interests.

Note: All figures based on MUA Group

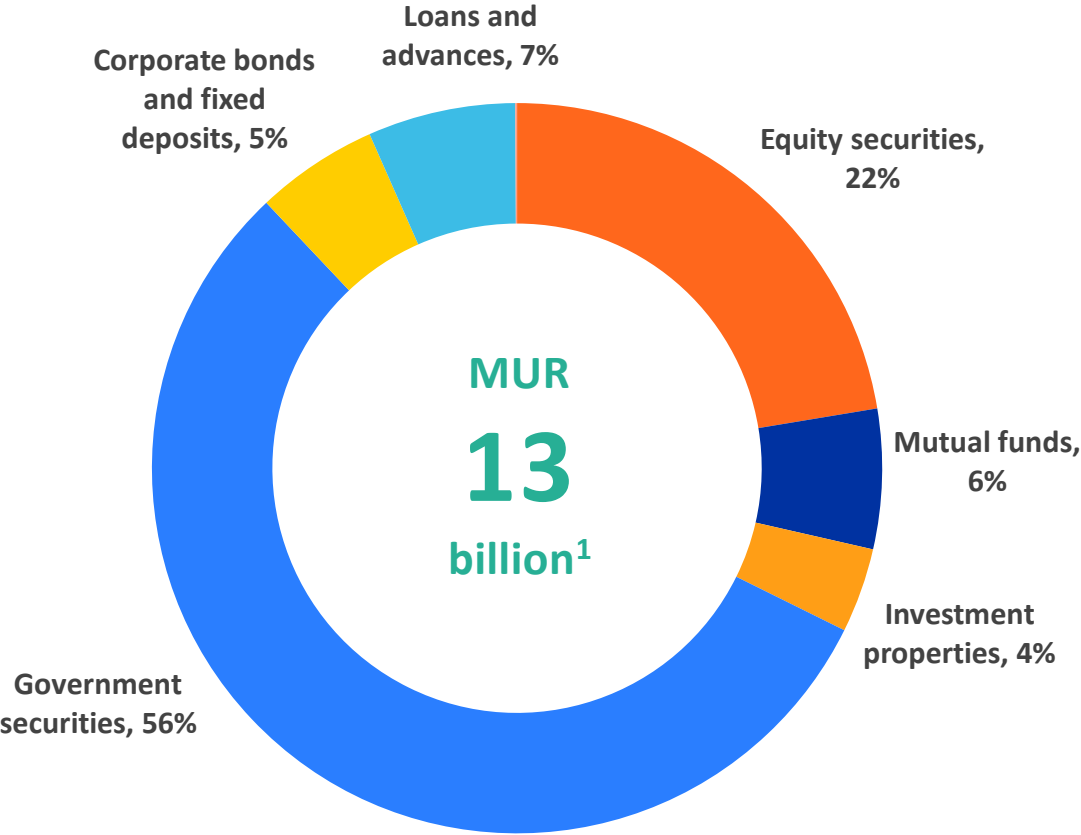
# GROUP FINANCIAL REVIEW

## BALANCE SHEET - ASSET QUALITY

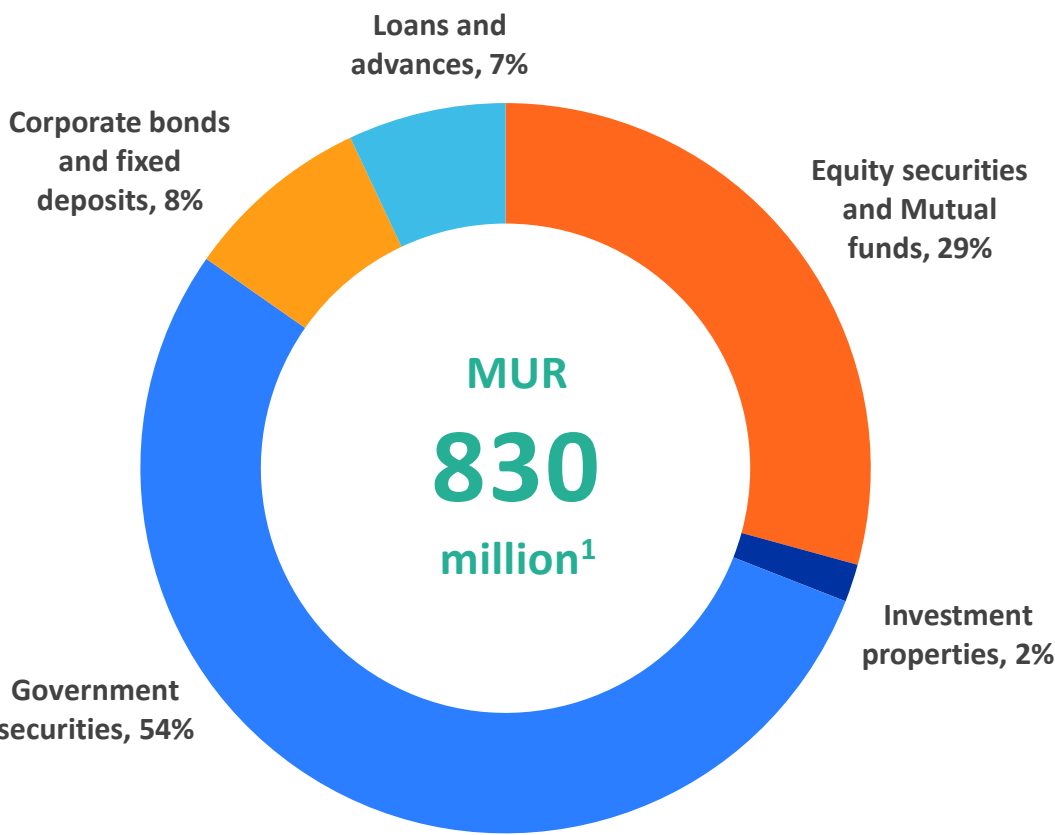


Yield on Earning Assets: 7.0%

Group Earning Assets



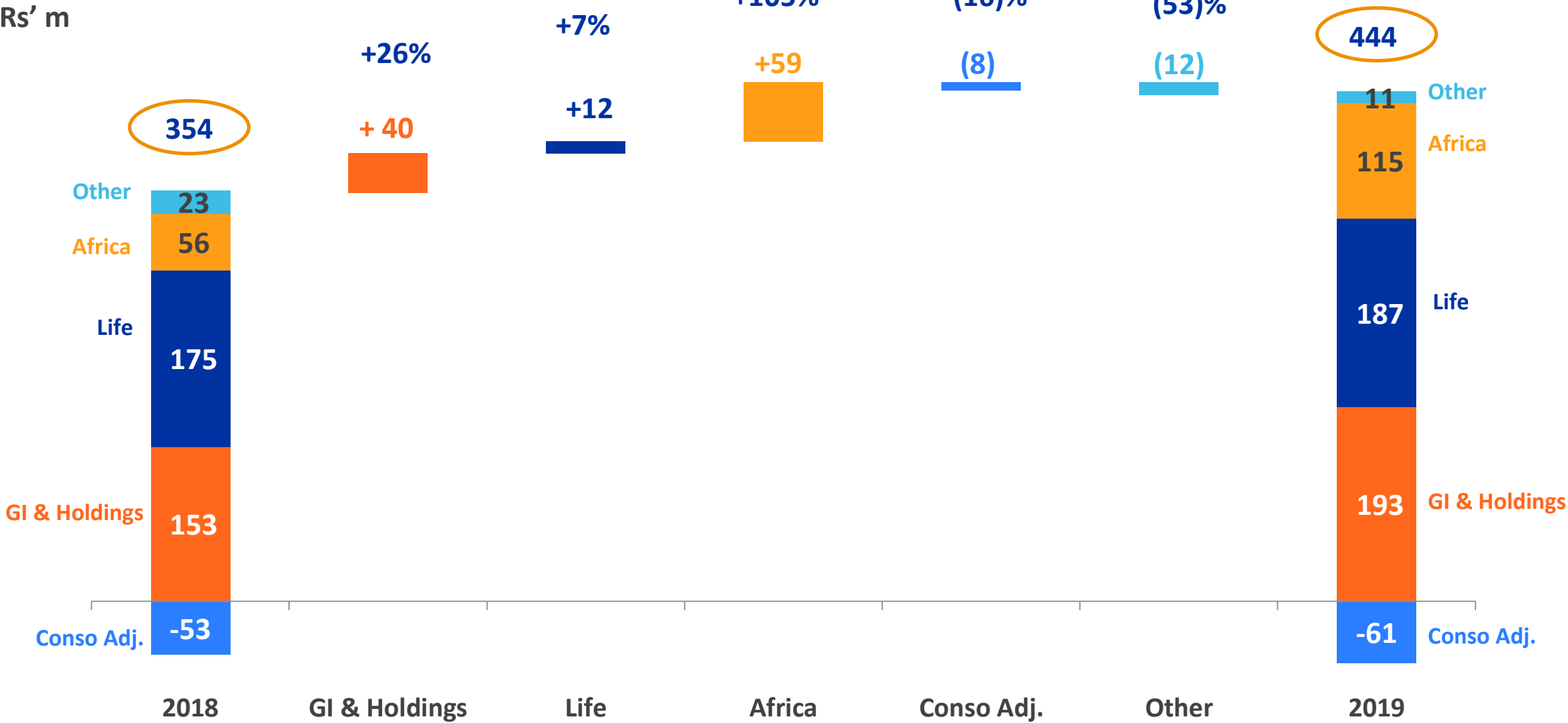
Income on Earning Assets



1. Income generating assets

# GROUP FINANCIAL REVIEW

## GROUP PROFIT AFTER TAX



Note: Others includes MUA Pension, MUA Mutual Fund, MUA Stockbroking, MIM. Decrease relates to M&A costs during the period.



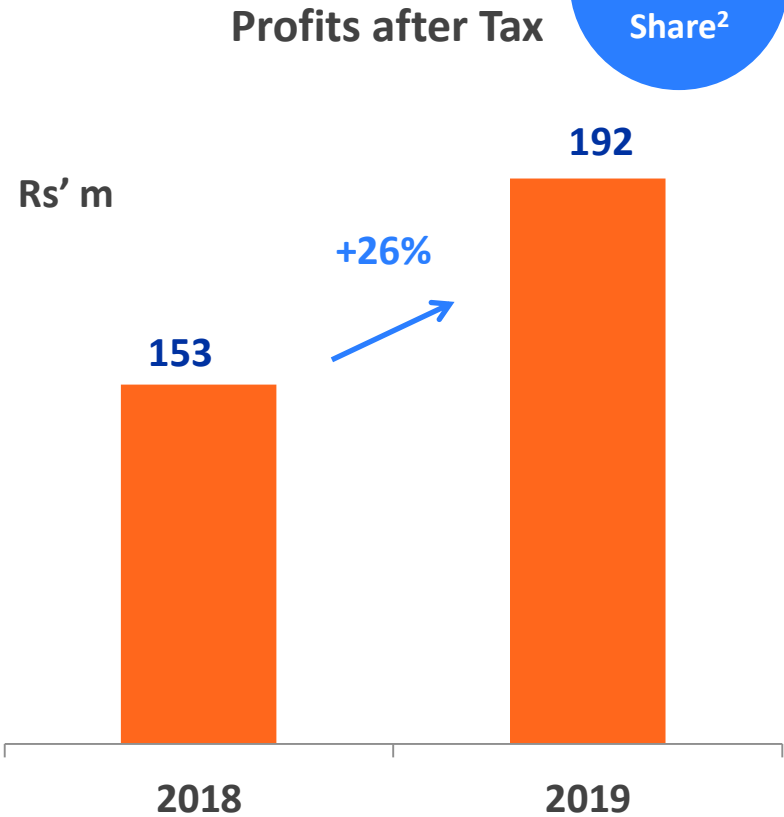
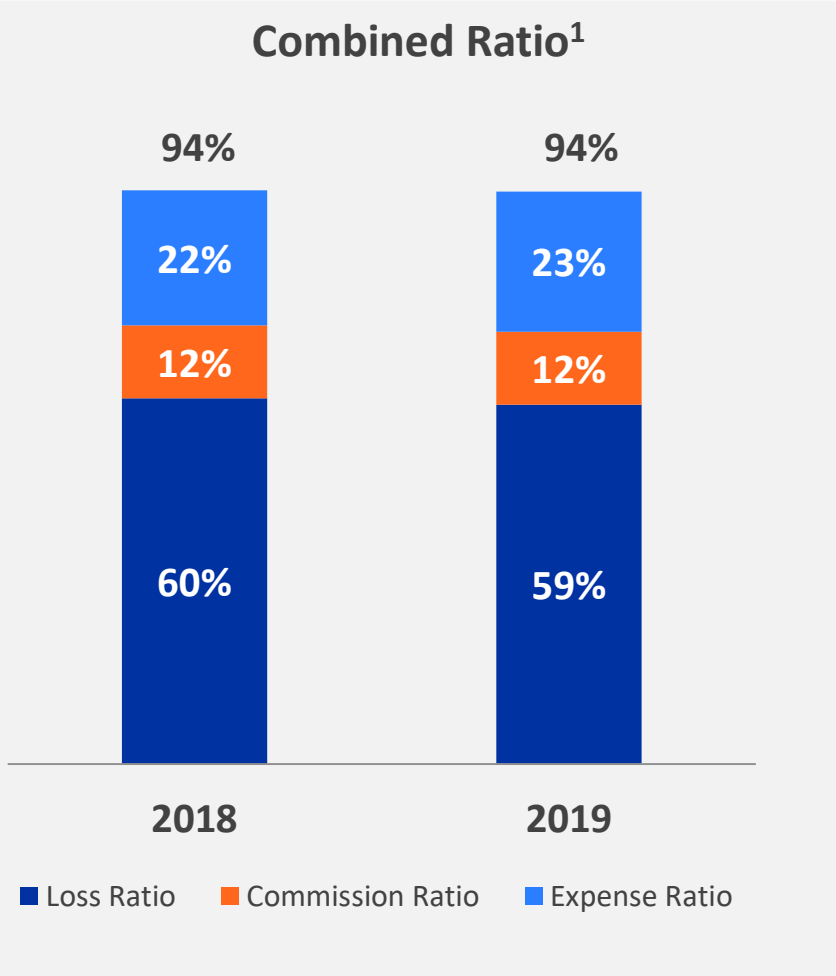
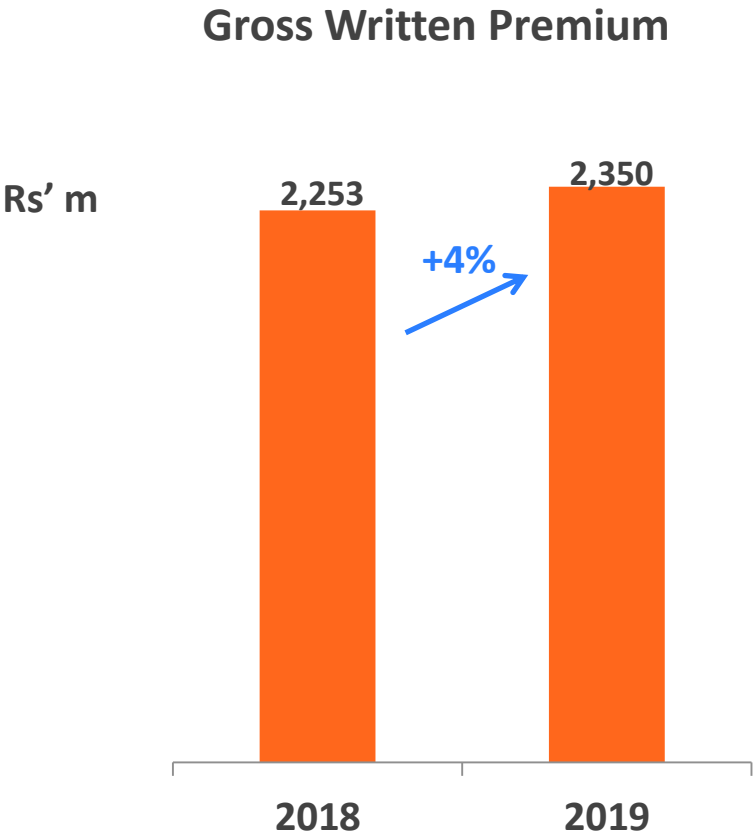
# **BUSINESS PERFORMANCE**

# BUSINESS PERFORMANCE

## MAURITIAN OPERATIONS - GENERAL INS: Strong Overall Performance



≈ 25%  
Market  
Share<sup>2</sup>

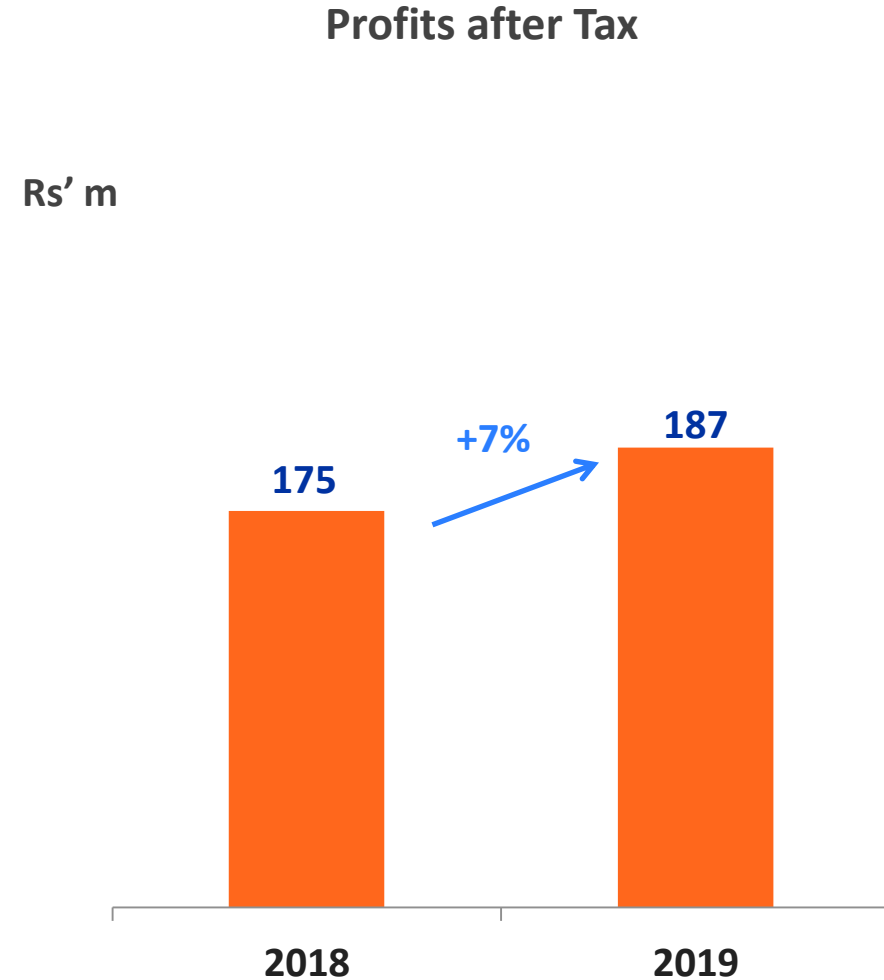
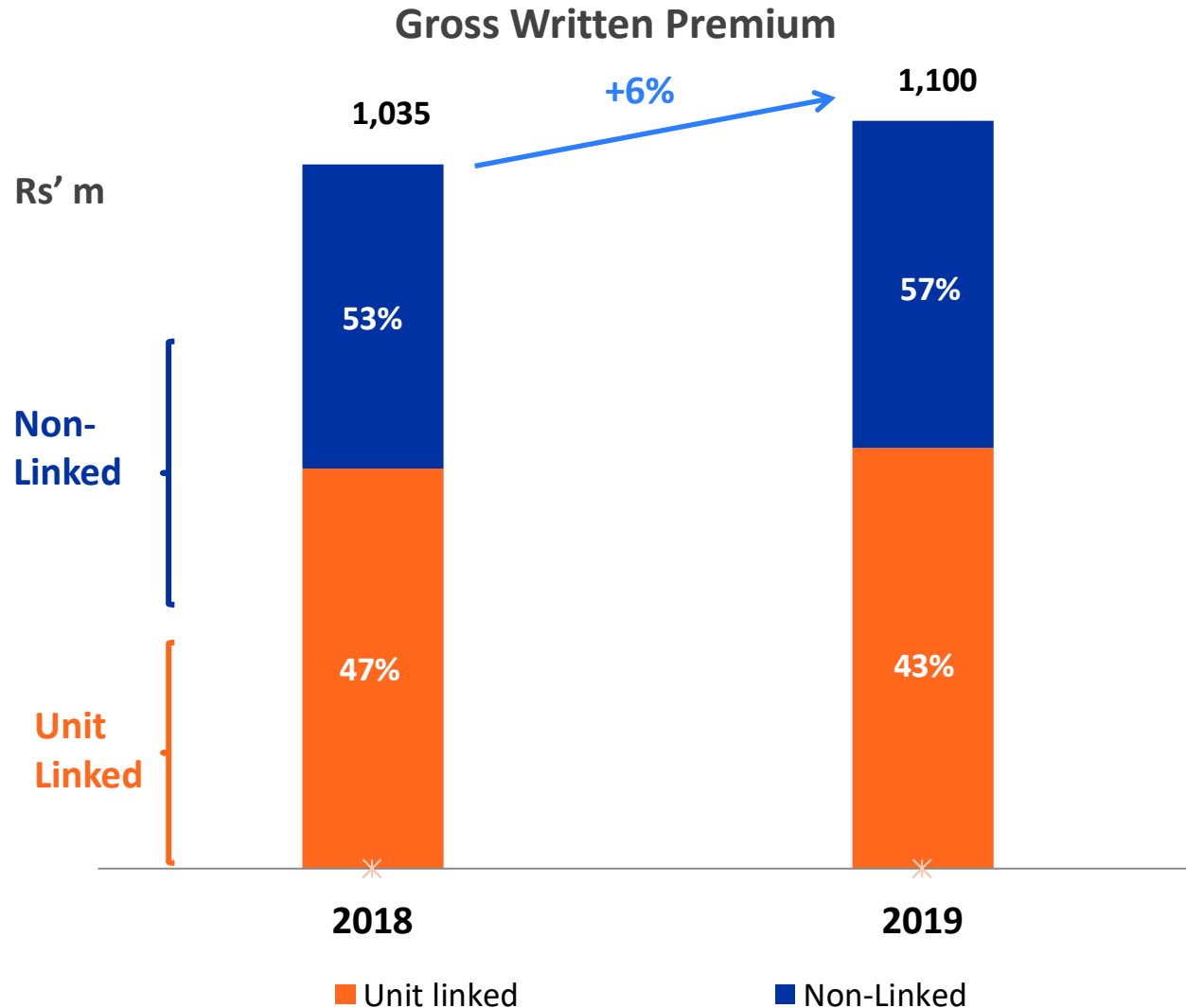


1. MUA Combined Ratio excludes African Subsidiaries' costs.  
2. Based on latest available market share figures . Market share based on GWP.

# BUSINESS PERFORMANCE

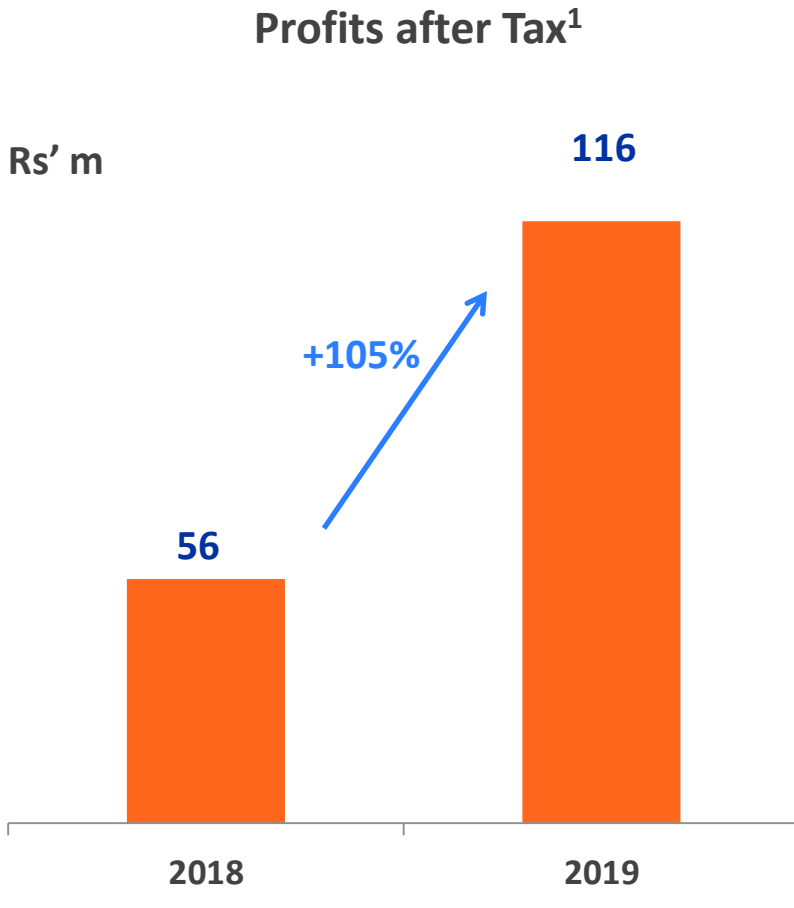
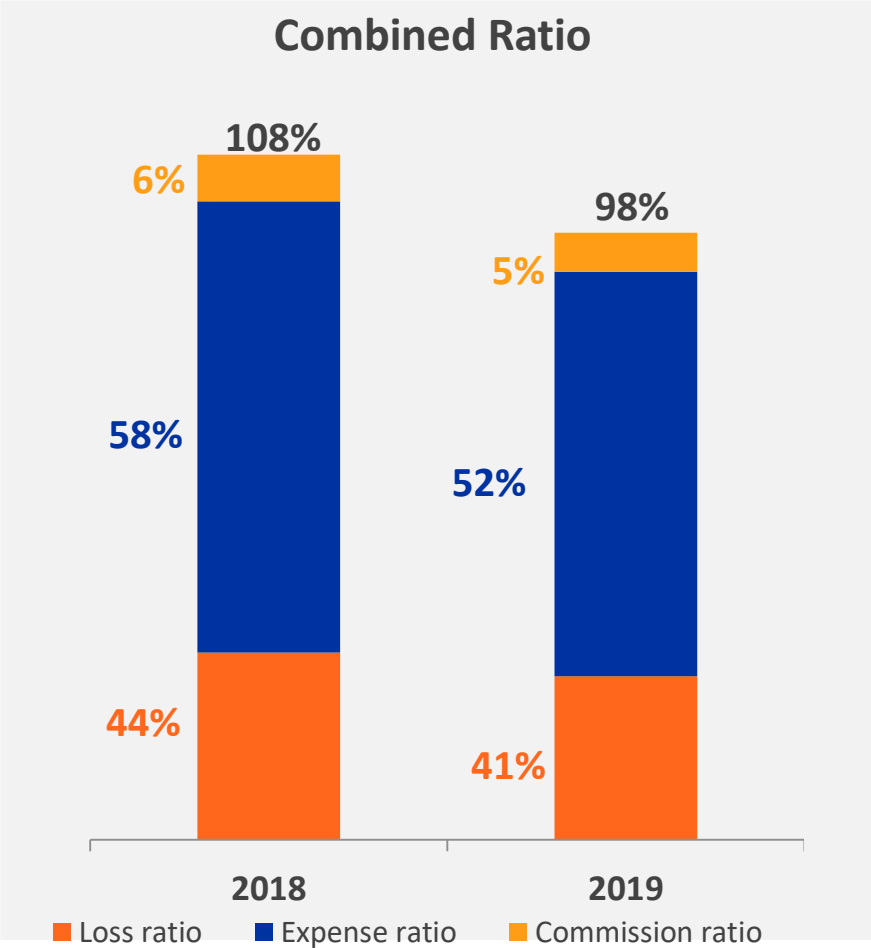
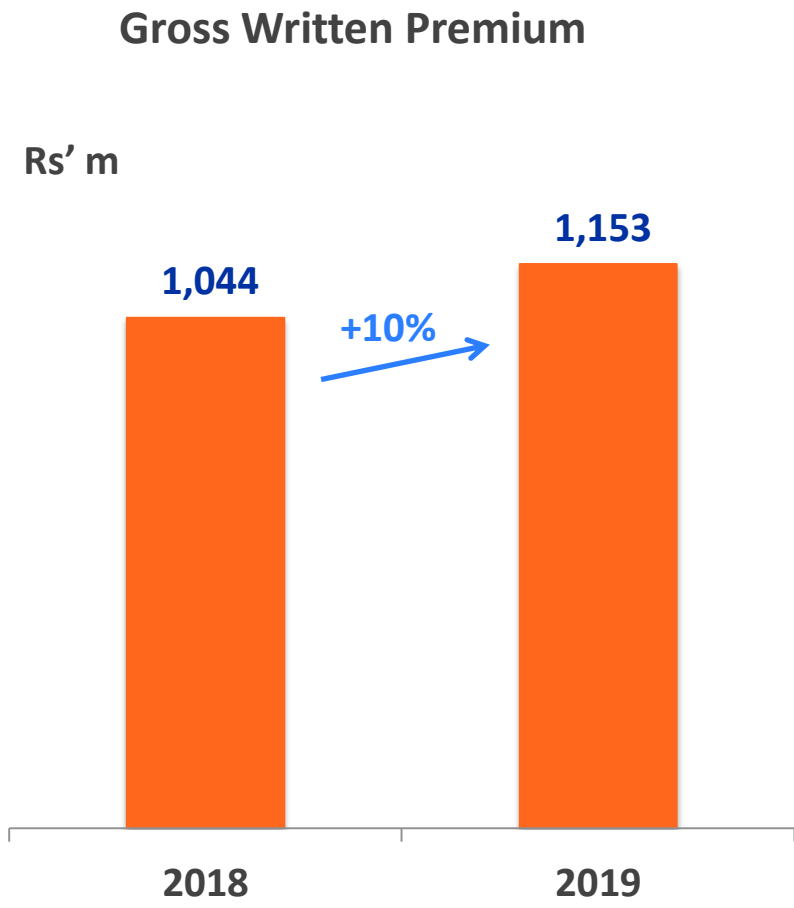


## MAURITIAN OPERATIONS - LIFE INS: Strong Consistent Growth Fuelled by New Business Capture



# BUSINESS PERFORMANCE

## EAST AFRICAN OPERATIONS: Significant Profitability in 2019



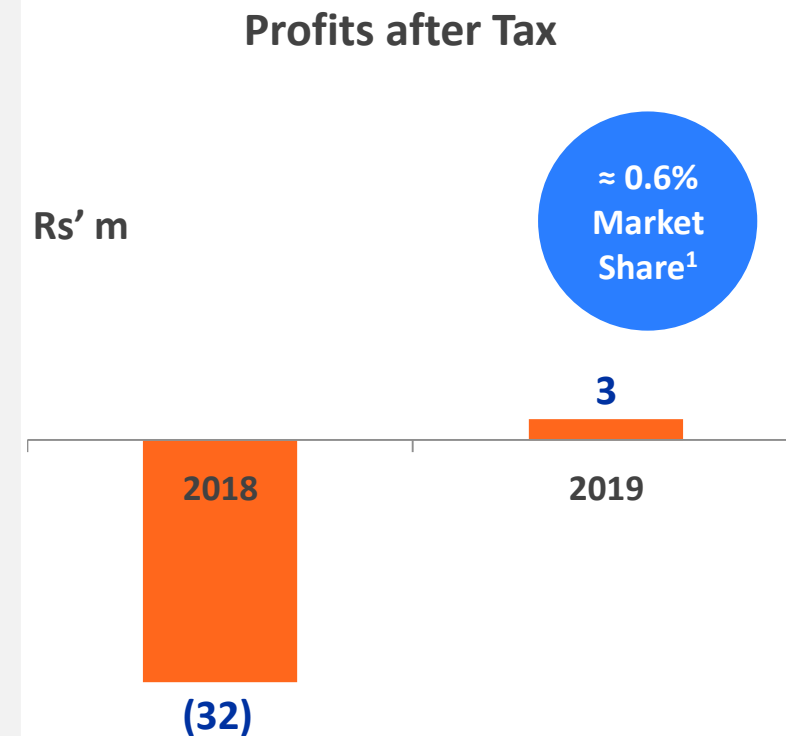
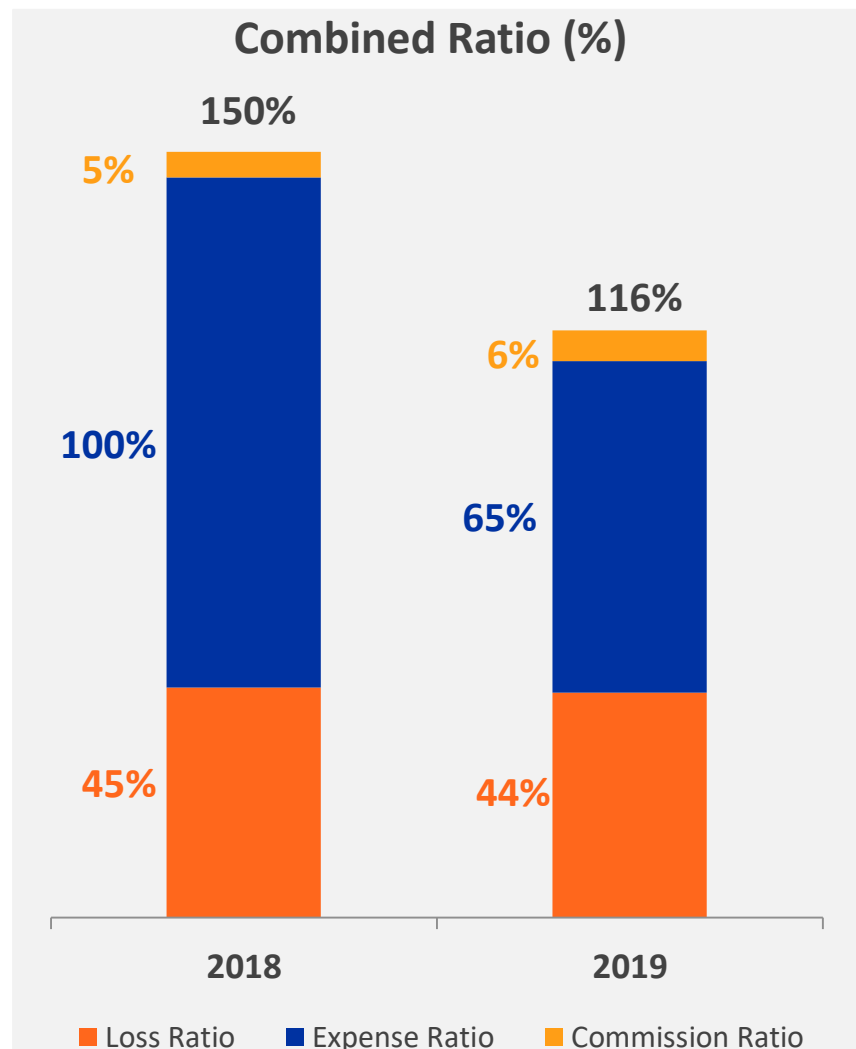
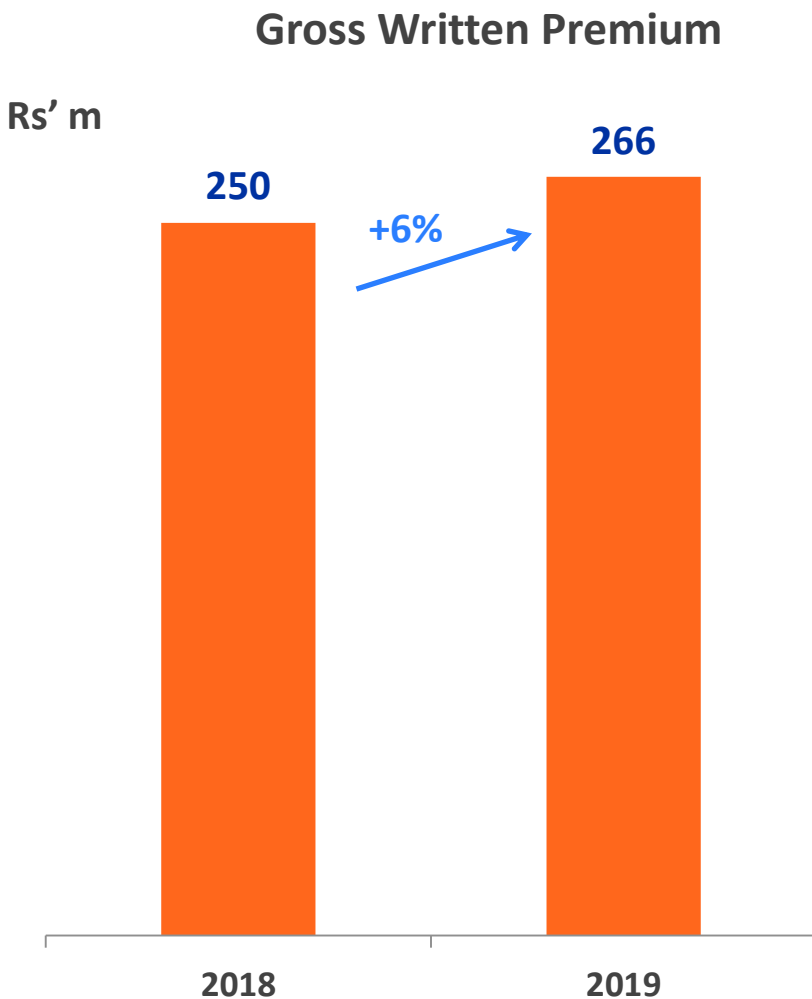
1. PAT before consolidation with MUA Ltd





# BUSINESS PERFORMANCE

## MUA Kenya: Challenging Market Conditions



1. Based on latest available market share figures . Market share in terms of GWP



# BUSINESS PERFORMANCE

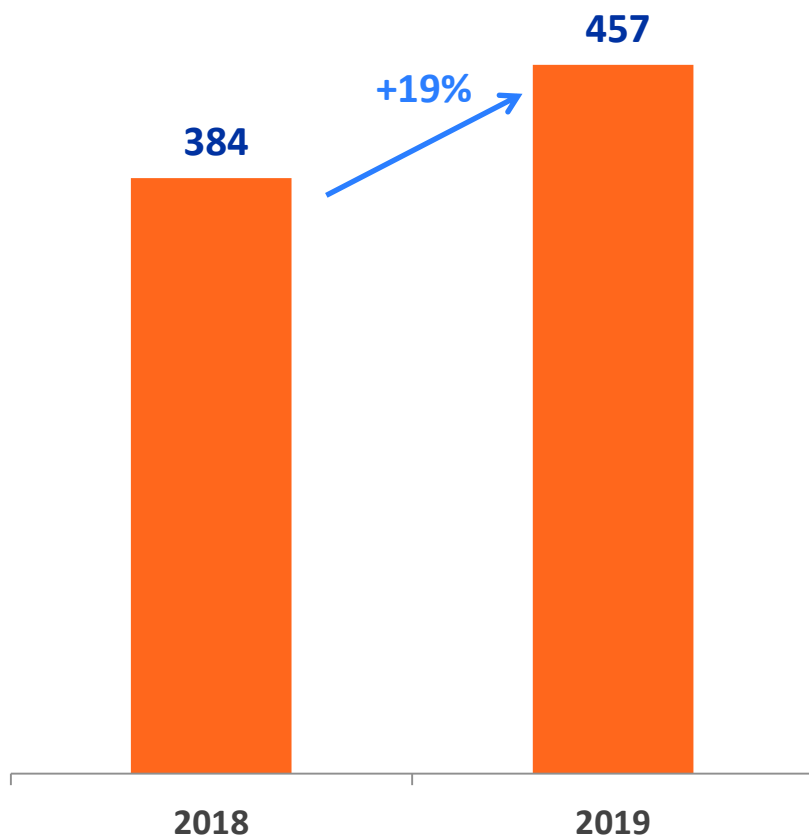
## Tanzania: Improving Performance despite the Market Conditions



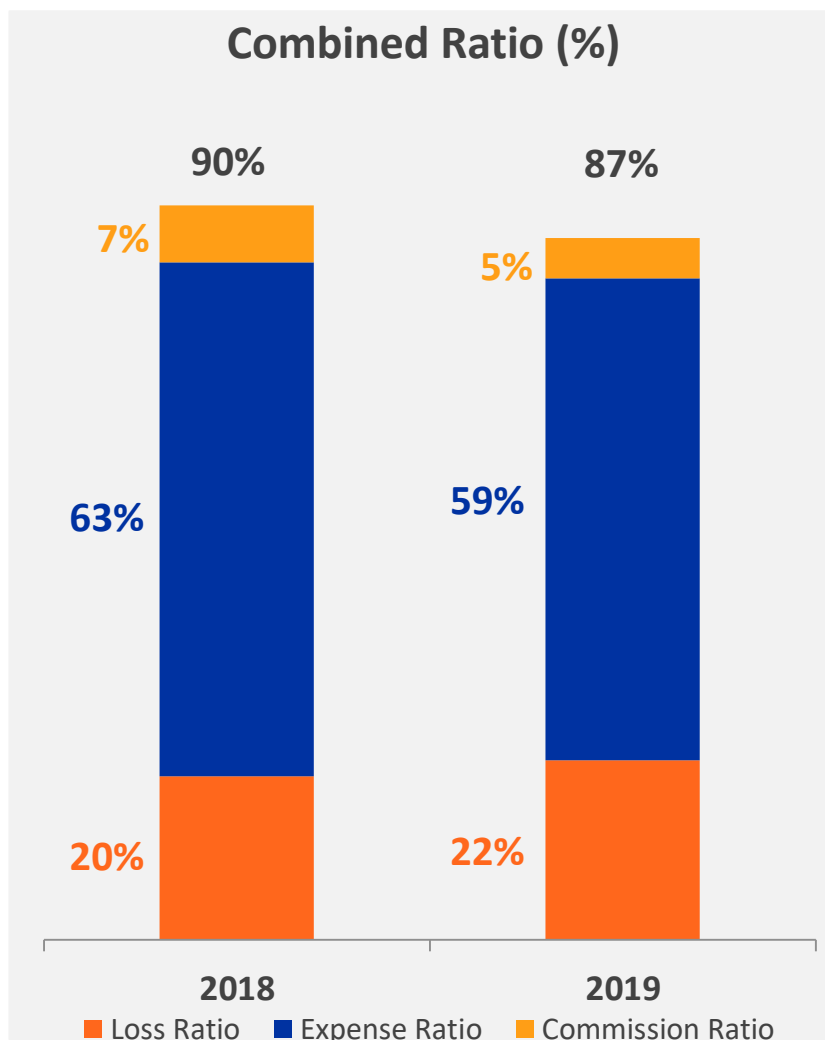
≈ 5%  
Market Share<sup>1</sup>

### Gross Written Premium

Rs' m

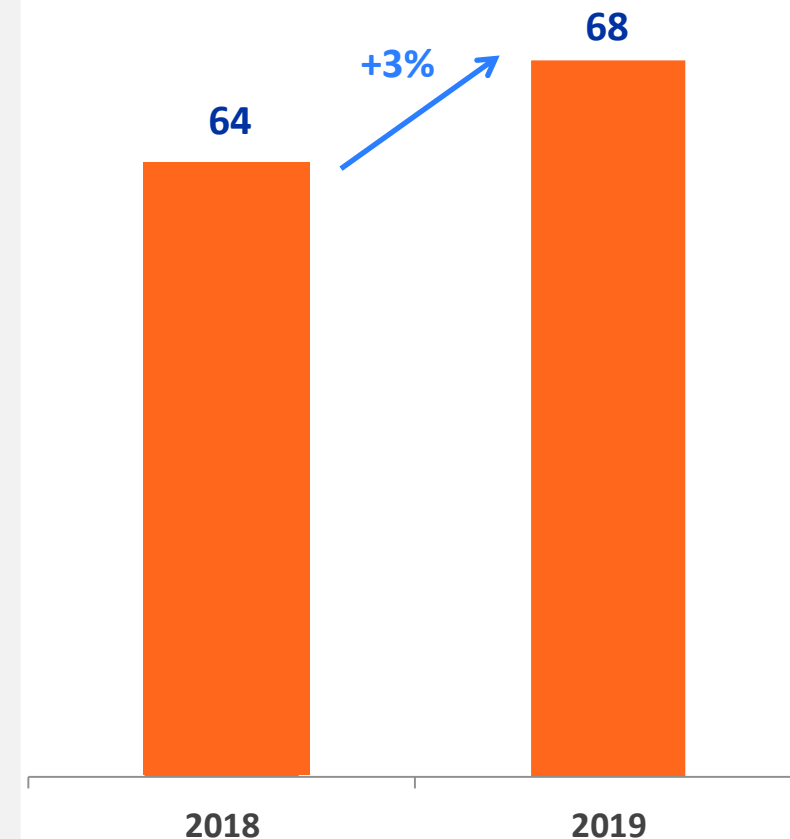


### Combined Ratio (%)



### Profits after Tax

Rs' m



1. Based on latest available market share figures. Market share in terms of GWP



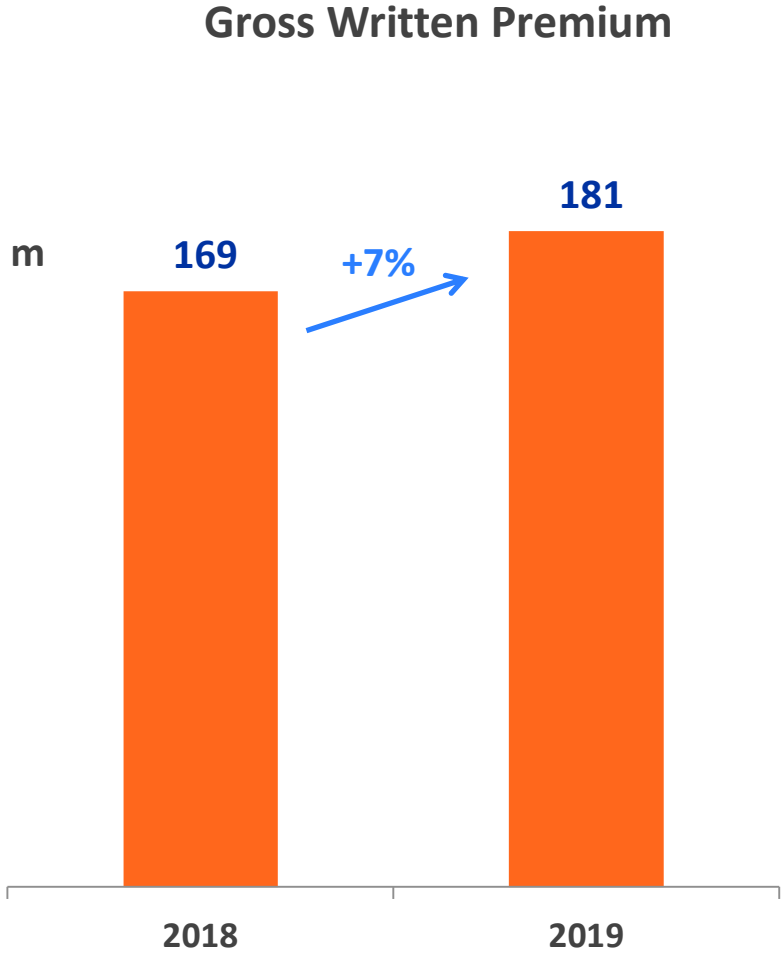
# BUSINESS PERFORMANCE

## MUA Uganda: Increase in PAT by 358%

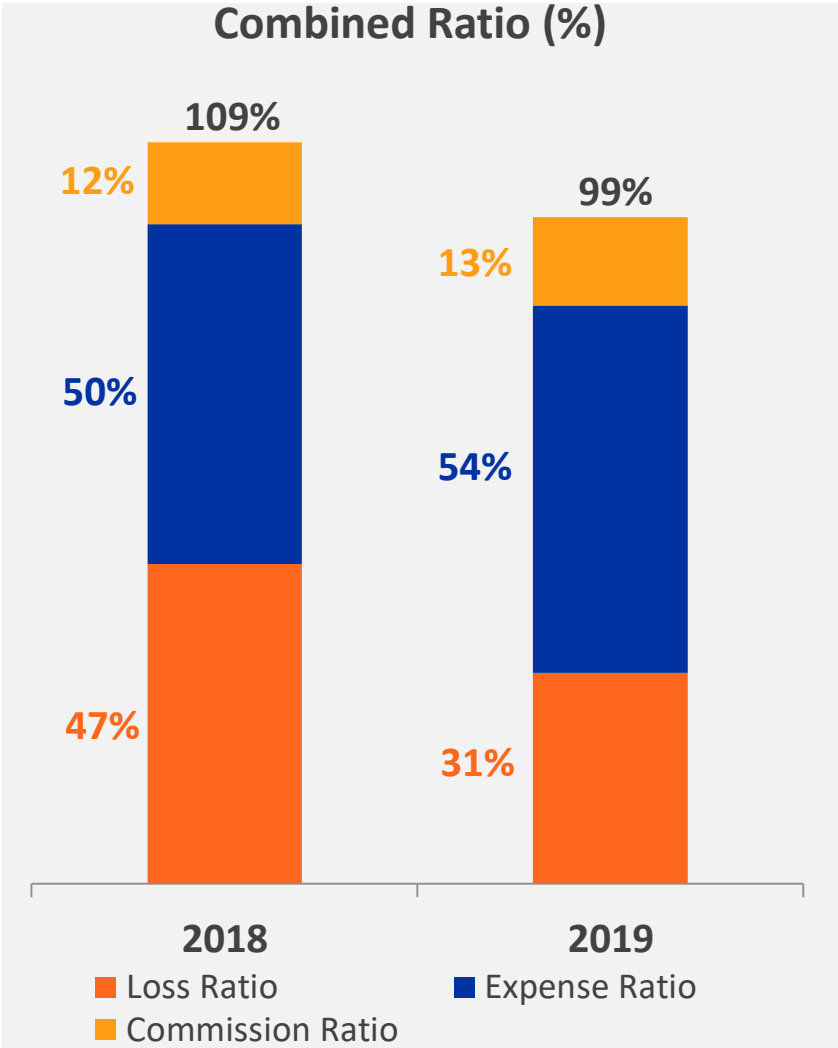
≈ 3%  
Market  
Share<sup>1</sup>

Gross Written Premium

Rs' m

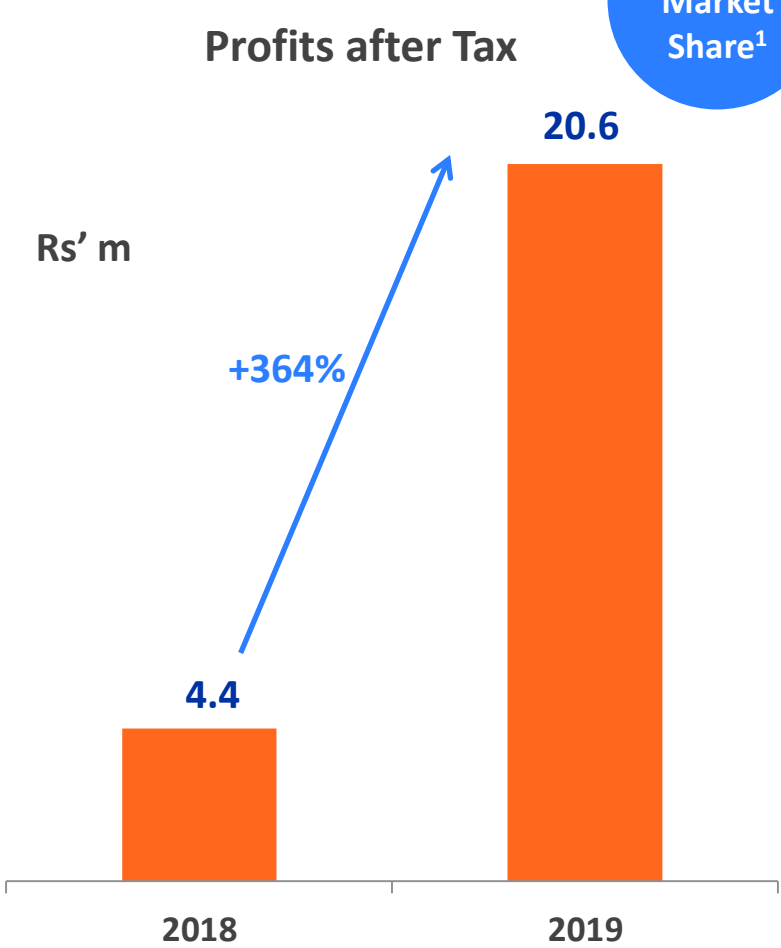


Combined Ratio (%)



Profits after Tax

Rs' m



1. Based on latest available market share figures . Market share in terms of GWP



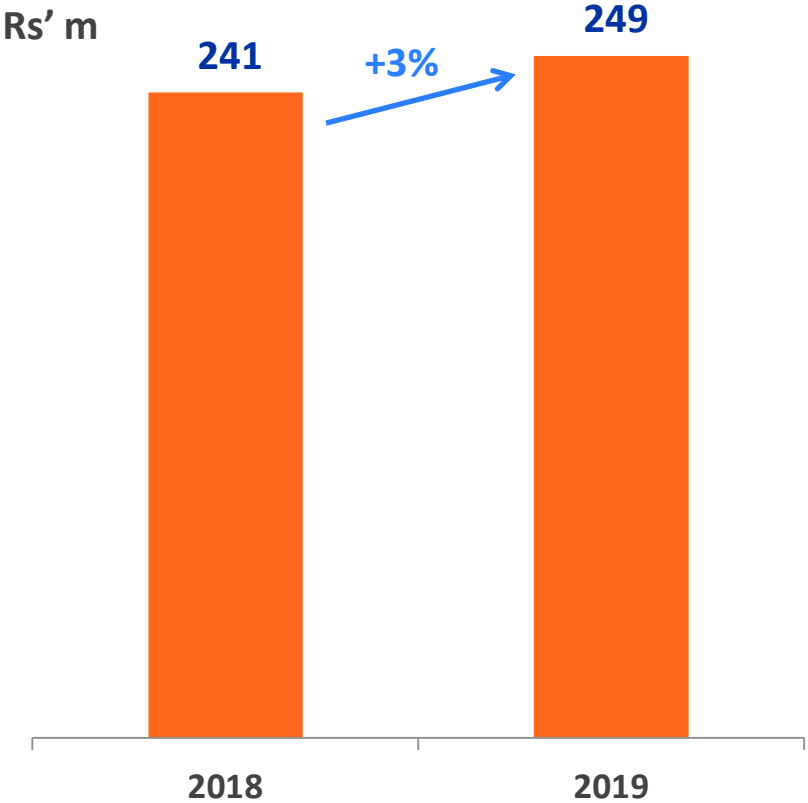
# BUSINESS PERFORMANCE



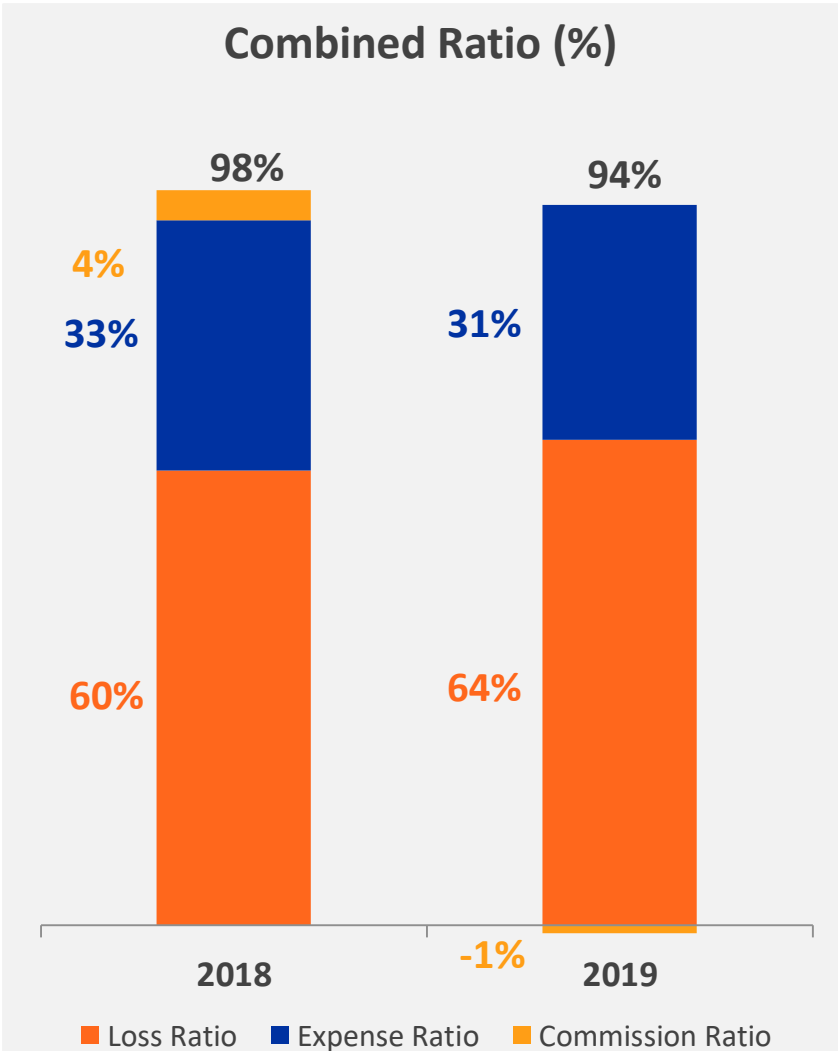
**MUA Rwanda:** Increase in investment income by 26% partially mitigated the drop in operating profit

≈ 15%  
Market  
Share<sup>1</sup>

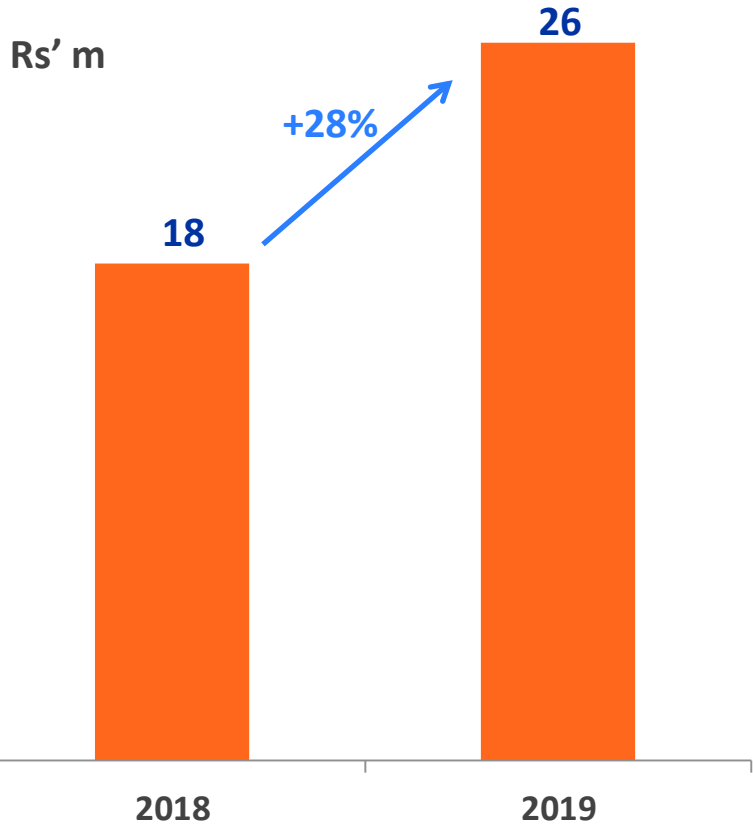
Gross Written Premium



Combined Ratio (%)



Profits after Tax



1. Based on latest available market share figures . Market share in terms of GWP. Excludes medical insurance.

The background features a solid blue field with several intersecting orange lines that create a series of geometric shapes, including triangles and polygons. The lines are of varying thickness and orientation, adding a dynamic, modern feel to the composition.

**THE YEAR AHEAD**

# THE YEAR AHEAD

## Our Group Vision : Creating Value for all stakeholders



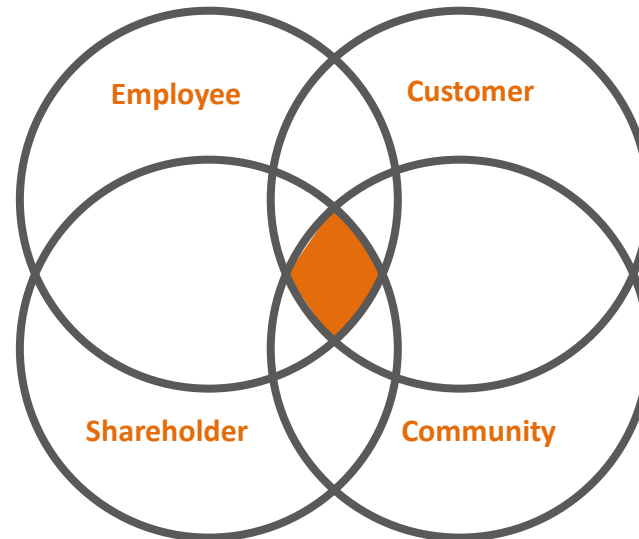
### MUA Mission Statement

Ensure **peace of mind** for customers by providing the **best financial protection** and solutions through **innovative products** and services in our chosen markets

1. Empowerment of our **People** for greater workforce engagement

All this, leading to a sustainable increase of:

4. **Shareholder Value**

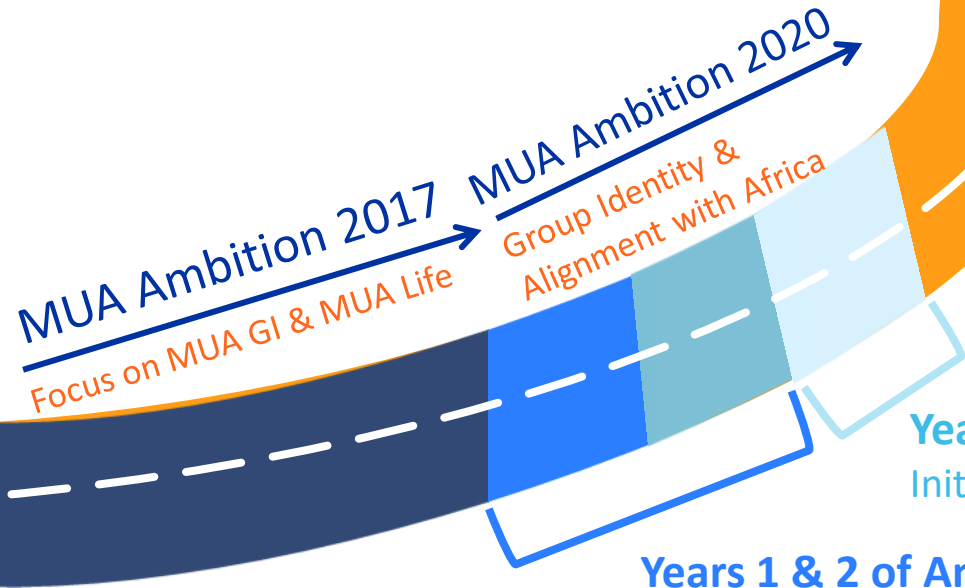


2. Increase **Customer value** meeting expectations (quality, of relationship & advices, delivery, solutions)

3. Reinforce insurance core mission by delivering value to the **Community**

## Our Strategic Pathway

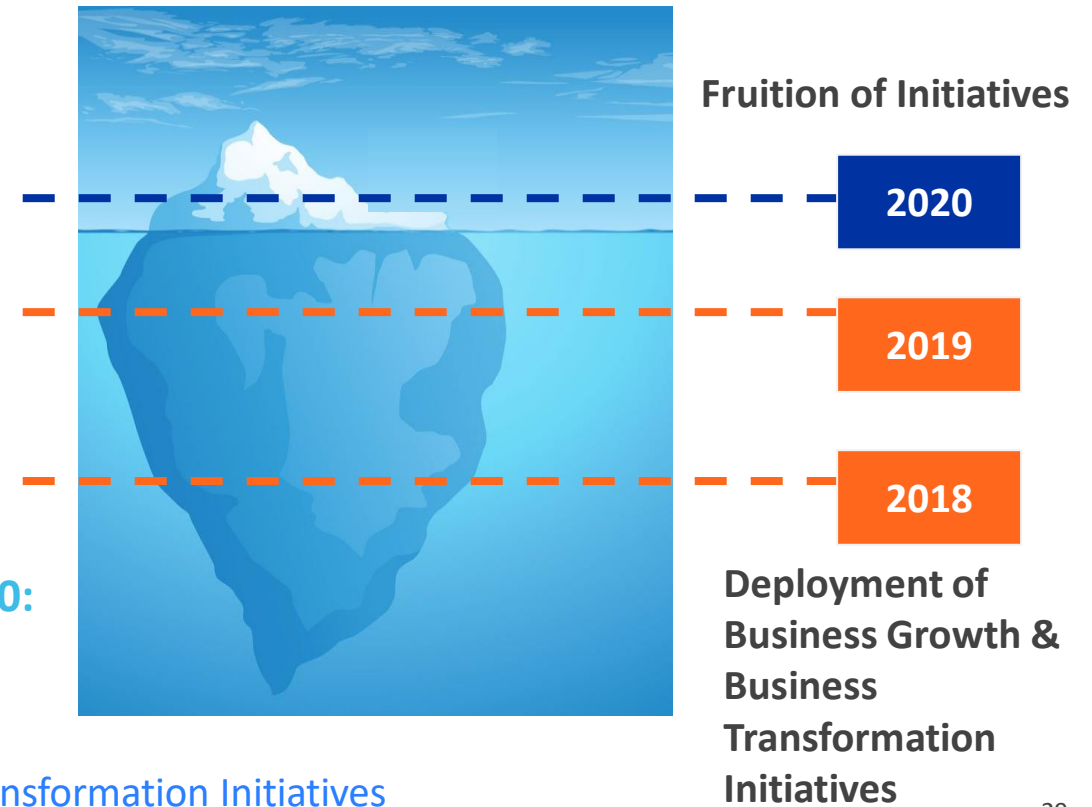
**VISION  
2030**



## Year 3 of Ambition 2020: Initiatives come to fruition

## Years 1 & 2 of Ambition 2020:

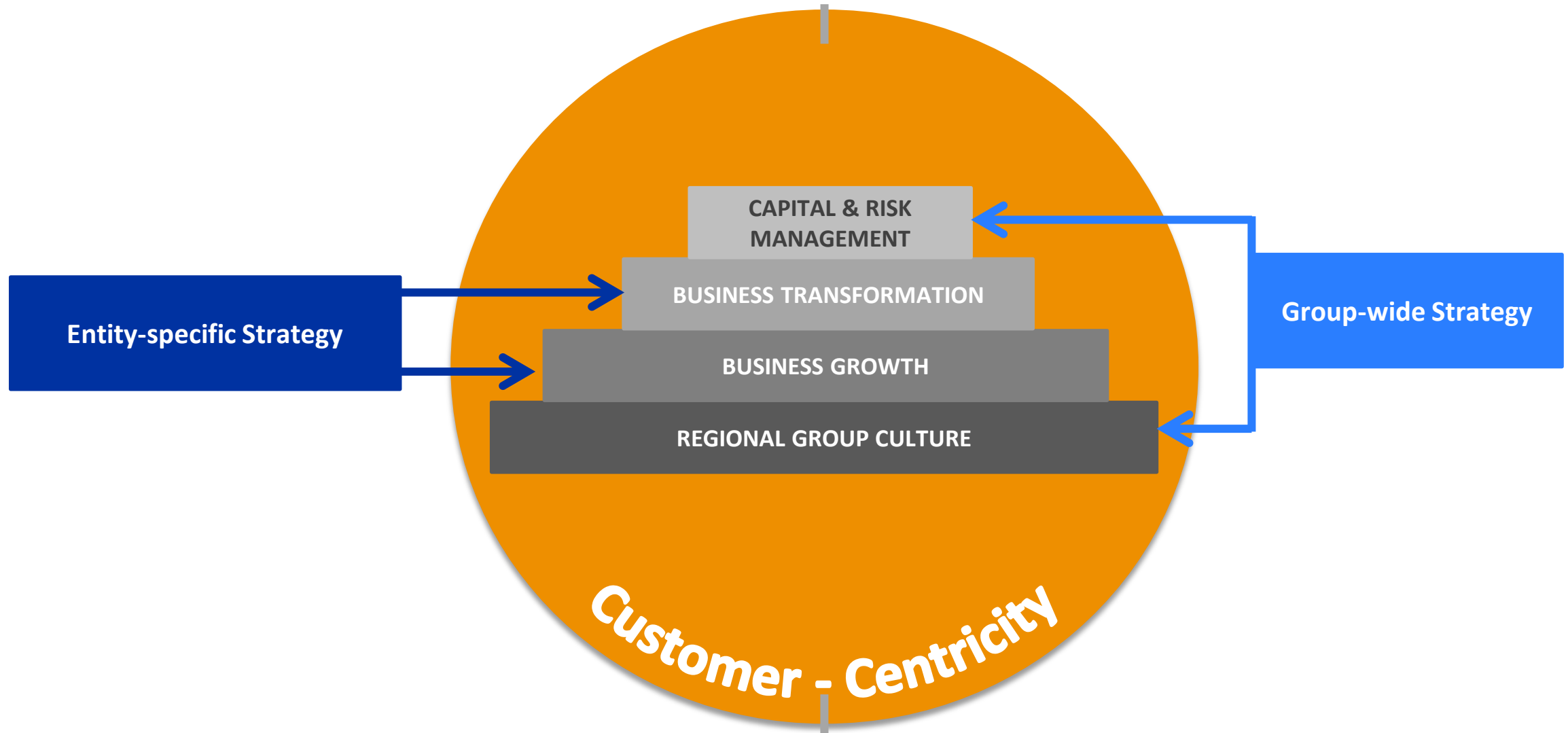
High investment in Business Growth & Transformation Initiatives





# THE YEAR AHEAD

## Our Group Strategic Framework 2020



# THE YEAR AHEAD

## ONE MUA: Rebranding exercise





# THE YEAR AHEAD

## Strategic Axis 1 : REGIONAL GROUP CULTURE

→ Creating a strong sense of belonging





# THE YEAR AHEAD

## Our Integration Plan : 2020 Focus – Growth by Acquisition



**2020: Growth by Acquisition**  
Once critical mass achieved for MUA, **turnaround strategy** can be implemented.

### Our Strategic Plan 2018 – 2020

#### 5 Main Strategic Focus Areas:

- Expanding & reinforcing the **Traditional Sales Channels**
- Creating **new Distribution Channels**
- Enhancing the **IT Infrastructure**
- **Managing the Workforce** Effectively
- Increasing **Brand Notoriety**

### 2017 – 2018: Integration Plan

#### Creating Centralised Functions at Group Level to:

- Achieve **Economies of Scale**,
- Enable the **Transfer of Knowhow**
- Provide **Technical Support** for Development

# THE YEAR AHEAD

## Our Integration Plan : Acquisition of Saham



**100% Acquisition of Saham Kenya,**  
subject to regulatory approvals

### → **Market share in excess of 2%**

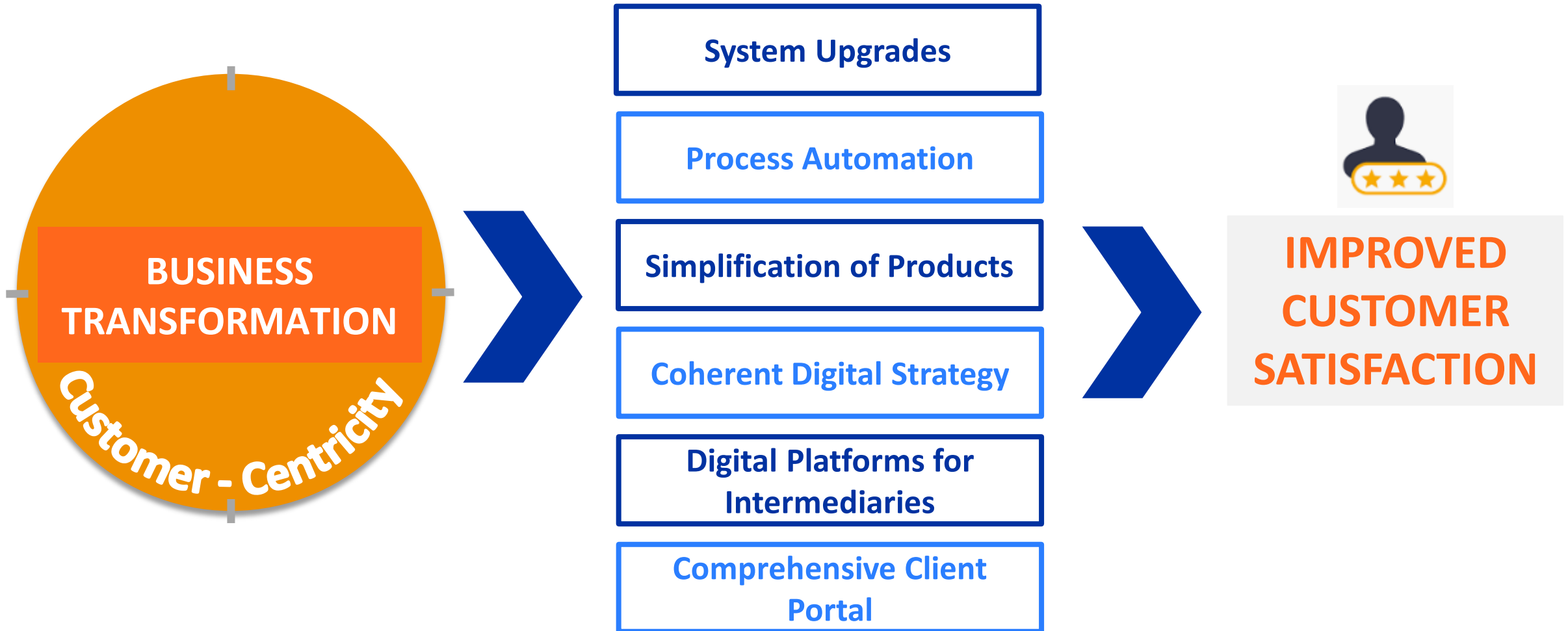
- MUA Kenya will have the required critical mass for its turnaround strategy

### → **Strong product, distribution and cultural complementarities** between the two companies – Significant synergies to be extracted

### → **Medical insurance** - new line of business

# THE YEAR AHEAD

## MUA Ambition 2018 – 2020: Strategic Axis 3



# THE YEAR AHEAD



Client Portal Launched in Oct 2019: Clients can now request a new quote, amend their policies, renew their policies, make and track claims, pay their instalments.... 24/7



[My dashboard](#) [My policies](#) [My claims](#) [My billing](#)




EN | FR [User](#) [Logout](#)

[Home](#) > [My Motor Insurance](#)

## My Motor Insurance

VEHICLE REGISTRATION  
N° 3903ZZ11

[Next Vehicle >](#)

Make, Model & Transmission	Toyota Vitz	Excess	Rs. 10,000.00
Policy No.	36388/18	Sum Insured (Market Value) 	Rs. 300,000.00
Policy Cover	Motor - Private car	Total Premium	Rs. 12,361.30
Period of Insurance	26/10/18 to 25/10/19	Premium Overdue	Rs. 175.00 
Extent of Cover	<a href="#">View Complete List +</a>	Remaining Premium to be paid	Rs. 175.00
		<div>Pay online </div>	

Your policy has expired.

[Amend Details](#)

[Make a Claim](#)



Vikash  
Your ID : mljordan



My agent  
Mr Geeanduth Sookhoo



Mauritius Union Assurance Ltee  
4 L'Eoville L'Homme Street  
Port Louis



[gsookhoo@mauritiusunion.mu](mailto:gsookhoo@mauritiusunion.mu)



57577445



Activate Window  
Go to Settings to activate

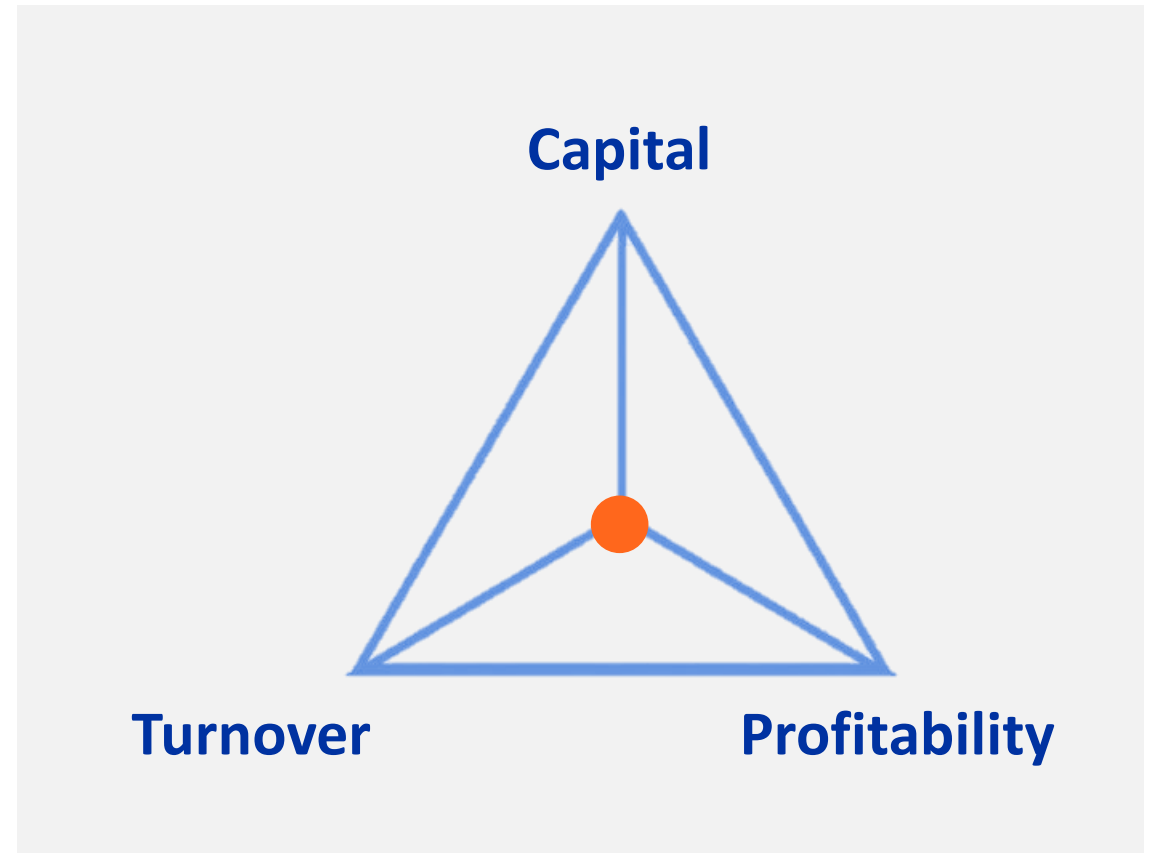
# THE YEAR AHEAD

## MUA Ambition 2018 – 2020: Strategic Axis 4

→ Moving away from a Traditional Capital Management Approach



Turnover ↔ Profitability





# THE YEAR AHEAD

## MUA Ambition 2018 – 2020: Strategic Axis 4

→ We go the extra mile .... Beyond regulatory compliance



### MUA Internal Risk Mitigation Measures

#### Compliance with Regulatory Requirements

- Data Protection Act
- IFRS 17
- Risk Management Framework



## IMPACT OF COVID-19 ON THE GROUP

# Demonstrating resilience during the lockdown period

- Pandemic generating **unprecedented health & financial circumstances**
- MUA is **closely monitoring the developments** surrounding the spread of the COVID-19
- Digital strategy & initiatives enabling **continuity of business operations**
- **MUA team successfully navigating through the crisis**
  - **Anticipatory measures** were taken
  - **Work from home:** >300 employees connect remotely (>60% of MUA staff)
  - **FY2019 results released** in timely manner
  - Focus on **client satisfaction**
- **On-going analysis to assess full impact on the group**





# INSURANCE THAT **MOVES YOU FORWARD**

## Investor Relations



Candyce Ross    [cross@mua.mu](mailto:cross@mua.mu)

Vincent Noël    [vnoel@mua.mu](mailto:vnoel@mua.mu)

FOR MORE INFORMATION PLEASE VISIT:



[mua.mu](http://mua.mu)

# DISCLAIMER



## IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS

This report has been prepared by MUA Ltd (“MUA” or “Company”) solely for your information and should not be considered to be an offer or solicitation of an offer to buy or sell or subscribe for any securities, financial instruments or any rights attaching to such securities or financial instruments. In particular, this report does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, securities in any jurisdiction where such offer or solicitation is unlawful. Every effort is made to ensure that this report is of sound quality but no legal responsibility shall be endorsed for any errors, omissions or misleading statements, caused by negligence or otherwise. Whilst every effort is made to ensure the accuracy of this report, the Company nor its staffs do not warrant or nor accept any responsibility or liability for, the accuracy or completeness of the content or for any loss which may arise from reliance on this report. This report is a summary only and does not include all material information about MUA. This report contains certain statements which are, or may be deemed to be, forward-looking statements. These statements and the facts contained therein are subject to a number of known and unknown risks, uncertainties and contingencies, many of which are beyond MUA’s control or influence, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. These forward-looking statements speak only as of the date of this publication. Past performance should not be taken as an indication or guarantee of future results and no representation or warranty, express or implied, is made regarding future performance. Except as required by any applicable law or regulation, the Company expressly precludes any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this publication to reflect any change in MUA’s expectations or any change in events, conditions or circumstances on which any such statement is based. Accordingly, undue reliance should not be placed on any such forward-looking statements.