

# MUA INVESTOR MEETING

22 April 2021





# AGENDA

- 1 INTRODUCTION & HIGHLIGHTS**
- 2 GROUP FINANCIAL REVIEW**
- 3 BUSINESS PERFORMANCE**
- 4 STRATEGIC PLAN - TRANSITION 2023**
- 5 OUTLOOK FOR 2021**



# **INTRODUCTION AND HIGHLIGHTS**

# INTRODUCTION AND HIGHLIGHTS

## WHO WE ARE

Our hosts



**Bertrand Casteres**  
Group Chief Executive Officer



**Mehtab Aly**  
Group Chief Finance Officer



**Jérôme Katz**  
Head of Group Strategy &  
Investment

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### Questions

Click the Q&A icon to submit your questions  
The hosts will answer questions at the end of the presentation



### Access the presentation

The presentation will be available on  
our website following the webinar



# INTRODUCTION AND HIGHLIGHTS

## WHO WE ARE

2020: A year of growth, expansion and resilience



**SEM-10**



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

Listed on the Stock Exchange of  
Mauritius & inclusion in SEM-10

**Share  
Price  
Growth**



**+8%**

Increase in share  
price in 2020



**+17%**

Gross Written Premium  
in 2020



**-18%**

Profits after Tax  
in 2020

## 2020 Results



**11.2%**

Total Return<sup>2</sup>

**11.8%**

Group Return on  
Equity

**2.8%**

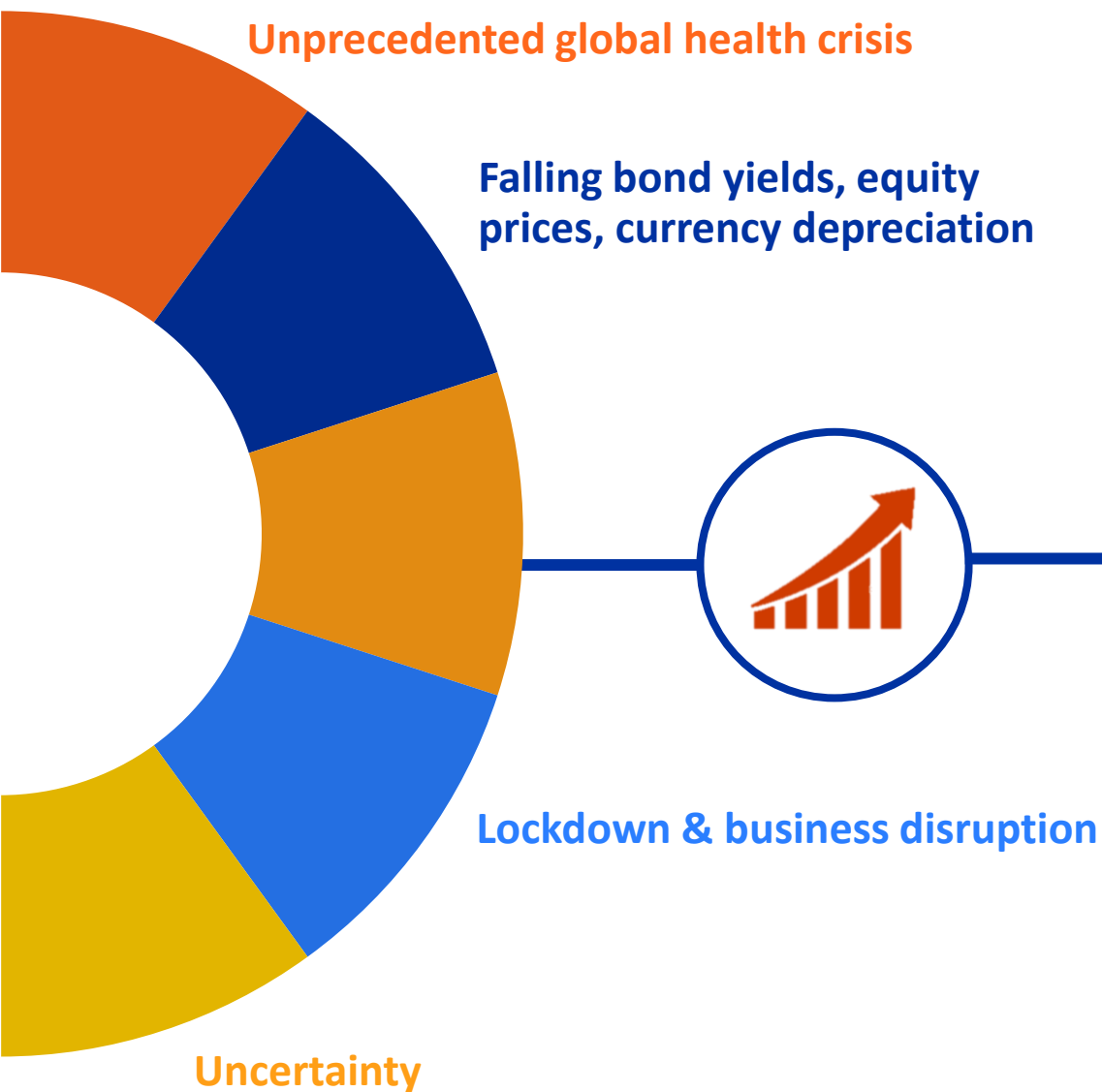
Dividend Yield

**5.4x**

ROE Outperformance  
of Risk Free Rate<sup>3</sup>

# INTRODUCTION AND HIGHLIGHTS

Growth & achievement of 3 year Ambition 2020 strategic plan despite challenging market context



## Completion of Ambition 2020 strategic plan

- Regional expansion, re-branding, digital transformations
- Share price increase: +55% over the 3 year period

## Business Continuity

- Digital tools to support clients & claims processing
- Staff protected & enabled to work remotely

## Saham Kenya acquisition

- 100% acquisition of Saham Kenya through MUA Kenya
- Integration following once regulator approval received

## Rights Issue fully subscribed

- Rs 416.8M raised – refinancing Saham Kenya acquisition
- Fully subscribed – testimony to investor confidence

## CARE Rating maintained

- MUA Ltd Notes issued in 2019 – rating maintained at CARE MAU AA- (stable)
- Reflects MUA's ability to maintain strong market position



# INTRODUCTION AND HIGHLIGHTS

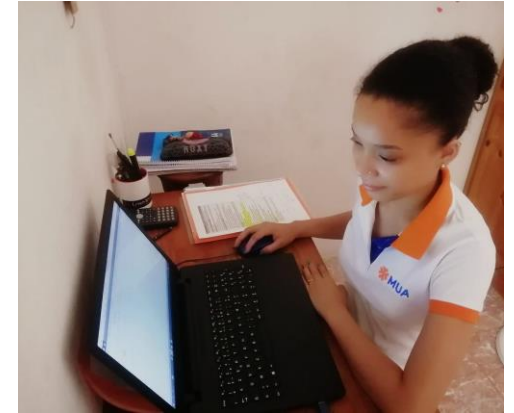
Our response to a challenging year – supporting clients, our communities & our environment



Supporting clients digitally through the MUA Client Portal



2 months car insurance offered free of charge for front-liners



MUA team connecting & successfully working from home during confinement



MUA Day: a regional, passionate team



MUA Foundation: collaboration with FoodWise for distribution of food packs during lockdown; The Mauritian Wildlife Foundation (Wakashio Oil Spill Clean Up)



foodwise



# INTRODUCTION AND HIGHLIGHTS

## OUR OPERATIONS - MAURITIUS

Solid results and growth despite challenging business environment



### General Insurance

**23% Market Share**  
**> MUR 2,497** 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 670 m** asset value of funds

### Life Insurance

**12% Market Share**  
**5% Growth Rate**

**> MUR 10,220m**  
funds under management

### Stockbroking

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

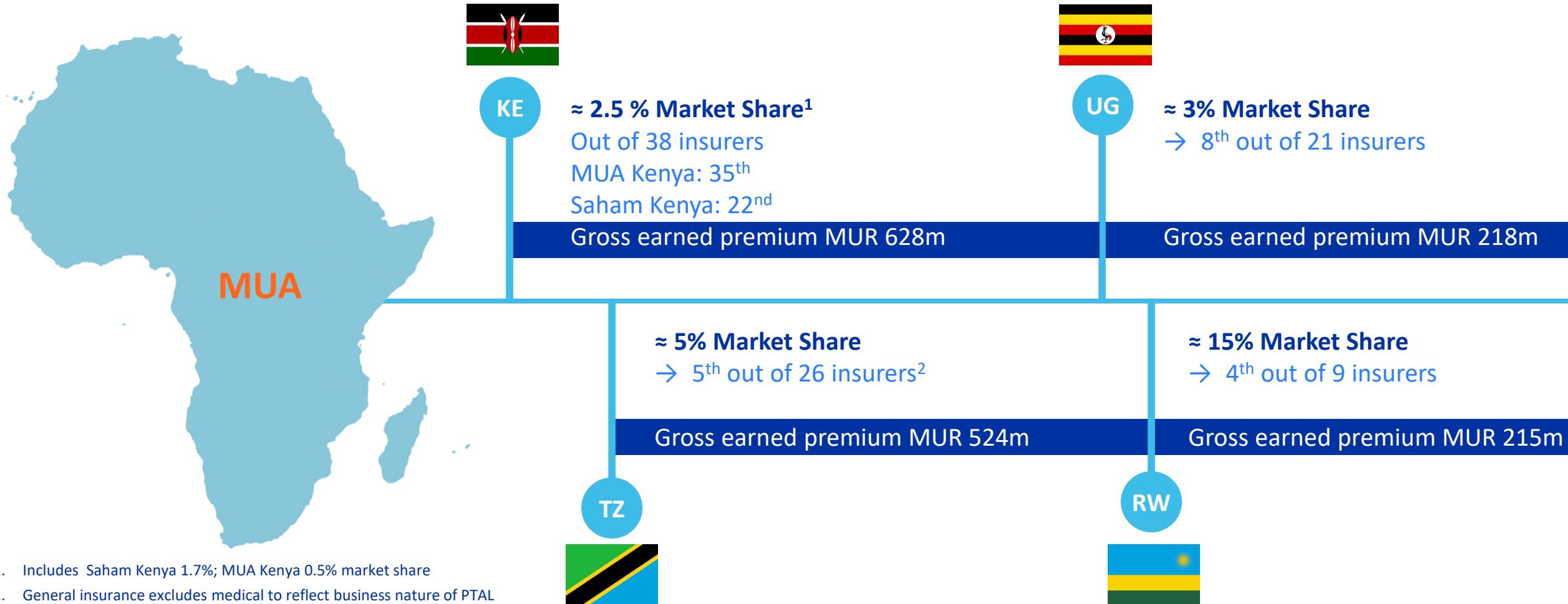


# INTRODUCTION AND HIGHLIGHTS

## SUCCESS IN EAST AFRICA



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



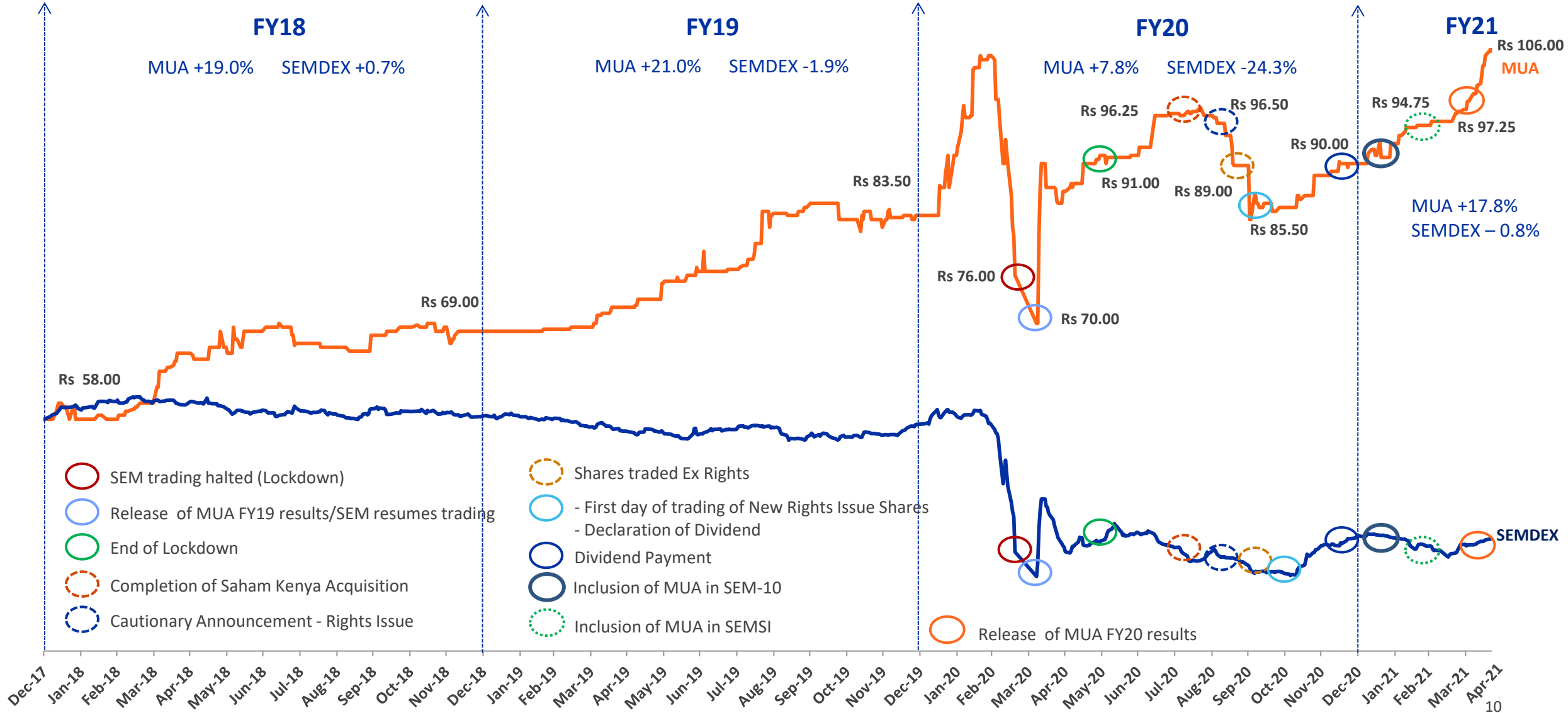
1. Includes Saham Kenya 1.7%; MUA Kenya 0.5% market share  
2. General insurance excludes medical to reflect business nature of PTAL  
Note: Market share based on latest available figures, in terms of GWP

# INTRODUCTION AND HIGHLIGHTS



## MUA outperforms the market

2020: MUA: **+7.8%**, SEMDEX: **-24.3%**; over Ambition 2020: MUA **+55.2%**, SEMDEX: **-25.1%**



# INTRODUCTION AND HIGHLIGHTS

Index inclusion - MUA included in the SEM-10, SEMSI & ALEX-20

A growing market capitalisation & improved liquidity



Sunil Benimadhu (CEO, SEM) presents the SEMSI inclusion certificate to Bertrand Casteres & Dominique Galea

## SEM-10:

- MUA maintains its 10<sup>th</sup> position on the list, meeting the liquidity, market activity & capitalisation criteria

## SEMSI:

- As at the 23<sup>rd</sup> of February, **MUA became 15th company to join SEMSI**
- SEMSI benchmarks local companies against international ESG criteria and disclosure requirements
- MUA becomes the **first insurance company in Mauritius** to have acquired the SEMSI status

## Increase in liquidity

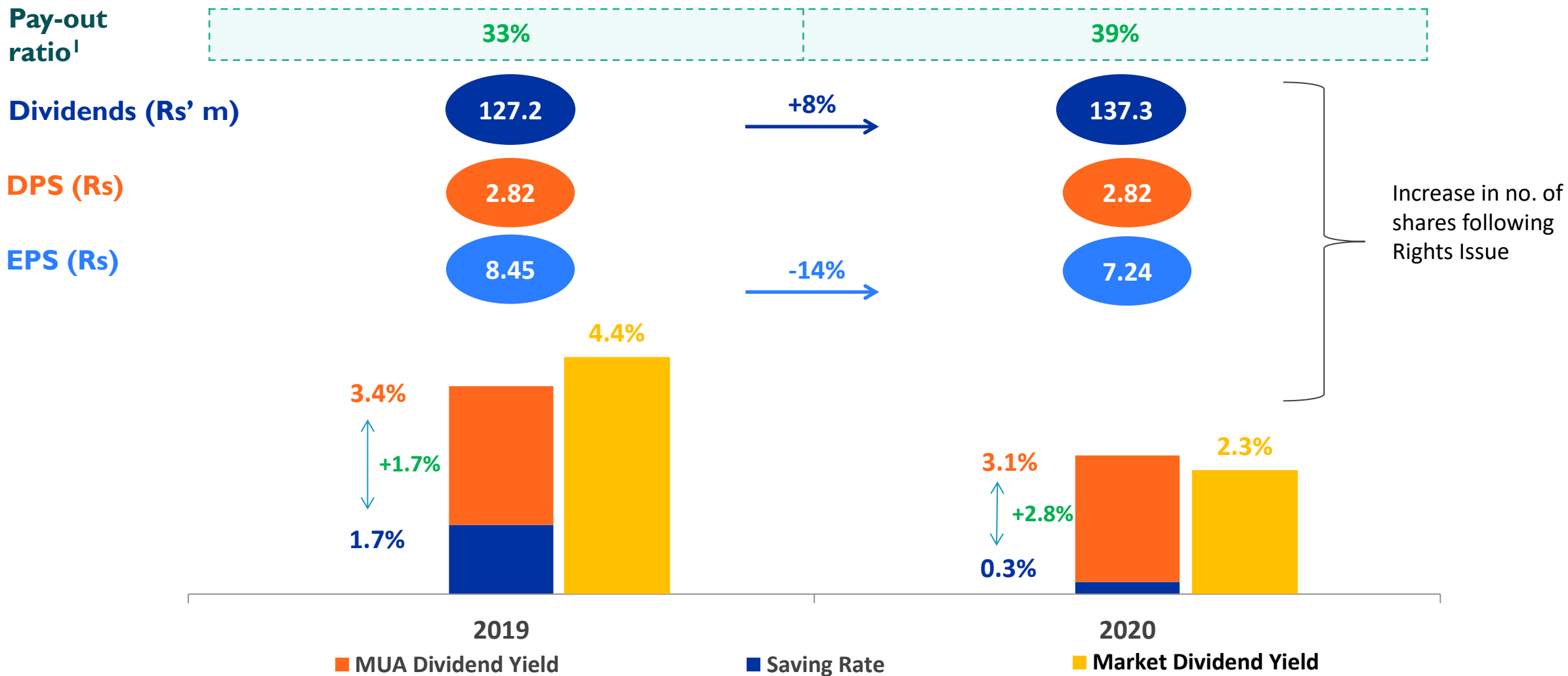
- Average monthly trading volume doubled since 2018
- Average monthly value traded increased 2.8x since 2018
- ALEX-20 inclusion: the **most liquid securities** of the official market and the DEM

# INTRODUCTION AND HIGHLIGHTS



## INVESTORS FIGURES

Constant DPS & increased payout ratio with MUA share yielding an average of 280 bps above savings rate



1. Group pay-out ratio (dividend per share / earnings per share). DPS for 2020 adjusted for Rights Issue. 2. Average SBM and MCB interest rates on banks' savings account.

# INTRODUCTION AND HIGHLIGHTS

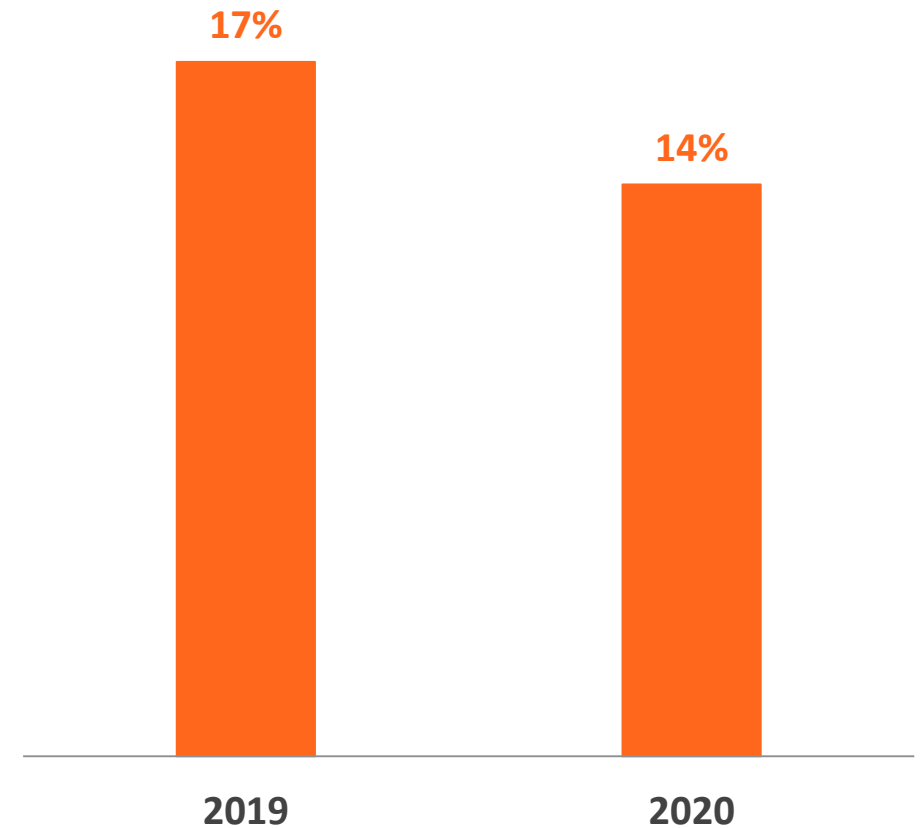
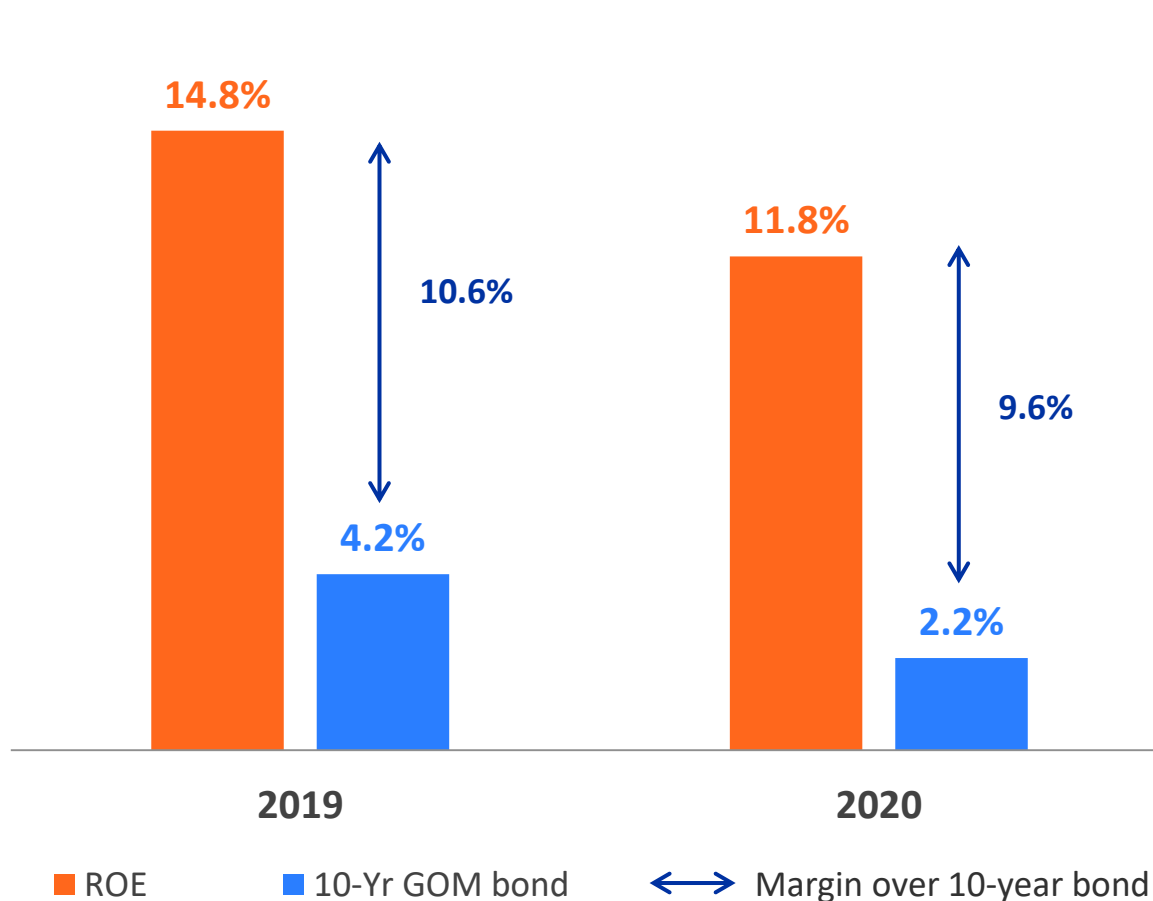
ROE outperforms market & low gearing – East African expansion expected to drive ROE further



Group ROE

Debt Gearing<sup>1</sup>

Rights issue of 5,010,000 new ordinary shares:  
fully subscribed in November 2020



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



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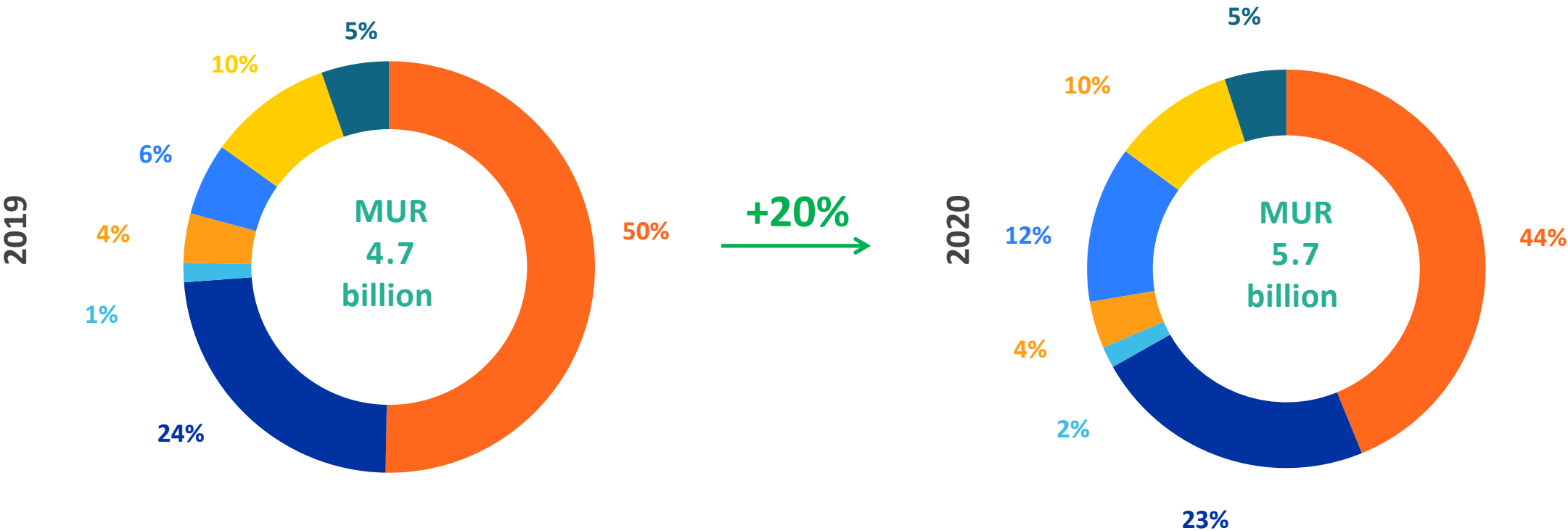
# **GROUP FINANCIAL REVIEW**

# GROUP FINANCIAL REVIEW

## Strong increase of 20% in Group Revenue



Revenue by country



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

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

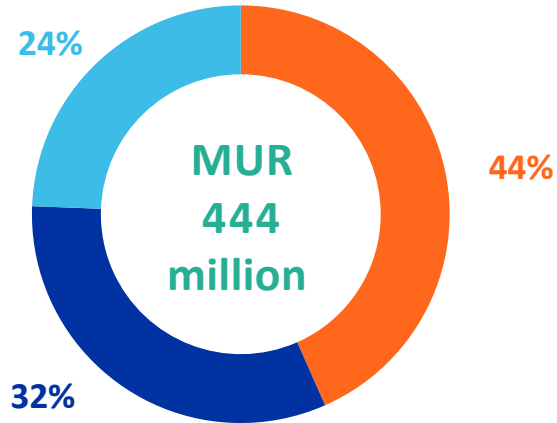
# GROUP FINANCIAL REVIEW

18% drop in profitability following COVID-19 effects & some exceptional costs in EA



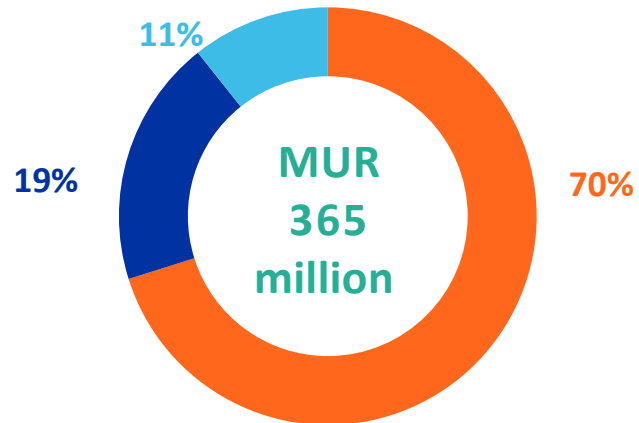
PAT by Region

2019



+20% ↓

2020



PAT impacted by:

## MUA Ltd

- Holding expenses (M&A)

## MUA Life

- Investment guarantee
- IFRS 17 Implementation

## MUA Cy

- IFRS 17 Implementation
- Positive results

## East Africa

- Foreign exchange impact
- ### PTAL
- Deferred acquisition costs

## Uganda

- Tax audit

## Kenya

- M&A expenses
- Changes in accounting policy (IFRS 9)
- Foreign exchange revaluation loss on loan

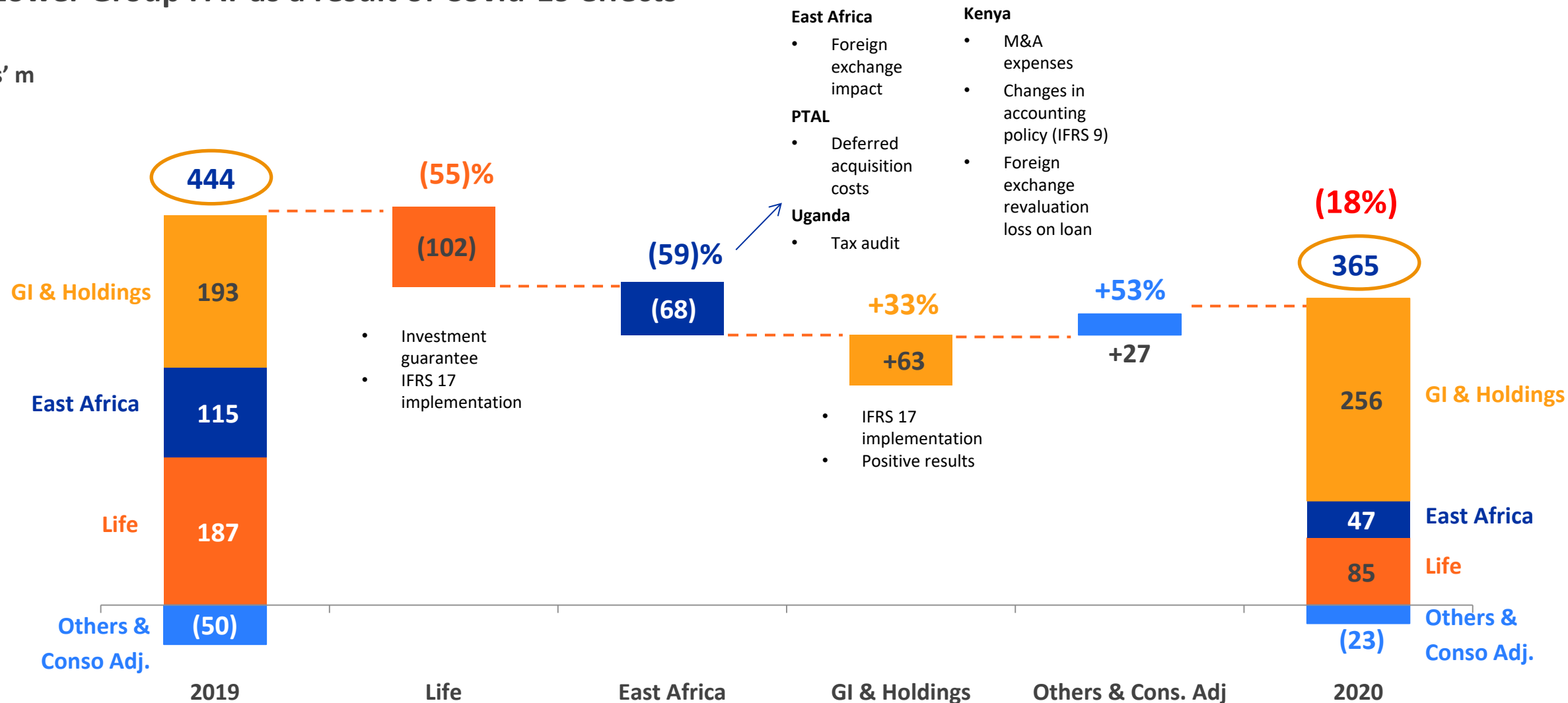
# GROUP FINANCIAL REVIEW

## GROUP PROFIT AFTER TAX

Lower Group PAT as a result of Covid-19 effects



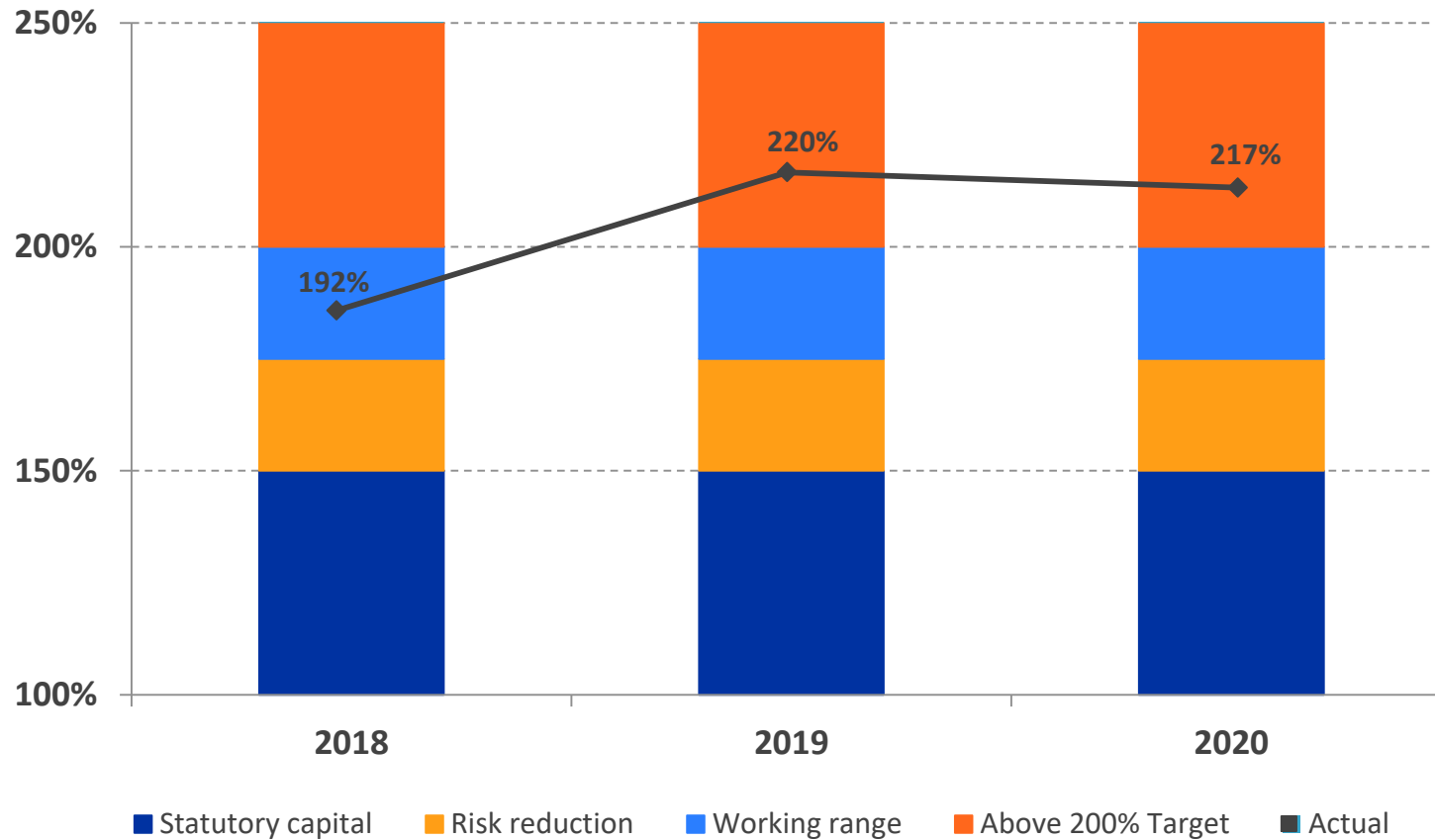
Rs' m



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

# GROUP FINANCIAL REVIEW

## SOLVENCY of MUACL - 217% as at 31 Dec 2020



### Key Drivers

**2018:** Investment in MUA Rwanda

**2019:** Restructuring exercise (spin off of PTHL)

**2020:** Market volatility driven by global pandemic impacting value of investments



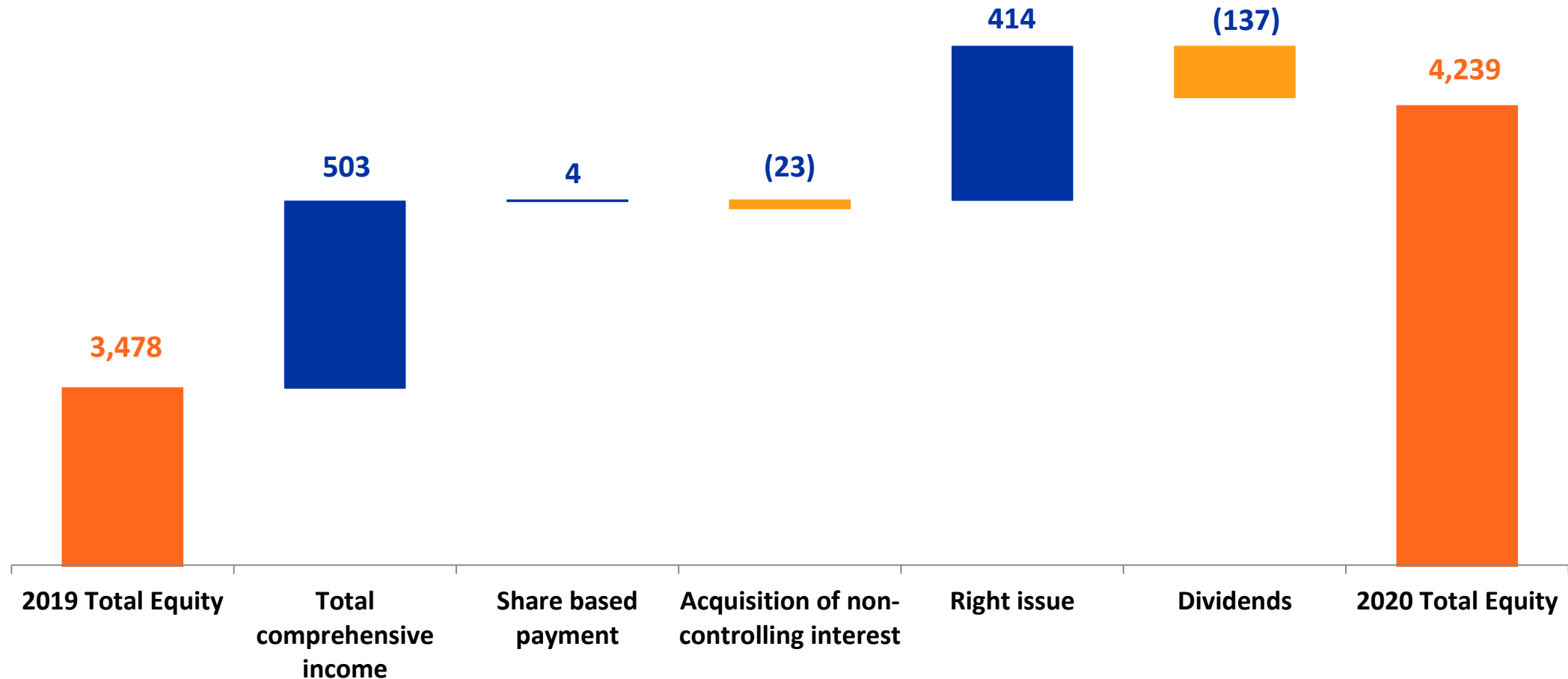
# GROUP FINANCIAL REVIEW

## BALANCE SHEET – SHAREHOLDERS EQUITY

Shareholders equity up +21.9% during 2020



Rs' m



1. Includes non controlling interests.

Note: All figures based on MUA Group, Rights issue amount is net of costs

# GROUP FINANCIAL REVIEW

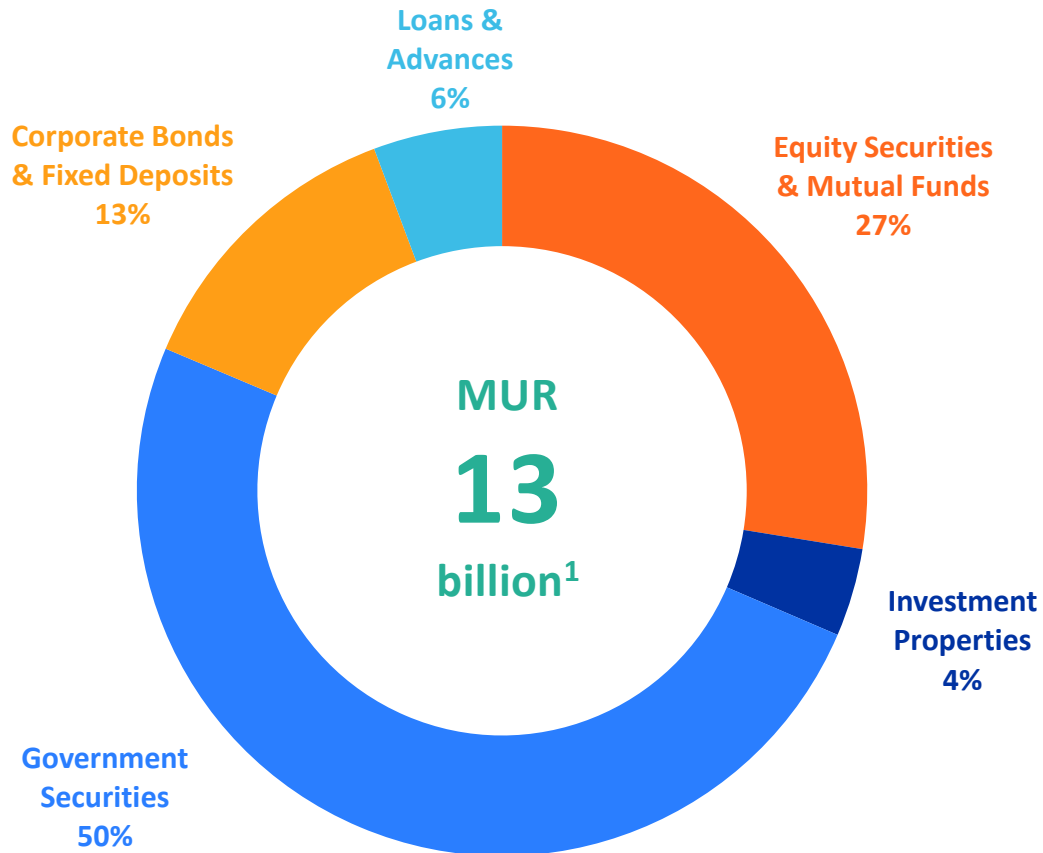


## BALANCE SHEET - ASSET QUALITY

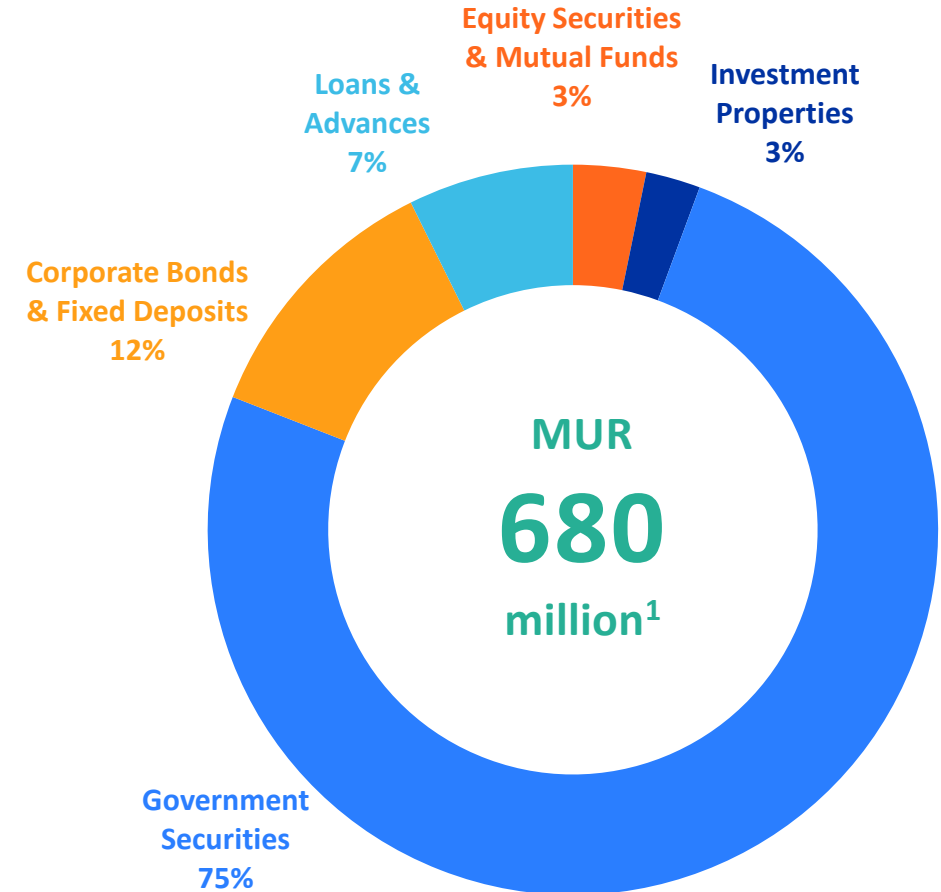
Decline of 9% in income on earning assets due to low dividend income

Yield on Earning Assets: 5.2%

Group Earning Assets



Income on Earning Assets



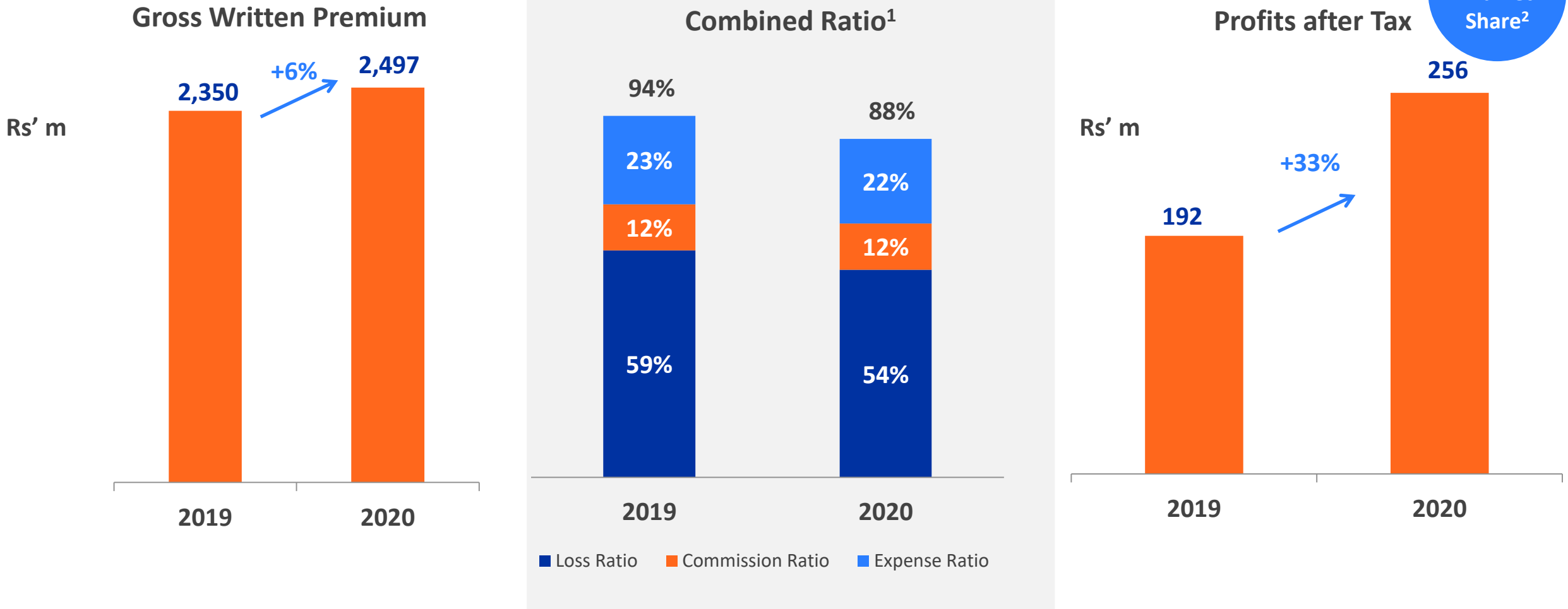


# **BUSINESS PERFORMANCE**

# BUSINESS PERFORMANCE

## MAURITIAN OPERATIONS - GENERAL INSURANCE

An increase of 33% in PAT due to lower claims & cost control



1. MUA Combined Ratio excludes African Subsidiaries' costs.

2. Based on latest available market share figures . Market share based on GWP.

# BUSINESS PERFORMANCE

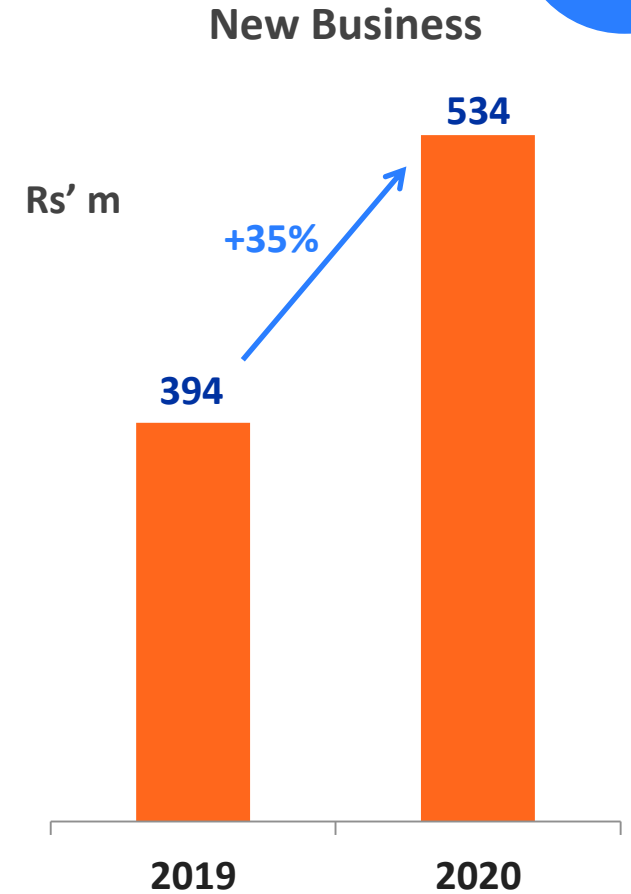
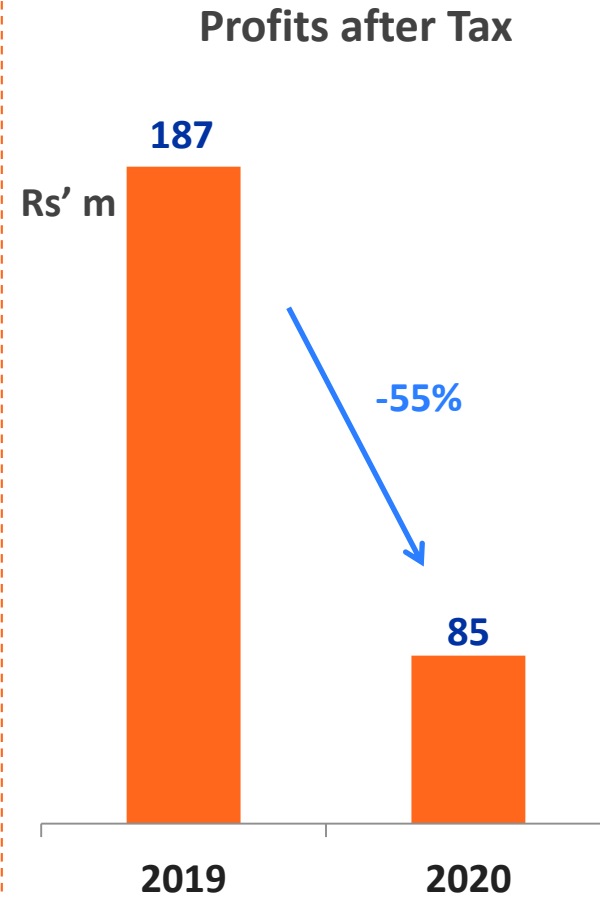
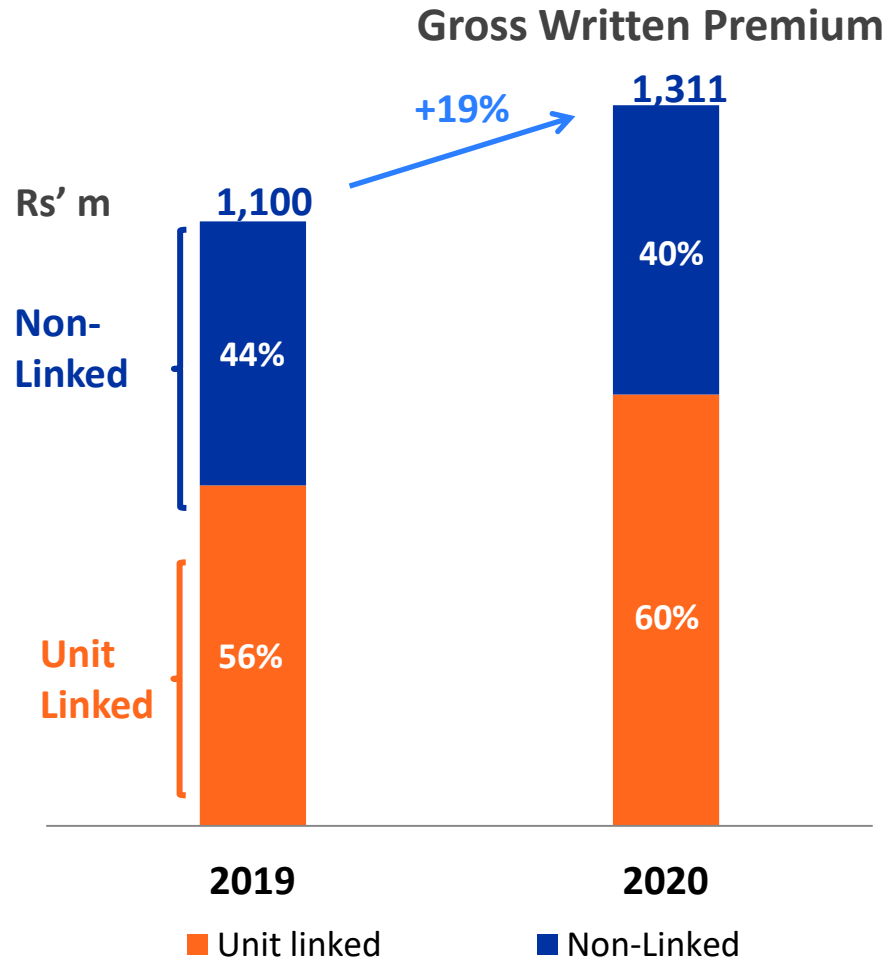
## MAURITIAN OPERATIONS - LIFE INSURANCE

Decline of 55% in PAT due to lower investment return and low bond yields

New business record: +35%



≈ 12%  
Market  
Share<sup>1</sup>



1. Based on latest available market share figures . Market share based on GWP.

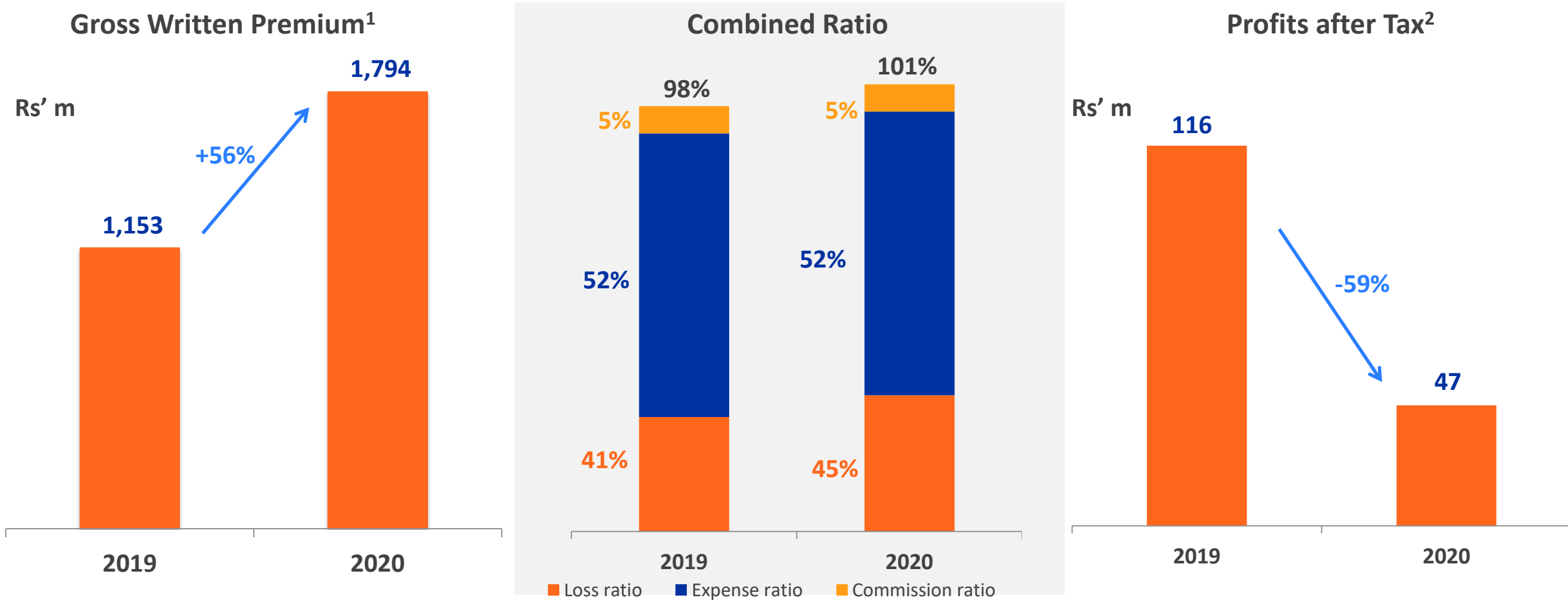


# BUSINESS PERFORMANCE

## EAST AFRICAN OPERATIONS



PAT impacted by exceptional items (Manex & DAC)



1. Includes 6 months premium for Saham Kenya; 2. PAT before consolidation with MUA



# BUSINESS PERFORMANCE

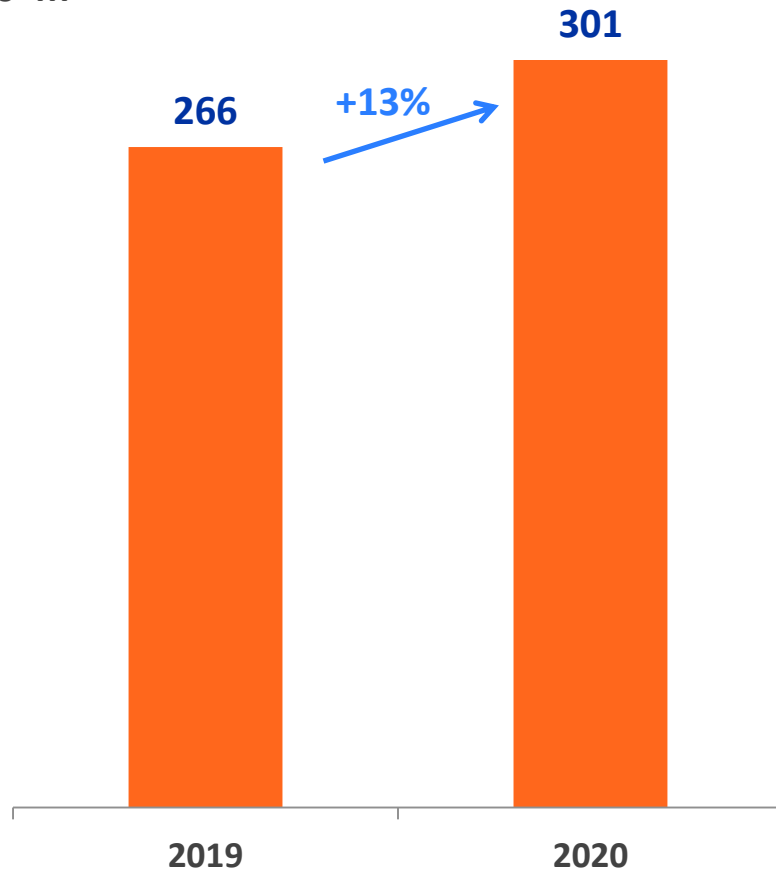
## MUA KENYA



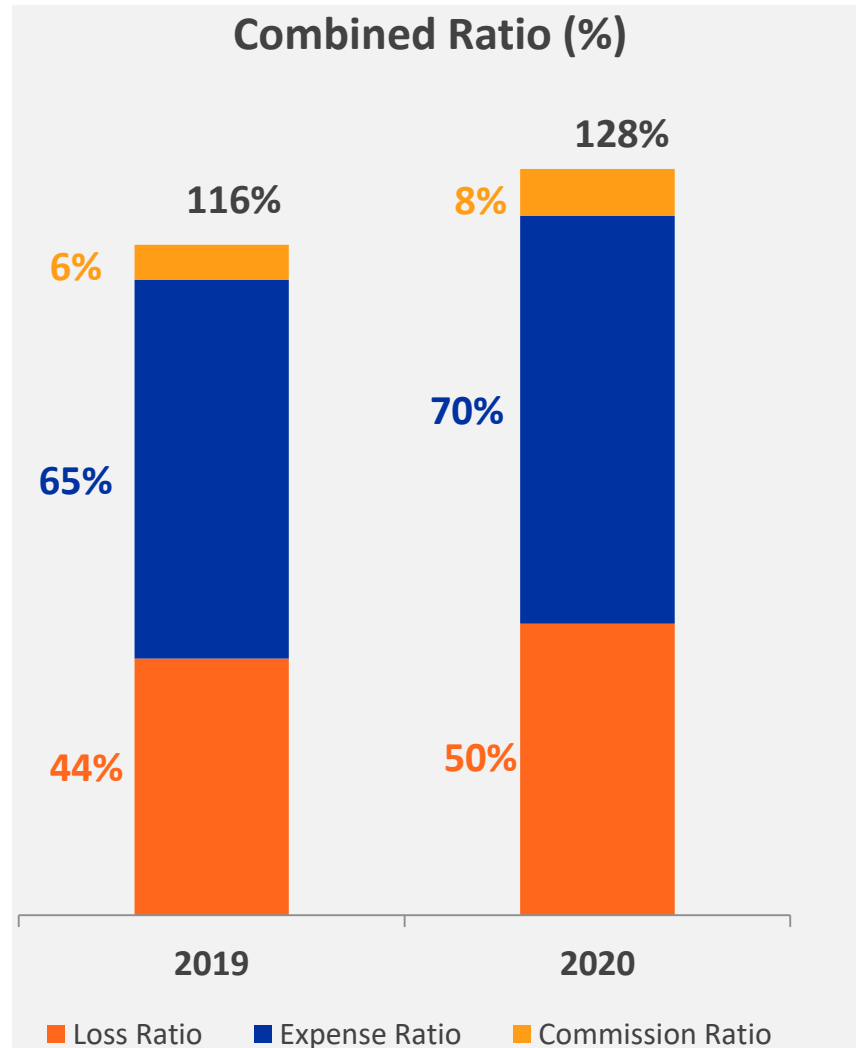
Increased market share; PAT impact owing to acquisition expenses of Saham Kenya & foreign exchange loss on loan

### Gross Written Premium

Rs' m

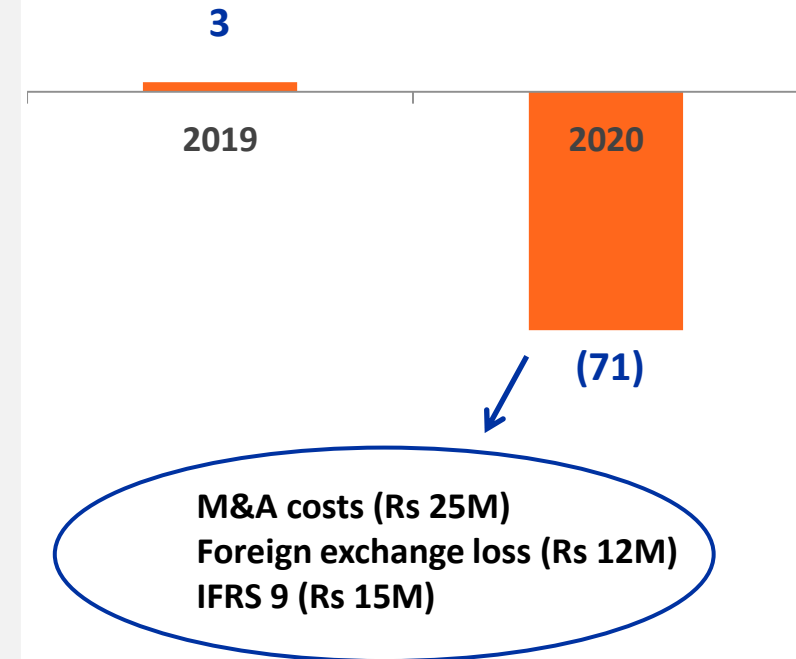


### Combined Ratio (%)



### Profits after Tax

Rs' m



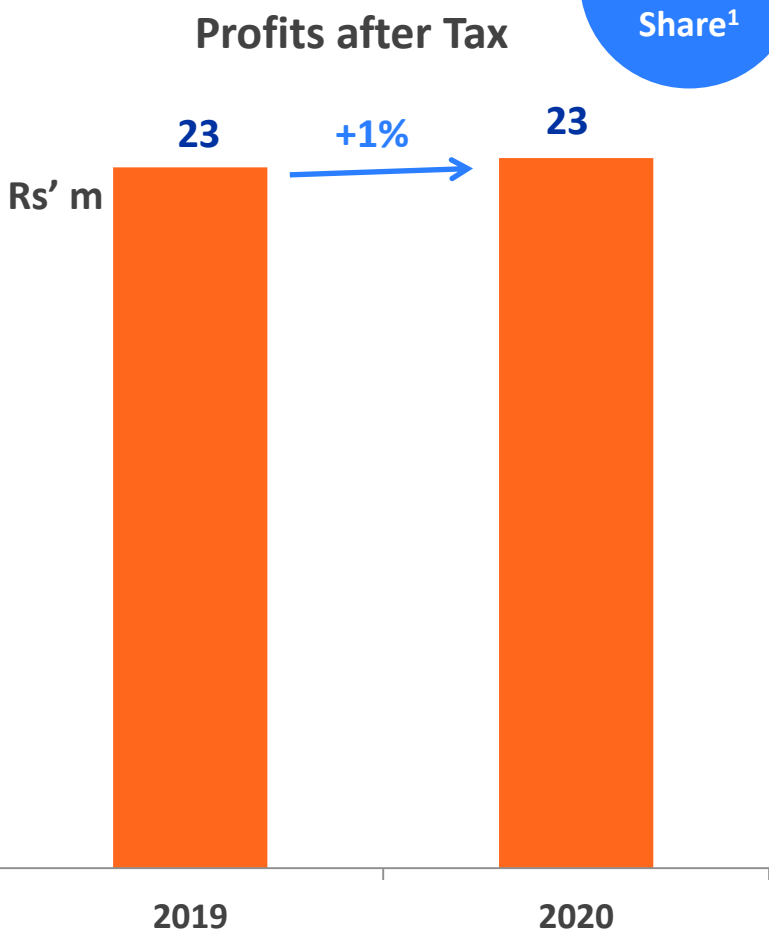
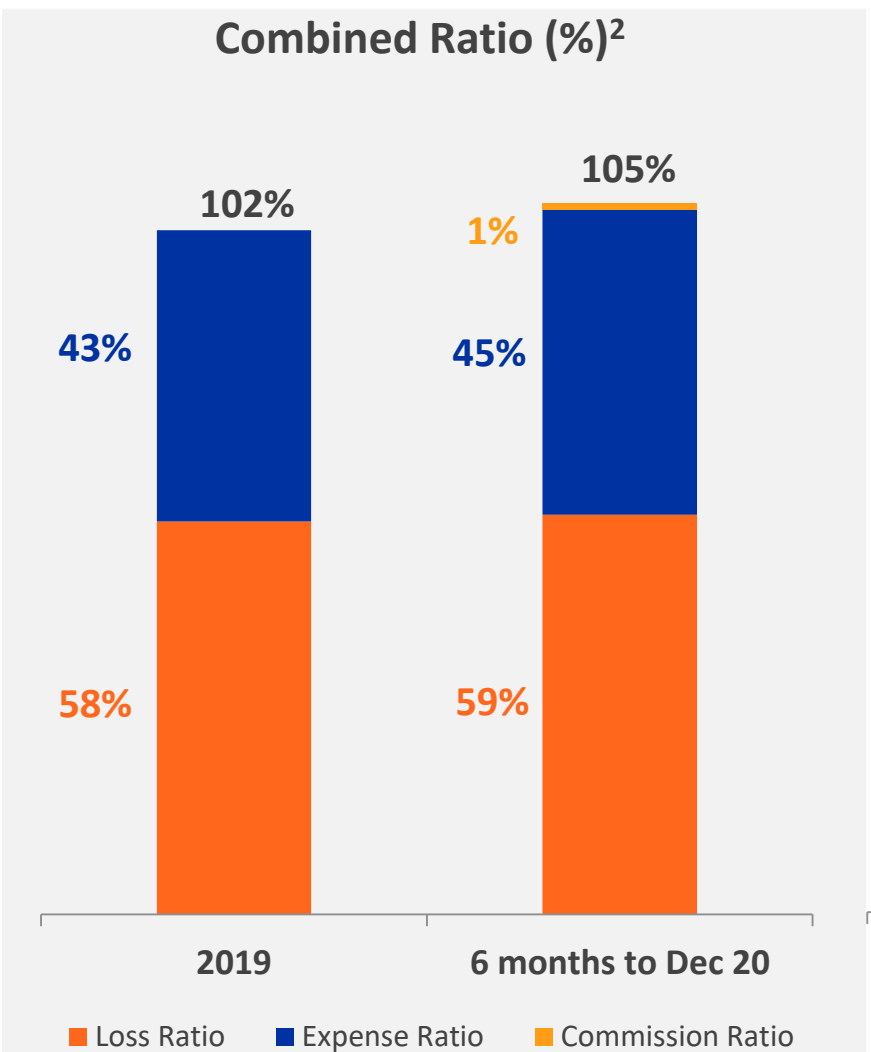
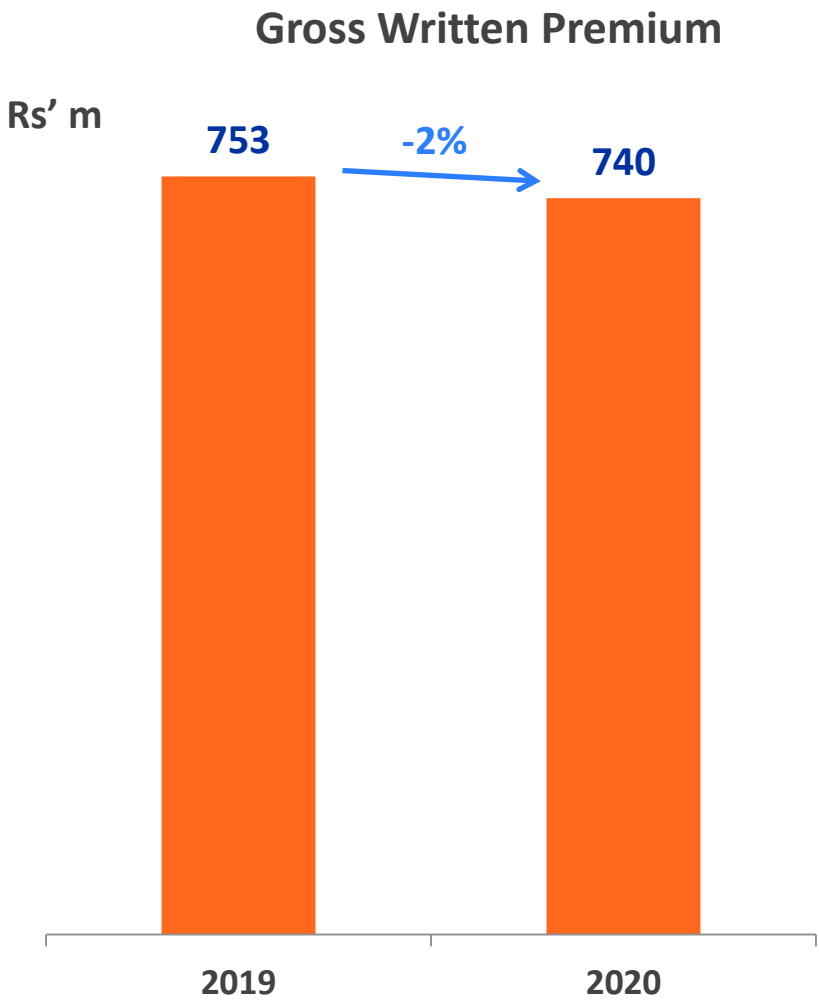
≈ 0.5%  
Market  
Share



# BUSINESS PERFORMANCE

## SAHAM KENYA

Shortfall in operating loss covered by investment and other income



≈ 2%  
Market  
Share<sup>1</sup>

1. Based on latest available market share figures . Market share in terms of GWP. 2. Full year pro-forma result. To note that 6 months results (Jul to Dec) consolidated in MUA group

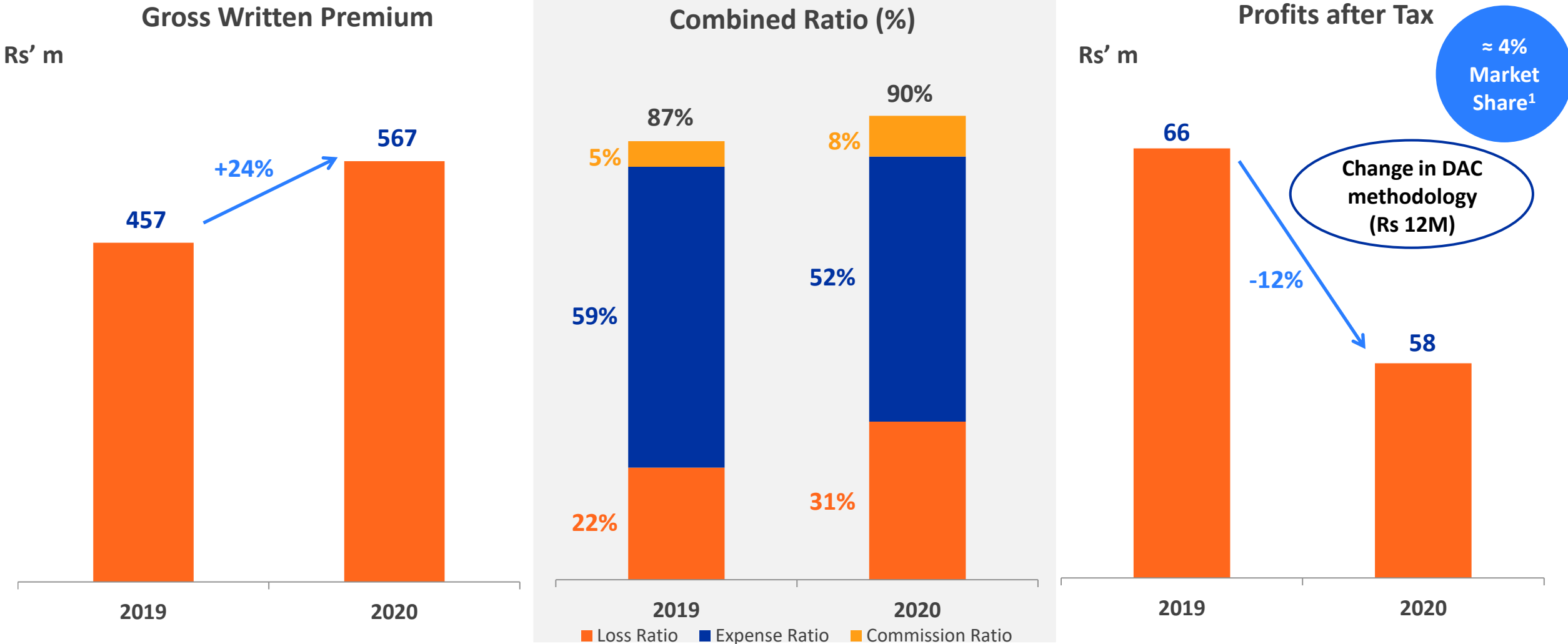


# BUSINESS PERFORMANCE

## TANZANIA



PAT decrease attributable to one-off cost driven by change in deferred acquisition cost methodology



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



# BUSINESS PERFORMANCE

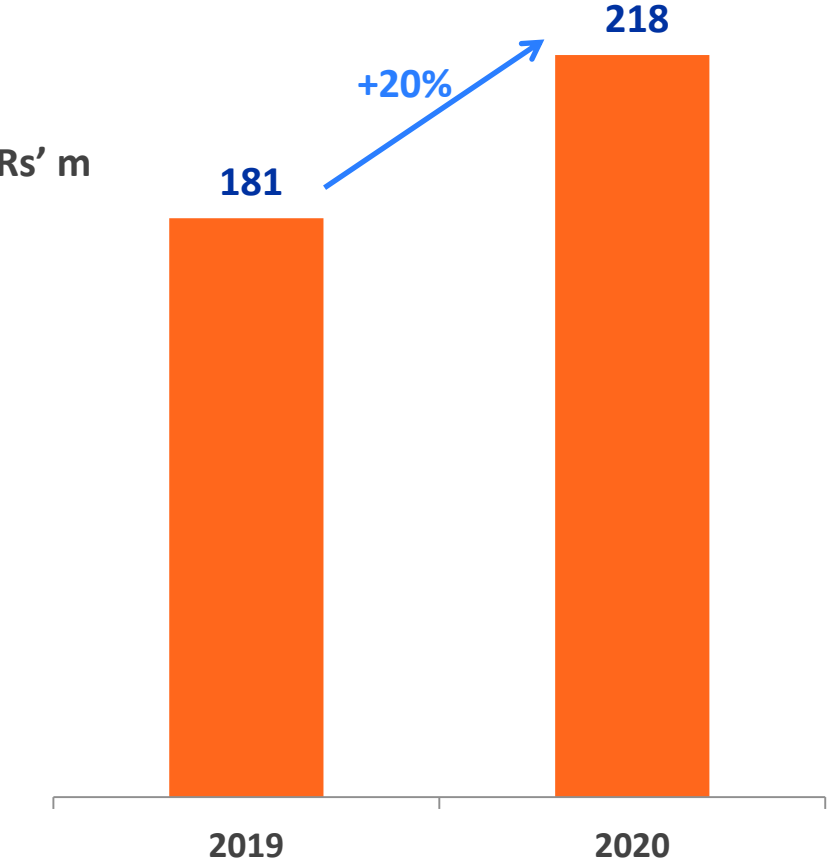
## MUA UGANDA

Dampened PAT due to tax audit expense

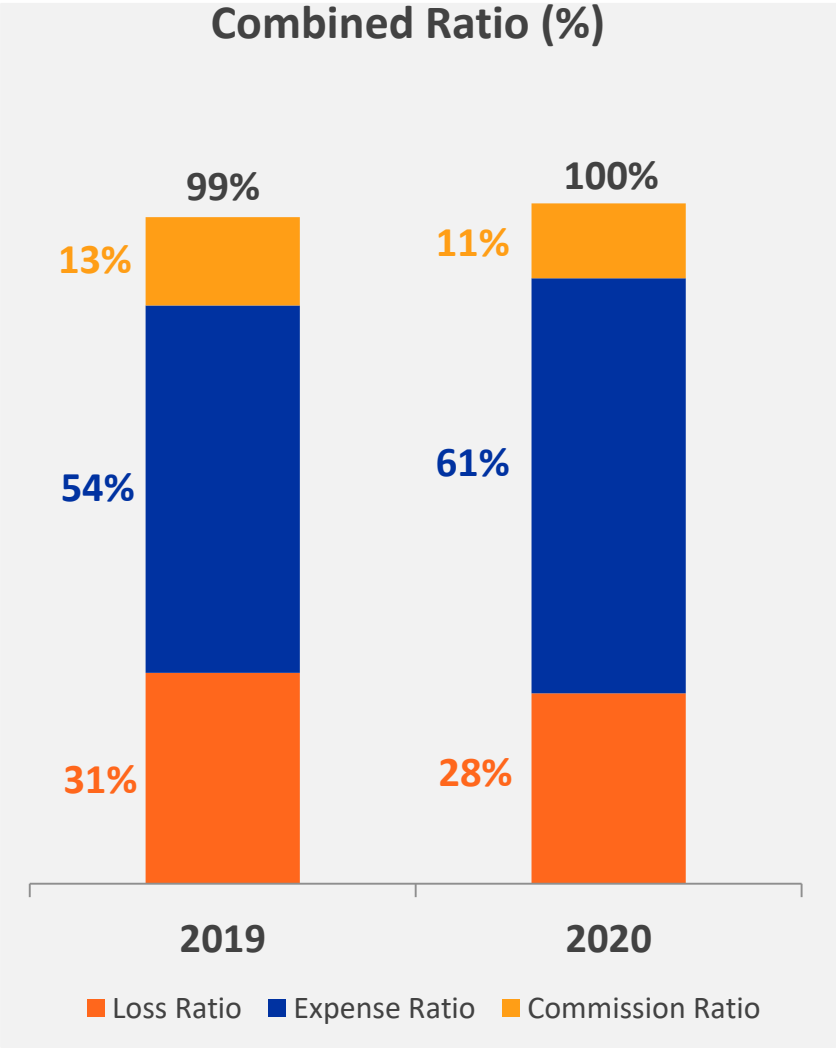


≈ 3%  
Market  
Share<sup>1</sup>

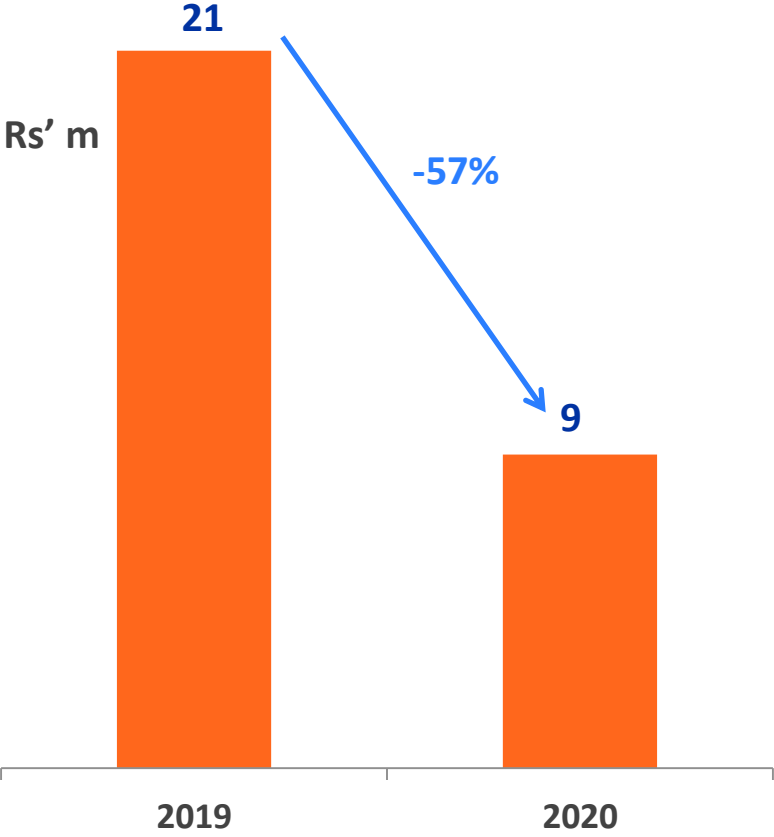
Gross Written Premium



Combined Ratio (%)



Profits after Tax



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





# BUSINESS PERFORMANCE

## MUA RWANDA

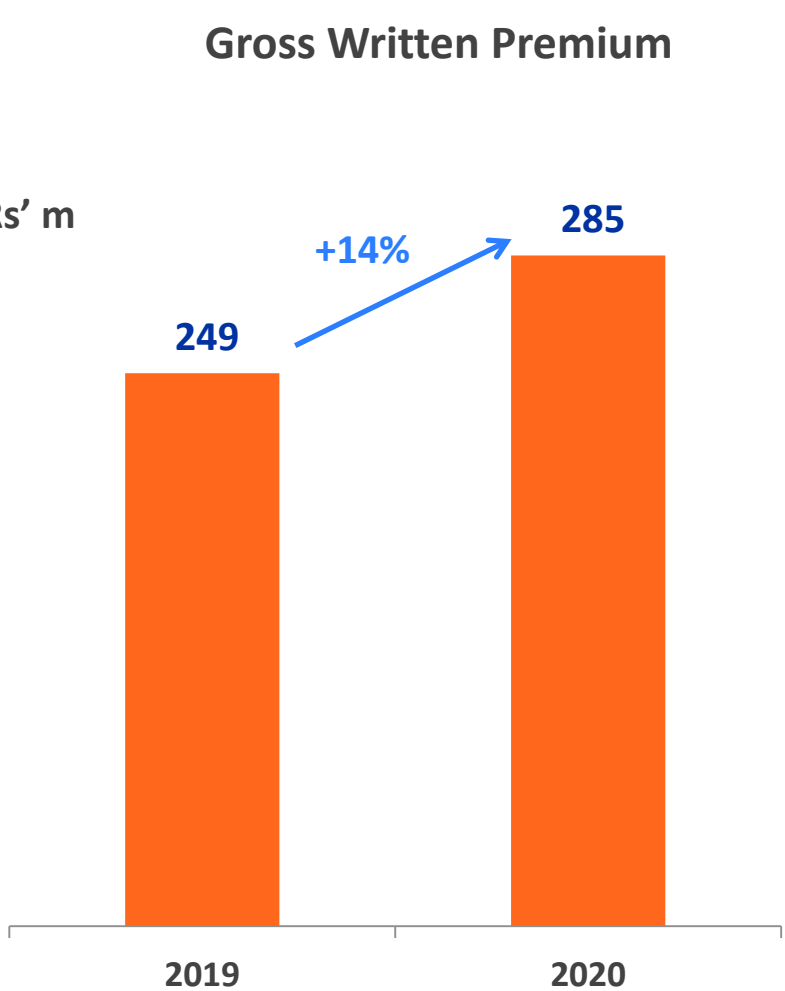


Strong growth in investment income

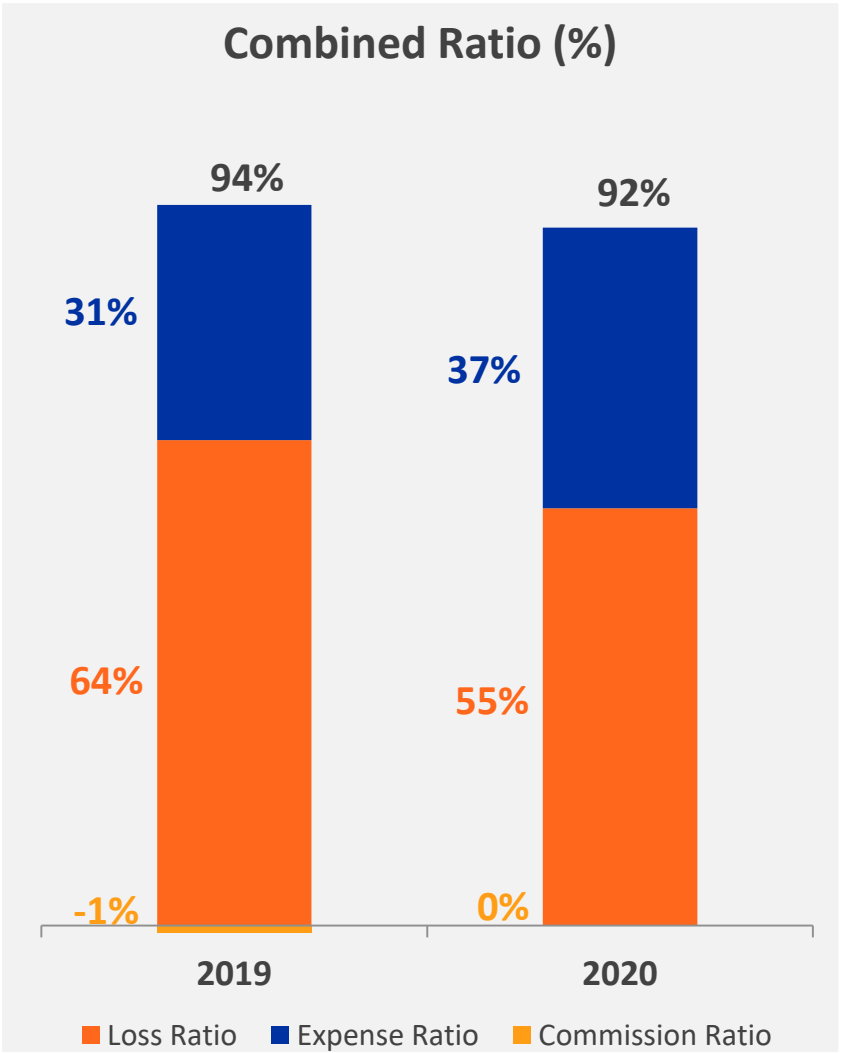
≈ 14%  
Market  
Share<sup>1</sup>

Gross Written Premium

Rs' m

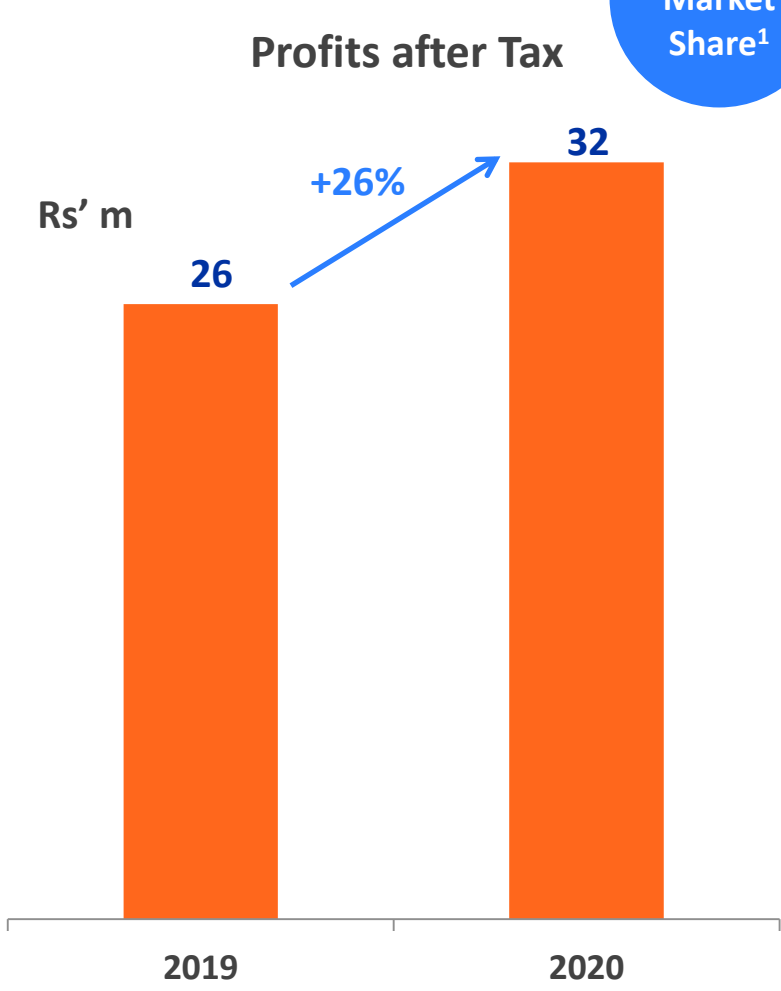


Combined Ratio (%)



Profits after Tax

Rs' m



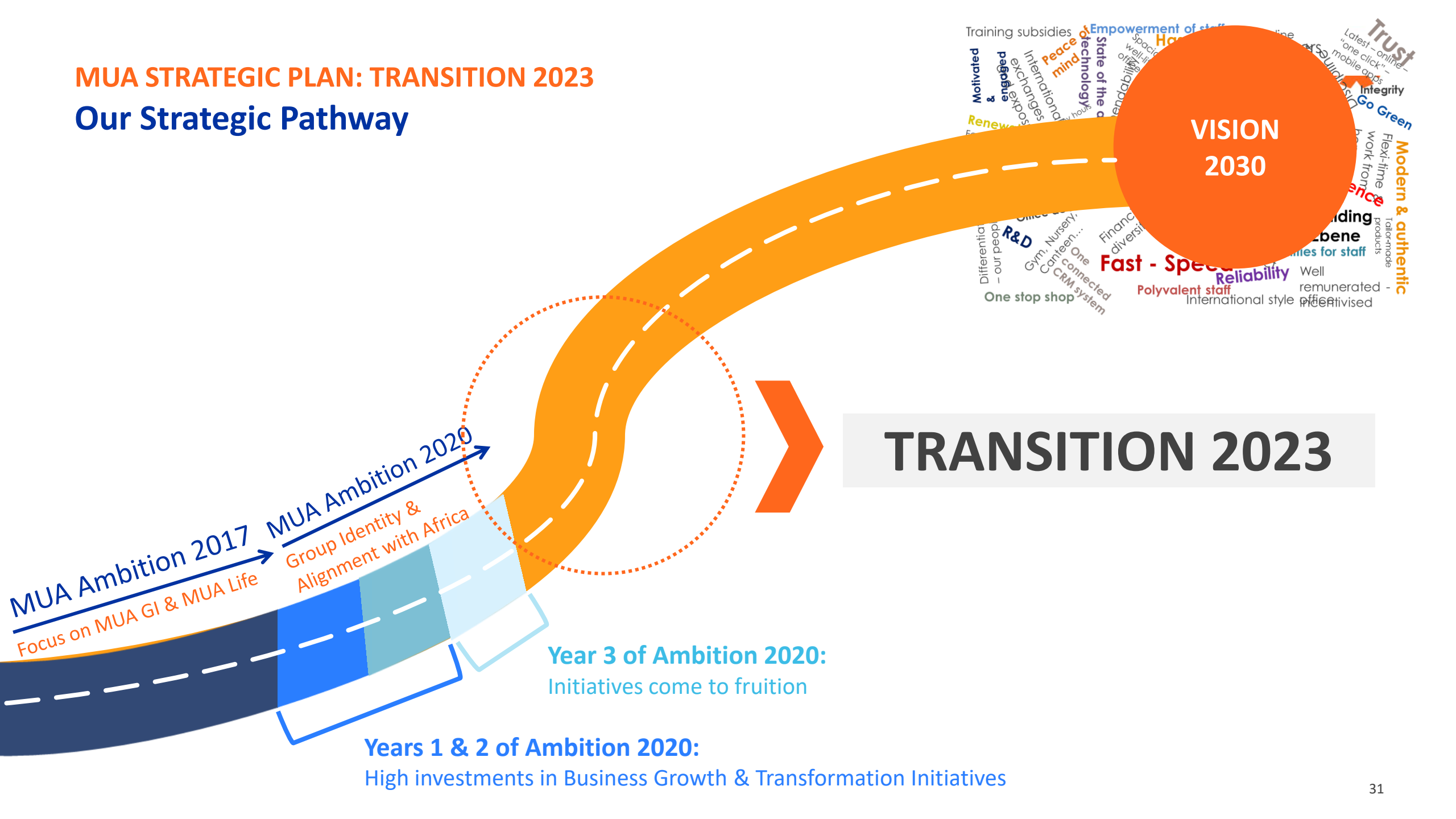
1. Based on latest available market share figures . Market share in terms of GWP. Excludes medical insurance.

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# **STRATEGIC PLAN UPDATE TRANSITION 2023**

# MUA STRATEGIC PLAN: TRANSITION 2023

## Our Strategic Pathway





## A new Strategic Plan

# Sustainable MUA

Taking into account the **uncertain global & local context, the expectations of clients and the new need to inject a fresh impetus**

## GENERAL INSURANCE

- Operational Efficiency
- Service Excellence

## LIFE INSURANCE

- Business Resilience
- Digital Transformation

## EAST AFRICA

Increasing the volume through:

- a strong distribution network,
- international partnerships,
- a mass market penetration strategy using digital .

The fundamentals of insurance: **SOLIDARITY**

By giving meaning to what we do, we will create an enhanced and differentiated value proposition for our clients, the community and for our staff.

1

Focus on  
Prevention

2

Close the  
Protection Gap

3

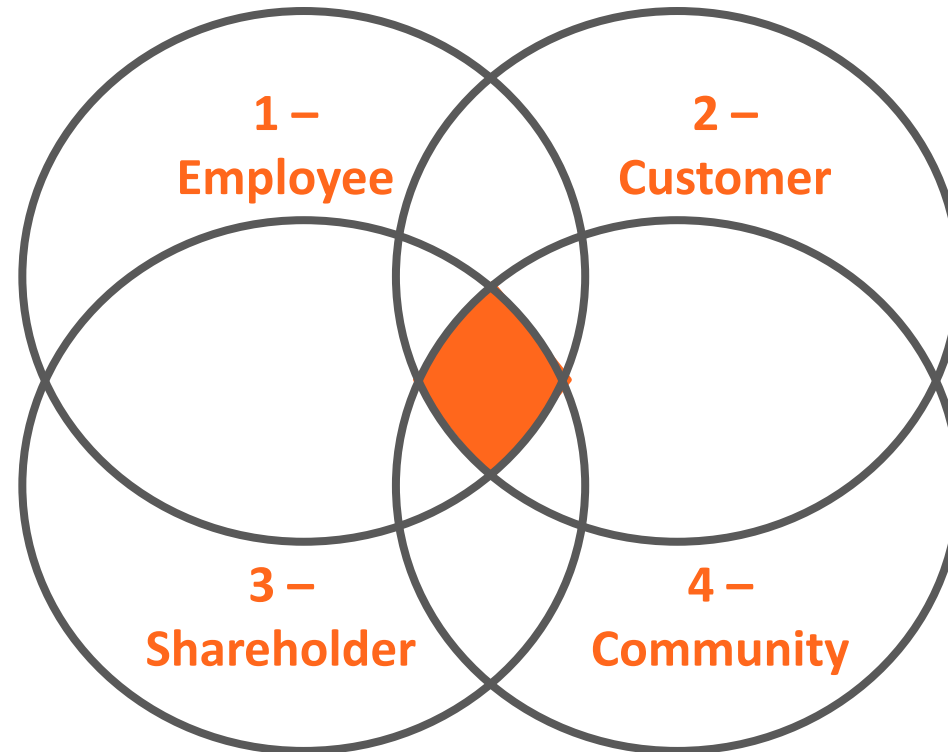
Responsible  
Investment



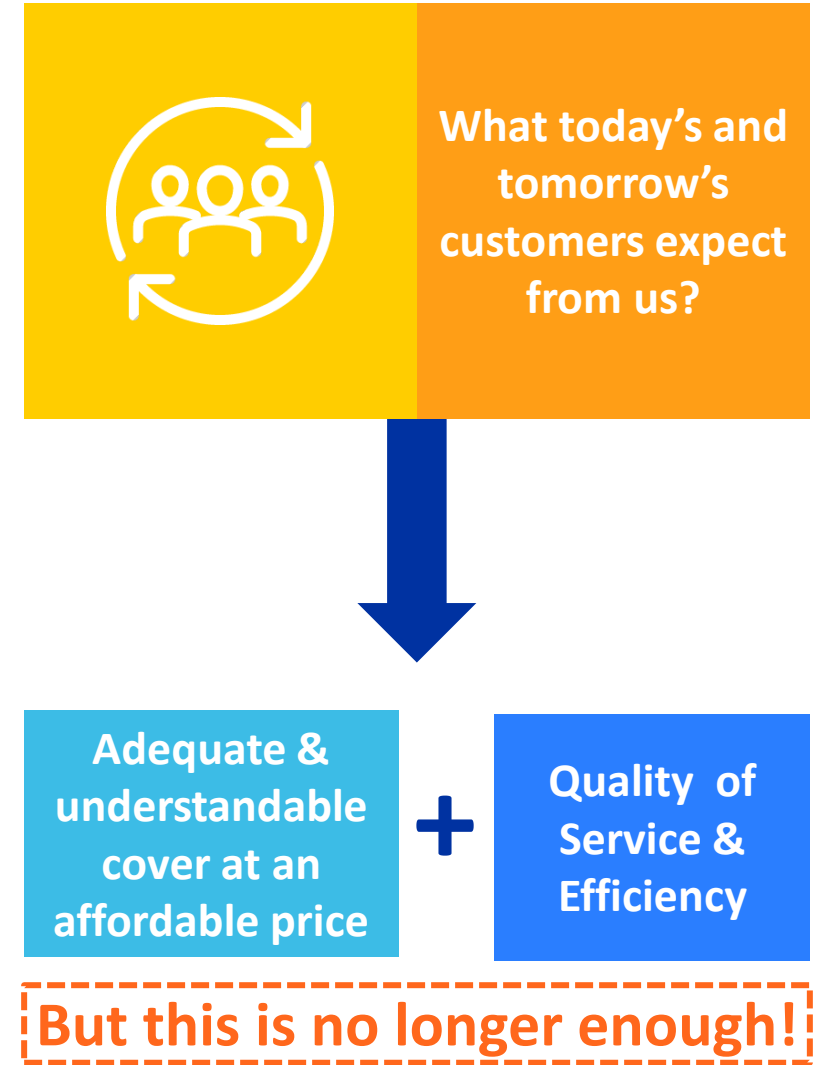
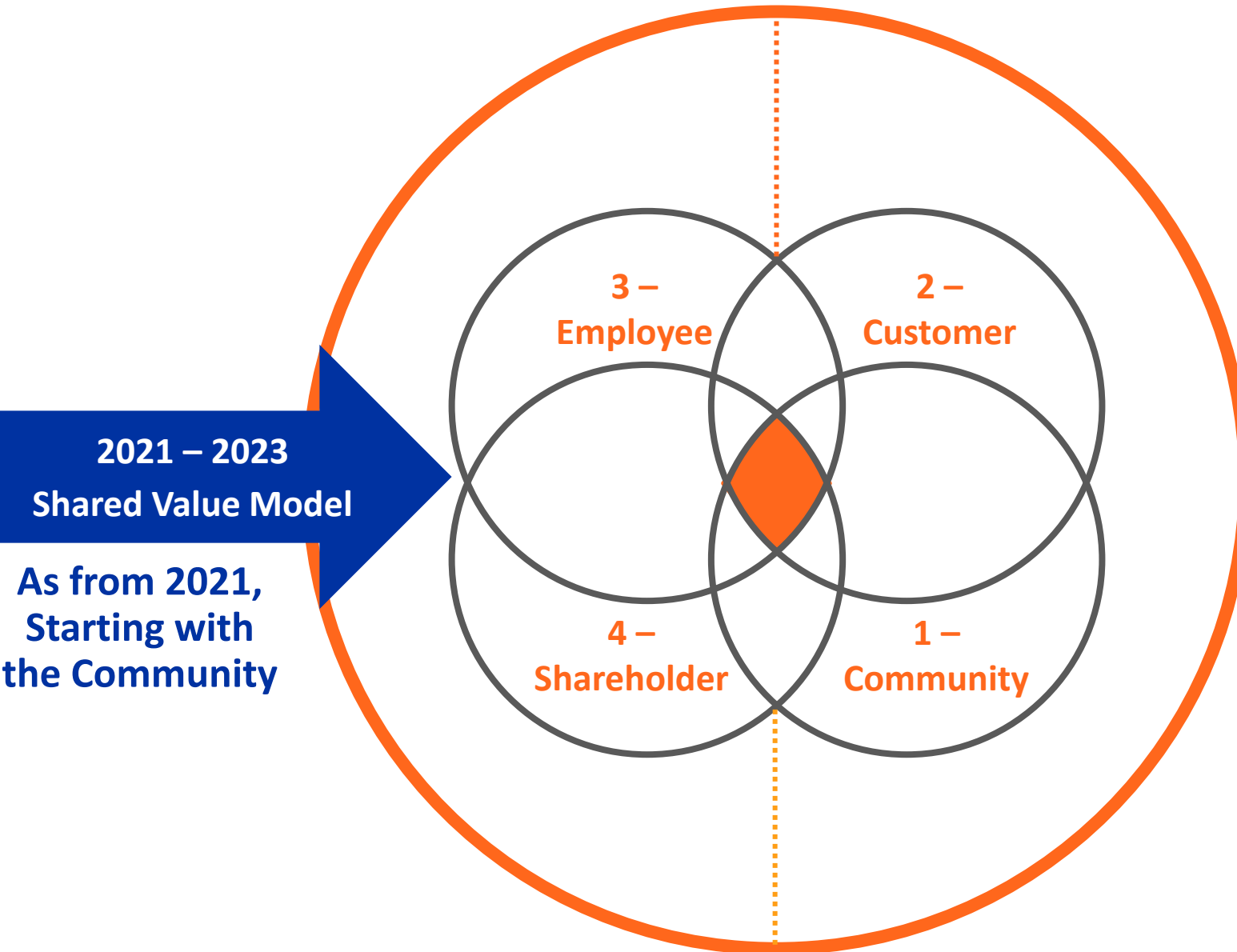
## MUA STRATEGIC PLAN: TRANSITION 2023

### The Essence of MUA – Creating Value for All

The 2015 – 2020 Focus

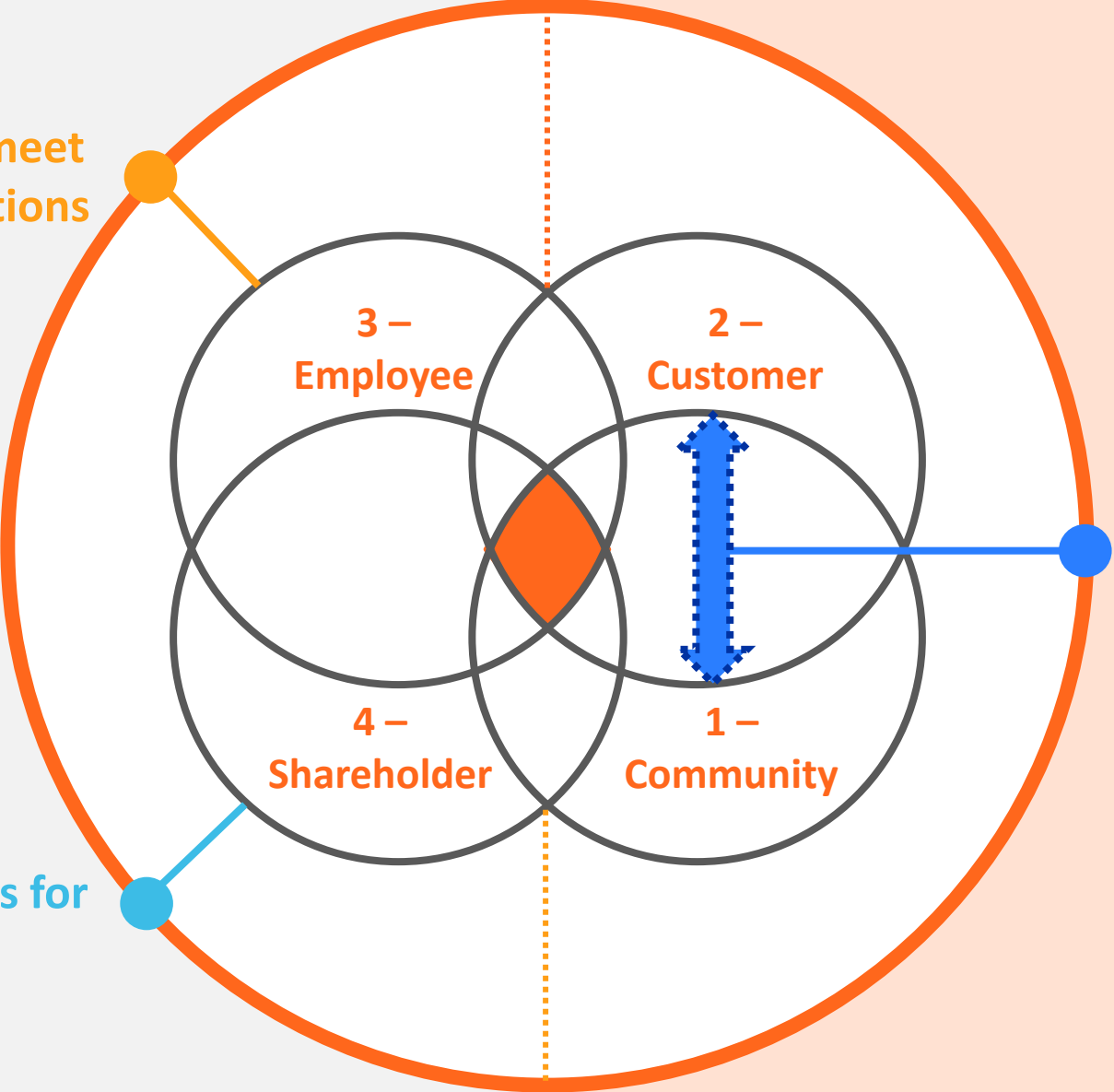


## MUA STRATEGIC PLAN: TRANSITION 2023



MUA STRATEGIC PLAN: TRANSITION 2023

Enabling our workforce to meet the changing client expectations



The Client & The Community both are seeking a meaningful output from us:

Simple, accessible, affordable & empathetic insurance that creates a positive impact for society

Long-term concrete results for shareholders

ADAPTING OUR STRATEGIC PLAN TO THE CONTEXT

OUR CORE ROLE AS A SUSTAINABLE INSURER



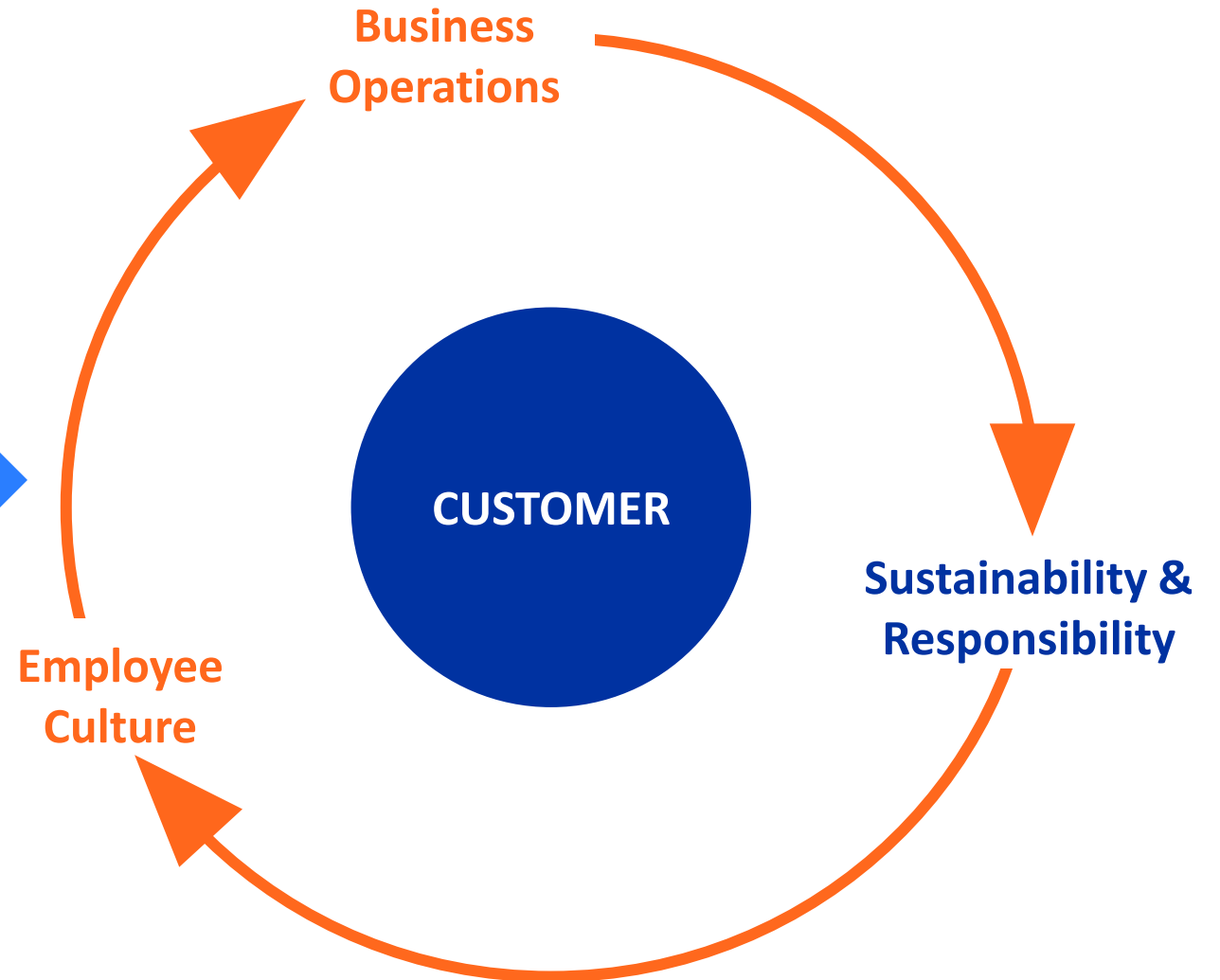
## MUA STRATEGIC PLAN: TRANSITION 2023

### Our Strategic Framework for 2021 – 2023

#### The Client at the HEART

Focusing on Our Core Duty as a Responsible Insurer to bring on:

- a Meaningful Contribution to the Community,
- a Motivated and Engaged Workforce,
- Efficient & Effective Insurance Operations







## MUA STRATEGIC PLAN: TRANSITION 2023

### Transition 2023 – MUA, a sustainable insurer

#### FOCUS ON PREVENTION

- Strongly promoting **Safe Driving**
  - Selecting better risks & encouraging better driving behaviour amongst young drivers
- Encouraging clients to lead a **healthier lifestyle**
- Helping individuals & companies **better prepare for the economic risks they face**

#### CLOSE THE PROTECTION GAP

- Providing **adequate & affordable covers** that meet customer needs
- Tangible **short term benefits**
- **Microinsurance, financial planning & wealth management**

#### INVESTMENT

- **Socially Responsible Investment (SRI)**
- Positive social impact, incorporating ESG into investment decision process

1 Day per Employee to participate in MUA Foundation Activities

CSR

Giving back to the community by focusing on 3 main Sustainable Development Goals



Health



Home



Car



Protection Plan



Retirement



Unit-Linked



Life



Pension Funds



Savings



Loans



Investment





## MUA STRATEGIC PLAN: TRANSITION 2023

### Transition 2023 – MUA, a responsible insurer



**DON'T DRINK  
AND DRIVE!**

Vous êtes BOB pour la soirée ? Pour vous, les boissons sans alcool sont gratuites lors de nos activations en soirée. Demandez votre bracelet\* !

#DontDrinkAndDrive



**L**EARNERS  
CHALLENGE

RESPONSABILISER LES  
CONDUCTEURS DE DEMAIN

EDUCATION

PREVENTION

RESPONSIBLE

SUSTAINABLE



**L**EARNERS  
CHALLENGE

SANZ VITESS

by MUA

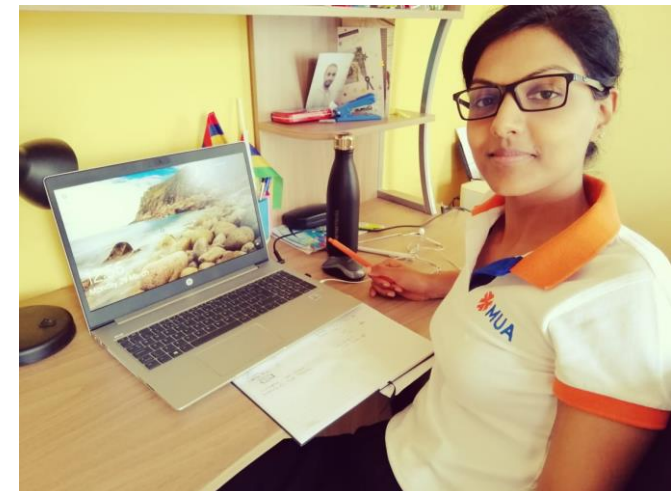
**DON'T DRINK & DRIVE**





## MUA STRATEGIC PLAN: TRANSITION 2023

### Transition 2023 – MUA, a passionate team with purpose



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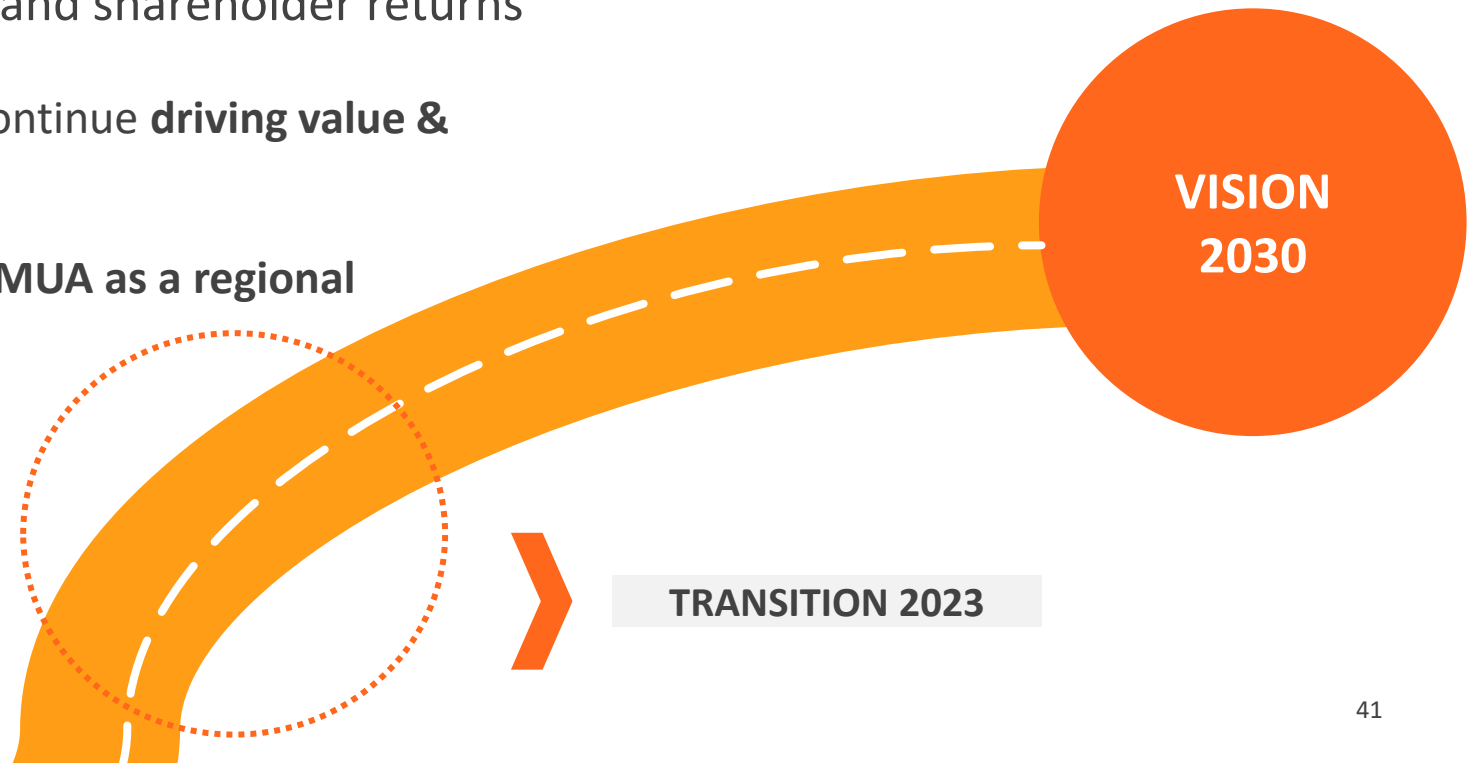
# OUTLOOK FOR 2021



# OUTLOOK FOR 2021

## A prudent approach whilst remaining cautiously optimistic

- Confident in the **resilience of our business model** and **ability to adapt** to changing market and challenging environment
- Continuous **investment in digitalisation** and **improved business processes**
- **Transition 2023: Renewed focus on sustainability and solidarity** expected to align interests and contribute improved client experience and shareholder returns
- Integration of Saham Kenya expected to continue **driving value & synergies**
- Growing market share and **strengthening MUA as a regional insurance group**
- The COVID-19 pandemic has resulted in a fundamental disruption and equates to **an opportunity for the insurance industry** to remake itself in line with new societal realities and market needs<sup>1</sup>





# 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)



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