



Annual Report 2023



75  **YEARS**
BY YOUR SIDE



CONTENTS

04	ABOUT MUA
12	SUSTAINABILITY
20	CORPORATE GOVERNANCE
58	RISK MANAGEMENT
72	FINANCIAL STATEMENTS

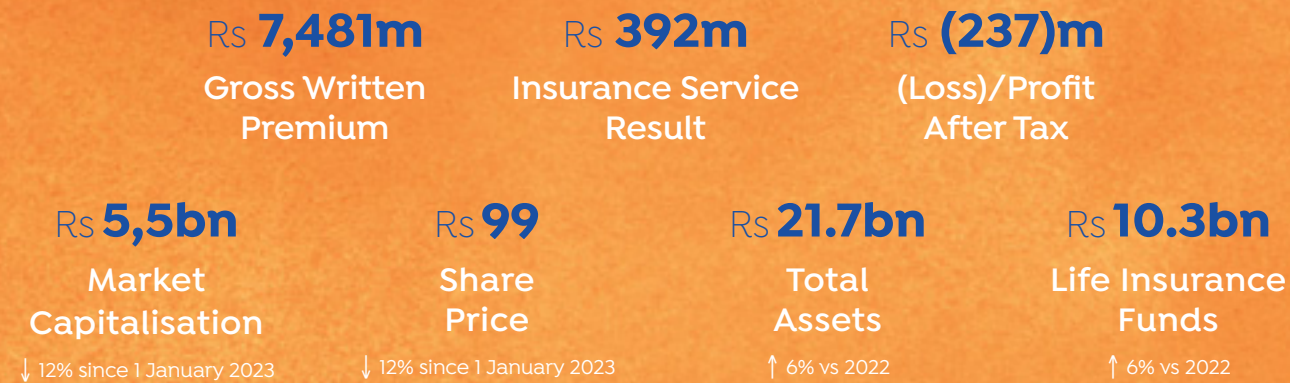


► [About MUA](#)

 **From your child's
education to your
investments,
we're here to help
you prosper.**

MUA at a Glance

2023 Group Highlights*



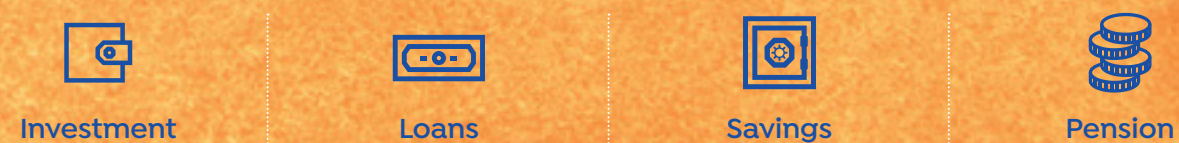
*All figures are as at 31 December 2023

Our services and solutions

Insurance solutions



Financial solutions



An Overview of MUA

MUA is a regional financial services company committed to providing innovative insurance and financial solutions for communities in Mauritius, across East Africa and the Indian Ocean. Although our primary focus is on general and life insurance cover, our subsidiaries also offer a variety of specialised services and solutions to corporate and individual clients in the fields of pension, investment, and savings.

Our home market of Mauritius remains strategic. We are the largest insurer by market capitalisation in Mauritius. We have a 22.4% market share for general insurance* and an 15.5% market share for life insurance*.

*Market share information is based on the latest published statistics of the FSC.

>75
years of experience
in Mauritius

>110
years of experience
in East Africa



6 Countries

1. Mauritius
2. Kenya
3. Uganda
4. Rwanda
5. Tanzania
6. Seychelles

Industry leader in Mauritius*

2nd
General Insurance
Gross premium

1st
Motor Insurance

2nd
General Insurance
Net premium

2nd
Health Insurance

3rd
Life Insurance

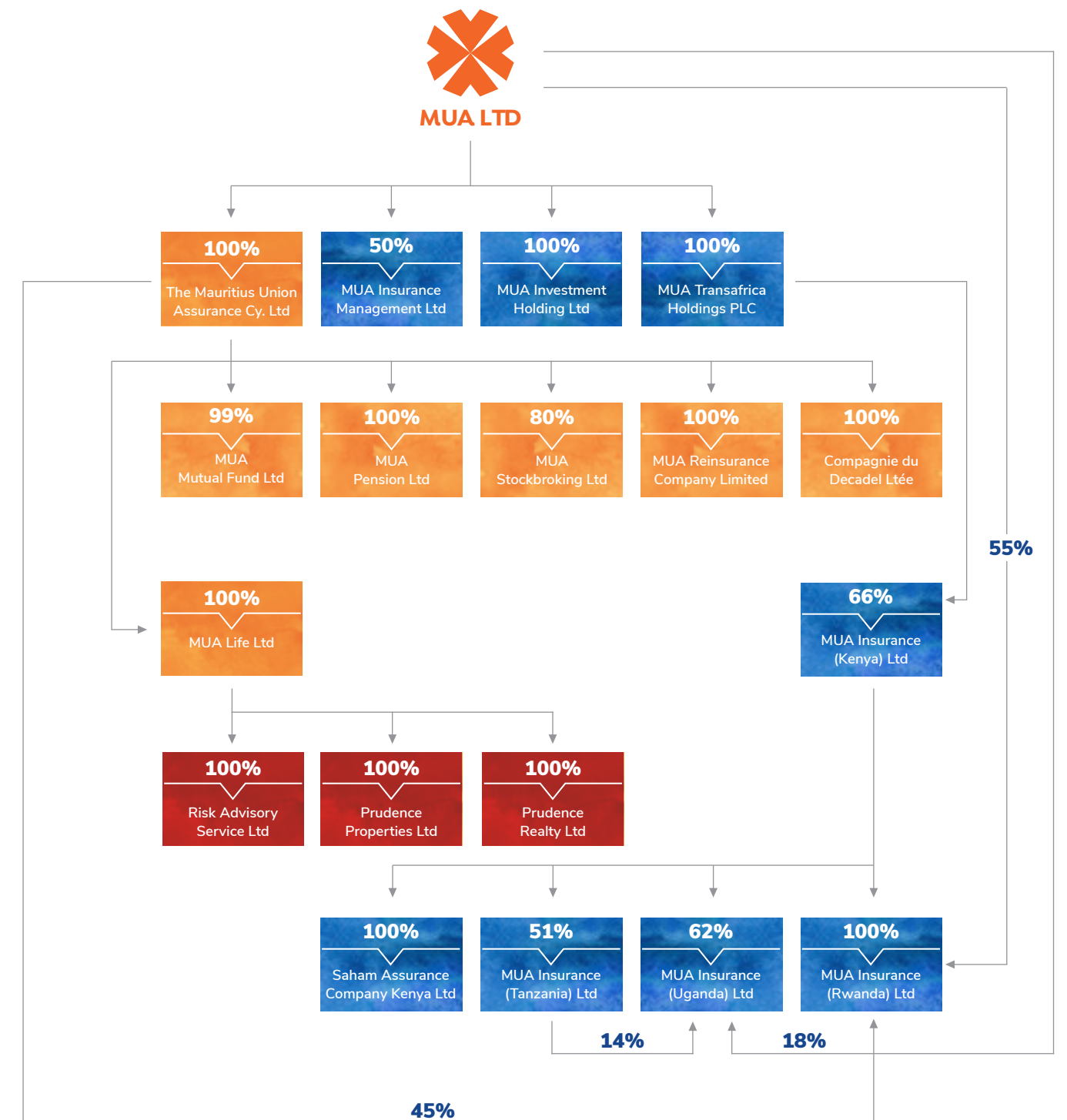
1st
Liability

*Market share information is based on the latest published statistics of the FSC.

Understanding the MUA Vision, Values & Strategy



Group Structure



Our entities and activities

Entity name	Brand Logo	Country	Effective Holding	Principal Activities
The Mauritius Union Assurance Cy. Ltd		Mauritius	100%	General Insurance
MUA Life Ltd				Life Insurance
MUA Pension Ltd			100%	Pension Fund Administration
MUA Mutual Fund Ltd			98.6%	Mutual Fund Investment
MUA Stockbroking Ltd			80%	Investment Dealer
MUA Insurance (Kenya) Limited		Kenya	66.38%	General Insurance
MUA Insurance (Tanzania) Limited		Tanzania	51%	General Insurance
MUA Insurance (Uganda) Limited		Uganda	62%	General Insurance
MUA Insurance (Rwanda) Limited		Rwanda	55%	General Insurance
MUA Insurance Management Limited		Mauritius	50%	Insurance Management
MUA Reinsurance Company Ltd		Mauritius	100%	Reinsurance
MUA Investment Holding Ltd	-	Mauritius	100%	Investment Holdings
Risk Advisory Services Limited	-	Mauritius	100%	Property Holding
Prudence Properties Ltd	-	Mauritius	100%	Property Holding
Prudence Realty Ltd	-	Mauritius	100%	Property Holding

Corporate Information

Registered Office

4 Léoville L'Homme Street, Port Louis
Republic of Mauritius
Telephone: +230 207 5500
info@mua.mu
mua.mu

Auditors

PricewaterhouseCoopers

Actuaries

Deloitte & Touche (South Africa) – for The Mauritius Union Assurance Cy. Ltd
EY (South Africa) - for MUA Life Ltd

Main Bankers

ABSA Bank Mauritius Ltd
Investec Bank Mauritius Ltd
The Mauritius Commercial Bank Ltd

Secretary

ECS Secretaries Ltd

Share Registry

SBM Fund Services Ltd



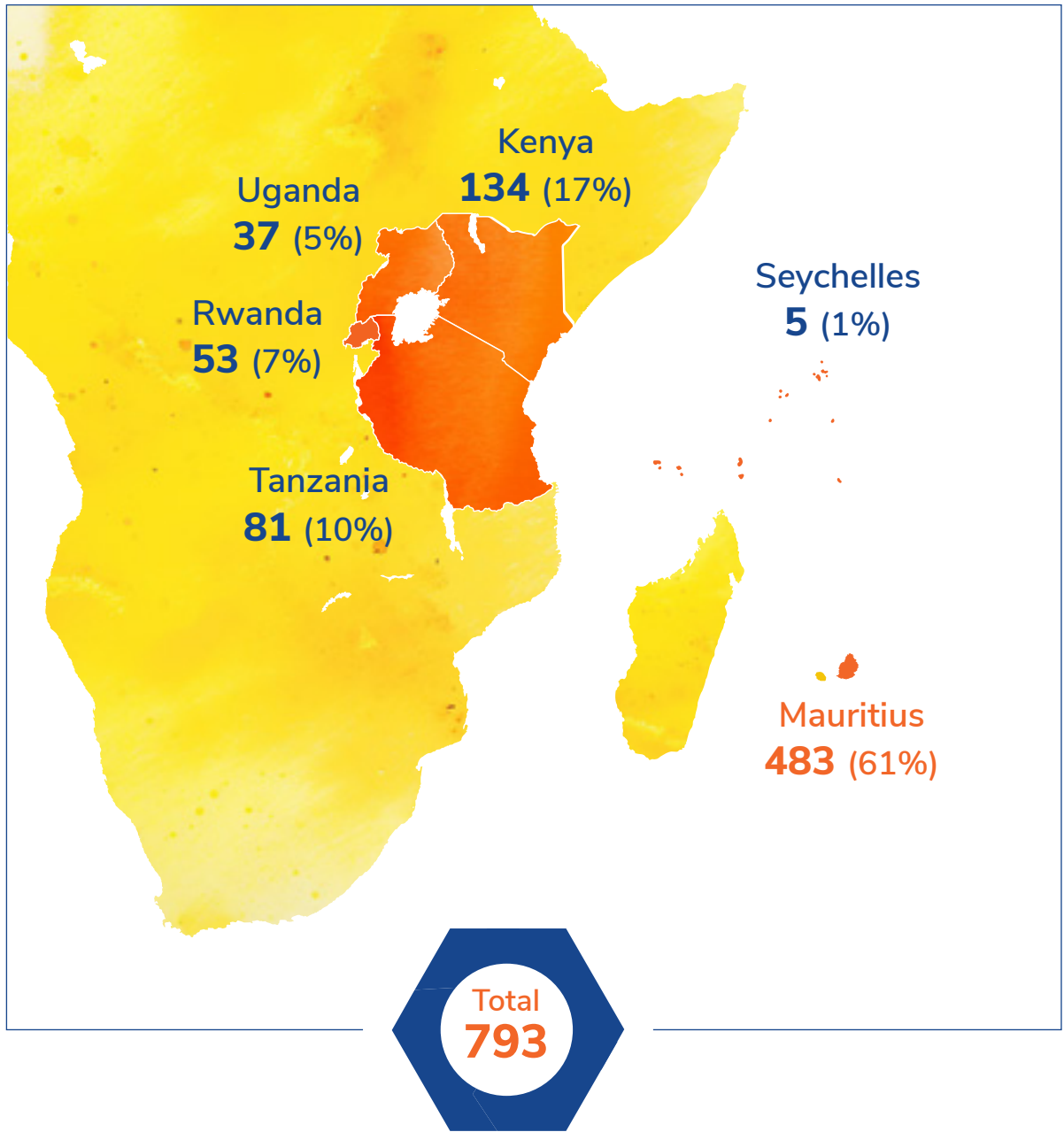
From the sustainable sourcing to reducing our carbon footprint, we have championed sustainable development.

SUSTAINABILITY

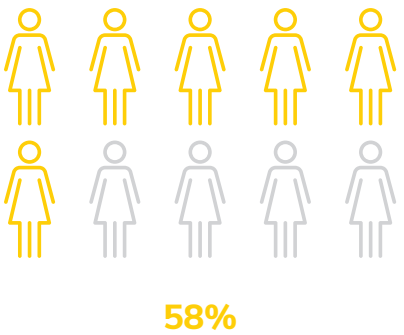
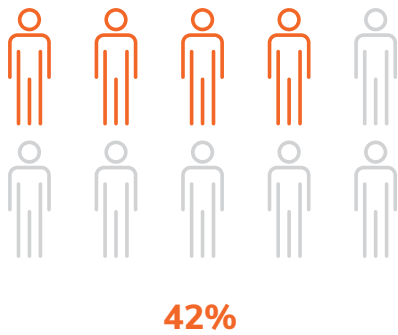
Part 1: Investing in our staff

Group Human Resources

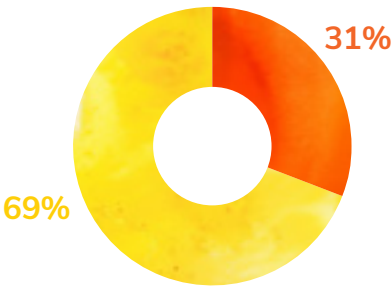
Overall headcount



Men to Women ratio (Total)



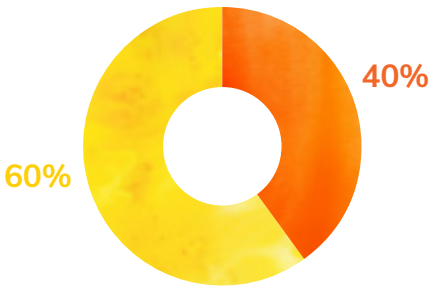
Mauritius



Tanzania



Seychelles



Rwanda



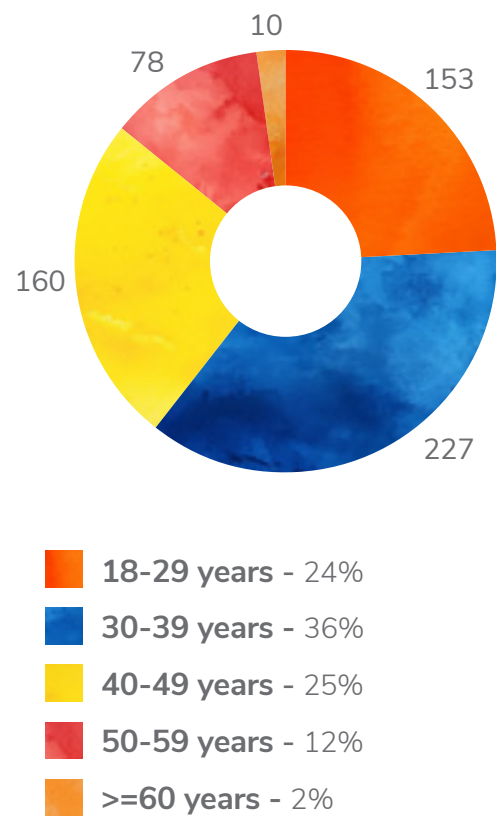
Uganda



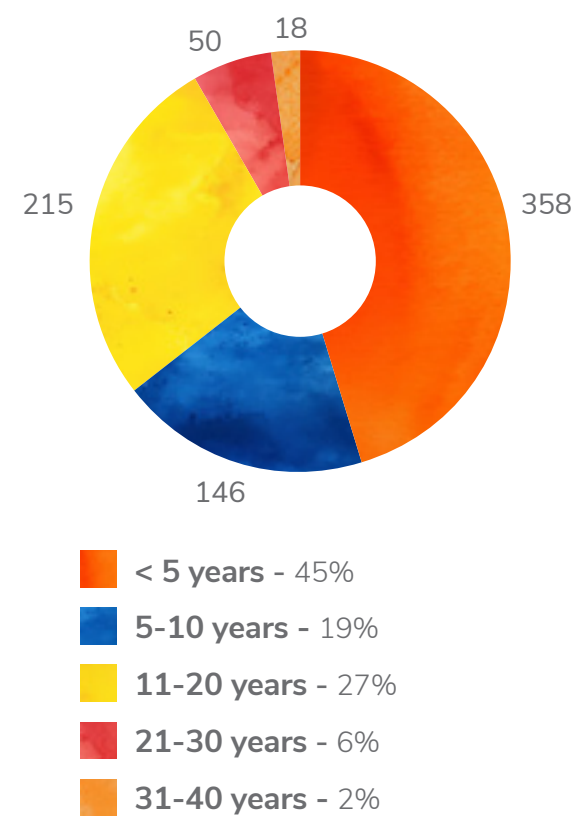
Kenya



Employees by age



Employees by length of service



Employee Training & Development

		Mauritius	Uganda	Tanzania	Rwanda	Kenya	TOTAL
Training hours		1,031	39	216	-	1,019	2,305
Participants		492	34	39	74	125	764
Training budget		8,412,342	60,460	674,818	708,282	122,242	9,978,144
Employees sponsored for professional qualifications		7	6	2	5	11	31

Employee Welfare Activities

Activities Mauritius:

Celebrations: for Independence Day, Women's Day, Eid, Diwali.

Health & Wellness: Zumba & Tai Chi Classes; Wellness Week & informative health talks; Football and Board games Tournament; First Aid Training.

Events: MUA's 75-year Anniversary celebrations & gifts; End of Year Party 2023; Family Event at Odysseo.

CSR Activities: Aquaponics Training; Beach clean-up in Albion; Planting of endemic trees at La Citadelle; visits to various partner NGOs.

Pulse Survey: A leadership initiative to assess the overall engagement level of employees and teams across the group. Starting with a series of engagement workshops, the process included a comprehensive employee engagement survey conducted by an experienced external partner, culminating in Action Definition Workshops with employee representatives. Key success actions were identified and are being implemented systematically at all levels of the organisation.

Part 2: Investing in our customers

Customer satisfaction assessment

We have continued with our regular customer satisfaction surveys and mystery shopping exercises, with the aim of gaining a better understanding of client perception and their actual experience. Ultimately our operational teams and management can effectively assess key client touchpoints, taking corrective actions to improve the customer journey where necessary.

Some of the key results of the Customer Satisfaction Survey conducted in 2023:

- Quality of Service: those who responded that they were satisfied and very satisfied – **94%**.
- Net Promoter Score: **42%**.

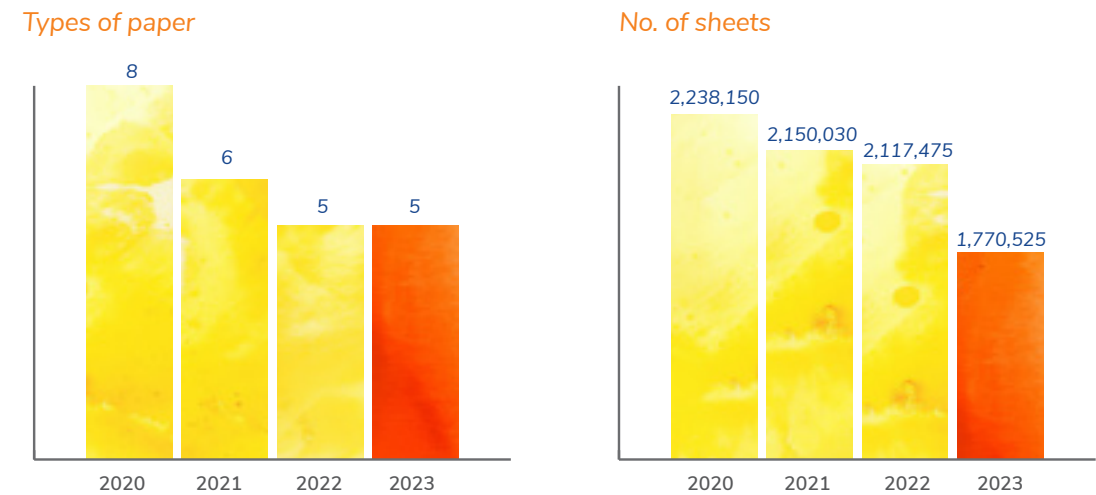
Client Portal

We continued to invest resources in our Client Portal, ensuring customers can manage their general insurance policies securely, 24/7.

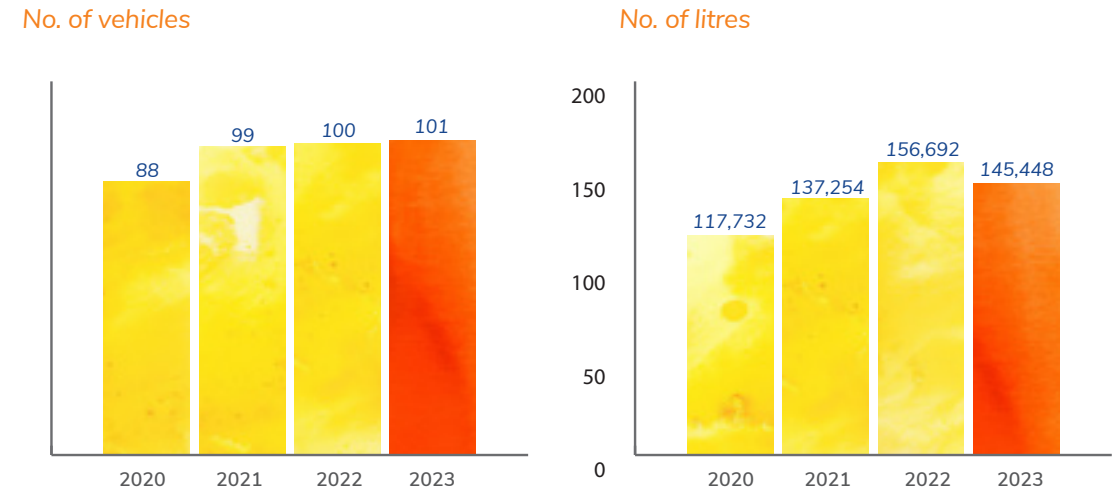
An increasing number of clients have embraced the possibility of managing their insurance online. We noted a steady increase in the number of new client registrations, logins, online payments, health claims and most notably a 23% increase in car insurance renewals.

Part 3: Investing in our environment

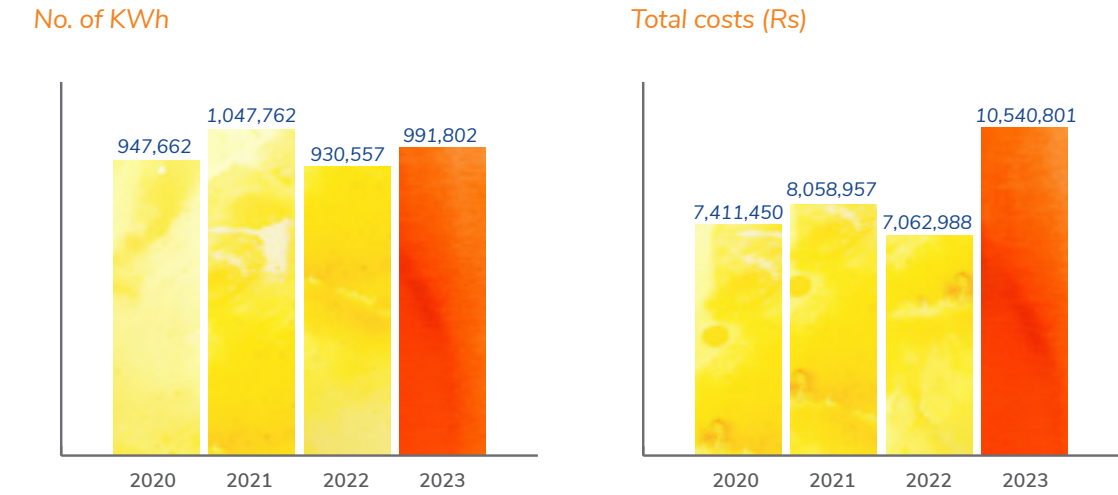
Paper Consumption



Fuel Consumption



Electricity Consumption



Part 4: Investing in our community



Projects	Funding
Education, Welfare & Development of vulnerable Children	
Association d'Alphabétisation de Fatima: salary of a teacher	100,000
Mauritius Fody Booklet: provided to Zeps Schools and partner NGOs	93,380
Launch Event for Fody Booklet: catering	5,000
Club Athlétisme de le Hochet: provide sportswear for the club	30,000
Holdem School: End of Year Gifts for the children	23,500
SOS Children's Village: annual support	25,000
Etoile du Berger: financial support for school materials, uniforms, vegetables and fruits	125,100
Poverty alleviation, community development & capacity building	
APPEL: Capacity Strengthening Programme	130,000
Bonheur Associé aux Enfants: provision of equipment	12,000
Protection, health & special integration of vulnerable groups	
T1diums: Health care support for diabetes patients	50,000
Sustainable Development & Environment	
Forena Agroforestry: planting of endemic trees at La Citadelle	319,790
Mauritian Wildlife Foundation: protection of the Mauritius Fody	350,000
Mission Verte: to support their recycling initiatives	25,000



► Corporate Governance



**We have seen
the world change
and we changed
with it.**

CORPORATE GOVERNANCE REPORT

Group Profile

MUA Ltd ('MUA' or 'the Company') is a public company listed on the Official List of the Stock Exchange of Mauritius ('SEM') since 8 January 2019 and is a Public Interest Entity as defined by the Financial Reporting Act 2004.

The Board of Directors ('Board') of MUA is committed to uphold the highest standards of integrity, accountability and transparency in the governance of MUA and its subsidiaries ('MUA' or 'the Group') and acknowledges its responsibility for applying and implementing the eight principles set out in the National Code of Corporate Governance (2016) ('the Code') as explained in appropriate sections of the Annual Report:

• Governance Structure	page 22
• The Structure of the Board and its Committees	page 24
• Director Appointment Procedures	page 29
• Director Duties, Remuneration and Performance	page 43
• Risk Governance and Internal Control	page 46
• Reporting with Integrity	page 46
• Audit	page 48
• Relations with Shareholders and Other Key Stakeholders	page 49

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Role of the Board

The Board is responsible for effectively leading the Group and the Company by establishing strategies and policies to enhance the long-term value for its shareholders and other stakeholders.

The Board validates and monitors strategies, policies and business plans as well as considers all statutory matters, including the approval of financial statements, the declaration of dividends, the review of the Company's performance through budgets and forecasts and the Chief Executive Officer's report. It also ensures that all legal and regulatory requirements, including the risk framework and the AML/CFT framework are met.

Charters and Code of Ethics

The Board is committed to doing business within high standards of conduct and ethical behaviour which are fundamental to the preservation of MUA's reputation and to the success of its operations. The Board has approved its charter, the organisation's Code of Ethics as well as a Code of Ethics for directors. Moreover, MUA Group's Code of Ethics is also applied at the Company's level, supplemented by a Supplier Charter for procurement activities.

Organisational Chart and Statement of Accountabilities

The Group operates within a defined governance framework with clear lines of authority, accountability and responsibility as illustrated in the chart below.

The Board has approved the positions statements of Key Governance positions as: The Chairman, the Group Chief Executive Officer (Group CEO) and the Company Secretary, as well as the organisational chart and statement of accountabilities.



Statement of Accountabilities

MUA is led by an effective and highly committed Board of Directors who possesses the appropriate skills, knowledge, experience and independence to enable them to discharge their duties and responsibilities in the most effective way. The Board is well aware of its responsibility to maintain a high standard of corporate governance. As outlined above, the Company operates within a well-structured and defined governance framework, with clearly articulated lines of responsibility. Where appropriate the Board can delegate that authority whilst retaining effective control. However, the Board remains fully accountable and responsible for the performance of MUA, at every level of the business.

To this end, the Board has created four Committees, namely the Audit Committee, the Risk Committee, the Governance Nomination and Remuneration Committee ("CGNRC") and the Assets and Liabilities Committee ("ALCO"). All these committees operate within approved terms of reference, with appropriate reporting mechanisms in place to escalate any recommendations to the Board. The committees provide guidance to the Board, with the Country CEO and/or Group CEO as active participants. A further seven Executive- level Committees operate under the Group CEO and the Executive Committee.

Constitution

The Constitution of the Company complies with the provision of the Companies Act 2001 and the Listing Rules of the SEM. The Constitution of the Company was amended in 2022 and approved at a special meeting of the shareholders held on 15 July 2022. It stipulates, amongst others, that no shareholder including their beneficial owner (whether directly or indirectly) can hold more than five percent of the stated capital of the Company without the previous authorisation of the Board of Directors; and that the directors are not required to hold shares of the Company to qualify as Directors.

The Constitution is available to the shareholders upon request.

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES

Board size and structure

The Company’s constitution states that the Board shall consist of a minimum of seven and a maximum of twelve Directors.

As at 31 December 2023, the Company was headed by a unitary Board consisting of eleven (11) Directors, four (4) of whom are Independent Non-Executives, five (5) Non-Executives and two (2) Executives.

The Directors come from different professional backgrounds with varied skills, expertise and strong business experience. Taking into account the sophistication of the Group’s operations, the Board is satisfied that its actual size and composition is well balanced for it to assume fully its responsibilities while discharging its duties effectively. The Board Charter stipulates that composition of the Board shall include at least two Executive Directors, two Independent Directors and gender balance with at least one female Director. Also, as required by the Companies Act 2001, over 25% of the Board is composed of women.

Directors	Category	Date Appointed	Gender	Country of Residence	Board Attendance
Dominique Galea* (Group Chairman)	NED	2018	M	Mauritius	6/6
Bruno de Froberville	NED	2019	M	Mauritius	6/6
Alfred Bouckaert	IND	2019	M	Belgium	5/6
Mushtaq Oosman	NED	2019	M	Mauritius	5/6
Mélanie Faugier	NED	2019	F	Mauritius	5/6
Olivier De Grivel	IND	2019	M	Mauritius	5/6
Brian Ah-Chuen	NED	2022	M	Mauritius	4/6
Catherine Mcllraith (up to 31/12/23)	IND	2019	F	Mauritius	5/6
Ashraf Musbally (up to 28/07/23)	ED	2019	M	Tanzania	1/3
Joerg Weber (Group CEO)	ED	2022	M	Mauritius	6/6
Nelly Eve Brossard (as from 24/08/23)*	IND	2023	F	France	2/2
Sheila Ujoodha (as from 01/09/23)*	IND	2023	F	Mauritius	2/2
Lydia Kibaara (from 28.11.23 and up to 26/03/24)	ED	2023	F	Kenya	N/A
*Celine Gormand (Alternate to Mr Dominique Galea)	NED	2020	F	Mauritius	N/A

Definitions: NED: Non-Executive Director – IND: Independent Non-Executive Director – ED: Executive Director

**The Board of directors appointed Mrs. Nelly Eve Brossard and Mrs. Sheila Ujoodha as independent directors of the Company on the 24 August 2023 and 01 September 2023 respectively, until the forthcoming annual meeting to be held in 2024 where, as recommended by the Corporate Governance, Nomination and Remuneration Committee and by the Board of Directors, their appointments will be proposed to the shareholders of the Company.*

The profile of the Directors is disclosed on pages 30 to 36 of the Annual Report.

The Board endeavours to ensure that each Director:

- (a) can assess the broad outline of the Group's overall policy,
- (b) can act critically and independently from one another, and
- (c) takes part actively in debated issues and expresses his/her viewpoints.

The Board has approved a list of criteria to assess the independence of Directors and has entrusted to the Corporate Governance, Nomination and Remuneration Committee ('CGNRC') the monitoring of their independence on a regular basis. Upon appointment, Independent Directors have signed an undertaking to inform the CGNRC of any matter arising which may affect their status of Independent Director.

The Company Secretary

The Company Secretary ensures that the Company complies with its constitution and all relevant statutory and regulatory requirements, codes of conduct and rules established by the Board. The Company Secretary provides guidance to the Board as a whole and to Directors individually as to how their responsibilities should be discharged in the best interests of the Company. The Company Secretary advises the Board on matters of ethics and good governance and is the focal point of contact within the Company for shareholders.

The Company Secretariat function has been entrusted to ECS Secretaries Ltd through a service agreement. ECS Secretaries Ltd has been an independent provider of company secretarial services for over two decades and employs fully qualified secretaries from the Chartered Governance Institute to fulfil its duties as Company Secretary in accordance with qualifications required by the Companies Act 2001. The role of the Company Secretary has been defined in a Position Statement as approved by the Board of Directors.

Board and Committees processes

The annual calendar of board, committees and annual shareholders' meetings are set well in advance. According to their respective charters, Board meetings and all Board committees are held at least four times a year except for the CGNRC that meets at least twice a year. Additional meetings may be convened to deliberate urgent matters. Certain decisions are taken by way of written resolutions.

The Board reviews Board and Committees' charters upon recommendation of the CGNRC.

Board Committees

The four Board Committees, namely the Audit Committee, the Risk Committee, the Assets and Liabilities Committee and the Corporate Governance, Nomination and Remuneration Committee, assist the directors in the discharge of their duties through a comprehensive evaluation of specific issues.

The Chairpersons of the four committees are invited to report verbally to the directors during Board meetings.

Each Committee is governed by a charter as approved by the Board.

(1) Audit Committee

Members:	Category	Attendance at Committee meetings
Mushtaq Oosman (Chairman)	NED	8/8
Catherine Mcllraith (up to 31/12/2023)	IND	7/8
Olivier de Grivel	IND	7/8

All members of the Audit Committee are financially literate and the Chairman is a Fellow of the Institute of Chartered Accountants, England and Wales.

Main Terms of Reference

- the functioning of the internal control system and internal audit;
- the risk areas of the Company’s operations to be covered within the remit of the internal and external audits, with the exclusion of those addressed by the Risk Committee;
- the reliability and accuracy of financial information provided to management and other users of financial statements;
- the company’s compliance with regulatory requirements with regard to financial matters;
- the scope and results of the external audit, its cost-effectiveness, independence and objectivity; and
- the nature and extent of non-audit services provided by external auditors. External and Internal Auditors attend meetings when required.

Main areas of focus during the year under review:

- Quarterly unaudited financial statements and audited annual financial statements including management reports from the external auditor;
- Debtors review;
- Internal restructuring matters;
- Monitoring implementation plan of the new accounting standard: IFRS 17;
- Internal Audit reports – Company and subsidiaries (including East African subsidiaries); and
- Recommendation of rate of dividend to declare.

(2) Corporate Governance, Nomination and Remuneration Committee (‘CGNRC’)

Members:	Category	Attendance at Committee meetings
Catherine McIlraith (Chairman) (up to 31/12/2023)	IND	4/4
Brian Ah Chuen	NED	2/2
Mélanie Faugier	NED	3/4
Dominique Galea	NED	3/4
Mushtaq Oosman	NED	4/4

Main Terms of Reference

- To keep the Board informed of current best practices in corporate governance for their applicability to the Company;
- To update the Company’s corporate governance principles and governance practices;
- To ensure that the reporting requirements with regard to corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the 8 principles of the Code;
- To make recommendations to the Board on the appointment of new executive and non-executive directors
- To advise on the composition of the Board and the balance between executive and non- executive directors;
- To prepare succession planning and to make recommendations regarding the company’s general policy pertaining to executive, non-executive, independent non-executive fees and senior management remuneration.

Main areas of focus during the year under review:

- Review of the corporate governance report;
- Review and recommendation on Employee Share Scheme 2023;
- Review and recommendation on proposed amendments to the Constitution of the Company;
- Governance review further to Proparco investment;
- Board and Committees composition and Review criteria for Independent Directors;
- Review and recommendation on directors’ fees;
- Executives’ bonuses;
- Review of Group Management Structure;
- Review Succession planning for directors and members of the Executive Committee.

(3) Risk Committee

Members:	Category	Attendance at Committee meetings
Alfred Bouckaert (Chairman)	IND	4/4
Olivier De Grivel	IND	4/4
Dominique Galea	NED	4/4
Mushtaq Oosman	NED	4/4

Main Terms of Reference

- Reviewing the Group’s risk appetite and future risk strategy for economic capital, liquidity and reputation and also for operational risks;
- Reviewing the Group’s risk profile against risk appetite, effectiveness of risk management framework;
- Reviewing scenarios and stress tests which the Group uses to assess the adequacy of its economic and regulatory capital and liquidity; and
- Managing the Group’s risk policies.

Main areas of focus during the year under review:

- Quarterly Risk reports (including Mauritian and East African subsidiaries);
- Risk Management Framework (RMF) in line with the Insurance Risk Management Rules (2016);
- ORSA reports;
- Overview of major litigation;
- Bonds monitoring;
- Reinsurance Risk;
- Capital Management;
- Data Privacy;
- AML/CFT framework;
- Business Continuity Plan; and
- Cyber security.

(4) Assets and Liabilities Committee (ALCO)

Asset and Liabilities Committee		
Members:	Category	Attendance at Committee meetings
Alfred Bouckaert (Chairman)	IND	4/4
Olivier De Grivel	IND	4/4
Mehtab Aly	Group Chief Finance Officer	4/4
Dominique Galea	NED	4/4
Bruno de Froberville	NED	4/4
Ashraf Musbally (Up to 28/07/2023)	ED	2/4
Joerg Weber (Group CEO)	ED	4/4

Main Terms of Reference

- Devise the Group's investment strategy;
- Define the investment philosophy and specific investment objectives of the Group consistent with this strategy;
- Define responsibilities with regard to the management of the Group investment portfolio;
- Determine appropriate levels of investment risk which the Group is prepared to accept within the broader guidelines set by the MUA Group Risk Policy and the Board;
- Determine capital allocation criteria;
- Monitor the Assets and Liabilities management; and
- Determine appropriate benchmarks for the measurement of investment performance.

While the Board is ultimately responsible for ensuring that the appropriate structure and processes are in place to effectively manage capital and treasury risk, the ALCO decides on the appropriate asset allocation, on portfolio construction and asset manager selection (where applicable) in order to achieve the goals, set out in the investment strategy.

Main areas of focus during the year under review:

- Introduction of Socially Responsible Investment Policy;
- Consistent monitoring of portfolios in light of the impact of the current pandemic;
- Increased allocation to foreign equity & fixed income asset class;
- De-risking and optimisation of African portfolios;
- Asset and Liabilities matching of Life insurance portfolio;
- Diversification across and within each asset class; and
- Liquidity and capital management.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election of directors

According to the Constitution of the Company, directors may be appointed by:

- Notice in writing signed by the holders of the majority of the ordinary shares;
- Directors' resolution to fill a casual vacancy or to increase the number of directors up to the maximum number allowable by the Constitution;
- One Director to be appointed upon proposal of Société De Promotion Et De Participation Pour La Coopération Économique S.A. ("Proparco") (or its transferee), provided that the appointment be approved at the shareholders' meeting and
- Shareholders' ordinary resolution.

Moreover, to be in line with the Code, the Board has adopted a Nomination Policy which defines the election and re-election processes.

Directors are appointed on a yearly basis at the annual meeting of shareholders. Each director is elected by a separate resolution. The process of selection and nomination of candidates as directors and the process for re-election of directors are entrusted to the CGNRC.

Directors' Profile



Dominique GALEA

Non-Executive Director and Group Chairman

Citizen and Resident of Mauritius

Born in 1952

Appointed: July 2018

Qualifications: HEC Paris (France)

Skills & Experience:

- Started in the clothing industry by setting up a buying office for overseas buyers (Kasa Textile Ltd)
- Then diversified his activities by acquiring controlling stakes in Ducray Lenoir Ltd in 1988, and in Rey & Lenferna Ltd in 1998

Board Committee memberships:

Corporate Governance, Nomination & Remuneration Committee, Risk Committee and Assets and Liabilities Committee

Directorship in other listed companies:

Director of Ascencia Ltd, Chairman of Forges Tardieu Ltd and United Docks Ltd



Joerg WEBER

Executive Director and Group CEO

Citizen of Germany and Resident of Mauritius

Born in 1968

Appointed: October 2022

Qualifications: Diplôme de Grande Ecole (ESCP Business School) and Doctor of Business Administration, Finance (Henley Business School)

Skills & Experience:

- Began his career in banking before joining McKinsey & Company as Engagement Manager
- Over 28 years of experience in the insurance and investment sectors, 20 of which with the Allianz Group
- Whilst at Allianz he occupied several executive roles in different European countries (Germany, Belgium, Netherlands). More recently he was CEO of Allianz Direct Benelux, before joining Allianz Maroc as CEO and the Allianz Africa board in 2018
- Became Group CEO of MUA in October 2022

Board Committee memberships:

Assets and Liabilities Committee (ALCO)

Directorship in other listed companies: none



Brian AH-CHUEN

Non-Executive Director

Citizen and Resident of Mauritius

Born in 1967

Appointed: December 2022

Qualifications: Bachelor of Business Administration Honours degree from Schulich School of Business, York University (Toronto, Canada). Fellow Member of the Mauritius Institute of Directors

Skills & Experience:

- Currently Executive Director of ABC Banking Corporation Ltd (listed on the DEM of the Stock Exchange of Mauritius); and
- Previously the Executive Director of several companies in the ABC Group including Chue Wing & Co. Ltd (Foods), ABC Autotech Ltd (Automobile) and Marina Resort (Hospitality)

Board Committee memberships:

Corporate Governance, Nomination & Remuneration Committee

Directorship in other listed companies:

Director of ABC Banking Corporation Ltd and ABC Motors Company Limited



Alfred BOUCKAERT

Independent Non-Executive Director

Citizen and Resident of Belgium

Born in 1946

Appointed: January 2019

Qualifications: Bachelor degree from the University of Louvain (Belgium)

Skills & Experience:

- Served as General Manager at Crédit Lyonnais Europe and, before its acquisition, at Chase Manhattan Bank;
- Worked at AXA where he was CEO of AXA Belgium, Germany, Switzerland (with the acquisition of Winterthur), Ukraine and Russia and a member of the main Management Board;
- Past President of the Board at Belfius Bank and Insurance; and
- Currently holds various positions in several boards of non-listed and listed companies outside Mauritius

Board Committee memberships:

Risk Committee (Chairman) and Assets and Liabilities Committee (Chairman)

Directorship in other listed companies: none



Bruno DE FROBERVILLE

Non-Executive Director

Citizen and Resident of Mauritius

Born in 1962

Appointed: January 2019

Qualifications: MBA from the University of Birmingham (UK), a Bachelor in Science with a Major in Marketing from Louisiana State University (USA)

Skills & Experience:

- Experienced professional in the property and building sector; and
- General Manager and owner of Square Lines Ltd, a property development company

Board Committee memberships:

Assets and Liabilities Committee

Directorship in other listed companies:

Director of MDF Group Ltd



Olivier DE GRIVEL

Independent Non-Executive Director

Citizen and Resident of Mauritius

Born in 1956

Appointed: May 2019

Qualifications: Master in Management ESCP Paris (France)

Skills & Experience:

- Career in international corporate and investment banking at JP Morgan and HSBC with responsibilities in senior management and client coverage; and
- Worked in Paris, New York, London and Hong Kong with a specialty in financial institutions

Board Committee memberships:

Risk Committee; Assets and Liabilities Committee and Audit Committee

Directorship in other listed companies:

none



Mélanie FAUGIER

Non-Executive Director

Citizen and Resident of Mauritius

Born in 1980

Appointed: January 2019

Qualifications: DEUG in economics from University of Paris I - Panthéon Sorbonne (France) and an MSc in Management from EM Lyon School of Management (France)

Skills & Experience:

- Started her career as the trading manager of Thon des Mascareignes Ltee (IBL Group);
- Since 2010, she has served as non-executive director and member of various committees of La Prudence Leasing Finance Cy Ltd and Credit Guarantee Insurance Co Ltd; and
- Co-founder and director of various business ventures in the sectors of retail, healthcare and online ads

Board Committee memberships:

Corporate Governance and Nomination & Remuneration Committee

Directorship in other listed companies:

none



Catherine MCILRAITH

Independent Non-Executive Director

(up to 31 December 2023)

Citizen and Resident of Mauritius

Born in 1964

Appointed: January 2019

Qualifications: Bachelor of Accountancy from the University of the Witwatersrand (Johannesburg, South Africa); member of the South African Institute of Chartered Accountants, Fellow Member of the Mauritius Institute of Directors (MIoD)

Skills & Experience:

- Started her career with Ernst & Young in Johannesburg before joining the investment banking industry where she held senior positions in corporate and specialised finance for Ridge Corporate Finance, BoE NatWest and BoE Merchant Bank in Johannesburg;
- Former Head of Banking at Investec Bank (Mauritius) Limited between 2004 and 2010; and
- Serves as an Independent Non-Executive Director and as a member of various Committees of several public and private companies in Mauritius, South Africa and the UK. She also served as a Director of the MIoD for 5 years and as its Chairman for 2 years

Board Committee memberships:

Audit Committee, Corporate Governance and Nomination & Remuneration Committee (Chairman)

Directorship in other listed companies:

Astoria Limited, CIEL Limited, Grit Real Estate Income Group Limited, Les Gaz Industriels Limited, and Phoenix Beverages Limited



Ashraf MUSBALLY

Executive Director, Country CEO - Tanzania and Regional CEO - East Africa

(up to 28 July 2023)

Citizen of Mauritius and Resident of Tanzania

Born in 1969

Appointed: January 2019

Qualifications: BSc City University (London, UK), MBA Imperial College (London, UK), Fellow of the Chartered Insurance Institute (FCII)

Skills & Experience:

- Started his career as Management Consultant at Kemp Chatteris and Deloitte & Touche;
- Joined La Prudence (Mauricienne) Assurances (now part of MUA) in 1997 to manage and develop its health insurance department. He was appointed Chief Operations Officer (General Insurance) in 2004. He retained this post after the Company's merger with Mauritius Union in 2010;
- In 2012, he took over the responsibility of the General Insurance Underwriting Department and was promoted to Head of General Insurance in 2014;
- Appointed CEO Kenya & East Africa in 2016; and
- Appointed CEO Tanzania and Regional CEO for East Africa in August 2021

Board Committee memberships:

Assets and Liabilities Committee

Directorship in other listed companies: none



Mushtaq OOSMAN

Non-Executive Director

Citizen and Resident of Mauritius

Born in 1954

Appointed: January 2019

Qualifications: Chartered Accountant, fellow of the Institute of Chartered Accountants in England and Wales.

Skills & Experience:

- Over 25 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading; and
- Joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius), serving as a partner from 1991 until his retirement in 2015. Primarily an Assurance Partner, he was also responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius

Board Committee memberships:

Audit Committee (Chairman) and Risk Committee

Directorship in other listed companies:

Director of ENL Land Ltd, Automatic Systems Ltd, United Docks Ltd, Les Moulins de la Concorde Ltée, PIM Ltd, Sun Resorts Ltd and Happy World Properties Ltd



Nelly BROSSARD

Independent Non-Executive Director

(as from 24 August 2023)

Citizen and Resident of France

Born in 1970

Appointed: August 2023

Qualifications: Master in Marketing 1994 and in Management 1993 - University of Paris I Panthéon-Sorbonne

Skills & Experience:

- Over 25 years professional experience in different types of structures - brokerage, start-ups, mutuals, insurance companies -with a common thread: development, innovation, e-commerce, digital, and marketing;
- Held various positions in Marketing, Digital & Communication: Marketing and Communication Director of Protegys (now Wakam) from 2000 to 2004, Marketing and Digital Director of MAIF (from 2016 to 2018), Marketing and Distribution Director of Group Groupama (from 2014 to 2016);
- Was Chief Executive Officer of Amaguiz / Amaline assurances, a Group Groupama subsidiary from 2010 to 2014 and Deputy Chief Executive Officer of Mutuelle des Motards from 2018 to 2020;
- Now Consultant and Advisor in the insurance sector and Vice-President of Insurtech France; and
- Currently holds position on Boards outside Mauritius

Board Committee memberships: none

Directorship in other listed companies: none



Sheila UJODHA

Independent Non-Executive Director

(as from 01 September 2023)

Citizen and Resident of Mauritius

Born in 1971

Appointed: September 2023

Qualifications: BSc (Hons) in Accounting; Fellow of the Association of Chartered Certified Accountants and member of the Mauritius Institute of Directors and the Mauritius Institute of Professional Accountants

Skills and Experience: Mrs. Ujoodha is the Chief Executive Officer of the Mauritius Institute of Directors, with 24 years of hands -on experience in internal audit, risk management, corporate governance and process improvement on both the local and international market. She was previously the Managing Director of SmarTree Consulting Ltd and Chief Risk & Audit Executive of Rogers and CIM Group

Board Committee memberships:

Audit Committee, Corporate Governance, Nomination & Remuneration Committee (Chairman)

Directorships in other listed companies:

Innodis Ltd, Vivo Energy Mauritius, Alteo Limited and United Docks Ltd



Lydia WARUGURU (KIBAARA)

Executive Director, Country CEO – Kenya

(from 28 November 2023 up to 26 March 2024)

Citizen and Resident of Kenya

Born in 1971

Appointed: November 2023

Qualifications: Bachelor of Commerce in Marketing from University of Nairobi (UON), MBA in Finance from University of Leicester (UK). Associate member of the Chartered Insurance Institute of London (ACII) and a member of the Insurance Institute of Kenya (IIK)

Skills and Experience:

- Lydia has a wealth of experience in the insurance industry in Kenya and East Africa. She was Regional Head of Medical (East Africa & Mauritius) at Jubilee Insurance between 2007 and 2011
- She was Chief Operations Officer at Jubilee Insurance Company between 2011 and 2014
- She was Managing Director and Principal Officer of Saham Assurance Kenya between 2014 and 2021. She was appointed Managing Director of MUA Kenya in August 2021, following the amalgamation of the General Insurance businesses of Saham Kenya and MUA Kenya

Board Committee memberships: none

Directorships in other listed companies: none



Celine GORMAND

Alternate Director

Citizen and Resident of Mauritius

Appointed: Alternate Director to Dominique Galea since January 2020

Qualifications: Master in Management ESCP Europe (Paris, France)

Skills & Experience:

- Started her career with Duff & Phelps in Paris in 2006, specialising in business valuation and advisory;
- Held various positions in Strategy and Marketing at AXA Group in Paris from 2010 to 2017, before moving to AXA Middle East to work in the Partnership and Bancassurance division of the Gulf region; and
- Joined the retail industry in 2019, first as Head of Strategy and Marketing at Majid Al Futtaim Carrefour in Iran, and now as Group Director of New Business at Carrefour Group in France

Board Committee memberships: none

Directorship in other listed companies: none

Executive Committee

The Executive Committee of MUA ("The Team") has been constituted to manage business issues, opportunities and threats that have cross-divisional implications or are considered as material and/or sensitive for MUA. The Team is the executive decision- making body of MUA and it acts as the primary forum through which decisions of a transverse nature are taken. To effectively address matters of relevance to its duties and responsibilities, the Team has set up appropriate management sub-committees which provide comprehensive evaluation on key issues for members of the Team to reach informed decisions.

The Executive Committee of MUA consists of the following senior management team members, as at 31 December 2023:



Delphine AHNEE

Head of Retail and Group Chief Claims Officer

Citizen and Resident of Mauritius

Qualifications: LLB (Hons.) degree; Qualified Quality Management System Auditor; Executive Education program ESSEC (France)

Skills & Experience:

- Joined La Prudence (Mauricienne) Assurances (now part of MUA) in 2000 as Claims Manager of the General Insurance business. After the merger with MUA in 2010 she was appointed Head of Claims until 2013;
- In 2014 she was appointed Head of Group Risk, Legal & Compliance and Customer Care, where she served as the Group Risk Officer and Money Laundering Reporting Officer;
- In 2022, she became Chief Operating Officer for the General Insurance business; and
- She sits on the Board of MUA Foundation



Mehtab ALY

Group Chief Finance Officer

Citizen and Resident of Mauritius

Qualifications: Master in Business Administration from the Université de Bordeaux IV (France)

Skills & Experience:

- Financial specialist with more than 20 years' experience in financial analysis and structuring, cross-border transactions, corporate valuation, finance raising and financial strategy, also expert in stock exchange related matters, from IPOs and takeovers to de-listings;
- Broad experience in insurance operations;
- Worked for more than 15 years at PwC;
- Joined MUA in 2016 as Head of Mergers & Acquisitions; and
- Became Group Chief Finance Officer in April 2021



Vikash BOOLELL

Head of Legal, Compliance & Risk
Compliance Officer | Chief Risk Officer
Money Laundering Reporting Officer

Citizen and Resident of Mauritius

Qualifications: Maitrise en Droit des Affaires (Université R.Schuman, Strasbourg, France); LL.M Corporate & Tax (The London School of Economics & Political Sciences, UK); Certified Trustee (College of Insurance, Kenya)

Skills & Experience:

- From 2000, worked in various legal advisory positions in the financial services industry;
- In 2004, joined Banque des Mascareignes as Legal Manager;
- From 2007 to 2010, was the Temple Group's senior legal & compliance consultant and registered trainer
- From 2008 to 2009: Director of Transparency Mauritius;
- Worked for the Nestlé Group from 2010 until end 2021, as Head of Legal for the Equatorial African Region & later Regional Senior Legal Manager for the East & Southern African Region, covering 26 jurisdictions overall
- Joined MUA in 2022 as Head of Legal, Compliance & Risk; and
- He sits as alternate director to Mehtab Aly on the board of MUA (Tanzania) Assurance Ltd (previously known as 'Phoenix of Tanzania Assurance Company Limited')



Konde BUGINGO

Country CEO - Rwanda

Citizen and Resident of Rwanda

Qualifications – Business Economics Degree, MSc Finance & Management, Part Qualified CIMA and Candidate CFA

Skills & Experience:

- After gaining experience in Europe as a Senior Analyst, he spearheaded transformation projects at Banque Populaire du Rwanda as Chief Operating Officer;
- He was CEO of RSwitch, Rwanda's national payments switch;
- Then became CEO of Atlas Mara's Commercial Bank in Rwanda, following the merger between BPR and BRD;
- He has extensive boardroom experience in hospitality, energy, insurance, ICT, real estate, leisure industry and export agriculture. Combined with two decades of business executive experience in business start-up, banking, insurance, as well as turnaround, merges & acquisition and expansion experience in Europe and Africa; and
- Joined MUA in 2021 as Managing Director of MUA Rwanda



Naresh GOKULSING

Country CEO – Mauritius

Citizen and Resident of Mauritius

Qualifications: BA in Accounting and Finance from the University of Leeds (UK); MBA from Warwick Business School (UK); Fellow Member of the Association of Chartered Certified Accountants (FCCA); Advanced Management Programme INSEAD (France)

Skills & Experience:

- Started his career with PwC in 1993;
- Joined the Cim Group in 1997 as Head of Research and General Manager of Cim Stockbrokers, then became Head of Finance of Cim Insurance, Chief Operating Officer and Executive Director of Cim Insurance and Cim Life, and finally Managing Director of Cim Property Fund where he launched Ascencia Ltd;
- Joined MUA in 2012 and was appointed Managing Director of the Life subsidiary in Mauritius in 2015; and
- Appointed to Country CEO - Mauritius in 2022



Jérôme KATZ

Head of Group Strategy & Investment

(up to 30 June 2023)

Country CEO – Tanzania

(as from 1 July 2023)

Citizen of Mauritius and Resident of Tanzania

Qualifications: Master in Management ESCP Europe (Paris, France)

Skills & Experience:

- Started his career with the American bank JPMorgan in Paris in 2006; and
- Joined Feber Associates (now part of MUA) in 2009 as the Manager. Until June 2023 he oversaw group strategy, with extensive involvement in the African subsidiaries, strategic marketing and digitalisation and also supervises all the group's investment and asset management activities
- Appointed Country CEO - Tanzania in July 2023.



Clarel MARIE

General Manager - Life Insurance Operations

Citizen and Resident of Mauritius

Qualifications: MBA; Chartered Insurer and an Associate of the Chartered Insurance Institute (London, UK)

Skills & Experience:

- Started his career with Swan Life and was there from 1979 to 1993;
- Joined Cim Insurance in 1993 to develop the long-term individual assurance products and was appointed Technical Manager for Life and Pension in 2001; and
- Joined La Prudence (Mauricienne) Assurances (now part of MUA) in 2006 as Technical Manager of the Life and Pension department and is currently in charge of the Operations of the life insurance subsidiary in Mauritius



Latimer KAGIMU MUKASA

Country CEO - Uganda

Citizen and Resident of Uganda

Qualifications: Banking degree; Postgraduate qualification in Management (London UK)

Skills & Experience:

- Founder of Rock Insurance Services in 2000, an insurance brokerage firm subsequently acquired by Marsh Uganda, of which he became Managing Director;
- Joined MUA in 2017 as Managing Director in Uganda; and
- Served as a Board Member for Financial Literacy Foundation, the Private Sector Foundation of Uganda, Member of the Financial Literacy Advisory Group under the Bank of Uganda and GIZ, founding Vice Chairman of the Forum for South African Businesses in Uganda (FOSABU); and current Board Chairman of Experian Uganda (formerly Compuscan Credit Reference Bureau Uganda)



Annie NANKOU

Group Head of Human Resources

Citizen and Resident of Mauritius

Qualifications: BSc (Hons.) in Management ; Master of Business Administration in Human Resources

Skills & Experience:

- Human Resources professional with over 13 years' experience incorporating business strategy into HR Affairs within different sectors – Service, Manufacturing, Construction, Finance;
- Worked for 9 years within the HOLCIM Group, occupying at once the roles of Head of Human Resources at Lafarge Mauritius and Head of Regional Communications at Lafarge-Holcim within the Indian Ocean Cluster, combining 6 countries; and
- Joined MUA in May 2021 as Group Head of Human Resources



Rishi SEWNUNDUN

Group Chief Information Officer

Citizen and Resident of Mauritius

Qualifications: Graduated in Computer Science and Engineering from University of Mauritius; MBA University of Mauritius. Post Graduate Diploma in Digital Business, MIT Sloan and Columbia Business School Executive Education

Skills & Experience:

- Joined J. Kalachand & Co. Ltd in 1998 as Systems Manager and later Sales Manager;
- Joined MUA in 2005 as Head of Information Systems and appointed Senior Manager in 2008; and
- Pioneered several key strategic IT projects including mergers in Mauritius and East Africa and led the implementation of several innovative technologies across the group

Induction of directors

An Induction program is available for all Directors on their first appointment with the aim of getting promptly acquainted with the Company and its subsidiaries, and obtaining insights of the business, environment and market in which the Group evolves.

Professional Development and Training

The CGNRC identifies specific training needs of the directors. In line with our continuous improvement ethos, we regularly keep directors abreast of latest governance developments that may impact the exercise of their duties as board members during our sessions.

Succession Planning

The Board assumes responsibility for succession planning of Board members and key management personnel so as to maintain an appropriate balance of knowledge, skills and experience required to ensure stability and sustainability of the Group. A succession plan is currently in progress under the aegis of the CGNRC and the Board.



Kenny WONG

Group Chief Underwriting Officer

Citizen and Resident of Mauritius

Qualifications: Graduated from London School of Economics and Political Science (UK); Fellow and Graduate Statistician of the Royal Statistical Society of London (UK); Certified Insurance Professional and Associate of the Australian and New Zealand Institute of Insurance and Finance

Skills & Experience:

- Served various positions in reinsurance broking, investment banking, and marketing both in Mauritius and London
- Joined MUA in 2009 as Reinsurance Manager and was promoted to Senior Manager in 2012
- Appointed Practice Group Manager of the Globus Financial Lines Centre of Excellence in October 2016
- In 2022 he became Group Chief Underwriting Officer

PRINCIPLE 4: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

Directors are made aware of their legal duties in the induction program they follow on first appointment. The Board Charter includes a summary of legal duties under various relevant enactments.

Conflicts of Interests, Related Party Transactions and Share dealing

Group Conflicts of Interests (including Related Party) Policy provide clear guidance on procedures to follow when any occurrence that may lead to a conflict of interest arise.

In line with the Model Code for Securities Transaction by Directors of Listed Companies (Appendix 6 of Listing Rules of SEM), the Board has approved a Group Share Dealing Policy which is applicable to directors and senior management. Declarations made by directors are entered in the Register of Interests which is maintained by the Company Secretary. The Register of interests is available to shareholders upon written request of shareholders.

Moreover, at the beginning of each meeting of the Board, the Chairman invites the directors to declare any potential source of conflicts of interests, or any share dealings to be thereafter recorded in the Register of Interests.

Apart from share dealings reported under paragraph 4.3, no additional entries have been made in the Register of Interests in 2023.

Moreover, the Board regularly monitors and evaluates compliance with the Code of Ethics, including investigating in case of any whistleblowing.

Directors’ Interest in the shares of the Company as at 31 December 2023:

Name of Directors	Direct Interest		Indirect Interest	
	Number of shares	percentage	Number of shares	percentage
BRIAN AH-CHUEN	3,250	0.01	-	-
ALFRED BOUCKAERT	-	-	-	-
NELLY BROSSARD	-	-	-	-
BRUNO DE FROBERVILLE	634,629	1.14%	-	-
OLIVIER DE GRIVEL	-	-	24,237	0.04
DOMINIQUE GALEA	317,631	0.57	2,776,042	5.00%
MÉLANIE FAUGIER	366,674	0.66	144,714	0.26
CATHERINE MCILRAITH	-	-	-	-
ASHRAF MUSBALLY	175,400	0.32	-	-
MUSHTAQ OOSMAN	10,374	0.02	-	-
SHEILA UJOODHA	-	-	-	-
LYDIA WARUGURU	-	-	-	-
JOERG WEBER	-	-	-	-
CELINE GORMAND (alternate to Mr Dominique Galea)	24,097	0.04	1,293,635	2.33%

During 2023, share dealing by directors and their associates were as follows:

Name of Directors	Acquired	Disposed of	Acquired Associates	Disposed of Associates
Dominique Galea	-	45,000	-	-
Bruno de Froberville	-	51,874	-	-

Board Evaluation

The last board evaluation was conducted during the financial year 2018. The Corporate Governance Nomination and Remuneration Committee at the holding level has begun the process of identifying a board evaluator to initiate the evaluation exercise, which will be conducted by way of questionnaire. No matters were raised by the Corporate Governance Nomination and Remuneration Committee as to the performance of the Board during the financial year ended 31 December 2023.

Remuneration

Remuneration Policy

The guiding principle for compensation and rewards is to be within the 50th percentile of the benchmarked remuneration of similar and acceptable insurance companies and financial institutions. The compensation practice of MUA derives from remuneration surveys complemented by effective staff and team performance management policies. MUA's pay practice comprises fixed pay, variable pay, allowances, share scheme and other benefits. The annual performance bonus paid to employees is linked to the performance of the individual, the department as well as that of the Company.

CGNRC reviews, on an annual basis, the adequacy of the directors' and senior executives' remuneration. The Company ensures employees are remunerated fairly in accordance to market value.

Remuneration of Directors is disclosed on page 44 under Statutory Disclosures of the Report.

Non-Executive Directors do not receive remuneration in the form of share options or bonuses associated with organisational performance.

Fees for directors and members of committees

The CGNRC reviews, on an annual basis, the adequacy of directors' and senior executives' remuneration.

Fees payable to non-executive directors in 2023 were as follows:

Directors	Board Fees (Rs)	Audit Committee Fees (Rs)	Corporate Governance, Nomination & Remuneration Committee Fees (Rs)	Risk Committee Fees (Rs)	Assets and Liabilities Committee (Rs)	Total Fees (Rs)
Brian Ah Chuen	384,000	-	148,000	-	-	532,000
Alfred Bouckaert	1,102,000	-	-	210,000	210,000	1,522,000
Nelly Brossard	250,000	-	-	-	-	250,000
Olivier de Grivel	384,000	148,000	-	148,000		828,000
Melanie Faugier	384,000	-	148,000	-	-	532,000
Dominique Galea	1,038,000	-	148,000	148,000	148,000	1,482,000
Bruno de Froberville	384,000	148,000	-	-	148,000	680,000
Catherine McIlrath	637,000	-	210,000	148,000	-	995,000
Sheila Ujoodha	128,000	-	-	-	-	128,000
Mushtaq Oosman	384,000	210,000	148,000	148,000	-	890,000

Remuneration received from the Group:	2023 Rs	2022 Rs
Executive Directors:		
Joerg Weber	17,565,816	4,203,768
Bertrand Casteres	-	19,487,600
Ashraf Musbally	28,769,203	24,606,475
Non-Executive Directors	7,839,000	11,496,394
Total	54,174,019	59,794,237

Non-Executive Directors do not receive remuneration in the form of share options or bonuses associated with organisational performance.

Information, Information Technology and Information Security Governance

Information Technology

With the protection of the confidentiality, integrity and availability of information being critical to the smooth running of our activities, MUA continuously seeks to foster a robust IT platform which upholds the security and performance of its IT systems in adherence with regulatory and industry norms. In this respect, the Group has implemented an Information Security management system, including information security policies, based on internationally accepted standards and best practices to regulate the use, controls, and access rights within its IT infrastructure and systems. An Information Security Policy is in place and forms part of the Information Security framework (based on ISO/IEC 27001 international standard). Matters relating to Information Security are overseen by the board through the Risk Committee. Since October 2021, the IT systems, electronic information assets and information risk management of the Mauritian subsidiaries of MUA Ltd are ISO/IEC 27001 certified, with regular surveillance audits performed by accredited bodies.

The Information Security management system is being monitored and updated as needed by the Group's information Security department. The information security policies are available on the Group's intranet, with regular awareness communications to employees on the latest developments/requirements.

The Audit Committee regularly reviews the IT budget and makes recommendations to the Board. The Company continuously invests in IT technology and security, with processes in place to approve major investments.

Data Protection

In compliance with the EU General Data Protection Regulations ("GDPR") and the Data Protection Act 2017 ("DPA"), MUA has approved a Data Protection Policy ("Policy") with a view to promoting a privacy culture within the Group and ensuring that all clusters, business units and employees protect the privacy of personal information of individuals in their daily operations including procedures for personal data breach; the escalation process when discovering a breach and the procedures to notify the relevant authorities.

The Policy defines the MUA's requirements regarding the collection, storage, use, transmission, disclosure to third parties and retention of personal information. The Policy is used as a general guideline to the clusters and business units, which remain responsible for ensuring strict compliance while collecting personal information without derogating from the core principles of the DPA.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk Management

The Board of directors is responsible for the governance of risk and ultimately responsible for the setting up and monitoring of the risk management process.

All significant areas are covered by appropriate and adequate internal controls and these internal controls are reviewed as and when required to cater for changes in the level of risks.

The Risk report is found on pages 60 to 71 of this report.

Terms of reference of MUA Risk Committee, comprise of:

- reviewing the Group's risk appetite and future risk strategy for economic capital, liquidity and reputation and also for operational risks;
- reviewing the Group's risk profile against risk appetite, effectiveness of risk management framework;
- reviewing scenarios and stress tests which the Group uses to assess the adequacy of its economic and regulatory capital and liquidity; and
- managing MUA risk policies

During the year under review this committee's main areas of focus were:

- Quarterly Risk Reports;
- Risk Management Framework (RMF) in line with the Insurance Risk Management Rules (2016) Implementation;
- Reinsurance Risk;
- Business Continuity Plan; and
- Cyber security

Whistleblowing Policy

MUA is committed to the highest possible standards of openness, integrity and accountability. In line with that commitment, MUA has implemented a Whistleblowing Policy, whereby an alternative reporting process is established for use by all employees in strict confidence, without the risk of subsequent retaliation, victimisation, discrimination or disadvantage.

The Whistleblowing Policy is available on the MUA's intranet and it has been designed in such a way to assist employees who have concerns about any aspect which involves malpractices or unethical issues, to come forward and voice out those concerns anonymously in writing or electronically via MUA's Whistleblowing Portal or verbally with their immediate supervisor/manager or their superior officer.

If for any reason, employees feel that their immediate management is involved, the former are encouraged to approach a more senior level of management, e.g. the Group Head of HR, the Head of Internal Audit, the Money Laundering Reporting Officer (depending on the nature of the complaint) or they may address their report to the Group CEO.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The directors reaffirm their responsibility for preparing the annual report including the annual financial statements in compliance with IFRS Accounting Standards and the Companies Act 2001, and considers the annual report, taken as a whole, fairly balanced and understandable. The Board confirms its commitment in providing therein necessary information for shareholders and stakeholders to assess the Group's position, performance and outlook.

More comprehensive information pertaining to the organisation's financial, environmental, social and governance position, performance and outlook are included in the Annual Report.

Sustainability

At MUA, we recognise that the essence of insurance is solidarity, built around the premise that insurance ultimately benefits society by protecting its members from adverse events. Nowadays, our role as a responsible insurer takes an even greater importance as we strive to achieve greater engagement towards a more sustainable, ethical, efficient, and empathetic form of insurance in line with our Strategic Plan. We reiterate our commitment to creating long-lasting value for the community, whilst empowering the workforce, and ultimately to deliver efficient and effective insurance operations.

As well as gradually embedding sustainability across our operations, we have also adopted a new vision for the MUA Foundation, the philanthropic arm of MUA in Mauritius. We have focused our funding on projects that create a long-lasting value to the local communities, and which are directly linked to our role as a responsible insurer. In addition, our employees are now entitled to one day per year to participate in activities of the Foundation. There is a pool of 100 volunteers, led by 17 team leaders, collaborating closely with the various departments.

Throughout the year, we have been very moved by the wave of solidarity and team spirit with which our volunteers have reached out to support our partner NGOs. The Foundation's success was dependent on their involvement, knowledge sharing, and the continued development of long-term partnerships with these NGOs. We have now firmly aligned our CSR activities with MUA's new strategic plan and corporate values.

Environment, Health & Safety

MUA continues to focus on enhancing the positive safety culture already in place. Key safety objectives are a mandatory component of its business plan, forming an integral part of the daily routine across all business locations. The group's health and safety framework incorporate industry best practices to effectively control risks and prevent accidents in the workplace.

In 2023, MUA has had the opportunity to encourage further health and safety implementation by working on the following:

- Training of First Aiders over several sessions during the year.

Health and safety remains an integral and daily part of the business, with each employee taking personal responsibility. The Executive Team pursues a sensible and balanced approach to health and safety of all the business units and its employees.

6.2 Charitable and Political Contributions

Charitable Contributions

MUA Foundation received Rs 1,906,604 in CSR contributions and donations from the various local entities of the Group. A total contribution to societal causes amounting to Rs 1,288,770 was made by the Foundation in 2023 and Rs 617,834 was disbursed directly to the Mauritius Revenue Authority in support of the National Social Inclusion Foundation.

Undoubtedly, the economic situation has been affected by high inflation rate, aggressive monetary tightening, and uncertainties from both the war in Ukraine and the lingering Covid-19 pandemic. By taking these factors into consideration, MUA continued with its efforts to provide both financial and non-financial contributions to NGOs and we actively participate in community volunteering.

Charitable donations channelled through MUA Foundation

Category	No of projects	Total spent (Rs)
Education, welfare & development of vulnerable children	6	401,980
Poverty alleviation, community development & capacity building	1	142,000
Sustainable Development / Environment	4	694,790
Total	7	1,288,770

MUA Foundation has always aimed to contribute meaningfully to creating a better world, one that is inclusive, empowers vulnerable communities in the fight against poverty and provides children with access to quality education in a safer and cleaner environment. Our philosophy will always go beyond providing financial assistance, but by involving our employees in paving the way towards a better community, a better environment, and a better world.

Political Contributions

In line with the Company's policy, no political donations were made during the year under review.

PRINCIPLE 7: AUDIT

Internal Audit

The MUA Internal Audit's mission is to provide reliable independent assurance to the Board and the Audit Committee on the adequacy and effectiveness of the risk management, governance and internal controls. The members of the Audit Committee and the internal audit function have the necessary qualifications and experience to carry out their responsibilities. The internal audit team is composed of auditors with auditing and insurance experience, and the management team consists of fully qualified accountants and certified internal auditors.

The MUA Internal Audit methodology is risk based and sets out the mandatory standards to be followed by all our Internal Auditors which should allow our Internal Audit function to achieve its mission. As per the “three lines model”, the MUA Internal Audit function provides an independent assurance over the first and second lines, which are the business operations and risk function respectively.

As the third line of defence of the “three lines of defence model”, the MUA Internal Audit function provides an independent assurance over the first and second lines of defence, which are the business operations and risk function respectively.

The Internal Audit team carries out the internal audits at the group level and the scope of their work encompasses:

- Identification of risk areas and the evaluation of the level of risk for each area;
- Evaluation of internal controls and agreed actions which are communicated to the Audit Committee and to the Management; and
- Monitoring of the implementation of the agreed actions and reporting these to the Audit Committee.

The team carried out several internal audits during 2023:

- Underwriting review;
- GI Customer Service review;
- ISMS review – ISO/IEC 27001 internal audit;
- AML/CFT Independent audit Mutual Fund and Unit Trust;
- Life Premium Allocation and Prepayments review;
- Medical Claims review;
- GI Reinsurance review, Portfolio review, Medical Claims and Debtors Management for MUA Kenya;
- Motor Claims follow up and Debtors Management for MUA Rwanda;
- GI Reinsurance review for MUA Uganda; and
- GI Reinsurance review for MUA Tanzania.

Reporting Lines

Our Internal Audit function derives its authority from the Board through the Audit Committee. The Internal Auditors have a direct reporting line to the Audit Committee and maintain an open and constructive communication with the Management. They also have direct access to the Chairman of the Audit Committee. This structure allows the Internal Auditors to remain independent. Every quarter, the Audit Committee meets with the internal auditors to review and discuss any findings. There are regular follow-ups to ensure that these are addressed promptly.

Coverage

The Internal Audit plan, which is approved by the Audit Committee, is based on the principles of risk management designed to ensure that their scope of work is congruent with the degree of risk attributable to the area being audited.

Restrictions

The Internal Auditors have unrestricted access to the Company's records, to management and employees.

External Audit

PricewaterhouseCoopers (PwC) have been appointed as external auditors of the Company in 2020 and have been automatically reappointed thereafter. PwC presented to the Audit Committee their forthcoming audit plan comprising of status and procedures, relevant and significant risks identified, potential areas of focus, intelligent scoping of material and non-material components.

The Audit Committee invites the external auditors at their quarterly meetings to discuss the accounts presented, management letters, key audit issues, critical policies and to keep apprise of new accounting standards, methods and terminology. Consultation between the latter and the internal audit team are regularly encouraged. The Audit Committee meets the external auditors without management presence on an ad hoc basis.

The effectiveness and independence of the external auditor is reviewed by the Audit Committee through feedbacks received from its members and from the management team.

The external auditors also provided the additional services as detailed on page 55 of the Annual Report.

The provision of non-audit services is subject to a tender process with the objective of ensuring that the nature of the non-audit services, if provided by the external auditors, could not be perceived as impairing their independence on the external audit exercise.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Key Stakeholders

The Company is committed towards an open communication with its key stakeholders and to take into account their expectations in the decision-making process. Our various stakeholders are involved in a dialogue on aspects of the MUA's organisational position, performance and outlook, where appropriate.

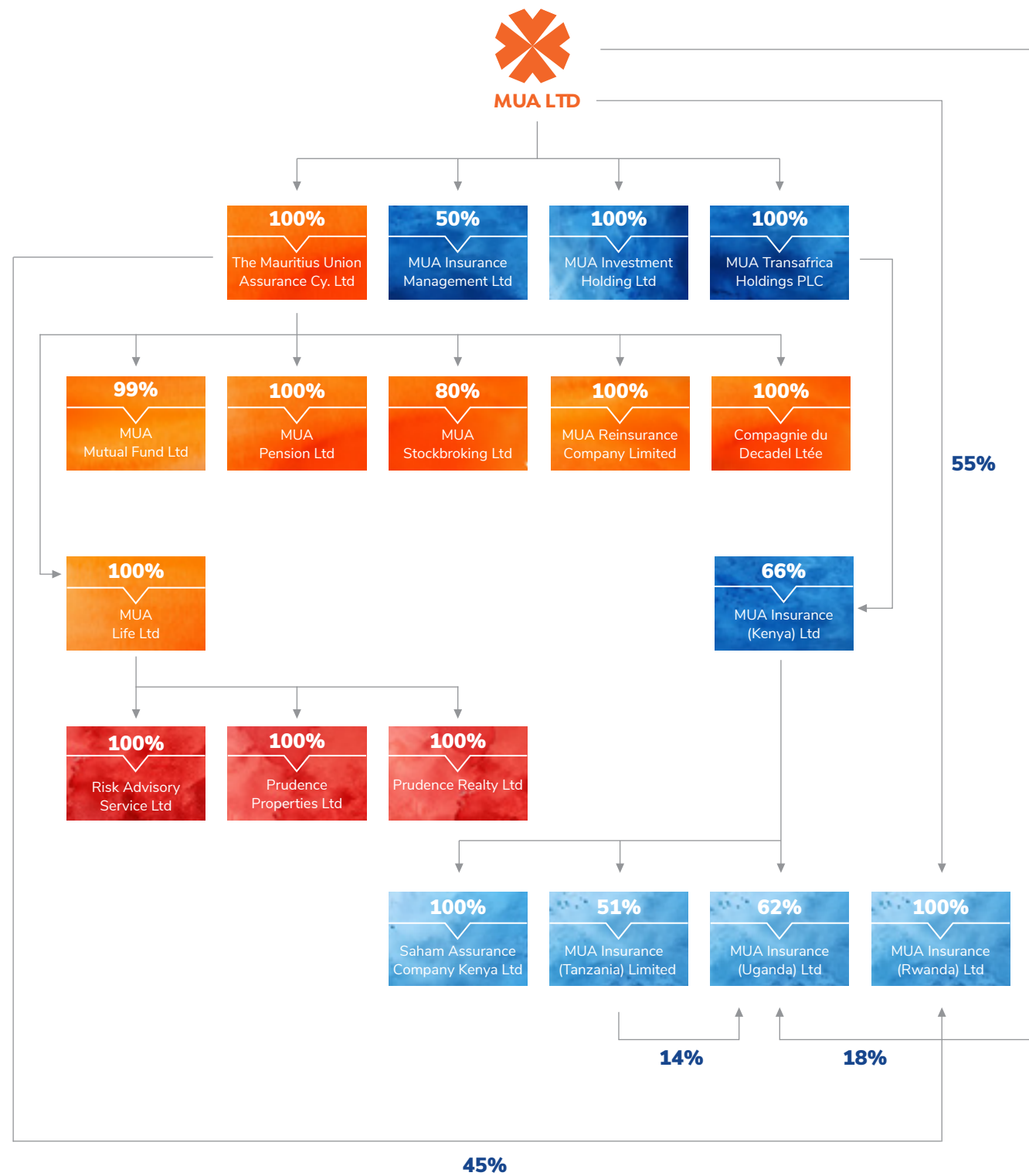
The key stakeholders of the Group and the principle ways in which we engage with them are detailed below:

Shareholders & Institutional Investors	The importance of transparency in our shareholder communication is vital and is reflected in various initiatives: the company website (company information, statutory disclosures & updated news); Annual Report; media communiqués (Statement of Accounts, Notice of Dividends & Press Releases); investor meeting (presentation available online); Annual General Meeting.
Employees	Employee engagement is a pillar of the organisation and this is articulated in weekly communication via various channels (email, staff portal & social media); training & development sessions; monthly management and quarterly staff meetings; internal publications.
Customers	Co-ordinated media campaigns across various channels; dynamic social media presence; informative company website; marketing & communication supports available through our offices and representatives; direct communications (email, post & text messages);
Regulators	Regular meetings and interactions with various departments of the Financial Services Commission and ongoing interaction on new products, marketing materials, compliance issues and the financial services sector.
Suppliers & Partners	We prioritise communications with our business partners and service providers, including brokers, agents and our reinsurers. The aim is to build solid and enduring partnerships by exchanging insights, best-practices and experience to empower the respective teams.

Shareholders holding more than 5% of the Ordinary Shares:

Name of shareholder	% HOLDING
KASA INVESTMENTS LTD	13.27
SUCCESSION MR PIERRE JOSEPH EMILE LATOUR-ADRIEN	9.44
SOCIETE DE PROMOTION ET DE PARTICIPATION POUR LA COOPERATION ÉCONOMIQUE S.A ("PROPARCO")	7.55
DEVLIN INVESTMENTS LTD	6.36

Group Shareholding structure as at 31 December 2023 was as follows:



Shareholding Profile

Shareholders' Spread				
Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1-500	813	36.3921	129,295	0.2329
501-1,000	214	9.5792	168,594	0.3037
1,001-5,000	584	26.1415	1,450,471	2.6125
5,001-10,000	201	8.9973	1,469,485	2.6467
10,001-50,000	291	13.0260	6,628,759	11.9392
50,001-100,000	53	2.3724	3,777,534	7.0409
100,001-250,000	46	2.0591	7,497,150	13.5033
250,001-500,000	17	0.7610	6,073,508	10.9391
> 500,000	15	0.6714	28,326,052	51.0188
Grand Total	2,234	100.0000	55,520,848	100.00000

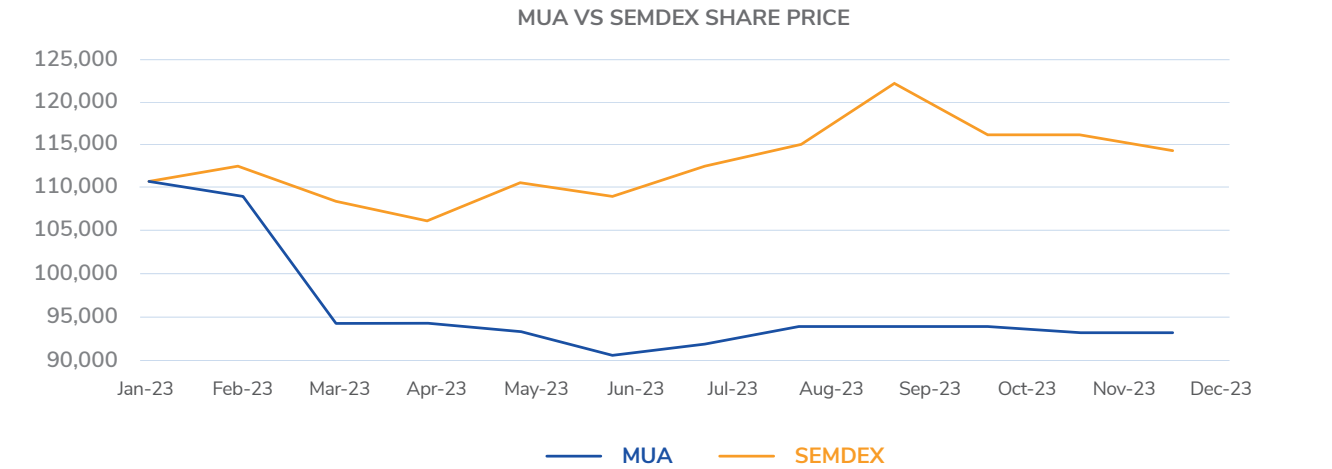
Shares in Public Hands

In accordance with the Listing Rules of the Stock Exchange of Mauritius, at least 25% of the shareholding of the Company is in public hands.

Dividend Policy

The Company has no formal dividend policy. Dividends are paid twice a year, in June and December, and are subject to the profitability, cash flow, minimum capital requirements, capital expenditure and foreseeable investments opportunities.

Shareholder Price Information



Shareholder’s Information

The annual meeting of shareholders is the main forum where shareholders may exercise their rights to vote on the company's affairs and on its governing body. Notices of meetings and annual reports are sent to the shareholders within prescribed delays. A number of Board and Committees’ members are present at the Annual meeting to give insights on the Company’s performance, outlook and strategies and to respond to queries from the floor. The external auditor is also invited to the annual meeting.

Shareholders are encouraged to attend the meeting and to avail of the opportunity of raising and discussing any matter relevant to the Company’s performance.

The Company publishes on a quarterly basis abridged financial statements and, as and when necessary, any share price sensitive information including dividend declaration.

The Annual Report of the Company and its subsidiaries is published on the website: mua.mu

Shareholders’ Calendar of events

Timetable of important upcoming events

DECEMBER Financial year end (31 December 2023)	MARCH Publication of yearly group abridged financial statements (End of March)	MAY Publication of unaudited accounts first quarter to 31 March (Mid-May) Declaration of interim dividend (Mid-May)
JUNE Payment of interim dividend (Mid-June) Annual General Meeting of shareholders (End of June)	AUGUST Publication of unaudited accounts second quarter to 30 June (Mid-August)	NOVEMBER Publication of unaudited accounts second quarter to 30 September (Mid-November) Declaration of final dividend (Mid-November)
DECEMBER Payment of final dividend (Mid-December)		

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001)

Activities

The principal activity of the Company during the year comprised the transacting of all classes of insurance business, principally protecting assets – motor and non-motor and medical insurance. The Company also granted secured loans and invested in shares. There has been no change in the nature of its business.

Board of Directors

The Directors of the Company and of its subsidiaries as at 31 December 2023 were:

Cie du Decadel Ltée
Risk Advisory Services Ltd
Prudence Properties Ltd
Prudence Realty Ltd

Joerg Weber
Dolly Leung

MUA Foundation (formally known as
Foundation Mauritius Union Ltd)

Delphine Ahnee
Jérôme Katz
Clarel Marie
Annie Nankou
Vincent Noël

MUA Insurance (Kenya) Ltd

Maheboob Alibhai
Mehtab Aly
Moyez Alibhai
Jérôme Katz (Alternate)
Japhet Mucheke
Samson R Ndegwa
Lydia Kibaara – Nzioki
Joerg Weber

MUA Insurance Management Ltd

Valerie Bishop Cusano
Mehtab Aly
Simon Pringle
Kenny Wong

MUA Insurance (Rwanda) Limited

Nikesh Patel (Chairman)
Hebert Gatsinzi
Aliza Alibhai
Mireille Umwali
Jérôme Katz

MUA Insurance (Uganda) Limited

Kenny Wong
Maheboob Alibhai
Latimer Kagimu Mukasa
James Mukasa Sebugenyi
Joseph Tinkamanyire
Emmanuel Katongole
Jérôme Katz

MUA Life Ltd

Dominique Galea (Chairman)
Alfred Bouckaert
Brian Ah Chuen
Bruno de Froberville
Naresh Gokulsing
Catherine McLraith (up to 31/12/23)
Mushtaq Oosman
Olivier De Grivel
Mélanie Faugier
Joerg Weber
Nelly Brossard (as from 31/10/2023)
Celine Gormand (Alternate to Mr. Dominique Galea)

MUA Mutual Fund Ltd

Bruno de Froberville (Chairman)
Joerg Weber
Naresh Gokulsing
Jérôme Katz
Dean Ah-Low

MUA Pension Ltd

Bruno de Froberville (Chairman)
Naresh Gokulsing
Joerg Weber

MUA Reinsurance Company Limited

Mehtab Aly
Kamal Hassan Iyaroo
Jérôme Katz
Kenny Wong
Marie Catherine Yow Mook Yuen
Hemlata Kulpoo

MUA Stockbrocking Ltd

Pierre de Chasteigner du Mée
Naresh Gokulsing

MUA Insurance (Tanzania) Limited

Joerg Weber (Chairman)Maheboob Alibhai
Mehtab Aly
Vikash Boolell (Alternate)
Wilbert Kapinga
Isaac Kiwango
Jérôme Katz
Yusuf Mushi
Ashraf Mushi (Alternate)
Sonia Somaiya
Amal Somaiya (Alternate)
Sudesh Varma
Vikas Varma (Alternate)

MUA Transafrica Holdings Public Limited Company

Dominique Galea (Chairman)
Vincent Ah Chuen
Mélanie Faugier

The Mauritius Union Assurance Cy. Ltd

Dominique Galea (Chairman)
Alfred Bouckaert
Brian Ah Chuen
Bruno de Froberville
Naresh Gokulsing
Catherine McIlraith (up to 31/12/23)
Mushtaq Oosman
Olivier De Grivel
Mélanie Faugier
Joerg Weber
Nelly Brossard (as from 31/10/2023)
Celine Gormand (Alternate to Mr. Dominique Galea)

Saham Assurance Company Kenya Limited

Samson R Ndegwa (Chairman)
Jérôme Katz
Driss Benchaffai
Dorothy Angote – Muya
Charles Nyachae
Lydia Kibaara – Nzioki

Executive Director's Service Contract

Joerg Weber, Group CEO, has a renewable fixed term contract.

Auditors’ Remuneration

	The Group		The Company	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Audit Fees Paid to				
PwC	17,619	13,519	2,050	885
Other Audit Firms	1,875	3,531	-	-
Fees Paid for Other Services provided by				
PwC	2,723	2,100	607	422
Details:				
Tax Services	2,485	1,263	607	42
Advisory and Other Services	238	836	-	380
Other Audit Firms:	24,412	24,920	-	-
Details:				
Tax Services	1,242	727	-	-
Advisory and Other Services	23,170	24,193	-	-
TOTAL	46,629	44,070	2,657	1,307

Contracts of Significance

There was no contract of significance subsisting during the year to which the Company, or one of its subsidiaries, was a party and in which a director was materially interested, either directly or indirectly.

DIRECTORS’ STATEMENT OF RESPONSIBILITIES

Financial Statements

The Directors of MUA Ltd are required by the Companies Act 2001 to prepare, for every financial year, financial statements which present a true and fair view of the financial position of the Company and the Group at the end of the financial year as well as the results of their operations for the year then ended. They are responsible for the adequacy and accuracy of these financial statements and for the objectivity of any other information presented therein.

The Directors confirm that in preparing these financial statements they have:

1. Selected suitable accounting policies that are compliant with International Financial Reporting Standards and applied them consistently;
2. Made judgments and estimates that are reasonable and prudent;
3. Prepared the financial statements on a going-concern basis;
4. Kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;
5. Taken appropriate measures to safeguard the assets of the Company through the application of appropriate internal control, risk management systems and procedures;
6. Taken reasonable steps for the prevention and detection of fraud and other irregularities; and
7. Adhered to the Code of Corporate Governance and provided reasons for any area of non-compliance.

Internal Control

The Directors are responsible for the Company's systems of internal control. The systems have been designed to provide the Directors with reasonable assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or detected within a reasonable time. An internal audit and a risk and compliance function have been established to assist management in the effective discharge of its responsibilities. Internal audit review business controls on an on-going basis are carried out independently of management. Reports are presented directly to the Audit Committee.

Risk Management

Through the Risk Committee, Directors are made aware of the risk areas that affect the Company and ensure that Management has taken appropriate measures to mitigate these risks.

The Board ensures that the principles of good governance are also applied by the Company’s subsidiaries.

Approved by the Board of Directors on 31 July 2024 and signed on its behalf by:



Dominique GALEA
Chairman



Joerg WEBER
Group CEO

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity: MUA Ltd
Reporting Period: Year ended 31 December 2023

Throughout the year ended 31 December 2023 to the best of the Board’s knowledge MUA Ltd has complied with the Code of Corporate Governance for Mauritius (2016). The Company has applied all principles set out in the code and explained how these principles have been applied.



Dominique GALEA
Chairman



Joerg WEBER
Group CEO

31 July 2024



From identifying vulnerabilities to strengthening defenses, we continuously enhance our operations.

RISK MANAGEMENT REPORT

Risk Management philosophy and objectives

Companies operating in the financial services sector find themselves in a constantly evolving landscape with respect to legal & regulatory obligations, including, without limitation, competition, risk, anti-money laundering & combatting the financing of terrorism (AML/CFT) and anti-bribery & corruption (ABC). Managing risks, therefore plays a crucial role in the achievement of an organisation's objectives and sustainability.

As a financial services company active in short and long-term insurance, investments, life insurance and retirement services, MUA is naturally exposed in the course of its business activities and strategic planning to numerous types of risk. In a fast evolving world, new risks such as epidemics/pandemics, climate change, inflation, artificial intelligence and on-going trade disputes or new armed conflicts are redefining the organisational risk exposures. This compels MUA to be more agile in its risk mitigation approach, tapping into new techniques or resources (e.g. digital), so that the Company can also seize any new opportunities.

The main goals of our risk management program are:

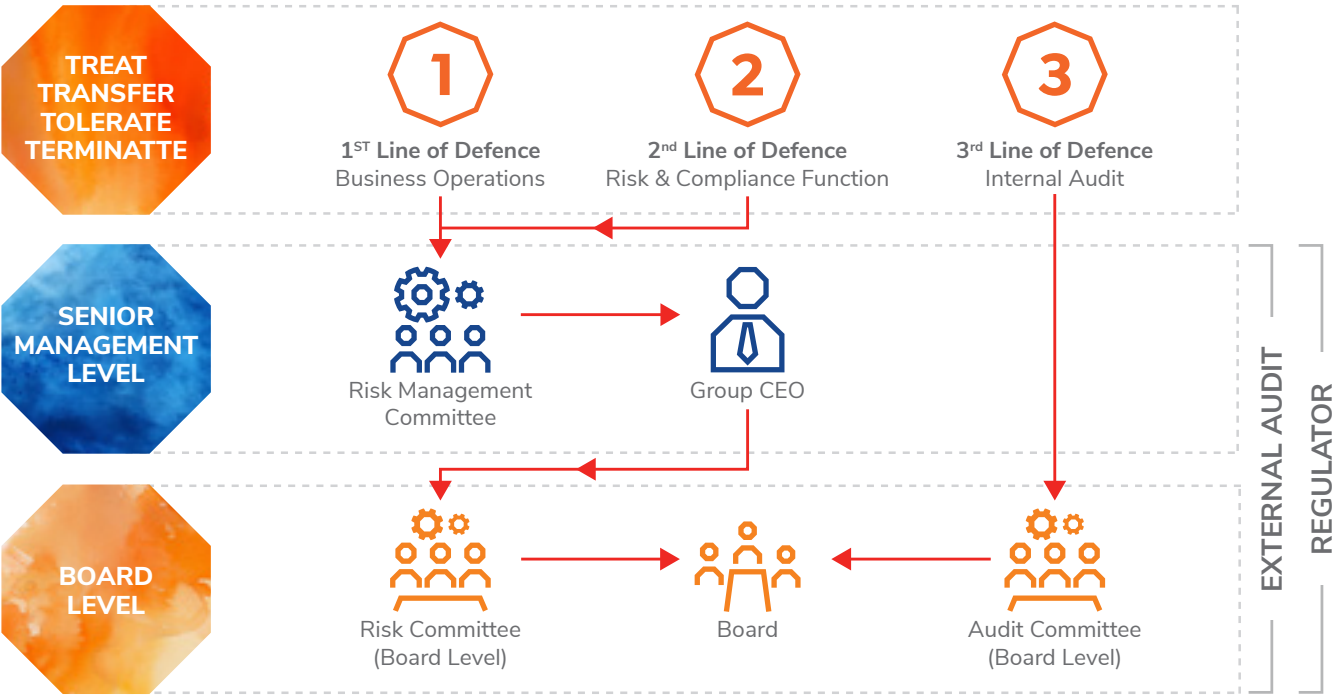
- Ensuring risks inherent to our business activities in Mauritius and in the East African market are identified and effectively monitored on a timely basis, quantified and adequately managed;
- Managing the business' exposure to potential impact on earnings and unpredictability in capital; and
- Supporting stakeholders' capitalism.

We remain committed to our strategy of risk management by design as we believe it is a source of value creation as well as an essential form of control. It is an integral part of maintaining financial stability for our customers, shareholders and other stakeholders.

Our sustainability and financial strength are supported by an effective risk management process which helps us identify major risks to which we may be exposed while instituting appropriate controls and taking mitigating actions for the benefit of our customers and shareholders. This is focused on three main pillars:

- **Open risk culture:** Promote a strong risk management culture amongst our staff, driven by a robust risk governance structure and clear risk appetites.
- **Capital Requirements:** Ensure sufficient capital surpluses to meet the expectations of customers, shareholders & stakeholders, as well as comply with regulatory obligations to meet our liabilities even if a number of extreme risks were to materialize.
- **Clear accountability:** Our operations are based on the principle of delegation of authority and clear mandates. Each of us is accountable for the risk we take, with our incentives aligned with MUA's business objectives.

Risk Management Overview



The Group has a defined step by step approach with respect to risk management. The above diagram illustrates the high-level process, whereby risks can be managed through the 4 T's, at each step.

TREAT (Reduce/Mitigate): Take action to control the risk either by reducing the likelihood of the risk developing or limiting the impact it will have on the project.

TRANSFER (Outsource): Some of the financial risks maybe transferable via insurance or contractual arrangements or accepted by third parties.

TOLERATE (Accept): Nothing can be done at a reasonable cost to mitigate the risk or the likelihood and impact are at reasonable level.

TERMINATE (Avoid): Do things differently and eliminate the risk.



Types of Risks - Inherent v/s Residual

The inherent risk is the one that exists before a company addresses it, that is the risk to the Group in the absence of any action taken to alter either its likelihood or its impact. Every company faces it, not all manages it effectively. These risks are reflected mainly on how you do business; its complexity; growth; changes; the staffing; technology and the organisational structure.

The residual risk is also known as “vulnerability” or “exposure”. It is the risk that remains after the company has attempted to mitigate the inherent risk.

Adopting the approach of Enterprise Risk Management within the Group, management provides assurance and internal audit provides reassurance, Management is responsible for:

- Assessing the inherent risk (i.e., before mitigation and controls);
- Assessing the effectiveness of existing risk mitigation and controls;
- Determining the residual risk (i.e., the risk that remains after mitigation and controls are implemented);
- Determining whether such exposure is within the company’s risk appetite for that type of risk, and if not, taking additional steps to mitigate the risk; and
- Providing reasonable assurance to the board that the controls are both effective and efficient in managing the exposure so that it remains within the board- approved appetite for that type of risk.

Risk Control Framework

The diagram below illustrates how the risk control framework of MUA minimizes the number of inherent risks to residual ones. The duty of the risk management is to continuously review the internal controls of the inherent risks and to closely monitor the residuals risks while taking actions when appropriate.



Risk Management Responsibilities

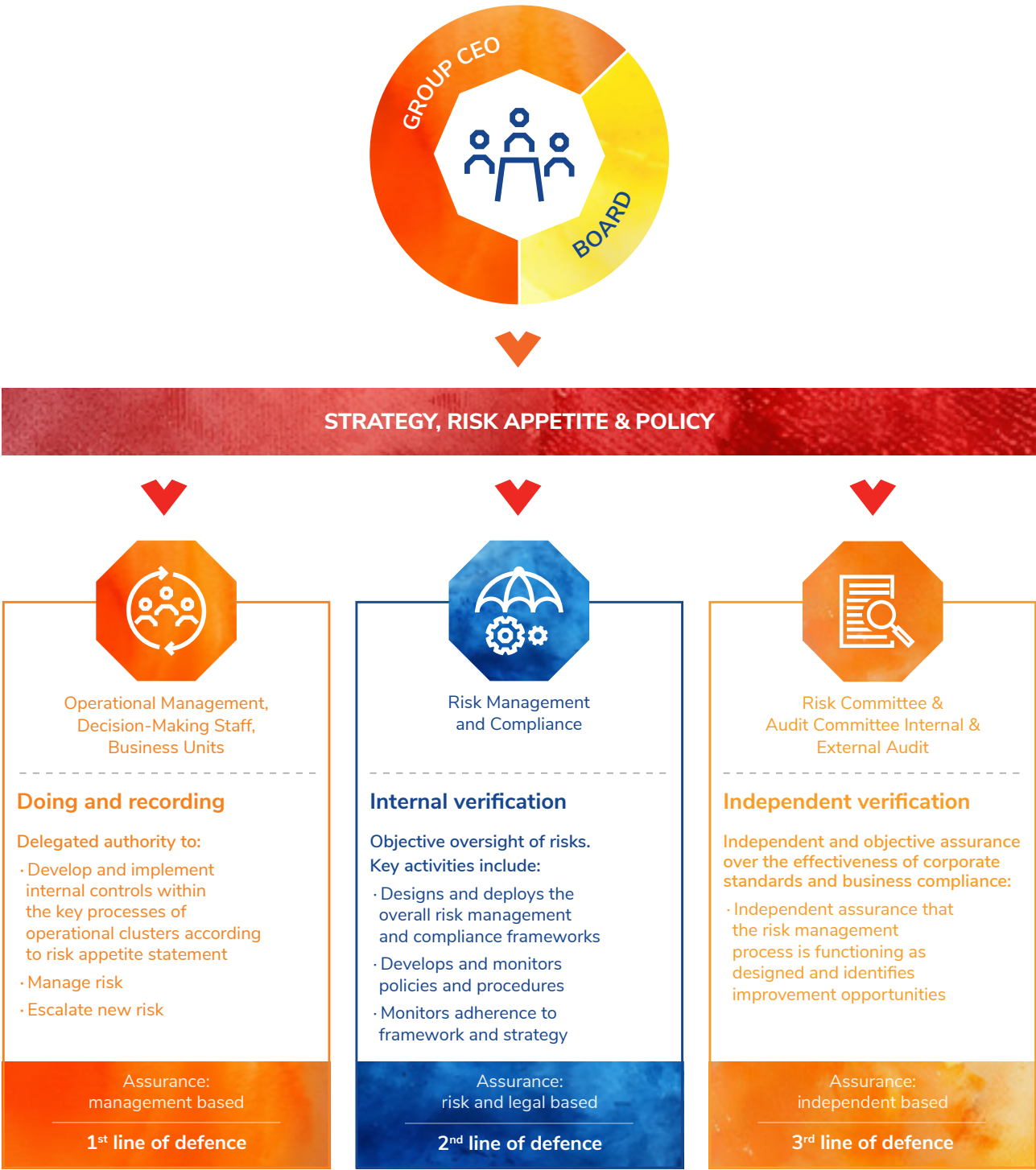
MUA has adopted the ‘three-lines-of-defence’ model where ownership for risk is taken at all levels in the Company. The first line of defence being the doers, the people of the front line. The second line of defence are those responsible for the oversight of the doers, that is the Compliance and the Risk functions. The third line of defence independently assesses and reports on the work of the first and the second line of defence and consists of the internal and external auditors.

The Risk Management Committee (RMC) - Group level

- Acknowledges and reviews all the risks facing the organisation;
- Evaluates and prioritises those risks and review the policies and strategy recommended for managing the risks;
- Reviews the management’s reports detailing the adequacy and overall effectiveness of the group’s risk management function; and
- Is accountable for the Group’s Business Continuity Management’s (BCM) capability and its effectiveness and shall be responsible to give advice, guidance and management oversight on the overall BCM programme.

The Local Risk Committees – East African subsidiaries level

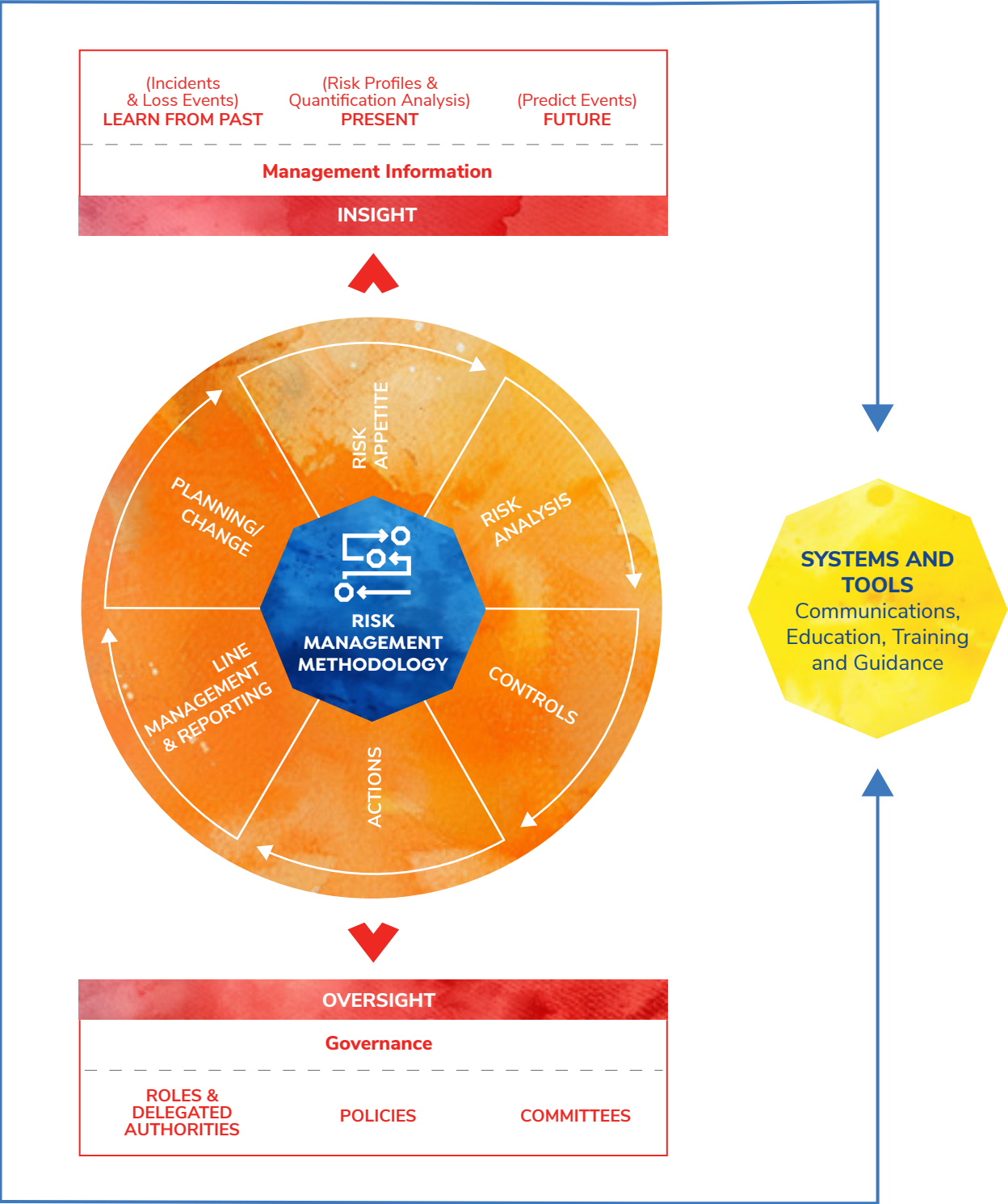
- Ensures that the implementation of the Risk Management Framework is occurring in a systematic, timely and effective manner;
- Reviews, monitors, recommends and reports to the Board on the risk management aspects;
- Encourages and facilitates the development of a risk management culture within the Company;
- Facilitates Senior Management and the Board to make informed decisions that have risk management considerations;
- Reviews the Risk Management Strategy on a regular basis;
- Escalates critical risks to the Board; and
- Reviews and approves the Risk management policies and Charter of the company.



Risk Management Framework

The Group Audit and Risk Methodology is fully risk-based and aligned with the guidance of the Committee of Sponsoring organisations of the Treadway Commission (“COSO”) Enterprise Risk Management (ERM) Framework. The COSO ERM framework is the broadly accepted standard against which organisations can benchmark their internal control activities.

MUA’s risk management framework forms an integral part of the management and Board processes as well as the decision-making framework across the organisation. The key elements of the risk management framework are illustrated below:



The Risk Management Process

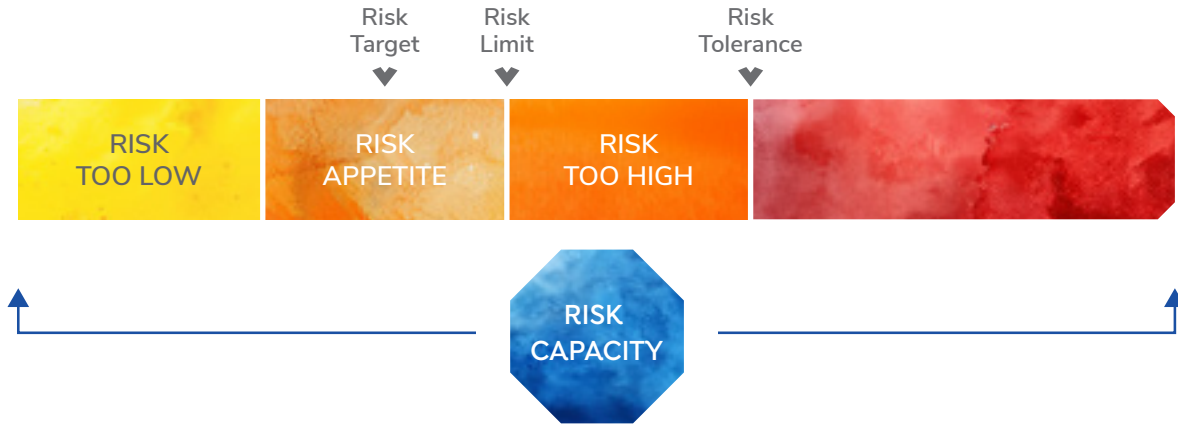


The Risk Management Process involves 5 steps:

1. **Identify risks:** Consists of defining potential risks that may have a negative impact on MUA.
2. **Analyse risks:** Involves scrutinising the different risks which have been identified to determine the impact of the risks; and the likelihood of the risks arising.
3. **Evaluate risks:** The company determines whether the identified risks are acceptable or unacceptable.
4. **Treat risks:** The company adopts the 4 T’s principles.
5. **Monitor and review risks:** Is the ongoing process of managing risk.

It is the process of tracking risk management execution and continuing to identify and manage existing and new risks.

Risk Appetite



The risk appetite is the level of risk the Group acknowledges and is willing to accept in the pursuit of its strategic objectives.

The strategic and operational planning process supports the group in optimally exploiting its opportunities. This involves the consideration of the portfolio of opportunities identified by businesses, leading to decisions by the Board in relation to the opportunities the group wishes to pursue.

Capital is allocated to businesses to support delivery of these plans. The group’s required returns will be reflected in the targets set for businesses, including targets for return on capital employed, growth in business and profitability and dividend payment expectations.

The group’s business plan, capital allocation and business targets are therefore a key component of the group’s risk appetite. Risk appetite will accordingly continually evolve and be reviewed.

Policies and Procedures

Our formal set of policies ensure that adequate risk management and controls are in place across our operations. We constantly monitor the appropriateness of our risk polices so that they remain relevant to the ever-evolving business environment, regulatory landscape and customer expectations.

Upon review, we implement corrective actions where risks are outside tolerance and/or controls not fully adequate. Reporting to the various risk oversight committees ensures that the monitoring and tone from the top is consistent regarding our risk mindset.

We further share Group policies with our East African subsidiaries for harmonisation of Group norms, subject to local requirements and best practice. This also allows us to constantly enhance our processes in line with our continuous development ethos.



Role of the Risk Committee

The Group Risk Committee is established by the Board of Directors to assist in its oversight of risk and risk management across the Group, including its East African subsidiaries.

The Risk Committee provides an independent and objective review of all aspects of risk as presented in our risk profile (Strategic/Financial/Insurance etc.). It also has an oversight of all management committees such as the Risk Management Committee, the Audit Committee and the Assets and Liabilities Committee, to ensure that significant existing or emerging risks are timely identified and efficiently measured, managed and monitored, as well as and reported on a continuous basis.

Regulatory Developments

The Insurance (Risk Management) Rules 2016 (the “Rules”) were issued by The Financial Services Commission (the ‘FSC Mauritius’), aiming at strengthening prudential regulations, risk-based supervisory and resolution frameworks for the insurance sector.

Under the Rules, the insurer must set up and at all times maintain a Risk Management Framework, consisting of the following elements:

1. Risk Appetite Statements;
2. Risk Management Strategies;
3. Three-year rolling business plan;
4. Own Risk Solvency Assessment (ORSA) Framework;
5. Liquidity Policy;
6. Designated risk management function; and
7. Defined responsibilities and roles and reporting lines within the insurer for the management of material risks.

We have been reporting our quarterly Own Risk and Solvency Assessment Report (“ORSA”) to the Risk Committee. In addition, we have been submitting our ORSA & Risk Management Framework, audited by our statutory actuaries and as approved by the Directors, to the FSC. We constantly monitor our business practices to comply with applicable laws and regulations. In that respect, our Business Continuity Plan (“BCP”) is in place and regularly tested.

Applicable laws, regulations and guidelines:	Guideline on Risk Management and Internal Controls	Risk Management Guidelines for banks and financial institutions 2010	Insurance Act 2017	Regulation on Corporate Governance Risk Management & Internal Controls requirements for insurance business
Risk areas covered	Kenya	Tanzania	Uganda	Rwanda
Risk Management Function	✓	✓	✓	✓
Risk Management Framework	✓	✓		✓
Risk Appetite Statement	✓			✓
Risk Management Strategies	✓	✓	✓	
Risk Categories	✓	✓	✓	✓
Risk Management System	✓	✓		✓
Risk Mitigation and Controls	✓	✓	✓	
Compliance Function	✓	✓	✓	✓
Internal Audit Function	✓	✓		✓

The East African subsidiaries are also governed by risk management laws and guidelines to ensure that they are managed in a sound and prudent manner by having effective systems of risk management and internal controls. Below is a summary of the different applicable risk management laws and guidelines within the four East African jurisdictions of operations:

Risk management in the day to day

- We have been working with the insurers' association and government stakeholders on the adaptation of the Bank of Mauritius Guidelines on Climate-related and Environmental Financial Risk Management for insurers. This remains a key priority for the industry and we expect developments with the FSC pushing for similar standards for non-banking financial services;
- Continuous risk reviews in Mauritius and the four East African subsidiaries;
- Risk awareness campaign for all employees to instil the risk culture/mindset across the company for risk identification; and
- Working with all functions/departments in the reviewing of policies and/or standard operating procedures to align the Group standards in view of evolving risks and laws/regulations.

The Liquidity Policy in MUA

Liquidity risk is defined as the risk that a firm, though solvent, does not have sufficient financial resources available to enable it to meet its obligations as they fall due.

The objective of this policy is to provide the minimum standards for managing liquidity risk for MUA. It recognises the group has significant cash flow obligations that need to be managed and needs sufficient liquidity to operate efficiently and maintain MUA's reputation in the markets.

For the ORSA reporting, the Risk team has enforced the liquidity policy by requesting for the liquidity policies of both MUA GI and MUA Life to be approved during ALCO. Section 6.1.7 has been added regarding segregation of liquidity of entities.



**From Mauritius to
Africa, we have and
are still extending our
presence in the region.**



INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MUA LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of MUA Ltd (the “Company”) and its subsidiaries (together the “Group”) and of the Company standing alone as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The consolidated and separate financial statements of MUA Ltd set out on pages 72 to 225 comprise:

- the statements of financial position as at 31 December 2023;
- the statements of profit or loss for the year ended;
- the statements of comprehensive income for the year then ended;
- the statements of changes in equity for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “IESBA Code”). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER - COMPANY	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
1. Investment in subsidiaries In the Company’s financial statements, investment in subsidiaries is carried at cost less impairment. As detailed in Note 8 to the financial statements, the investment in subsidiaries amounted to Rs 2,027m as at 31 December 2023. At the end of each reporting period, management makes an assessment for each individual investment as to whether there is any indication of impairment. If there is an indicator of impairment or reversal of impairment, management assesses the recoverable amount of the investment. Any excess or shortfall between the recoverable amounts of the investment and its carrying value is recognised in profit or loss. The determination of the recoverable amount is made by computing the value in use of the subsidiaries based on the discounted cash flow model. This requires the use of a number of key assumptions and estimates, including projections of future income, terminal growth rates, claims ratio and discount rates. Due to the significance of the balance and the subjective nature of the assumptions and estimates used, investment in subsidiaries has been considered as an area of focus.	We assessed whether there were indicators of impairment or reversal of impairment for the investment in subsidiaries. With the assistance of our internal valuation experts, we performed the following: - for those investments in subsidiaries whereby indicators of impairment or reversal of impairment were identified, we reviewed management’s assessment of the recoverable amounts, determined using a discounted cash flow model; - we assessed the principles and integrity of the Company’s discounted cash flow model that supports the recoverable amount calculations; - we evaluated the appropriateness of the methodology and assumptions used by management, including projections on future income, terminal growth rates, claims ratio and discount rates; and - we assessed whether appropriate disclosures about the key assumptions were made in the financial statements.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MUA LTD

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key Audit Matters (Continued)

KEY AUDIT MATTER - GROUP	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
1. Assessment of goodwill for impairment At 31 December 2023, goodwill amounted to Rs 290.7m, as detailed in Note 40 of the consolidated financial statements. The Group is required to annually test whether goodwill has suffered any impairment. The Group’s goodwill is allocated to Cash Generating Units (CGUs) that are generally identified at a segment level. Management has assessed the recoverable amounts of the CGUs using a discounted cash flow model. Management’s assessment process is complex and highly judgmental and is based on assumptions and estimates, including projections of future income, terminal growth rates, claims ratio and discount rates. Note 40 provides further disclosures on goodwill. This was considered an area of focus considering the significance of the amounts involved and the level of judgement and estimation required from management.	With the assistance of our internal valuation experts: - we assessed the principles and integrity of the Group’s discounted cash flow model that supports the recoverable amount calculations; - we evaluated the appropriateness of the methodology and assumptions used by management, including projections on future income, terminal growth rates, claims ratio and discount rates; and - we assessed whether appropriate disclosures about the key assumptions were made in the financial statements.
2. Transition from IFRS 4 Insurance Contracts (IFRS 4) to IFRS 17 Insurance Contracts (IFRS 17) The Group adopted IFRS 17 on 01 January 2023. The Group restated its insurance contract balances previously recognised under IFRS 4 as at the transition date, being 01 January 2022. The full retrospective approach was applied for all contracts measured under the Premium Allocation Approach (PAA). For contracts measured under the General Measurement Model (GMM) or the Variable Fee Approach (VFA), the full retrospective approach has been applied for the majority of contracts recognised from 01 January 2016 onwards. For contracts entered into prior to 01 January 2016, the Group concluded that it was impracticable to apply the full retrospective approach. The Group has applied the fair value approach as permitted by IFRS 17. The judgements and approach have been included in the financial statements under Note 2.2.1. We considered the transition from IFRS 4 to IFRS 17 to be a matter of most significance to our current year’s audit due to the following: - Judgements applied in assessing the Group’s election and application of the transition approaches as set out in IFRS 17 (as referenced in notes 2.2.1 and 2.4 to the financial statements); and - The magnitude of the restated IFRS 17 balances in relation to the total assets and liabilities of the Group.	With the assistance of our actuarial and accounting technical specialists, we: - assessed the Group’s judgments in determining the approaches for transition, the level of aggregation of groups of insurance contracts, profitability groups and measurement of future cashflows; - evaluated the recognition and measurement of insurance contracts against the IFRS criteria and principles; - assessed the key judgements applied by the Group on its selection of accounting policies for the valuation of insurance contracts on the transition date; - evaluated the appropriateness of the PAA, GMM or VFA used by the Group for transition, based on our industry knowledge and experience; - evaluated the Group’s justification for impracticability and its election of the fair value approach for the contracts entered into prior to 01 January 2016; - evaluated the buildup of the probability-weighted estimate of future cashflows across all measurement models; - assessed the appropriateness of management’s data and assumptions applied in calculating the Contractual Service Margin (CSM) and Loss Component (LC) on a sample basis; - tested the application of the policy and methodology decisions for a sample of contract classifications and CSM groupings, including an assessment of the coverage unit model through inspection of the underlying documentation; - evaluated management’s controls over the results, which include checks and challenges by management through their own internal review; - reconciled the relevant data sources to the previous years’ audited information to test the consistency of information used; and - reviewed disclosures in the financial statements for compliance with IFRS 17.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MUA LTD

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key Audit Matters (Continued)

KEY AUDIT MATTER - GROUP	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
3. Determination of insurance contract liabilities We considered the valuation of insurance contract liabilities to be a matter of most significance to our current year’s audit due to the following (as referenced to Note 14 to the financial statements): - Significant management judgement is applied in determining the value of insurance contract liabilities; - The insurance contract liabilities represent 78.7% of the total liabilities of the Group; - The selection of measurement approach and the significant judgements made on the eligibility for the VFA and PAA approaches require management to exercise significant judgement; - Key concepts used in the valuation of insurance contract liabilities such as risk adjustment, contract boundaries, discount rate, profitability groupings, coverage units and level of aggregation are inherently complex to determine; - The actuarial models used in the determination of the liabilities are complex and make extensive use of data and involve the engagement of actuarial experts; and - Changes in these assumptions and the methodologies applied can lead to significant changes in actuarial liabilities.	With the assistance of our actuarial and accounting technical specialists, we: - assessed the competence, capabilities and objectivity of the Group’s Actuary and verified their qualifications; - tested management’s policy and methodology selections to ensure compliance with IFRS 17; - tested management’s process of extraction and reconciliation of the data used in the determination of the insurance contract liabilities; - assessed the validity of the insurance valuation input data to policyholder information contained in the policy administration and accounting systems; - reconciled the relevant data sources to the previous years’ audited information to test the consistency of information used; - checked the correct application of logic applied in the determination of components of insurance contract liabilities; - tested the assumptions applied and their reasonableness in the determination of the insurance contract liabilities, e.g. discount rates, contract boundaries, coverage periods, level of aggregation and profitability groupings; and - reviewed disclosures in the financial statements for compliance with IFRS 17.

Other Information

The directors are responsible for the other information. The other information comprises the statutory disclosures, the corporate governance report, the other statutory disclosures, the directors’ statement of responsibilities, the statement of compliance, the risk management report and the secretary’s certificate but does not include the consolidated and separate financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report and the Chairman’s Report, About MUA, Performance and Strategy, and Sustainability report, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman’s Report, About MUA, Performance and Strategy, and Sustainability report not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MUA LTD

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group’s and Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MUA LTD

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax and business advisors of the Company and of some of its subsidiaries and dealings in the ordinary course of business;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (“Code”) disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report, including the opinion, has been prepared for and only for the Company’s shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

14 April 2025

John Li How Cheong, licensed by FRC

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		THE GROUP			THE COMPANY	
		31 December 2023	Restated 31 December 2022	Restated 01 January 2022	31 December 2023	31 December 2022
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS						
Property and equipment - owned	4	190,436	367,243	361,074	-	-
Right of use assets	5 (a)	79,265	117,680	102,617	-	-
Investment properties	6	397,188	541,959	554,071	-	-
Intangible assets	7	501,273	569,824	607,753	-	-
Investment in subsidiaries	8	-	-	-	2,026,631	1,885,731
Investment in associate	9	-	1,080	1,080	-	-
Investment in joint ventures	10	11,525	13,555	15,057	495	495
Deferred income tax assets	11	45,562	33,335	34,567	-	-
Other receivables	12	215,175	211,807	151,389	-	-
Amount receivable from related parties	13	-	-	-	7,550	6,850
Reinsurance contract assets	14	1,742,998	1,554,254	1,682,594	-	-
Insurance contract assets	14	22,786	-	-	-	-
Loans and receivables	15	629,691	606,132	676,598	1,036,931	102,775
Financial assets at fair value through other comprehensive income	16 (a)	1,394,702	1,202,064	1,339,781	-	-
Debt instruments at amortised cost	16 (c)	8,292,451	7,370,797	6,162,199	653,049	1,455,676
Financial assets at fair value through profit or loss	16 (b)	6,853,107	6,486,058	7,340,495	-	-
Income tax assets	17	34,651	44,323	23,616	-	-
Prepayments		34,191	34,677	49,893	-	-
Assets held-for-sale	38	171,600	-	-	-	-
Cash and cash equivalents	39 (b)	1,066,519	1,269,835	1,097,436	110,359	213,790
Total assets		21,683,120	20,424,623	20,200,220	3,835,015	3,665,317
EQUITY AND LIABILITIES						
Equity						
Stated capital	18	1,662,289	1,661,733	1,198,142	1,662,289	1,661,733
Total reserves		2,030,444	2,264,399	2,022,918	1,151,684	1,192,683
Non-distributable share of life surplus		6,161	6,161	9,866	-	-
Total ordinary shareholders' equity		3,698,894	3,932,293	3,230,926	2,813,973	2,854,416
Non-controlling interests		430,140	711,755	670,877	-	-
Total equity		4,129,034	4,644,048	3,901,803	2,813,973	2,854,416
Liabilities						
Deferred income tax liabilities	11	39,282	78,142	82,596	-	-
Employee benefit obligations	20	21,254	15,698	13,952	-	-
Borrowings	21	1,015,325	806,735	604,216	1,015,325	806,735
Lease liabilities	5 (b)	93,635	133,225	113,660	-	-
Insurance contract liabilities	14	13,818,111	12,543,650	13,507,021	-	-
Investment contract liabilities	19	1,791,702	1,478,795	1,327,739	-	-
Other payables	22	751,691	685,341	637,527	5,703	2,828
Amount due to related parties	13	-	-	-	-	367
Income tax liabilities	17	23,086	38,989	11,706	14	971
Total liabilities		17,554,086	15,780,575	16,298,417	1,021,042	810,901
Total equity and liabilities		21,683,120	20,424,623	20,200,220	3,835,015	3,665,317

These financial statements have been approved for issue by the Board of Directors on: 14 April 2025

Director

Director

The notes on pages 86 to 225 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	THE GROUP		THE COMPANY	
		2023	Restated 2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
Insurance revenue	23	7,223,475	6,734,363	-	-
Insurance service expenses	24	(5,694,142)	(4,668,646)	-	-
Insurance service result before reinsurance contracts held		1,529,333	2,065,717	-	-
Allocation of reinsurance premium	25 (a)	(2,132,429)	(1,808,212)	-	-
Amounts recoverable from reinsurers for incurred claims	25 (b)	1,000,933	486,511	-	-
Changes in risk of non-performance	25 (c)	(5,658)	-	-	-
Net expense from reinsurance contracts held		(1,137,154)	(1,321,701)	-	-
Insurance service result		392,179	744,016	-	-
Investment income	26 (a)	344,004	321,797	115,000	224,000
Interest revenue calculated using effective interest rate	26 (b)	656,233	511,175	67,305	21,650
(Allowance)/ reversal of expected credit losses	27	(16,150)	1,849	(2,641)	(1,619)
Movement in investment contract liabilities	19	(105,528)	30,330	-	-
Other gains/ (losses)	29	312,939	(793,526)	245	-
Net investment income		1,191,498	71,625	179,909	244,031
Finance (expense)/ income for insurance contracts issued	26 (c)	(1,216,884)	331,669	-	-
Finance income for reinsurance contracts held	26 (d)	91,080	37,663	-	-
Net insurance finance expenses		(1,125,804)	369,332	-	-
Net insurance and investment result		457,873	1,184,973	179,909	244,031
Other operating income	28	238,481	144,230	-	-
Other operating expenses	30	(829,477)	(690,348)	(12,427)	(19,057)
Other finance costs	31	(66,358)	(35,029)	(53,371)	(23,314)
Share of loss from joint ventures	10	(136)	(730)	-	-
(Loss)/ profit before income tax		(199,617)	603,096	114,111	201,660
Income tax expense	17 (a)	(37,097)	(102,876)	(1,993)	(1,796)
(Loss)/ profit for the year		(236,714)	500,220	112,118	199,864
Attributable to:					
Owners of the parent		(105,509)	450,503		
Non-controlling interests		(131,205)	49,717		
		(236,714)	500,220		
(Loss)/ earnings per share:					
- Basic (Rs)	37	(1.90)	8.58		
- Diluted (Rs)	37	(1.89)	8.50		

The notes on pages 86 to 225 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	THE GROUP		THE COMPANY	
		2023	Restated 2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
(Loss)/ profit for the year		(236,714)	500,220	112,118	199,864
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(54,809)	(13,358)	-	-
Increase/ (decrease) arising on revaluation of financial assets at fair value through other comprehensive income		27,974	(80,802)	-	-
Fair value loss recycled on disposal of debt instruments at fair value through other comprehensive income		(23,185)	-	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(50,020)	(94,160)	-	-
Items that will not be reclassified to profit or loss in subsequent periods:					
Increase arising on revaluation of financial assets at fair value through other comprehensive income		10,652	18,997	-	-
Income tax effect		(273)	(532)	-	-
		10,379	18,465	-	-
Re-measurement gains on defined benefit plans	20	13,029	1,055	-	-
Income tax effect		(1,965)	(114)	-	-
		11,064	941	-	-
Revaluation of land and buildings	4	8,093	-	-	-
Income tax effect		(1,400)	-	-	-
		6,693	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		28,136	19,406	-	-
Other comprehensive income for the period, net of tax		(21,884)	(74,754)	-	-
Comprehensive income for the year		(258,598)	425,466	112,118	199,864
Attributable to :					
Owners of the parent		(101,197)	384,510		
Non-controlling interests		(157,401)	40,956		
		(258,598)	425,466		

The notes on pages 86 to 225 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

THE GROUP

		Attributable to Owners of the Parent					Attributable to Owners of the Parent						
											Non distributable share of Life Surplus *	Non-controlling interests	Total equity
Notes	Stated capital	Share Option Reserve	Revaluation reserves	Currency translation reserve	Investment revaluation reserve		Retained earnings	Contingency reserve	Non distributable reserves	Total reserves			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2022, as previously reported													
	1,198,142	16,889	58,115	79,118	13,977		2,518,793	62,544	243	2,749,679	9,866	793,818	4,751,505
Impact of initial application of IFRS 17	-	-	-	(320)	-		(508,867)	-	-	(509,187)	-	(12,745)	(521,932)
Impact of prior year restatements	-	-	-	(3,238)	-		(214,336)	-	-	(217,574)	-	(110,196)	(327,770)
At 01 January 2022, as restated													
	1,198,142	16,889	58,115	75,560	13,977		1,795,590	62,544	243	2,022,918	9,866	670,877	3,901,803
Profit for the year, as restated	-	-	-	-	-		450,503	-	-	450,503	-	49,717	500,220
Other comprehensive income for the year	-	-	-	(6,814)	(60,120)		941	-	-	(65,993)	-	(8,761)	(74,754)
Comprehensive income for the year	-	-	-	(6,814)	(60,120)		451,444	-	-	384,510	-	40,956	425,466
Share based payment	34	-	7,889	-	-	-	-	-	-	7,889	-	-	7,889
Bonus issue in MUA Insurance (Rwanda) Ltd	18	-	-	-	-	-	(69,732)	-	69,732	-	-	-	-
Movement in reserves		-	-	-	10,290	5,476	(20,182)	7,447	-	3,031	-	-	3,031
Transfer of distributable share of Life Surplus		-	-	-	-	-	3,705	-	-	3,705	(3,705)	-	-
Share issue	18	463,591	-	-	-	-	-	-	-	-	-	-	463,591
Dividends	33	-	-	-	-	-	(157,654)	-	-	(157,654)	-	(78)	(157,732)
Total transactions with owners		463,591	7,889	-	10,290	5,476	(243,863)	7,447	69,732	(143,029)	(3,705)	(78)	316,779
At 31 December 2022, as restated													
	1,661,733	24,778	58,115	79,036	(40,667)		2,003,171	69,991	69,975	2,264,399	6,161	711,755	4,644,048
At 01 January 2023, as restated													
	1,661,733	24,778	58,115	79,036	(40,667)		2,003,171	69,991	69,975	2,264,399	6,161	711,755	4,644,048
Profit for the year		-	-	-	-	-	(105,509)	-	-	(105,509)	-	(131,205)	(236,714)
Other comprehensive income for the year		-	-	6,693	(29,096)	15,651	11,064	-	-	4,312	-	(26,196)	(21,884)
Comprehensive income for the year		-	-	6,693	(29,096)	15,651	(94,445)	-	-	(101,197)	-	(157,401)	(258,598)
Share based payment	34	-	7,889	-	-	-	-	-	-	7,889	-	-	7,889
Transfer of gain on disposal of financial assets at fair value through other comprehensive income		-	-	-	-	(14,772)	14,772	-	-	-	-	-	-
Bonus issue in MUA Insurance (Kenya) Ltd	18	-	-	-	-	-	(64,484)	-	64,484	-	-	-	-
Movement in reserves		-	-	-	-	-	(8,629)	8,629	-	-	-	-	-
Acquisition of non-controlling interest of MUA Insurance (Rwanda) Ltd		-	-	-	8,179	(462)	12,642	-	-	20,359	-	(20,359)	-
Share issue	18	556	-	-	-	-	-	-	-	-	-	-	556
Dividends	33	-	-	-	-	-	(161,006)	-	-	(161,006)	-	(103,855)	(264,861)
Total transactions with owners		556	7,889	-	8,179	(15,234)	(206,705)	8,629	64,484	(132,758)	-	(124,214)	(256,416)
At 31 December 2023													
	1,662,289	32,667	64,808	58,119	(40,250)		1,702,021	78,620	134,459	2,030,444	6,161	430,140	4,129,034

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

THE COMPANY

Notes	Stated capital	Share Option Reserve	Restructuring reserve	Retained earnings	Total reserves	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2022	1,198,142	12,416	1,119,394	10,774	1,142,584	2,340,726
Profit and comprehensive income for the year	-	-	-	199,864	199,864	199,864
Share based payment	34	-	7,889	-	-	7,889
Issue of shares	18	463,591	-	-	-	463,591
Dividends	33	-	-	-	(157,654)	(157,654)
Transactions with owners		463,591	7,889	-	(157,654)	(149,765)
At 31 December 2022		1,661,733	20,305	1,119,394	52,984	1,192,683
At 01 January 2023		1,661,733	20,305	1,119,394	52,984	1,192,683
Profit and comprehensive income for the year		-	-	-	112,118	112,118
Share based payment	34	-	7,889	-	-	7,889
Issue of shares	18	556	-	-	-	556
Dividends	33	-	-	-	(161,006)	(161,006)
Transactions with owners		556	7,889	-	(161,006)	(153,117)
At 31 December 2023		1,662,289	28,194	1,119,394	4,096	1,151,684

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes	THE GROUP		THE COMPANY	
	2023	Restated 2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Operating activities				
Net cash generated from/ (used in) operations	39 (a)	447,684	(78,625)	(15,508)
Dividend received		81,567	91,211	115,000
Interest received		772,979	718,873	39,281
Interest paid		(56,815)	(31,989)	(44,778)
Proceeds on disposal/maturity of financial assets		7,204,740	1,991,739	-
Purchase of financial assets		(7,795,149)	(2,714,328)	-
Loans and receivables disbursed		(142,263)	(69,678)	-
Loans and receivables repaid		128,402	126,224	-
Income tax paid	17 (b)	(95,047)	(80,486)	(2,950)
Contributions to investment contract liabilities	19	236,243	199,565	-
Withdrawals from investment contract liabilities	19	(28,864)	(18,179)	-
Net cash used from operating activities		753,477	134,327	91,045
Investing activities				
Proceeds on disposal of property and equipment		26,273	1,821	-
Proceeds on disposal of investment property	6	52,000	-	-
Proceeds on disposal/maturity of financial assets		11,009,125	1,625,405	1,731,674
Purchase of investment property	6	(4,592)	-	-
Purchase of property and equipment	4	(56,656)	(51,320)	-
Purchase of intangible assets	7	(11,190)	(14,783)	-
Purchase of financial assets		(12,222,660)	(1,519,149)	(1,290,678)
Loans and receivables disbursed		(79,100)	(60,427)	(922,599)
Loans and receivables repaid		56,487	71,496	-
Net cash (used in)/ from investing activities		(1,230,313)	53,043	(481,603)
Financing activities				
Issue of shares	18	556	463,591	556
Issue of bank loan/notes	21	200,000	200,000	200,000
Additional investment in subsidiaries	8	-	-	(133,011)
Repayment of principal portion - lease liabilities	5 (d)	(27,199)	(23,222)	-
Amount paid to subsidiary		-	-	(1,067)
Dividends :				
- Owners of the Parent	33	(161,006)	(157,654)	(161,006)
- Non-controlling interest		(103,855)	(78)	-
Net cash (used in)/ from financing activities		(91,504)	482,637	(94,528)
Net (decrease)/ increase in cash and cash equivalents		(568,340)	670,007	(485,086)
Movement in cash and cash equivalents				
At 01 January		1,772,704	1,097,436	588,835
Net (decrease)/ increase in cash and cash equivalents		(568,340)	670,007	(485,086)
Effects of exchange rate changes on cash and cash equivalents		(52,002)	5,261	6,610
At 31 December	39 (b)	1,152,362	1,772,704	110,359

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 CORPORATE INFORMATION AND ACTIVITIES

MUA Ltd (the “Company”) is a public company incorporated and registered as a limited liability company in Mauritius on 03 July 2018 under the Mauritian Companies Act 2001. These financial statements will be submitted for adoption at the forthcoming Annual Meeting of the Company. The Company is domiciled in the Republic of Mauritius and the address of its registered office is 4 Léoville l'Homme Street, Port Louis.

The principal activity of the Company is to hold investments in companies which transact in all classes of insurance business and also in granting secured loans and investing in shares.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The separate and consolidated financial statements have been prepared under the historical cost basis except for land and buildings, investment properties, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment contract liabilities, insurance contract liabilities and the plan assets of the defined benefit pension plans which are measured at fair values.

The Group has changed the presentation on the face of the statement of financial position as at 31 December 2023 to show assets and liabilities by order of liquidity rather than presenting current and non-current assets, and current and non-current liabilities. This change provides reliable and more relevant information to users of an insurer’s financial statements.

The consolidated financial statements are presented in Mauritian Rupee (Rs) rounded to the nearest thousand ('000), unless otherwise indicated.

Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards and comply with the Mauritian Companies Act 2001. The principal accounting policies applied in the preparation of these financial statements are set out below:

Basis of consolidation

The consolidated financial statements comprise the financial statements of the group and its subsidiaries, together referred to as the “Group”. The Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the subsidiaries’ financial statements to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent’s share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

2.2.1 New and Amended Standards and Interpretations

The Group has applied IFRS 17 for the first time and has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective as none will have a significant effect on the financial statements of the Group and Company.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after 01 January 2023.

The Group has restated comparative information for 2022 applying the transitional provisions to IFRS 17. The nature of the changes in accounting policies can be summarised below. Refer to note 2.4 for a more detailed accounting policy relating to insurance and reinsurance contracts.

(i) Changes to Classification and Measurement

General Insurance

The measurement principles of the Premium Allocation Approach (“PAA”) differ from the ‘earned premium approach’ under IFRS 4 in the following key areas:

- The liability for remaining coverage (‘LRC’) reflects premium received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component.
- Measurement of the liability for incurred claims (‘LIC’) (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Company’s obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premium paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Group allocates acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance LRC of the related group.

Life Insurance

The key principles of IFRS 17 in relation to measurement of insurance contracts for the life business are that:

- Measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk.
- The Group divides the insurance and reinsurance contracts into groups that it will recognise and measure separately.
- The Group recognises and measures groups of insurance contracts at risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information and an amount representing the unearned profit in the group of contracts, the contractual service margin (‘CSM’).
- The Group recognises profit from a group of insurance contracts over the period the Group provides insurance coverage. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately.
- The Group recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

2.2.1 New and Amended Standards and Interpretations (Continued)

(i) Changes to Classification and Measurement (Continued)

Life Insurance (Continued)

Some of the life insurance contracts issued and reinsurance contracts held are eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

(ii) Changes to Presentation and Disclosure

For presentation in the statement of financial position, the Group aggregates insurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolio referred to above are those established at initial recognition.

The line item descriptions in the profit or loss have been changed compared with last year. Previously, the Group reported the following:

- Gross premium earned
- Premium ceded to reinsurers
- Net earned premium
- Gross claims paid
- Claims ceded to reinsurers
- Gross change in contract liabilities
- Change in contract liabilities ceded to reinsurers
- Net claims and benefits
- Commission income and other fees
- Revenue from contracts with customers
- Commissions and brokerage fees paid

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance service result before reinsurance contracts held
- Allocation of reinsurance premium
- Amounts recoverable from reinsurers for incurred claims
- Changes in risk of non-performance
- Net expense from reinsurance contracts held
- Insurance service result
- Finance (expense)/ income for insurance contracts issued
- Finance income for reinsurance contracts held
- Net insurance finance expenses
- Net insurance and investment result

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in respect of insurance and reinsurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (Continued)

2.2.1 New and Amended Standards and Interpretations (Continued)

(iii) Transition

General Insurance

On transition date, 01 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied;
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified;
- Derecognised any existing balances that would not exist had IFRS 17 always applied; and
- Recognised any resulting net difference in equity.

Life Insurance

On transition date, 01 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied for insurance contracts issued on or after 01 January 2016. For contracts issued prior to 01 January 2016, the fair value approach has been applied;
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified;
- Derecognised any existing balances that would not exist had IFRS 17 always applied;
- Recognised any resulting net difference in equity; and
- Has re-assessed its eligible assets, i.e., financial assets which are held to back insurance liabilities such as With-Profit Life and Pension (WPL and WPP) policies, Non-Profit Life and Pension (NPL and NPP) policies and, Unit-Linked with Guarantee (Pension) (ULWGP) policies and Annuity policies. Deposits, government bonds, treasury bills and treasury notes which back the above-named insurance contracts were previously carried at amortised cost, are now measured at fair value through profit or loss. The fair values of these financial assets are monitored and managed at the Asset and Liability Committee and they should be measured at fair value through profit or loss.

The Group has applied the fair value approach on transition to all life insurance policies in-force that have issue dates prior to 01 January 2016. Prior to that date, the Group aggregated contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Group has determined the CSM of the LRC at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Group has applied the requirements of IFRS 13 'Fair Value Measurement'. For the application of the fair value approach, the Group has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts
- Determine whether any contracts are direct participating insurance contracts
- Identify any discretionary cash flows for insurance contracts without direct participation features

The discount rate for the group of contracts applying the fair value approach was determined at the transition date. Therefore, for the measurement of fulfilment cash flows at the date of transition, the locked-in discount rate is the rate applicable at the transition date. The discount rate used for accretion of interest on the CSM is determined using top down approach at inception. A reference market yield is used and is adjusted with no consideration for a liquidity premium. The Group has elected to use the top-down approach where the discount rates are derived off the actual backing assets as the reference portfolio of assets. Under the top-down approach, a discount rate curve is derived by extrapolating the applicable yield curve that reflects the market consistent expected real-world return on the backing assets and making required adjustments. These yield curves have been generated by applying risk premiums for different asset classes to extrapolated risk-free rates.

The Group has elected not to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income. The Group used the income approach to fair value the insurance contracts at the transition date.

2.3 Foreign currency translation

The consolidated financial statements are presented in Rs which is also the parent's functional currency. Each company in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (Continued)

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss, within finance costs. All other foreign exchange gains and losses are presented in profit or loss on a net basis within 'other gains/losses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income and debt instruments at fair value through other comprehensive income are recognised in other comprehensive income and as part of the currency translation reserve in the statement of changes in equity.

(ii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Insurance contracts

2.4.1 General Insurance

(i) Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues non-life insurance to individuals and businesses. These insurance contracts are mainly in respect of motor business but the Group also sells fire and allied perils, health, marine, engineering, personal accident, travel and other miscellaneous insurance contracts. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The Group holds reinsurance contracts with reinsurers whereby the Group is compensated for losses on one or more contracts issued by the Group. Reinsurance contracts used are proportional and non-proportional treaties, and facultative arrangements. Proportional reinsurance can be either 'quota share' where the proportion of each risk reinsured is stated or 'surplus' which is a more flexible form of reinsurance where, in consideration for a premium, the reinsurer agrees to pay all claims in excess of a specified amount, i.e., the retention, and up to a maximum amount. Facultative reinsurance contracts relate to specific insured risks which are underwritten separately.

(ii) Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

The Group assesses its non-life insurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

(ii) Insurance and reinsurance contracts accounting treatment (Continued)

Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. Under IFRS 17, two segments of business are reported namely Property and Casualty.

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant possibility of becoming onerous, and the remainder are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant possibility of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts needs to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into the three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new businesses. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Group issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Group has determined whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due. The Group looks at facts and circumstances to identify if a group of contracts are onerous based on:

- Actuarial valuation model projections for GMM and VFA contracts
- The sale of loss-making contracts through an official process for PAA eligible contracts

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, when the group is onerous.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.1 General Insurance (Continued)

(ii) Insurance and reinsurance contracts accounting treatment (Continued)

Recognition (continued)

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premium, or in which the Group has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks or both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premium up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.
- A liability or asset relating to expected premium or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

For insurance contracts, the following are considered as part of the contract boundary:

- Options the policyholder can exercise which compel the Company to provide services, such as extensions of the contract under the same terms or annuity conversion options.
- Cancellation options by the issuer with a certain notice period. The notice period indicates the contract boundary.
- Guaranteed premium payment periods. After this period, the Company can fully reprice the contract so this indicates the contract boundary.

For reinsurance contracts, similar principles for assessing contract boundaries as for direct business will be applied.

For insurance contracts with renewal periods, the Company assesses whether premium and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals are established by the Company by considering all the risks covered for the policyholder by the Company. The Company reassesses contract boundary of each group at the end of each reporting period.

Measurement - Premium Allocation Approach

Insurance Contracts – Initial Measurement

The Group applies the PAA to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premium within the contract boundary, or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the LRC for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For a group of contracts that is not onerous at initial recognition, the Group measures the LRC as:

- The premium, if any, received at initial recognition,
- Minus any insurance acquisition cash flows at that date,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows, and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the group pays or receives before the group of insurance contracts is recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.1 General Insurance (Continued)

Measurement - Premium Allocation Approach (Continued)

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the LRC for such onerous group depicting the losses recognised.

Reinsurance Contracts Held – Initial Measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for the group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Insurance Contracts – Subsequent Measurement

The Group measures the carrying amount of the LRC at the end of each reporting period as the LRC at the beginning of the period:

- Plus premium received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the LRC for such onerous group depicting the losses recognised.

Any premium receivable for past service is recognised as part of the LRC.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium that relate to recovering those cash flows (through insurance revenue).

The Group estimates the LIC as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of LIC that are expected to be paid within one year of being incurred.

Reinsurance Contracts Held – Subsequent Measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.1 General Insurance (Continued)

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group uses a systematic and rational method to allocate:

- (a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

(i) to that group; and

(ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- (b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. At the end of each reporting period, the Group revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Group recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Insurance Contracts – Modification and Derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant LRC.

Presentation

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

The Group disaggregates the total amount recognised in the statement of profit or loss into 'Insurance service result', comprising insurance revenue and insurance service expense, and 'Insurance finance income or expenses'.

Similarly, the Group disaggregates the reinsurance income or expense into 'allocation of reinsurance premium', 'amounts recoverable from reinsurers for incurred claims' and 'finance income/expense from reinsurance contracts held'.

The Group disaggregates the changes in risk adjustment for non-financial risk between insurance service result and insurance finance income and expenses.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.1 General Insurance (Continued)

Insurance Revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

Insurance Finance Income and Expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Group does not disaggregate insurance finance income or expenses on insurance contracts issued for all its classes of business between profit or loss and OCI.

Net Income or Expense from Reinsurance contracts held

The Group presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premium presented on the face of the statement of profit or loss.

Premium Allocation Approach (PAA) Eligibility	
IFRS 17 Options	Adopted approach
Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model.	Except for Contractors All Risks liability and Erection All Risk liability, the coverage period for all products issued and reinsurance assumed is one year or less and so qualifies directly for PAA. Contractors All Risks liability and Erection All Risk liability include contracts with coverage period over one year. However, there is no material difference in the LRC between PAA and the general model, therefore, these qualify for PAA.

Insurance acquisition cash flows for insurance contracts issued	
Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group.	For all insurance contracts issued, the insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.1 General Insurance (Continued)

Liability for Incurred Claims, (LIC) adjusted for time value of money

Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.

For all claims, the LIC is adjusted for the time value of money.

Insurance finance income and expense

There is an option to disaggregate part of the movement in LIC resulting from changes in discount rates and present this in OCI.

For all business, the change in LIC as a result of changes in discount rates will be captured within profit or loss.

2.4.2 Life Insurance

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, insurance risk is only significant for a contract if there is at least one scenario with commercial substance where the compensation paid by the insurer is significant, irrespective of the likelihood of that scenario. For the significance test, this scenario is then assessed to check whether the cash flows that would be paid should the insured event happen is at least 10% higher, at the same point in time, than the cash flows payable where the insured event does not occur.

The Group also holds reinsurance contracts in the normal course of business to mitigate insurance risks and compensate policyholders for claims arising from one or more insurance contracts issued.

Insurance and reinsurance contracts classification

The Group issues long-term insurance contracts, including those with direct participating features ("DPF") whereby the Group holds a pool of underlying assets. These types of insurance contracts entitle the contract holder, in supplement of a guaranteed amount, to a contractual right to receive additional profits or bonuses. The magnitude of the profits or bonuses as well as the timing of the payments is however at the discretion of the Group. The Group has an obligation to eventually pay to contract holders 93.5% (2022: 93.5%) of the DPF eligible surplus (i.e., all interest and realised gains and losses arising from the assets backing these contracts). The remaining 6.5% (2022: 6.5%) accrues to the shareholders. Any portion of the DPF eligible surplus accruing to contract holders that is not declared as a profit or bonus is retained as a liability in the Insurance contract liability, until declared and credited to contract holders in future periods. The portion of the DPF eligible surplus accruing to shareholders is transferred annually to a Non-Distributable reserve under shareholder's equity. All DPF liabilities including unallocated surpluses, both guaranteed and discretionary, at the end of the reporting period are held within insurance contract liabilities, as appropriate.

An insurance contract with DPF is defined as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Insurance contracts with DPF are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders) less the fulfilment cash flows that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with DPF is referred to as the Variable Fee Approach ("VFA"). The VFA modifies the accounting model in IFRS 17 (referred to as the General Measurement Model ("GMM")) to reflect that the consideration an entity receives for the contracts is a variable fee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.2 Life Insurance (Continued)

Separating components from insurance and reinsurance contracts

Some life insurance contracts issued by the Group include non-distinct investment components. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder even if an insured event does not occur. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, amounts relating to investment components are excluded from insurance revenue and insurance service expenses.

Some life reinsurance contracts held contain profit and/or sliding scale commission arrangements. For life reinsurance contracts with these arrangements, there is a minimum amount receivable by the insurer under all circumstances – either in the form of profit commission, or as claims recoveries, or another contractual payment, irrespective of the insured event happening. The profit and/or commission components have been assessed to be highly interrelated with the insurance component of the insurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, amounts relating to these investment components are excluded from profit or loss.

Level of aggregation

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts needs to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group has defined portfolios of insurance and reinsurance contracts issued based on its product lines, due to the fact that the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the existing actuarial valuation models which take into consideration existing and new businesses.

The Group divides portfolios of reinsurance contracts held applying the same principles set out above except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

The reinsurance contracts held portfolios are divided into:

- A group of contracts on which there is a net gain on initial recognition
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition
- A group of the remaining contracts in the portfolio

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.2 Life Insurance (Continued)

Recognition

Similar policies as those insurance contracts of the General Business

Also for reinsurance, the contracts held by the Group provide proportionate and non proportionate covers. Therefore, the Group does not recognise a proportional reinsurance contract held until at least- one underlying direct insurance contract has been recognised.

Onerous groups of contracts

Similar policies as those insurance contracts of the General Business

Contract boundary

Similar policies as those insurance contracts of the General Business

For insurance contracts, the following are considered as part of the contract boundary:

- Options the policyholder can exercise which compel the Company to provide services, such as extensions of the contract under the same terms or annuity conversion options.
- Cancellation options by the issuer with a certain notice period. The notice period indicates the contract boundary.
- Guaranteed premium payment periods. After this period, the Company can fully reprice the contract so this indicates the contract boundary.

For reinsurance contracts, similar principles for assessing contract boundaries as for direct business will be applied.

For insurance contracts with renewal periods, the Company assesses whether premium and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals are established by the Company by considering all the risks covered for the policyholder by the Company. The Company reassesses contract boundary of each group at the end of each reporting period.

Insurance Contracts – Modification and Derecognition

Similar policies as those insurance contracts of the General Business

Insurance Acquisition Cash Flows

Similar policies as those insurance contracts of the General Business

Measurement - General Measurement Model ('GMM')

Insurance Contracts - Initial Measurement

The GMM measures a group of insurance contracts as the total of:

- Fulfilment cash flows;
- a CSM representing the unearned profit the Group will recognise as it provides insurance contract services under the insurance contracts in the group.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premium and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
 - Payments to policyholders resulting from embedded surrender value options
 - An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.2 Life Insurance (Continued)

Measurement - General Measurement Model ('GMM') (Continued)

The Group incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Group estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Group's own experience, supplemented when necessary with data from other sources. Historical data is adjusted to reflect current conditions
- Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Group does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

The Group's CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. The Group measures the CSM on initial recognition at an amount that unless the group of contracts is onerous, results in no income or expenses arising from:

- Initial recognition of the fulfilment cash flows
- Derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows
- Any cash flows arising from the contracts in the group at that date

For groups of contracts assessed as onerous, the Group has recognised a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the CSM of the group being zero. A loss component has been established by the Group for the LRC for an onerous group.

Insurance Contracts - Subsequent Measurement

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- Interest accreted on the carrying amount of the CSM, measured at the discount rates at initial recognition
- The changes in fulfilment cash flows relating to future service, except to the extent that:
 - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss or
 - Such decreases in the fulfilment cash flows are allocated to the loss component of the LRC
- The amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The locked-in discount rate is taken as the rates applicable at the start of the valuation period in respect of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using a blended approach at inception.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premium received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premium received (or due) for future services are adjusted against the CSM
- Changes in estimates of the present value of future cash flows in the LRC, except those relating to the time value of money and changes in financial risk (recognised in profit or loss rather than adjusting the CSM)
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable.
- Changes in the risk adjustment for non-financial risk that relate to future service

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.2 Life Insurance (Continued)

Measurement - General Measurement Model ('GMM') (Continued)

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the LRC comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the LIC for the group comprised the fulfilment cash flows related to past service allocated to the group at that date.

Any premium receivable for past service is recognised as part of the LRC.

Reinsurance contracts held – initial measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer.
- The Group recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Where the Group enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.2 Life Insurance (Continued)

Measurement - General Measurement Model ('GMM') (Continued)

Reinsurance contracts held – subsequent measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the CSM as they do not relate to future service.

Any change in the fulfilment cash flows of a retroactive reinsurance contract held due to the changes of the LIC of the underlying contracts is taken to profit or loss and not the CSM of the reinsurance contract held.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where the group has established a loss-recovery component, the group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts held. Reversals of the loss- recovery component that are not changes in the fulfilment cash flows of the group of reinsurance contracts held adjust the CSM.

Measurement - Variable Fee Approach ('VFA')

The Group issues direct participating contracts. Direct participating contracts are contracts for which, at inception:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Use of the VFA instead of the GMM is mandatory for those insurance contracts that meet the criteria of the VFA. The requirements for initial measurement are the same for GMM and VFA. The differences between the VFA for direct participation contracts and the GMM applied to all other contracts exist for subsequent measurement only.

The Group's obligation to the policyholder is the net of:

- The obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- A variable fee in exchange for future services provided by the contracts, being the amount of the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items.

When measuring a group of direct participating contracts under the VFA, the Group adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss and adjusts the CSM for changes in the amount of the Group's share of the fair value of the underlying items, which relate to future services.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- The CSM of any new contracts that are added to the group in the year;
- The change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services;
- The amount recognised as insurance revenue because of the services provided in the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (Continued)

2.4.2 Life Insurance (Continued)

Insurance Revenue

The insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the group expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts (i.e., the amount of premium paid to the group adjusted for financing effect (the time value of money) and excluding any distinct investment components). The total consideration for a group of contracts covers amounts related to the provision of services and comprises:

- Insurance service expenses, excluding any amounts relating to the risk adjustment for non-financial risk and any amounts allocated to the loss component of the LRC
- Amounts related to income tax that are specifically chargeable to the policy holder
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the LRC
- The CSM release
- Amounts related to insurance acquisition cash flows

Refer to the table below for a summary of the accounting policy choices made by the Company:

Premium Allocation Approach (PAA) Eligibility	
IFRS 17 Options	Adopted approach
Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general mode.	It has been determined that funeral cover and group life (credit protection) contracts have a contract boundary that is less than one year and are as a result eligible for the PAA approach.
Insurance acquisition cash flows for insurance contracts issued	
Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.
Liability for Remaining Coverage (LRC), adjusted for financial risk and time value of money	
Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	The LIC is not adjusted for the time value of money as all claims are paid within one year.
Liability for Incurred Claims, (LIC) adjusted for time value of money	
Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The LIC is not adjusted for the time value of money as all claims are paid within one year.
Insurance finance income and expense	
There is an option to disaggregate part of the movement in LIC resulting from changes in discount rates and present this in OCI.	The change in LIC as a result of changes in discount rates will be captured within profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments

(i) Financial assets

Initial recognition

Financial assets, with the exception of loans and receivables, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and receivables are recognised when funds are transferred to the customers' accounts.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value though profit or loss are expensed in profit or loss.

Classification of financial assets

The classification of financial assets at initial recognition depends on their contractual cash flow characteristics and the business model for managing the instruments. The Group's financial assets are measured at either:

- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

This classification depends on whether the financial asset is a debt or equity instrument. The following table shows the classification of the different types of financial assets:

Classification	Type of financial assets included
Amortised cost	Deposits, corporate bonds, government bonds, treasury bills, loans and receivables, amounts receivable from related parties, cash and cash equivalents
Fair value through other comprehensive income	Quoted and unquoted securities, Government debt securities and Corporate bonds
Fair value through profit or loss	Open ended mutual funds, listed and unlisted equity instruments, listed bonds, government and corporate bonds, treasury bills and treasury notes.

Amortised cost

The Group only measures debt instruments at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

If either of the two criteria above is not met, the debt instrument is classified as at fair value through other comprehensive income or fair value through profit or loss.

Financial assets at amortised cost are subsequently measured using the effective interest method (EIR) and are subject to impairment. A gain or loss on a debt instrument carried at amortised cost is recognised in profit or loss when the financial asset is derecognised or impaired.

The Group directly reduces the gross carrying amount of a financial asset when it has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

(i) Financial assets (Continued)

Fair value through other comprehensive income ("FVOCI")

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI and as part of investment revaluation reserve in the statement of changes in equity. Impairment losses and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

For equity investments not classified as fair value through profit or loss, the Group can make an irrevocable election at initial recognition to recognise changes in fair value through OCI. Where the directors have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

Fair value through profit or loss ("FVTPL")

The Group classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured at fair value. Changes in fair value are recognised in profit or loss and presented as part of 'net unrealised gains/losses' in the period in which they arise.

Financial assets in this category are mandatorily classified as at FVTPL as they have been acquired principally for the purpose of selling or repurchasing in the near term. The Group has not designated any debt investment measured at FVTPL to eliminate or significantly reduce an accounting mismatch. Interest and dividend income is recorded in profit or loss according to the terms of the contract, or when the right to payment has been established.

Interest and dividend income is recorded in profit or loss according to the terms of the contract, or when the right to payment has been established.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at FVTPL or other financial liabilities at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include other payables, amounts due to related parties, lease liabilities and borrowings, which are classified as at amortised cost; and investment contract liabilities which are carried at fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

(ii) Financial liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities, not carried at FVTPL, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included in 'other costs' in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses will not be offset in profit or loss unless required or permitted by any accounting standard or interpretation.

2.6 Impairment of financial assets

(i) Overview of the Expected Credit Loss ("ECL") principles

The ECL allowance is based on the credit loss expected to arise over the life of the asset (the lifetime ECL or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 3.2.2.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

Based on the above process, financial instruments are grouped into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When financial assets are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2. Management determines that credit risk has improved when the client has not defaulted for a consecutive 6 months' period.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The loans are transferred from Stage 3 to Stage 2 where the client has consistently paid all instalments for a consecutive 6 months' period.
- Stage 3: Financial assets considered as credit-impaired. The Group records an allowance for the LTECLs. For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the asset is credit impaired and interest is calculated on the amortised cost based on a credit-adjusted effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets (Continued)

(ii) Calculation of ECLs

The Group calculates ECLs based on individual account exposure at the reporting date to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD : The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.
- EAD : The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method is summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

(iii) Forward looking information

In its ECL models, the group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the reporting date. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

(iv) Collateral valuation

To mitigate its credit risk on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the statement of financial position. However, the fair value of collateral affects the calculation of ECLs.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third party valuers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Investments in subsidiaries, associate and joint ventures

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Separate financial statements

Investments in subsidiary companies in the separate financial statements of the Group are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Investment in associate

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies. This is generally the case when the Group holds between 20% and 50% of the voting rights.

The investment in associate is accounted for using the equity method whereby it is carried at cost plus post-acquisition changes in the share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the share of the results of operations of the associate. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring its accounting policies in line with the Group's. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at each reporting date, whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value and recognises the amount in the 'Share of profit/(loss) from associate' in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment is recognised in profit or loss.

Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The investment in joint venture is accounted for using the equity method, as described above. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture, similar to its investment in associate.

2.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Dividend payable

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are approved. Final dividends which are approved after the reporting date are dealt with as a non-adjusting event.

2.10 Non-controlling interests

Non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Non-controlling interests may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. All non-controlling interests have been measured at the proportionate share of the acquiree's identifiable net assets.

2.11 Property and equipment

Land and buildings are recognised at fair value, based on valuations by external independent valuers, less subsequent depreciation. The valuation is performed every three years. However, directors assess whether the carrying amount has not changed significantly in the intermediate years. All other property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated by the revalued amount of the asset. Any revaluation surplus is recognised in OCI and accumulated in the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

Cost excludes the cost of day-to-day servicing. Replacement or major inspection costs are capitalised when incurred and if probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amount, to its residual values over its estimated useful life as follows:

	Rate per annum
Buildings	2%
Office equipment, computers, fixtures, fittings and other electricals	10 - 33.33%
Motor vehicles	20%
Freehold land is not depreciated.	

The assets' residual values and useful lives are reviewed and adjusted prospectively if appropriate, at the end of each reporting period.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and the disposal proceeds are taken into account in determining operating profit. On disposal of revalued assets, any amounts in revaluation reserve relating to those assets are transferred to retained earnings.

2.12 Investment properties

Properties held to earn rentals or capital appreciation or both and not occupied by the Group are classified as investment properties. They are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment properties at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss. Fair values are determined based on the valuation performed by an accredited external, independent valuer.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss. An intangible asset shall be derecognised: (a) on disposal; or (b) when no future economic benefits are expected from its use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

Acquisition of client portfolio

The cost of acquisition of a client portfolio is capitalised and amortised using the straight-line method over five to twenty-five years.

Computer software

Computer software is initially recorded at cost and amortised using the straight-line method over the estimated useful life of 5 years.

Goodwill

Goodwill is not amortised but tested for impairment annually, or more frequently if events or change in circumstance indicate that it might be impaired. It is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

2.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2.15 Cash and cash equivalents

Cash and short-term deposits comprise cash at banks and on hand, and short-term deposits with original maturities of three months or less. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Investment contract liabilities

Investment contract liabilities are without DPF and are recognised when contracts are entered into. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in profit or loss.

Fair value adjustments are performed at each reporting date and are recognised in the profit or loss in “movement in investment contract liabilities”. For unitised contracts, fair value is calculated as the number of units allocated to the policyholder in each unit-linked fund multiplied by the unit-price of those funds at the reporting date. The fund assets and fund liabilities used to determine the unit prices at the reporting date are valued on a basis consistent with their measurement basis in the statement of financial position.

The liability is derecognised when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised in finance cost.

2.18 Retirement benefit obligations

(i) Defined Contribution Pension Scheme

The local and foreign subsidiaries contribute to the statutory National Social Security Fund in the respective countries. Contributions to these schemes are determined by local statute. The obligations to retirement benefits are charged to profit or loss in the year to which they relate. Retirement benefits to most employees of the local subsidiaries of the Group are provided by a Defined Contribution Pension Scheme which is funded by contributions from the subsidiaries and the employees. Payments by the Group are charged to profit or loss in the year in which they are payable.

Members of the Defined Contribution Pension Scheme, who were previously members of the MUA Staff Pension Scheme, a Defined Benefit Scheme, are entitled to a No Worse Off Guarantee (“NWOG”) based on the benefits of the Defined Benefit Pension Scheme.

For employees who are insufficiently covered by the MUA Defined Contribution Plan, the net present value of gratuity on retirement payable under the Workers Rights Act 2019 (amended) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(ii) Defined Benefit Scheme

For Defined Benefit retirement benefit plans, the cost of providing benefits using the projected unit credit method carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes on the return on plan assets (excluding interest) is reflected immediately in the statement of financial position with a charge or credit recognised in OCI in the period in which they occur. Remeasurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expenses or income and
- Remeasurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Retirement benefit obligations (Continued)

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(v) Other long-term employee benefits

The Group also has liabilities for vacation leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The Workers Rights Act 2019 stipulates that a worker who remains in continuous employment with the same employer for a period of at least 5 consecutive years shall be entitled to paid vacation leave of not more than 30 days. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.19 Income taxes

The income tax expense or credit for the year is the tax payable on the current period’s taxable income, based on the applicable income tax rate, adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and consider whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (“CSR”) is regarded as a tax and is therefore subsumed with the income tax shown within the statement of profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the end of the reporting period.

Alternative Minimum Tax (AMT)

The tax payable by MUA Life Ltd is the higher of (a) the normal tax payable; or (b) 10% of the relevant profit. “Relevant profit” means profit attributable to shareholders in respect of an income year, as adjusted for capital gains/losses attributable to shareholders which were credited/charged to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Fair value measurement

The Group measures financial instruments, such as, financial assets at fair value through profit or loss, financial assets at fair value through OCI, and non-financial assets such as investment properties, land and buildings, at fair values at each reporting date. The fair values of financial instruments measured at amortised cost are also disclosed in Note 35.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The level in the hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Group. The directors consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group's investment committee determines the policies and procedures for recurring and non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the investment committee after discussion with and approval by the Group's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the investment committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the investment committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The investment committee, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Leases

The Group as lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Group assesses whether the contract meets 3 key evaluations:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group leases space for its branches and the rental contracts are for fixed periods but may have renewal option as described below. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The Group has elected to separate lease and non-lease components and accounts for these as two separate components. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from lease contracts are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable under residual value guarantees

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the Group revalues its land and buildings that are presented within property and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Extension and termination options

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Reserves

Investment revaluation reserve

Fair value gains and losses on financial assets carried at fair value through OCI are taken to other comprehensive income and cumulated in the 'investment revaluation reserve' in equity.

Revaluation reserve

Any revaluation surplus on property is recorded in OCI and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

Non-distributable share of Life surplus

Some insurance contracts contain a DPF. Any portion of the DPF eligible surplus accruing to contract holders that is not declared as a profit or bonus is retained as a liability in the Life Assurance Fund, until declared and credited to contract holders in future periods. The portion of the DPF eligible surplus/shortage relating to shareholders is transferred annually to/from a Non-Distributable reserve under shareholder's equity.

Contingency reserve

A contingency reserve was created by one of the overseas subsidiaries in order to comply with its local Insurance Act Regulations. This reserve is required to cover fluctuations in securities and variation in statistical estimates.

Shareholders' share of the surplus generated by the Life Business

The Group recognises the shareholders' share of the DPF eligible surplus on an annual basis and transfers this amount from/to Insurance Contract Liabilities to/from the shareholders' share of Life surplus in equity. The non-distributable share of the surplus is transferred annually from retained earnings to a non-distributable reserve. Whenever bonuses are paid/credited to policyholders, an amount representing 6.5% (2022: 6.5%) of these bonuses is transferred from the non-distributable reserve to retained earnings in the statement of changes in equity.

2.23 Assets held-for-sale

The Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available for immediate use.

2.24 Bank guarantees

Bank guarantees, taken by the Group, are shown as contingent liabilities in the notes to the financial statements. The bank guarantees indicate a potential loss that may occur at some point in the future. There are no bank guarantees taken by the Group as at 31 December 2023.

2.25 Share-based payment

The Group has a group share option scheme where executive management team of some of its local subsidiaries receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments of the Group (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. In the separate financial statements, the cost is recognised as an increase in reserves in equity, over the period in which the performance and/or service conditions are fulfilled. At Group level, the cumulative expenses are recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. General Insurance

Liability for remaining coverage

(i) Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

(ii) Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows. The Group adopts a top down approach to determine the discount rate and this entails:

- the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows.
- The reference portfolio will be based on the notional asset portfolio held to back the liabilities.
- The assets held to back the liabilities are selected in order to match the liability cash flows.
- The yield from the reference portfolio will be adjusted to remove both expected and unexpected credit risk. These adjustments will be estimated using information from observed historic levels of default relating to overseas similarly rated corporate bonds of the same duration as those included in the reference portfolio.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (Continued)

a. General Insurance (Continued)

Liability for remaining coverage (Continued)

(ii) Discount rates (continued)

Discount rates applied for discounting of future cash flows are listed below:

Contracts Issued	2023	2022
1 Year	4.01%	4.74%
3 years	4.66%	5.10%
5 years	4.66%	5.41%
10 years	4.89%	5.91%

(iii) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

(iv) Insurance attributable expenses

Where estimates of expenses related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis such as activity-based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Acquisition and maintenance cash flows are typically allocated to groups of contracts based on gross premium written, number of policies or other weights. Claims settlement related expenses are allocated based on the number of claims expected for all groups.

b. Life Insurance

(i) The methods used to measure insurance contracts

The Group primarily uses deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques. The following assumptions were used when estimating future cash flows:

Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type. An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Group.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type.

An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (Continued)

b. Life Insurance (Continued)

(i) The methods used to measure insurance contracts (Continued)

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Group. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts.

Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premium. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits of the Company, but later increases are broadly neutral in effect.

(ii) Insurance and reinsurance contracts classification: contracts with direct participation features (DPF)

An insurance contract with DPF must be measured under the Variable Fee Approach if the eligibility criteria are satisfied.

For contracts using the variable fee approach, the changes in the contractual service margin are mostly driven by the movements in the assets 'backing' the contracts or other profit-sharing items (referred to as 'underlying items') rather than by the fulfilment cash flows of the insurance contract liability. Use of the variable fee approach instead of the general model is mandatory for those insurance contracts that meet the criteria of the VFA.

The variable fee approach applies to insurance contracts that meet its criteria; the fact that participation features are discretionary does not necessarily preclude contracts from meeting the criteria. Not all contracts with participation features will meet the criteria to be accounted for as direct participation contracts. It was necessary for judgement to be applied by MUA in determining which contracts meet such eligibility criteria. For example, IFRS 17 B101 specifies that one of the eligibility criteria is that the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items. The IFRS 17 standard does not provide any further definition of what a substantial share is, and MUA therefore had to apply judgement in setting this.

(iii) Valuation of Options & Guarantees

In the valuation of the liabilities for both the unit-linked and with-profits business, allowances have been made for the time value of options and guarantees. This includes the ability of management to adjust the equity backing ratio (EBR) in response to market volatility and in the case of the with-profits business, allowances also consider the management's ability to reduce regular and terminal bonuses in stress scenarios where the cost of the guarantees exceeds the bonus stabilization reserve. The following assumptions pertain to management's potential actions:

(i) **EBR Management:** Proactive reduction of the EBR is a key management action to decrease asset volatility and ensure the stability of the fund under adverse market conditions.

(ii) **Bonus Adjustment (With-Profits only):** Management may reduce terminal bonuses to protect the fund's financial position when the cost of guarantees is not sufficiently covered by the bonus stabilization reserve.

(iii) **Market Monitoring:** Continuous monitoring of market trends and economic indicators will inform the timing and extent of EBR adjustments and bonus reductions.

(iv) **Regulatory Considerations:** All management actions will adhere to the prevailing regulatory framework, ensuring that policyholder interests are safeguarded.

(v) **Operational Efficiency:** The company is equipped to enact changes to the EBR and terminal bonuses swiftly, minimizing operational impact and maintaining service quality.

(vi) **Stakeholder Communication:** Transparent and prompt communication with policyholders and stakeholders will be maintained throughout any changes to the EBR or terminal bonuses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (Continued)

b. Life Insurance (Continued)

(iv) Contracts that change nature over time

The definitions in IFRS 17 allow an entity to use judgement when determining whether the obligation to pay an annuity after a disability event is part of LRC or LIC. Contracts that change nature over time refer to contracts, for example, where there is an annuity option that changes the nature of the contract at some point from a primarily investment linked product with participation to a risk-based non-profit annuity stream. This feature is present in the material Transfer Value, Personal Pension and the FORESEE Managed Pension Plan products, which make up a significant portion of the Group's business. The Group has considered the following when making the accounting decision to treat certain annuity benefits, after an initial accumulation phase as either a LIC or LRC:

The accumulation phase of these policies is VFA eligible and would generally be measured under the VFA LRC. The payment form would either be lump sum on maturity, or payments over time on guaranteed terms (i.e. the consequential claims phase). The consequential claims phase consists of annuity payments, which are generally measured under GMM LRC if offered as a standalone product. If the coverage period consists of both the accumulation phase and annuity phase, a single measurement approach will be applicable to both phases. As a result, the VFA criteria will not be met and the GMM will be adopted. Due to the inherent guaranteed terms of the guaranteed annuity option upon maturity of the accumulation phase, the two phases cannot be seen as two separate contracts. Hence, the Group needs to find a measurement model that can be consistently applied over both phases.

The Group notes that there are multiple insured events (i.e. survival to each payment date, starting from the maturity/retirement date) in these contracts. As a result, there is no single insured event leading to a consequential claim phase. The annuity phase falls within the contract boundary of the initial savings phase, due to the guaranteed annuity option. The Group has therefore measured both the accumulation phase and annuity phase under the GMM LRC.

(v) Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows

A blended approach will be used to derive the discount rates for all contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. The reference portfolio will be based on the notional asset portfolio held to back the liabilities. For non-profit products, this comprises a mix of local sovereign and corporate bonds available on the markets. The assets held to back the liabilities are selected in order to match the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below:

	2023				
	1 year	3 years	5 years	10 years	> 10 years
Life Risk- Annuities	4.036%	4.347%	4.471%	4.661%	4.975%
Life Risk- Term Assurance	7.272%	7.583%	7.707%	7.881%	7.881%
Indirect Participating	7.272%	7.583%	7.707%	7.889%	7.990%
Indirect Participating	7.522%	7.833%	7.957%	8.139%	8.417%
Insurance Contracts without DPF	7.272%	7.583%	7.707%	7.889%	8.023%
Insurance Contracts with DPF	7.636%	7.947%	8.071%	8.241%	8.241%

	2022				
	1 year	3 years	5 years	10 years	> 10 years
Life Risk- Annuities	4.767%	5.128%	5.429%	5.924%	6.309%
Life Risk- Term Assurance	7.811%	8.152%	8.411%	8.820%	9.134%
Direct Participating	7.811%	8.157%	8.426%	8.857%	9.069%
Direct Participating	8.061%	8.407%	8.676%	9.107%	9.439%
Insurance Contracts without DPF	7.811%	8.157%	8.426%	8.857%	9.099%
Insurance Contracts with DPF	8.367%	8.728%	9.029%	9.524%	9.538%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (Continued)

b. Life Insurance (Continued)

(v) Discount rates (Continued)

Transition

In retrospectively applying IFRS 17, the Company has restated the insurance contract liabilities/assets and reinsurance contract assets/liabilities at the transition date (i.e., 31 December 2021) to reflect the requirements of the new standard. The transition approach and its application affects the transition CSM and loss component and as a result has a significant impact on the equity at transition and the recognition of profit in the subsequent periods.

Following the completion of the required impracticability assessments, the Company has determined that the full retrospective approach could be applied to determine the CSM or loss component at transition for products written from 2016 onwards. For all earlier cohorts, the fair value approach will be adopted in determining the CSM or loss component at the transition date due to the lack of available data. Where the fair value transition approach was selected in determining the CSM or loss component at the transition date, this was determined as the difference between the fair value of the liabilities for a group of contracts (determined in accordance to the requirements of IFRS 13), and the fulfilment cash flows for that group (calculated according to the requirements of IFRS 17), at that date.

Under the requirements of IFRS13, the fair value of a liability needs to be calculated from the perspective of a market participant operating in the same principal market. It is the hypothetical exit price at which the liability will be transferred in an orderly transaction between market participants at the measurement date. The key assumptions used in determining the fair value for the respective cohorts of policies are:

- (i) Solvency cover ratio: The multiple of statutory capital that a similar market participant will hold. An acceptable range for this multiple is between 160% and 220%. The Company has set this multiple for the purposes of determining the fair value of the liability at 200% of the local minimum capital requirement.
- (ii) Hurdle rate (or required rate of return): The Capital Asset Pricing Model (CAPM) was used which takes into account the additional return an investor would require over and above the risk free rate. The risk free rate at the transition date ranged between 3.25%-4.50%. The additional compensation that an investor would require was based on an observed range of 4.90%-7.00% which results in a hurdle rate of between 8.15%-11.50%.
- (iii) Investment return on the backing assets: In determining the investment return on the backing assets, consideration was given to an appropriate asset mix to back the block of business that will adopt the fair value approach in determining the CSM at the transition date. This resulted in a range of 5.44% - 6.83% p.a.

(vi) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Group has estimated the risk adjustment using a margins-based approach. The margins are calibrated to be aligned with a value at risk (VaR) calculation. The margins have been determined using the South Africa regulatory capital basis (Solvency Assessment and Management (SAM)) adjusted at a 95% confidence level.

(vii) Amortisation of the Contractual Service Margin

The CSM is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future; and
- Recognising in profit or loss the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage period.

For products with and without direct participation features:

- A dual factor approach defined by a combination of a volume weighting and expected survivorship of the given contract is used.
- The volume measure is given by the maximum benefit that a policyholder could possibly be entitled to in a given period.

The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. Once coverage units have been determined as per the approaches above, CSM will be allocated based on the discounted value of the coverage units, using the current discount rates for the group.

For reinsurance contracts held, the CSM amortisation is similar to the insurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (Continued)

(viii) Insurance acquisition cash flows

Estimates of expenses are based on the apportionment allocation to each individual cost centre. The Group has determined that this method results in a consistent and practical allocation. This apportionment is then used to derive the acquisition and maintenance cost of each product for each cost centre which are then summed to obtain the total acquisition and maintenance costs.

The per policy cost for acquisition and maintenance is then calculated by dividing by the number of new and in-force businesses respectively. Unit cost for new generation bancassurance/term assurance are however expressed as a % of premium as these 2 products are new product offerings. Also, there is a 10% allowance for group life expenses which is deducted from the overall expenses as the relative increase in the level of group business is recent compared to the existing book.

c. Expected credit losses on financial assets

The measurement of expected credit losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining expected credit losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk, thus allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

d. Revaluation of land and buildings and investment properties

The Group measures its land and buildings at revalued amounts with changes in fair value being recognised in OCI. For investment properties, the changes in fair value is being recognised in profit or loss. The Group has engaged an independent professional valuer to determine the fair value. These estimates have been based on recent transaction prices for similar properties. The actual amount of the land and buildings and investment properties could therefore differ significantly from the estimates in the future. Refer to note 4 'Property and Equipment' and note 6 'Investment Properties' for more detail.

e. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. Refer to note 35 for sensitivity analysis for level 3 investments.

f. Impairment of goodwill at Group level and investments in subsidiaries at Separate level

The recoverable amount of the cash-generating units ("CGUs") was determined based on value-in-use calculations which require the use of assumptions, including a suitable discount rate. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates and terminal growth. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Management does not expect that the growth rate will exceed the long term average growth rate in which the CGU operates. Management believes that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGUs. Management assessed the carrying amount of goodwill relating to MUA Insurance (Kenya) Ltd (formerly Saham) and recognised an impairment charge of MUR 128m as at 31 December 2021, while concluding that the remaining carrying amount of goodwill and investments in subsidiaries are not impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (Continued)

g. Net employee defined benefit liabilities

The cost under the employee defined benefit plans as disclosed in note 20 requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimate in respect of inter-alia, discount rate, future salary increases and mortality rate. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

h. Control over subsidiaries

The directors of the Company assessed whether or not the Group has control over its subsidiaries based on whether the Group has the practical ability to direct their relevant activities unilaterally. In making their judgement, in particular for MUA Insurance (Tanzania) Ltd, the directors considered the Group's absolute size of holding in these subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the Group has sufficient dominant voting rights to direct the relevant activities of these subsidiaries and therefore the Group has control over them.

i. Estimating the incremental borrowing rate for leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

j. Determination of lease term

In determining the lease term, management considers all facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods with termination options) are only included in the lease term if the lease term is reasonably certain to be extended (or terminated).

k. Disposal of financial assets carried at amortised cost

During the year ended 31 December 2023, the Group disposed of instruments which were held at amortised cost. This one-off transaction did not contravene the business model of the whole portfolio which is held at amortised cost.

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

3.1 Insurance risk

3.1.1 Insurance and reinsurance contracts classification - Life assurance

The Group offers term life, annuity, funeral and unit-linked insurance products. The main risks that the Group is exposed to are, as follows:

- Mortality risk – risk of loss arising due to the incidence of policyholder's death being different from expected
- Morbidity risk – risk of loss arising due to policyholder's health experience being different from expected
- Longevity risk – risk of loss arising due to the annuitant living longer from expected
- Expense risk – risk of loss arising from expense experience being different from expected
- Policyholder decision risk – risk of loss arising due to policyholder's experiences (lapses and surrenders) being different from expected

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of outwards reinsurance arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (Continued)

3.1 Insurance risk (Continued)

3.1.1 Insurance and reinsurance contracts classification - Life assurance (Continued)

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance held (outward reinsurance) is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business.

Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The nature of the Group's exposure to insurance risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period. Refer to the below table.

Concentration of risk

Benefits assured per life assured

	Total benefits insured			
	2023			
	Before reinsurance		After reinsurance	
	Rs'000	%	Rs'000	%
Rs'000				
0-50	1,445,610	1%	1,449,475	3%
50-100	6,942,593	7%	6,804,235	14%
100-150	2,905,395	3%	2,969,887	6%
150-200	2,119,125	2%	2,252,216	5%
200-250	1,587,887	2%	1,556,658	3%
250-300	1,778,371	2%	12,086,882	24%
More than 300	84,595,720	83%	22,494,152	45%
Total	101,374,701	100%	49,613,505	100%

	Total benefits insured			
	2022			
	Before reinsurance		After reinsurance	
	Rs'000	%	Rs'000	%
Rs'000				
0-50	2,055,908	2%	2,055,757	4%
50-100	7,283,887	6%	7,281,504	15%
100-150	2,999,987	2%	2,984,843	6%
150-200	2,187,728	2%	2,172,826	5%
200-250	1,771,004	1%	1,713,689	4%
250-300	2,695,658	2%	2,435,406	5%
More than 300	107,188,229	85%	28,809,602	61%
Total	126,182,401	100%	47,453,627	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (Continued)

3.1 Insurance risk (Continued)

3.1.1 Insurance and reinsurance contracts classification - Life assurance (Continued)

Rs'000	Total annuities payable per annum			
	2023		2022	
	Rs'000	%	Rs'000	%
0 - 10	2,904	2%	2,852	3%
10 - 20	6,598	5%	6,124	5%
20- 50	23,843	20%	22,157	20%
50 - 100	25,838	21%	23,308	21%
100 - 150	15,758	13%	14,893	13%
More than 150	47,064	39%	43,991	38%
Total	122,005	100%	113,325	100%

The Group provides a wide range of products which have been grouped in portfolios of insurance and reinsurance contracts. A portfolio comprises contracts subject to similar risks and managed together. For disclosure purpose, the Group has aggregated portfolios of contracts based on similar characteristics. The resulting groupings and measurement approaches are as follows:

Insurance Contracts	Measurement model
Life Risk	
- Term Assurance	GMM
- Term Assurance - PAA	PAA
- Annuities	GMM
Participating	
- Indirect Participating	GMM
- Direct Participating	VFA
- Insurance Contracts without DPF	GMM
- Insurance Contracts with DPF	GMM
- Insurance Contracts with DPF	VFA
Reinsurance Contracts	GMM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.1 Insurance and reinsurance contracts classification - Life assurance (Continued)

(i) Sensitivities

	Change in assumptions	2023		2022	
		Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
		Rs'000	Rs'000	Rs'000	Rs'000
Lapse and surrenders rate	+10%	(3,552)	(10,623)	781	(9,197)
Expenses	+10%	(15,967)	(17,510)	(9,991)	(9,329)
Mortality/morbidity rate	+10%	(29,630)	(8,084)	(45,013)	(13,138)
Longevity	+10%	(20,063)	(20,312)	(5,747)	(5,885)
Inflation	+1%	(20,146)	(20,798)	(14,020)	(13,908)
Discount rate	+1%	133,757	118,967	95,187	82,992
Discount rate	-1%	(148,601)	(130,290)	(108,153)	(93,636)

	Change in assumptions	2023		2022	
		Impact on CSM before tax gross of reinsurance	Impact on CSM before tax net of reinsurance	Impact on CSM before tax gross of reinsurance	Impact on CSM before tax net of reinsurance
		Rs'000	Rs'000	Rs'000	Rs'000
Lapse and surrenders rate	+10%	(22,377)	(40,904)	(4,304)	(18,264)
Expenses	+10%	(30,261)	(28,619)	(25,313)	(25,970)
Mortality/morbidity rate	+10%	(70,747)	(23,599)	(45,688)	(16,572)
Longevity	+10%	(24,015)	(24,964)	(25,963)	(26,760)
Inflation	+1%	(6,335)	(6,335)	(4,641)	(4,635)
Discount rate	+1%	(52,383)	(52,383)	(23,726)	(23,738)
Discount rate	-1%	52,031	52,031	24,669	24,684

3.1.2 Insurance and reinsurance contracts classification - General Insurance

The Group issues the following types of non-life insurance contracts: motor, fire and allied perils, health, marine, engineering, personal accident, travel and other miscellaneous insurance contracts. For the purpose of IFRS 17, these classes of business are grouped under 'Property' and 'Casualty'.

The most significant risks arise from climate changes, natural disasters and if the actual claims exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims is greater than estimated. For longer tail claims that take some years to settle, there is also inflation risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.2 Insurance and reinsurance contracts classification - General Insurance (Continued)

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance held is placed on both a proportional and non-proportional basis. Retention limits for non-proportional excess-of-loss reinsurance vary by product line.

The frequency and severity of claims can be affected by several factors. The most significant claims result from accident, liability claims awarded by the Court, fire and allied perils and their consequences. Inflation is also a significant factor due to the long period typically required to settle some claims.

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date.

The following tables show the concentration of net insurance contract liabilities by type of contracts:

	Outstanding claims			
	2023			
	No of claims	Gross Liabilities	Reinsurance of liabilities	Net
		Rs'000	Rs'000	Rs'000
Property	8,757	1,439,268	(934,733)	504,535
Casualty	29,288	723,332	(119,120)	604,212
IBNR, ULAE & Risk adjustment for non-financial risk	-	874,376	(228,307)	646,069
Total	38,045	3,036,976	(1,282,160)	1,754,816

	Outstanding claims			
	2022			
	No of claims	Gross Liabilities	Reinsurance of liabilities	Net
		Rs'000	Rs'000	Rs'000
Property	7,518	820,579	(647,503)	173,076
Casualty	26,485	626,007	(100,763)	525,244
IBNR, ULAE & Risk adjustment for non-financial risk	-	600,429	(137,298)	463,131
Total	34,003	2,047,015	(885,564)	1,161,451

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.1 Insurance risks (Continued)

3.1.2 Insurance and reinsurance contracts classification - General Insurance (Continued)

(i) Sensitivities

The LIC is sensitive to the key assumptions disclosed in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following sensitivity analysis shows the impact on profit before income tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Sensitivity disclosure

	2023				
	Change in assumptions	Impact on profit before income tax gross of reinsurance	Impact on profit before income tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
		Rs'000	Rs'000	Rs'000	Rs'000
Expected loss	+5%	(217,106)	(163,112)	(174,550)	(113,670)
Discount rate	+1%	11,163	9,073	8,880	6,825
Expected loss	-5%	217,106	163,112	174,550	113,670
Discount rate	-1%	(10,749)	769	(8,619)	(7,363)
	2022				
	Change in assumptions	Impact on profit before income tax gross of reinsurance	Impact on profit before income tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
		Rs'000	Rs'000	Rs'000	Rs'000
Expected loss	+5%	(173,249)	(77,610)	(140,591)	(96,224)
Discount rate	+1%	(5,226)	(1,550)	(4,202)	(2,298)
Expected loss	-5%	173,626	199,064	140,591	96,937
Discount rate	-1%	4,503	2,049	3,710	2,696

(ii) Claims Development Table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

In setting claims provisions, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.1 Insurance risks (Continued)

3.1.2 Insurance and reinsurance contracts classification - General Insurance (Continued)

(ii) Claims Development Table (Continued)

Gross undiscounted liabilities for incurred claims for 2023

Accident Year	Before 2019	2019	2020	2021	2022	2023	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of accident year	-	1,819,432	1,897,450	1,912,147	2,057,705	2,696,955	
One year later	-	2,032,052	2,068,366	2,129,055	2,619,374	-	
Two years later	-	2,086,220	1,984,733	2,202,430	-	-	
Three years later	-	2,083,930	2,034,997	-	-	-	
Four years later	955,869	2,192,497	-	-	-	-	
Cumulative Payments to Date	(543,596)	(2,045,833)	(1,781,012)	(2,071,528)	(2,472,025)	(1,598,640)	(10,512,634)
Gross cumulative claim liabilities	412,273	146,664	253,985	130,902	147,349	1,098,315	2,189,488
IBNR-best estimate							732,704
Gross undiscounted claim liabilities							2,922,192
Risk adjustment for non-financial risk							106,897
ULAE provision							37,402
Effect of discounting							(251,239)
Gross liabilities for incurred claims							2,815,252

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.1 Insurance risks (Continued)

3.1.2 Insurance and reinsurance contracts classification - General Insurance

(ii) Claims Development Table

Net undiscounted liabilities for incurred claims for 2023

Accident Year	Before 2019	2019	2020	2021	2022	2023	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of accident year	-	1,428,628	1,249,399	1,557,892	1,768,159	2,099,155	
One year later	-	1,535,706	1,419,728	1,739,572	2,030,322	-	
Two years later	-	1,540,985	1,404,421	1,775,292	-	-	
Three years later	-	1,530,621	1,423,619	-	-	-	
Four years later	641,318	1,616,494	-	-	-	-	
Cumulative Payments to Date	(473,069)	(1,513,078)	(1,366,038)	(1,679,913)	(1,933,492)	(1,514,068)	(8,479,658)
Net cumulative claim liabilities	168,249	103,416	57,581	95,379	96,830	585,087	1,106,542
IBNR-best estimate							538,452
Net undiscounted claim liabilities							1,644,994
Risk adjustment for non-financial risk							69,822
ULAE provision							37,402
Effect of discounting							(174,865)
Net liabilities for incurred claims							1,577,353

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks

The Group is exposed to financial risks through its financial assets, financial liabilities, insurance and reinsurance assets and liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts.

Risk management is carried out by the investment department under policies approved by the investment committee. The investment department identifies and evaluates financial risks in close co-operation with the Group's operating units. The committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risks, interest rate risks and investment of excess liquidity.

The main risks to which the Group is exposed include:

- Market risks (which includes foreign exchange risk, interest rate risk and equity price risk);
- Credit risk; and
- Liquidity risk.

Guidelines are set for asset allocation and portfolio limit structure. The nature of the Group's exposure to market risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

3.2.1 Market risks

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates. The Group's principal transactions are carried out in the Company's functional currency. The Group mitigates some of the foreign exchange risk associated with insurance contracts by holding reinsurance contracts denominated in the same currencies as its insurance contract liabilities. The Group has no remaining significant concentration of foreign exchange risk.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact on the market risk, but to demonstrate the impact due to changes in variables, these variables had to be changed on an individual basis.

		THE GROUP					
	2023	2022	2023		2022		
	% Change	% Change	Impact on profit before income tax	Impact on equity	Impact on profit before income tax	Impact on equity	
			Rs' 000	Rs' 000	Rs' 000	Rs' 000	
USD	9%	9%	+/- 183,755	+/- 141,292	+/- 162,819	+/- 125,017	
GBP	9%	9%	+/- 356	+/- 289	+/- 623	+/- 480	
EUR	9%	9%	+/- 26,646	+/- 22,058	+/- 14,234	+/- 11,726	
ZAR	9%	9%	+/- 1,348	+/- 1,119	+/- 3,184	+/- 2,643	

		THE COMPANY					
	2023	2022	2023		2022		
	% Change	% Change	Impact on profit before income tax	Impact on equity	Impact on profit before income tax	Impact on equity	
			Rs' 000	Rs' 000	Rs' 000	Rs' 000	
USD	9%	9%	+/- 84,986	+/- 70,538	+/- 55,171	+/- 45,792	

The method used for deriving sensitivity information and significant variables did not change from the previous method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks (Continued)

3.2.1 Market risk (Continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments, insurance contracts or reinsurance contracts will change due to a change in interest rates. The risk is also that there will be insufficient funds to fund the guaranteed benefits payable especially under long term assurance contracts. Under short-term insurance contracts, liabilities are not directly sensitive to the level of market interest rates, as they are contractually non-interest bearing; except in case of bodily injury claims which are settled over long periods. Fluctuations in interest rates however impact on returns on financial instruments. This is closely monitored by management through a well-diversified portfolio of fixed income securities and equity investments.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before income tax and equity:

			THE GROUP							
	2023	2022	2023				2022			
	% Change	% Change	Impact on profit before income tax		Impact on equity		Impact on profit before income tax		Impact on equity	
			Rs' 000		Rs' 000		Rs' 000		Rs' 000	
Insurance and reinsurance contracts	2.50%	1.50%	-/+	39,048	-/+	30,183	-/+	13,714	-/+	17,605
Financial assets and liabilities	2.50%	1.50%	+/-	116,623	+/-	117,802	+/-	63,319	+/-	62,445

			THE COMPANY							
			2023			2022				
			Impact on profit before income tax		Impact on equity		Impact on profit before income tax		Impact on equity	
			Rs' 000		Rs' 000		Rs' 000		Rs' 000	
Financial assets and liabilities	2.50%	1.50%	+/-	6,492	+/-	5,389	+/-	2,953	+/-	2,451

(iii) Equity price risk

Equity price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group's price policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each industry sector and markets.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before income tax and equity.

			THE GROUP							
Changes in share price	2023	2022	2023			2022				
	% Change	% Change	Impact on profit before income tax		Impact on equity	Impact on profit before income tax		Impact on equity		
			Rs' 000		Rs' 000	Rs' 000		Rs' 000		
	Financial instruments at FVOCI									
	Financial instruments at FVPL									
	+/-2.5%	+/-2.5%	+/-	-	+/-	7,935	+/-	-	+/-	8,458
	+/-2.5%	+/-2.5%	+/-	82,329	+/-	68,333	+/-	77,705	+/-	64,495
				82,329		76,268		77,705		72,953

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks (Continued)

3.2.2 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when due. The Group's credit risk is primarily attributable to its insurance contract assets, reinsurance contract assets, loans and investments in debt securities and other receivables. The Credit Control department assesses the creditworthiness of brokers, agents and of contract holders based on details of recent payment history, past experience and by taking into account their financial position. The Group is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers and the Group has policies in place to ensure that risks are ceded to top-rated and credit-worthy reinsurers only. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group also has exposure to credit risk on its debt securities, more specifically on the corporate bonds. The Investment Committee assesses the credit quality of the issuers based on past experience the Group has had with those issuers. The Investment Committee recommends investment in entities with which the Group had good experience with in the past years and with good standing. The financial performance and position of the issuers are assessed in detail prior to approval for investment by the Group.

		THE GROUP		THE COMPANY	
		2023	Restated 2022	2023	2022
Financial instruments	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	1,012,308	794,459	-	-	-
Financial assets at fair value through profit or loss	3,559,957	3,377,874	-	-	-
Debt instruments at amortised cost	8,292,451	7,370,797	653,049	1,455,676	
Loans and receivables	629,691	606,132	1,036,931	102,775	
Other receivables	161,243	193,597	-	-	
Amount receivable from related parties	-	-	7,550	6,850	
Reinsurance contract assets	1,742,998	1,554,254	-	-	
Insurance contract assets	22,786	-	-	-	
Cash and cash equivalents	1,066,519	1,269,835	110,359	213,790	
	16,487,953	15,166,948	1,807,889	1,779,091	

The collaterals held against loans and receivables are as follows:

2023

2022

Carrying value	Value of collaterals held	Net credit exposure
Rs'000	Rs'000	Rs'000
584,877	1,411,110	-
606,132	1,487,797	-

The Group's credit scorecard and probability of default (PD) estimation process

The Group's independent Credit Risk Department operates a credit scorecard model. The Group runs separate models for its key portfolios in which the customers are rated from 0 to 3 using internal grades. The model incorporates both qualitative and quantitative information and, in addition to information specific to the borrower, utilises supplemental external information that could affect the borrower's behaviour. The PDs are estimated using the number of defaulted number accounts on total number of accounts in the portfolio then projected on twelve months or the lifetime of the loans depending on the stage in which the client has been classified in.

Government Bonds, Treasury Bills, Short and Long-Term Deposits

The Group's government bonds, treasury bills and short & long-term deposits are with the following: central banks, commercial banks and other non-banking financial institutions. For these relationships, the Group's credit risk department analyses publicly available information such as financial information and other external data, e.g., the rating of Moody's and S&P. The PD is derived using a transition matrix to convert the ratings into PDs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks (Continued)

3.2.2 Credit risk (Continued)

Mortgage and Other Loans

For mortgage and other loans, the borrowers are assessed by specialised credit risk employees of the Group. The credit risk assessment is based on a credit scoring model that takes into account various historical current and forward looking information such as:

- Historical financial information together with forecasts and budgets prepared by the client. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention.
- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or CDS prices or press releases and articles.
- Quality of the collaterals given as guarantee
- Loan to value
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the Group's performance.

The complexity and granularity of the rating techniques vary based on the exposure of the Group and the complexity and size of the customer. Some of the less complex small loans are rated within the Group's models for such products.

Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the reporting date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2 and Stage 3, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time corresponding to the multiple scenarios. The PDs are then assigned to each economic scenario based on the outcome of the Group's model.

Loss Given Default (LGD)

For corporate financial instruments, LGD values are assessed at least every year by accounts managers and reviewed and approved by the Group's specialised credit risk department. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

Further recent data and forward looking economic scenarios are used in order to determine the LGD rate for each group of financial instruments.

Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk when the financial asset is 30 days' overdue or if qualitative assessment demonstrates an increase in credit risk. Qualitative assessment considers the following:

- actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increase in credit risk on other financial instruments of the same borrower;
- significant change in the value of the collateral or in the quality of third party guarantees or credit enhancements;
- significant change in the expected performance and behaviour of the borrower.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks (Continued)

3.2.2 Credit risk (Continued)

Grouping financial assets measured on a collective basis

Dependent on the factors below, the Group calculates ECLs either on a collective or an individual basis:

- The corporate lending portfolio
- The large and unique exposures of the small lending portfolio
- Debt instruments at amortised cost
- Corporate bonds and short/long term deposits

Asset classes where the Group calculates ECL on a collective basis include:

- The smaller and more generic balances of the Group's small lending
- Stage 1 and 2 mortgages and other loans

Collateral and other credit enhancements

The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are for mortgage and other loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In its normal course of business, the Company does not physically repossess properties or other assets in its portfolio, but undertakes to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Payout pattern of the borrower indicating default or near-default
- The borrower requesting emergency financing from the Group
- The borrower having past due liabilities to public creditors or employees
- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection

It is the Group's policy to consider a financial instrument as 'cured' and therefore reclassified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

3.2.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associaed with the timing differences between gross cash outflows and expected reinsurance recoveries.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Liquidity risk is considered to be low since the Group maintains an adequate level of cash resources or assets that are readily available on demand.

The Group's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Group. Compliance with the policy is monitored, and exposures and breaches are reported to the Group's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Group has also committed lines of credit that it can access to meet liquidity needs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks (Continued)

3.2.3 Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted payments. However due to the nature of the business, it is not possible to quantify payment for the outstanding claims provision including IBNR over the years since these can be made as from next year and last up to ten years.

	THE GROUP						
	2023						
	Up to 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	> 5 Years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	75,575	64,000	64,000	264,000	45,250	863,813	1,376,638
Lease liabilities	27,645	16,900	14,771	14,185	13,946	17,945	105,392
Insurance contract liabilities	3,113,576	919,923	1,045,911	823,230	3,461,815	16,968,127	26,332,582
Investment contract liabilities	1,791,702	-	-	-	-	-	1,791,702
Other payables*	558,412	-	-	-	-	-	558,412
	5,566,910	1,000,823	1,124,682	1,101,415	3,521,011	17,849,885	30,164,726
Reinsurance contract assets	1,675,044	263,597	158,944	116,038	89,943	334,184	2,637,750
Insurance contract assets	-	-	-	-	-	-	-
Loans and receivables	146,157	127,028	104,477	84,417	65,883	278,735	806,697
Financial assets at FV OCI	451,672	210,023	211,502	113,962	376,639	161,264	1,525,062
Financial assets at FV PL	436,479	450,637	415,384	396,101	712,411	5,589,751	8,000,763
Debt instruments at amortised cost	3,035,105	699,928	739,626	536,775	858,738	4,195,784	10,065,956
Other receivables	161,243	-	-	-	-	-	161,243
Cash and cash equivalents	1,066,519	-	-	-	-	-	1,066,519
	6,972,219	1,751,213	1,629,933	1,247,293	2,103,614	10,559,718	24,263,990
Liquidity gap	1,405,309	750,390	505,251	145,878	(1,417,397)	(7,290,167)	(5,900,736)

	THE GROUP						
	2022 - Restated						
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	24,860	18,125	18,125	18,125	248,250	667,188	994,673
Lease liabilities	38,475	27,466	25,955	24,381	23,515	36,279	176,071
Insurance contract liabilities	3,693,674	861,651	926,016	1,179,472	896,582	19,168,102	26,725,497
Investment contract liabilities	1,478,795	-	-	-	-	-	1,478,795
Other payables*	529,350	-	-	-	-	-	529,350
	5,765,154	907,242	970,096	1,221,978	1,168,347	19,871,569	29,904,386
Reinsurance contract assets	1,844,728	219,788	157,166	127,187	111,621	267,750	2,728,240
Loans and receivables	169,099	133,011	106,657	98,187	89,926	298,068	894,948
Financial assets at FV OCI	441,530	140,446	160,675	41,400	99,934	523,444	1,407,429
Financial assets at FV PL	387,524	460,442	390,017	196,404	670,389	5,711,352	7,816,128
Debt instruments at amortised cost	2,349,420	550,552	568,804	364,767	525,898	4,439,355	8,798,796
Other receivables	193,597	-	-	-	-	-	193,597
Cash and cash equivalents	1,269,835	-	-	-	-	-	1,269,835
	6,655,733	1,504,239	1,383,319	827,945	1,497,768	11,239,969	23,108,973
Liquidity gap	890,579	596,997	413,223	(394,033)	329,421	(8,631,600)	(6,795,413)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks (Continued)

3.2.3 Liquidity risk (Continued)

	THE COMPANY						
	2023						
	Up to 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	> 5 Years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	75,575	64,000	64,000	260,250	45,250	863,813	1,372,888
Other payables*	5,703	-	-	-	-	-	5,703
	81,278	64,000	64,000	260,250	45,250	863,813	1,378,591
Loans and receivables	943,259	4,500	4,500	4,500	4,500	111,250	1,072,509
Debt instruments at amortised cost	36,895	36,895	36,895	36,895	36,895	828,039	1,012,514
Amount receivable from related parties	7,550	-	-	-	-	-	7,550
Cash and cash equivalents	110,359	-	-	-	-	-	110,359
	1,098,063	41,395	41,395	41,395	41,395	939,289	2,202,932
Liquidity gap	1,016,785	(22,605)	(22,605)	(218,855)	(3,855)	75,476	824,341

	2022 - Restated						
	Up to 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	> 5 Years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	18,125	30,125	48,250	48,250	248,250	667,188	1,060,188
Other payables*	2,828	-	-	-	-	-	2,828
Amounts due to related parties	367	-	-	-	-	-	367
	21,320	30,125	48,250	48,250	248,250	667,188	1,063,383
Loans and receivables	4,500	4,500	4,500	4,500	4,500	116,875	139,375
Debt instruments at amortised cost	755,319	41,695	41,695	41,695	41,695	644,809	1,566,908
Amount receivable from related parties	6,850	-	-	-	-	-	6,850
Cash and cash equivalents	213,790	-	-	-	-	-	213,790
	980,459	46,195	46,195	46,195	46,195	761,684	1,926,923
Liquidity gap	959,139	16,070	(2,055)	(2,055)	(202,055)	94,496	863,540

* Loans repaid in advance, premium prepaid and VAT payable have been excluded from other payables.

3.2.4 Fair values

Except where otherwise stated, the carrying amounts of the Group's and Company's financial assets and liabilities approximate their fair values. See note 35 for fair value disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONTINUED)

3.2 Financial risks (Continued)

3.2.5 Capital management

The Group's objectives when managing capital are:

- to comply with the minimum capital requirements of the Insurance Act 2005 and the Insurance Rules and Regulations 2007
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for its policyholders.
- to provide an adequate return to shareholders by pricing insurance contracts in line with the level of risk and therefore solvency.

The Group manages the minimum capital requirement as follows:

Different targets level are set above the statutory requirements, providing a buffer in order to remain solvent at all times and this is monitored on a quarterly basis. Capital planning is done to ensure we minimise the risk of being below the minimum required and these calculations are done under different stress test scenarios using parameters in different areas of risks such as equity risk, interest rate risk, credit risk, business risk and currency risk. Reinsurance is used to reduce the volatility of our results, thus reducing our capital needs. This risk is further reduced by using rated reinsurers in our panel.

The Group met the Minimum Capital Requirement at 31 December 2023 and 2022 for both life and general businesses.

Capital available has been computed from the shareholders fund less any unadmitted asset.

The operations of the Group is also subject to regulatory requirements within the Mauritian as well as the overseas African jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the Group to meet unforeseen liabilities. In reporting financial strength, capital and solvency are measured using the rules prescribed by the applicable Insurance Acts. The Group and regulated entities within it have met all these requirements.

	The Mauritius Union Assurance Cy. Ltd		MUA Life Ltd		MUA Insurance (Kenya) Ltd		MUA Insurance (Tanzania) Limited		MUA Insurance (Uganda) Limited		MUA Insurance (Rwanda) Ltd	
	2023	2022	2023	2022*	2023	2022	2023	2022	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total equity	1,421,577	1,502,353	1,048,790	1,425,487	(260,212)	(142,991)	693,025	965,465	236,418	218,081	294,510	270,437
Borrowings	306,114	305,664	-	2,997	434,390	439,626	-	-	-	-	-	-
Total shareholders' fund per financial statements	1,727,691	1,808,017	1,048,790	1,428,484	174,178	296,635	693,025	965,465	236,418	218,081	294,510	270,437
Adjustments onto a regulatory basis	(579,282)	(499,850)	1,323,210	(23,670)	(149,645)	(97,321)	(254,426)	(418,880)	(60,355)	(58,624)	(50,979)	(37,952)
Available capital resources	1,148,409	1,308,167	2,372,000	1,404,814	24,533	199,314	438,599	546,585	176,063	159,457	243,531	232,485

* The 2022 position has been prepared on an IFRS 4 basis.

3.3 Risk Management Framework

The Group has set up a Risk Management Framework as required under the Insurance (Risk Management) Rules 2016 issued by the Financial Services Commission under section 130 of the Insurance Act and section 93 of the Financial Services Act 2007. The Risk Management Framework includes the following components:

- (a) A Risk Appetite Statement;
- (b) A Risk Management Strategy;
- (c) A three-year rolling business plan;
- (d) An Own Risk Solvency Assessment (ORSA) Framework;
- (e) The liquidity policy;
- (f) Description of the responsibilities, roles and reporting lines within the insurer for the management of material risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

4 PROPERTY AND EQUIPMENT - OWNED

(a) THE GROUP

	Note	Land and Buildings		Office equipment, computers, fixtures, fittings & other electricals	Motor vehicles	Total
		Freehold land	Buildings on freehold land			
<u>2023</u>		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION						
At 01 January 2023		40,000	209,880	418,039	36,149	704,068
Additions during the year		-	-	51,292	5,364	56,656
Disposals during the year		-	(16,000)	(14,866)	(11,097)	(41,963)
Transfer to Assets held for sale	38	(40,000)	(131,600)	-	-	(171,600)
Exchange differences		-	(311)	(14,480)	(2,555)	(17,346)
		-	61,969	439,985	27,861	529,815
ACCUMULATED DEPRECIATION						
At 01 January 2023		-	8,223	304,773	23,829	336,825
Charge for the year		-	3,866	38,432	3,447	45,745
Disposals during the year		-	(507)	(11,198)	(10,799)	(22,504)
Revaluation adjustment		-	(8,093)	-	-	(8,093)
Exchange differences		-	(304)	(10,299)	(1,991)	(12,594)
		-	3,185	321,708	14,486	339,379
		-	58,784	118,277	13,375	190,436
<u>2022</u>						
COST OR VALUATION						
At 01 January 2022		40,000	209,846	380,332	33,023	663,201
Additions during the year		-	92	44,717	6,511	51,320
Disposals during the year		-	-	(2,520)	(2,590)	(5,110)
Exchange differences		-	(58)	(4,490)	(795)	(5,343)
At 31 December 2022		40,000	209,880	418,039	36,149	704,068
ACCUMULATED DEPRECIATION						
At 01 January 2022		-	4,157	274,017	23,953	302,127
Charge for the year		-	4,123	36,172	1,646	41,941
Disposals during the year		-	-	(2,449)	(1,186)	(3,635)
Exchange differences		-	(57)	(2,967)	(584)	(3,608)
At 31 December 2022		-	8,223	304,773	23,829	336,825
CARRYING AMOUNT						
At 31 December 2022		40,000	201,657	113,266	12,320	367,243

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

4 PROPERTY AND EQUIPMENT - OWNED (CONTINUED)

(b) A full valuation exercise of the land and buildings was carried out as at 31 December 2023 by Professional Valuers Co Ltd, an independent valuer not related to the Group. The valuer has appropriate qualification and experience in the fair value measurement of properties. The fair value was assessed using the comparable transactions approach whereby the prices of recent transactions for similar properties were considered.

(c) If land and buildings had been stated on a historical cost basis, the amounts would be as follows:

THE GROUP	
2023	2022
Rs'000	Rs'000
Cost	45,734
Accumulated depreciation	(11,781)
Net book values	33,953

(d) The Group has not given any security against its property and equipment.

5 LEASES

(a) Right of use asset - Buildings

At 01 January
Additions
Disposals / Cancelled contracts
Depreciation charge for the year
Lease modification
Exchange difference
At 31 December

(b) Lease liabilities

Set out below are the carrying amounts of the lease liabilities and the movements during the year:

THE GROUP	
2023	2022
Rs'000	Rs'000
At 01 January	133,225
Additions	20,161
Disposals / Cancelled contracts	(22,910)
Accretion of interest	10,965
Lease modification	(1,620)
Payments	(38,164)
Exchange difference	(8,022)
At 31 December	93,635

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

5 LEASES (CONTINUED)

THE GROUP	
2023	2022
Rs'000	Rs'000
(c) Amounts recognised in statements of profit or loss	
Depreciation expense of right-of-use assets	28,823
Interest expense on lease liabilities	10,965
Loss / (gain) on cancellation of contract	1,334
	41,122
	38,836
(d) The total cash outflows for leases were as follows:	
Principal	27,199
Interest	10,965
	38,164

6 INVESTMENT PROPERTIES

THE GROUP	
2023	2022
Rs'000	Rs'000
At 01 January	541,959
Additions	4,592
Disposals	(52,000)
Decrease in fair value	(80,442)
Exchange differences	(16,921)
At 31 December	397,188

Investment properties relate to land and buildings held by the Group in Mauritius and a multi storey building in Tanzania.

The fair values of the Group's investment properties have been arrived at on the basis of valuation exercises carried out by the following at 31 December 2023:

- (i) Professional Valuers Co Ltd, in Mauritius; and
- (ii) Knight Frank Tanzania Ltd, in Tanzania.

Both valuers are not related to the Group and have the appropriate qualifications and experience in the valuation of properties in the relevant locations. The fair values were determined using recent transaction prices for similar properties. Refer to note 34 for more details.

According to the valuation exercise performed by Knight Frank Tanzania Ltd, the value of the building has decreased by **Rs 88m** (2022: Rs 9.6m) mainly due to change in assumptions used to perform the property valuation and lower market rent per square meter.

The rental income arising during the year amounted to **Rs 19.9m** (2022: Rs 14.3m) for the Group, which is included in investment income. Direct operating expenses during the year were 1.6m (2022: Rs 6m).

There is no restriction on realisability of investment property or the remittance of income and proceeds of disposal. The Group has no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

7 INTANGIBLE ASSETS

		THE GROUP				
2023	Note	Goodwill	Client portfolio	Computer software	Work in Progress	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At 01 January 2023		464,573	475,614	282,603	2,477	1,225,267
Additions during the year		-	-	9,456	1,734	11,190
Transfer from work in progress		-	-	14,024	(14,024)	-
Exchange differences		(7,017)	(8,059)	(3,315)	(70)	(18,461)
At 31 December 2023		457,556	467,555	302,768	(9,883)	1,217,996
AMORTISATION AND IMPAIRMENT						
At 01 January 2023, as restated		166,830	283,812	204,801	-	655,443
Charge for the year		-	42,262	24,768	-	67,030
Exchange differences		-	(2,975)	(2,775)	-	(5,750)
At 31 December 2023		166,830	323,099	226,794	-	716,723
CARRYING AMOUNT						
At 31 December 2023		290,726	144,456	75,974	(9,883)	501,273
2022						
COST						
At 01 January 2022		472,756	479,308	263,273	8,011	1,223,348
Additions during the year		-	-	12,932	1,851	14,783
Work in progress		-	-	7,378	(7,378)	-
Exchange differences		(8,183)	(3,694)	(980)	(7)	(12,864)
At 31 December 2022		464,573	475,614	282,603	2,477	1,225,267
AMORTISATION AND IMPAIRMENT						
At 01 January 2022, as restated		166,830	266,720	182,045	-	615,595
Charge for the year		-	17,142	23,697	-	40,839
Exchange differences		-	(50)	(941)	-	(991)
At 31 December 2022, as restated		166,830	283,812	204,801	-	655,443
CARRYING AMOUNT						
At 31 December 2022, as restated	43	297,743	191,802	77,802	2,477	569,824

Work in progress relates to the new softwares that are being customised for internal use.

For Goodwill impairment assessment, refer to note 40.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8 INVESTMENTS IN SUBSIDIARIES

THE COMPANY		
	2023	2022
	Rs'000	Rs'000
(a) Unquoted		
At 01 January	1,885,731	1,877,842
Additions resulting from share option scheme charge	7,889	7,889
Additional investment	133,011	-
At 31 December	2,026,631	1,885,731

During the year ended 31 December 2023, the Company acquired the non-controlling interest of 18.49% in MUA Insurance (Rwanda) Ltd for a total purchase consideration of KES 401m (Rs 132m).

On 5 December 2022, the Company incorporated MUA Investment Holding Ltd ("IHL"), a company residing in Mauritius.

(b) The financial statements of the following subsidiaries, which have the same reporting date as the parent, have been included in the consolidated financial statements.

Subsidiary's name	Category	Main activities	Country of incorporation
The Mauritius Union Assurance Cy. Ltd	A	General Insurance business	Mauritius
MUA Transafrica Holdings Limited	A	Investment holding	Kenya
MUA Investment Holding Limited	A	Investment holding	Mauritius
MUA Insurance (Rwanda) Ltd	A	General Insurance business	Rwanda
MUA Life Ltd	B	Life Insurance	Mauritius
MUA Mutual Fund Ltd	B	Fund management	Mauritius
MUA Stockbroking Ltd	B	Stock broker	Mauritius
Compagnie du Decadel Limitée	B	Property holding	Mauritius
MUA Pension Ltd	B	Manager & Consultant of pension funds	Mauritius
Risk Advisory Services Limited	B	Property holding	Mauritius
MUA Reinsurance Company Limited	B	Reinsurance business	Mauritius
MUA Insurance (Kenya) Ltd	C	General Insurance business	Kenya
MUA Insurance (Tanzania) Limited (previously known as Phoenix of Tanzania Assurance Company Limited)	C	General Insurance business	Tanzania
MUA Insurance (Uganda) Ltd	A/C	General Insurance business	Uganda

Category A: These relate to direct interest held by the Company.

Category B: These relate to subsidiaries of The Mauritius Union Assurance Cy. Ltd.

Category C: These relate to subsidiaries of MUA Transafrica Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Value of investment for Category A		Class of shares held	% interest held by the Group		% of ownership interest held by NCI	
2023	2022		2023	2022	2023	2022
Rs'000	Rs'000					
1,255,915	1,248,026	Ordinary	100%	100%	-	-
615,145	615,145	Ordinary	100%	100%	-	-
656	-	Ordinary	100%	-	-	-
132,355	-	Ordinary	100%	81.51%	-	18.49%
-	-	Ordinary	100%	100%	-	-
-	-	Ordinary	98.60%	98.60%	1.40%	1.40%
-	-	Ordinary	80%	80%	20%	20%
-	-	Ordinary	100%	100%	-	-
-	-	Ordinary	100%	100%	-	-
-	-	Ordinary	100%	100%	-	-
-	-	Ordinary	66.38%	66.38%	33.62%	33.62%
-	-	Ordinary	33.89%	33.89%	66.11%	66.11%
22,560	22,560	Ordinary	63.68%	63.68%	36.32%	36.32%
2,026,631	1,885,731					

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information on subsidiaries with material non-controlling interests:

	MUA Insurance (Kenya) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Uganda) Ltd	MUA Insurance (Rwanda) Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Proportion of non-controlling interests ('NCI')	33.62%	66.11%	36.32%	-
Total assets	1,131,781	1,638,159	381,132	-
Total liabilities	(1,392,879)	(973,895)	(144,714)	-
Net assets	(261,098)	664,264	236,418	-
Carrying amounts of NCI	(87,781)	439,145	85,867	-
Revenue	1,083,259	749,807	374,126	-
(Loss)/profit for the year	(160,532)	(36,163)	14,033	-
Other comprehensive income for the year	47,475	(53,524)	(2,695)	-
Comprehensive income for the year	(113,057)	(89,687)	11,338	-
(Loss)/profit allocated to NCI	(126,230)	(23,907)	5,097	-
Comprehensive income allocated to NCI	(15,961)	(59,292)	4,118	-
2022 - Restated				
	MUA Insurance (Kenya) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Uganda) Ltd	MUA Insurance (Rwanda) Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Proportion of non-controlling interests ('NCI')	33.62%	66.11%	36.32%	18.49%
Total assets	1,208,717	1,557,900	369,804	685,930
Total liabilities	(1,356,759)	(602,426)	(144,723)	(412,680)
Net assets	(148,042)	955,474	225,081	273,250
Carrying amounts of NCI	(49,772)	631,664	81,749	50,524
Revenue	1,433,375	727,886	319,829	401,959
Profit for the year	51,005	29,098	9,472	52,372
Other comprehensive income for the year	4,161	(5,975)	(7,804)	(7,544)
Comprehensive income for the year	55,166	23,123	1,668	44,828
Profit allocated to NCI	17,148	19,237	3,440	9,684
Comprehensive income allocated to NCI	18,547	15,287	606	8,289

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Summarised cash flow information:

	MUA Insurance (Kenya) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Uganda) Ltd	MUA Insurance (Rwanda) Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash from / (used in) operating activities	18,784	(28,660)	30,830	-
Net cash from / (used in) investing activities	90,197	149,180	(24,140)	-
Net cash from / (used in) financing activities	107,037	(203,323)	(2,087)	-
Net increase / (decrease) in cash and cash equivalents	216,018	(82,803)	4,603	-
2022 - Restated				
Net cash (used in) / from operating activities	(174,179)	(96,194)	18,651	(39,979)
Net cash (used in) / from investing activities	(7,317)	109,058	(15,124)	38,329
Net cash from / (used in) financing activities	27,524	(2,009)	(2,092)	(1,504)
Net (decrease) / increase in cash and cash equivalents	(153,972)	10,855	1,435	(3,154)

(d) There are no restrictions to transfer assets to or from entities within the Group.

9 INVESTMENT IN ASSOCIATE

During the year ended 31 December 2023, the Group disposed of its 40% interest in Compagnie du Congo (Societe Anonyme). The registered office is Boulevard Bischoffsheim, 33 boite 1, 1000, Bruxelles.

	THE GROUP	
	2023	2022
At 01 January	Rs'000	Rs'000
Disposal	1,080	1,080
At 31 December	(1,080)	-
	-	1,080

10 INVESTMENT IN JOINT VENTURES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
At 01 January	Rs'000	Rs'000	Rs'000	Rs'000
Share of loss	13,555	15,057	495	495
Exchange difference	(136)	(730)	-	-
	(1,894)	(772)	-	-
At 31 December	11,525	13,555	495	495

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

10 INVESTMENT IN JOINT VENTURES (CONTINUED)

(a) Details of the Group's joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal activity	Country of incorporation & place of business	Proportion of ownership interest and voting right held by the Group			
			2023		2022	
			Direct	Indirect	Direct	Indirect
Kenya Motor Insurance Pool*	Sharing of pool business and risks by insurance companies in Kenya and underwriting of Non Life Insurance Business	Kenya	-	5.1%	-	5.1%
MUA Insurance Management Limited	A joint venture involved in the management of insurance business	Mauritius	50%	-	50%	-

The Kenya Motor Insurance Pool is in the process of being wound up.

(b) Summarised financial information of joint ventures is as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Current assets	-	13,156
Non-current assets	160,462	201,854
Current liabilities	(19,062)	(22,470)
Equity	141,400	192,540
% holding	50% -5.1%	50% -5.1%
Group's share in equity	11,525	13,555
Revenue and other income	18,233	6,223
Expenses	(18,027)	(6,610)
Profit/(loss) before tax	206	(387)
Income tax	(3,443)	(5,155)
Loss for the year	(3,237)	(5,542)
Comprehensive income for the year	(3,237)	(5,542)
Group's share of loss	(136)	(730)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

11 DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method at 17% for the local entities and 30% for Kenya, Tanzania and Uganda and 28% (2022: 30%) for Rwanda.

(a) The movement in the deferred income tax account is as follows :

	Note	THE GROUP	
		2023	Restated 2022
		Rs'000	Rs'000
At 01 January		(44,807)	(48,029)
Under provision in previous years	17 (a)	-	(1,760)
Recognised in profit or loss	17 (a)	52,003	8,689
Recognised in OCI		(3,638)	(646)
Exchange differences		2,722	(3,061)
At 31 December		6,280	(44,807)
The following amounts are shown in the statement of financial position:			
Deferred income tax liabilities		(39,282)	(78,142)
Deferred income tax assets		45,562	33,335
		6,280	(44,807)

Deferred income tax assets and liabilities are attributable to the following:

Deferred income tax liabilities		
Revaluation of investment property	(62,954)	(92,536)
Difference between capital allowances and depreciation	(11,959)	(11,825)
Fair value gain on equity investment	(2,219)	(1,988)
	(77,132)	(106,349)
Set-off of deferred tax assets*	37,850	28,207
Net deferred tax liabilities	(39,282)	(78,142)
Deferred income tax assets		
Difference between capital allowances and depreciation	(454)	124
Provision for bad debts	32,014	29,053
Provision for impairment of loan receivables	328	295
Provision for impairment on balances with related parties	3,882	3,187
Provision for outstanding claims	3,021	12,212
IFRS 16 impact	837	973
Employee benefit obligations	3,039	2,326
Unrealised exchange gains	3,601	668
Tax losses carried forward	37,144	12,704
	83,412	61,542
Set-off of deferred tax liabilities*	(37,850)	(28,207)
Net deferred tax assets	45,562	33,335
	6,280	(44,807)

*The setting-off of deferred tax assets and liabilities arises on taxes levied by the same tax authority on different taxable entities settling deferred tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

12 OTHER RECEIVABLES

	THE GROUP	
	2023	Restated 2022
	Rs'000	Rs'000
Staff loans and advances	17,671	19,682
Advances	1,403	1,669
Guarantee	1,303	1,443
VAT	52,529	16,541
Dividend receivable	23,256	3,074
Interest receivable	27,218	28,759
Escrow account	8,561	14,151
Pension fund receivable	22,624	20,250
Rent receivable	9,356	7,795
Other receivables	51,254	98,443
	215,175	211,807

Other receivables mainly consist of several immaterial sundry debtors, court deposit and performance bonds deposit.

13 RELATED PARTY TRANSACTIONS

(a) The Group

	Directors & Key management personnel	
	2023	2022
	Rs'000	Rs'000
Loan receivable from	41,531	44,862

At each reporting date, an assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates.

Loans given to related parties are repaid on a monthly basis at average market rates of **5.90%** (2022: 6.65%).

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at normal market prices. Outstanding balances are unsecured and interest-free except for loans and all settlements occur in cash.

There have been no guarantees provided for or received from for any related party receivables or payables.

(b) The Company

	2023	2022
Subsidiaries:	Rs'000	Rs'000
Amounts owed by	7,550	6,850
Amounts owed to	-	367

(c) Remuneration of key management personnel

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	193,199	191,933	-	-
Post-employments benefits	10,173	8,110	-	-
Termination benefits	-	10,807	-	-
	203,372	210,850	-	-

Key management personnel consist of the Chief Executive Officer and senior managers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	2023		
	Assets	Liabilities	Net
	Rs'000	Rs'000	Rs'000
Insurance contracts issued			
Life Risk			
Term Assurance - GMM	-	109,406	109,406
Term Assurance - PAA	(22,786)	-	(22,786)
Annuities	-	463,452	463,452
Participating			
Indirect participating - GMM	-	1,831,641	1,831,641
Direct participating - VFA	-	802,832	802,832
Insurance contracts without DPF	-	17,267	17,267
Insurance contracts with DPF - GMM	-	3,151,314	3,151,314
Insurance contracts with DPF - VFA	-	3,918,563	3,918,563
General insurance			
Property	-	1,021,260	1,021,260
Casualty	-	2,502,376	2,502,376
Total insurance contracts issued	(22,786)	13,818,111	13,795,325
Reinsurance contracts held - General	(1,556,230)	-	(1,556,230)
Reinsurance contracts held - Life	(186,768)	-	(186,768)
Total reinsurance contracts held	(1,742,998)	-	(1,742,998)
	2022		
	Assets	Liabilities	Net
	Rs'000	Rs'000	Rs'000
Insurance contracts issued			
Life Risk			
Term Assurance - GMM	-	119,294	119,294
Term Assurance - PAA	-	15,387	15,387
Annuities	-	403,229	403,229
Participating			
Indirect participating - GMM	-	1,617,465	1,617,465
Direct participating - VFA	-	922,126	922,126
Insurance contracts without DPF	-	12,777	12,777
Insurance contracts with DPF - GMM	-	2,768,398	2,768,398
Insurance contracts with DPF - VFA	-	3,825,852	3,825,852
General Insurance			
Property	-	531,544	531,544
Casualty	-	2,327,578	2,327,578
Total insurance contracts issued	-	12,543,650	12,543,650
Reinsurance contracts held - General	(1,352,528)	-	(1,352,528)
Reinsurance contracts held - Life	(201,726)	-	(201,726)
Total reinsurance contracts held	(1,554,254)	-	(1,554,254)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Group disaggregates information to provide disclosure in respect of major product lines separately. This disaggregation has been determined based on how the Group is managed.

	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Property	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	259,272	-	258,642	13,630	531,544
Insurance revenue	(1,561,097)	-	-	-	(1,561,097)
Total Insurance revenue	(1,561,097)	-	-	-	(1,561,097)
Insurance service expenses					
Incurring insurance service expenses:					
Claims	-	-	476,411	12,243	488,654
Expenses	-	-	74,760	-	74,760
Amortisation of insurance acquisition cash flows	332,556	-	332,746	(4,206)	661,096
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	(2,282)	(1,319)	(3,601)
Total Insurance service expenses	332,556	-	881,635	6,718	1,220,909
Total Insurance service result	(1,228,541)	-	881,635	6,718	(340,188)
Total Insurance Finance Income or Expense	-	-	23,996	1,063	25,059
Total Changes in the Statement of Profit or Loss	(1,228,541)	-	905,631	7,781	(315,129)
Exchange differences on translation of foreign operations	(27,664)	-	(40,440)	(1,282)	(69,386)
Cash flows					
Premium received	1,561,586	-	(1)	(1)	1,561,584
Claims and other expenses paid	-	-	(415,339)	60	(415,279)
Insurance acquisition cash flows	(272,074)	-	-	-	(272,074)
Total cash flows	1,289,512	-	(415,340)	59	874,231
Net insurance contract liabilities as at 31 December	292,579	-	708,493	20,188	1,021,260

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

	2022				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Property	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	244,680	-	617,988	19,939	882,607
Insurance revenue	(1,347,176)	-	-	-	(1,347,176)
Insurance service expenses					
Incurring insurance service expenses:					
Claims	-	-	178,107	6,735	184,842
Expenses	-	-	60,871	-	60,871
Amortisation of insurance acquisition cash flows	291,656	-	11,867	(1,573)	301,950
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	(23,305)	(11,716)	(35,021)
Total Insurance service expenses	291,656	-	227,540	(6,554)	512,642
Total Insurance service result	(1,055,520)	-	227,540	(6,554)	(834,534)
Total Insurance Finance Income or Expense	-	-	14,378	230	14,608
Total Changes in the Statement of Financial Performance	(1,055,520)	-	241,918	(6,324)	(819,926)
Exchange differences on translation of foreign operations	(5,468)	-	1,327	15	(4,126)
Cash flows					
Premium received	1,353,908	-	-	-	1,353,908
Claims and other expenses paid	-	-	(602,591)	-	(602,591)
Insurance acquisition cash flows	(278,328)	-	-	-	(278,328)
Total cash flows	1,075,580	-	(602,591)	-	472,989
Net insurance contract liabilities as at 31 December	259,272	-	258,642	13,630	531,544

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a)
Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Casualty	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	679,942	23,201	1,565,942	58,493	2,327,578
Insurance revenue	(4,692,270)	-	-	-	(4,692,270)
Insurance service expenses					
Incurring insurance service expenses:					
Claims	-	(13,497)	2,618,596	58,353	2,663,452
Expenses	-	-	333,674	-	333,674
Amortisation of insurance acquisition cash flows	797,398	-	-	-	797,398
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	278,533	(23,600)	254,933
Losses & reversal of losses on onerous contracts - subsequent measurement	-	(7,585)	-	-	(7,585)
Total Insurance service expenses	797,398	(21,082)	3,230,803	34,753	4,041,872
Total Insurance service result	(3,894,872)	(21,082)	3,230,803	34,753	(650,398)
Total Insurance Finance Income or Expense	-	-	99,620	4,292	103,912
Total Changes in the Statement of Profit or Loss	(3,894,872)	(21,082)	3,330,423	39,045	(546,486)
Exchange differences on translation of foreign operations	(40,965)	(2,119)	(157,215)	(10,760)	(211,059)
Cash flows					
Premium received	4,457,900	-	(918)	(69)	4,456,913
Claims and other expenses paid	-	-	(2,738,370)	-	(2,738,370)
Insurance acquisition cash flows	(786,200)	-	-	-	(786,200)
Total cash flows	3,671,700	-	(2,739,288)	(69)	932,343
Net insurance contract liabilities as at 31 December	415,805	-	1,999,862	86,709	2,502,376

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)					
Casualty	2022				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Net insurance contract liabilities as at 01 January	861,123	158,588	1,624,537	70,183	2,714,431
Insurance revenue	(4,437,445)	-	-	-	(4,437,445)
Insurance service expenses					
Incurring insurance service expenses:					
Claims	-	(142,599)	2,394,877	37,312	2,289,590
Expenses	-	-	373,287	(884)	372,403
Amortisation of insurance acquisition cash flows	789,519	-	-	-	789,519
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	58,576	(47,851)	10,725
Losses & reversal of losses on onerous contracts - subsequent measurement	-	12,502	-	-	12,502
Total Insurance service expenses	789,519	(130,097)	2,826,740	(11,423)	3,474,739
Total Insurance service result	(3,647,926)	(130,097)	2,826,740	(11,423)	(962,706)
Total Insurance Finance Income or Expense	-	220	66,937	3,096	70,253
Total Changes in the Statement of Profit or Loss	(3,647,926)	(129,877)	2,893,677	(8,327)	(892,453)
Exchange differences on translation of foreign operations	(23,142)	(5,510)	(48,194)	(3,363)	(80,209)
Cash flows					
Premium received	4,231,194	-	-	-	4,231,194
Claims and other expenses paid	-	-	(2,904,078)	-	(2,904,078)
Insurance acquisition cash flows	(741,307)	-	-	-	(741,307)
Total cash flows	3,489,887	-	(2,904,078)	-	585,809
Net insurance contract liabilities as at 31 December	679,942	23,201	1,565,942	58,493	2,327,578

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Life Risk - Term Assurance - GMM

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Term Assurance, is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
Net insurance contract liabilities as at 01 January	22,180	84,982	12,132	119,294	13,676	36,952	17,704	68,332
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(43,073)	-	-	(43,073)	(30,780)	-	-	(30,780)
Change in risk adjustment for non-financial risk for risk expired	(10,083)	-	-	(10,083)	(12,335)	-	-	(12,335)
Expected insurance service expenses incurred:								
Claims	(125,533)	-	-	(125,533)	(155,414)	-	-	(155,414)
Expenses	(59,505)	-	-	(59,505)	(72,054)	-	-	(72,054)
Recovery of insurance acquisition cash flows	(11,699)	-	-	(11,699)	(16,422)	-	-	(16,422)
Experience adjustment not related to future service	2,089	-	-	2,089	3,987	-	-	3,987
	(247,804)	-	-	(247,804)	(283,018)	-	-	(283,018)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(2,571)	-	-	(2,571)	(214)	-	-	(214)
Change in risk adjustment for non-financial risk for risk expired	(1,247)	-	-	(1,247)	(1,349)	-	-	(1,349)
Expected insurance service expenses incurred:								
Claims	(15,581)	-	-	(15,581)	(17,066)	-	-	(17,066)
Expenses	(5,227)	-	-	(5,227)	(5,546)	-	-	(5,546)
Experience adjustment not related to future service	42,312	-	-	42,312	(581)	-	-	(581)
	17,686	-	-	17,686	(24,756)	-	-	(24,756)
Insurance revenue - Post transition								
CSM recognised for services provided	(23,967)	-	-	(23,967)	(6,793)	-	-	(6,793)
Change in risk adjustment for non-financial risk for risk expired	(8,230)	-	-	(8,230)	(4,499)	-	-	(4,499)
Expected insurance service expenses incurred:								
Claims	(101,767)	-	-	(101,767)	(54,646)	-	-	(54,646)
Expenses	(52,317)	-	-	(52,317)	(31,891)	-	-	(31,891)
Recovery of insurance acquisition cash flows	(10,965)	-	-	(10,965)	(5,434)	-	-	(5,434)
Experience adjustment not related to future service	(13,309)	-	-	(13,309)	22,028	-	-	22,028
	(210,555)	-	-	(210,555)	(81,235)	-	-	(81,235)
Total Insurance revenue - All Transition Methods	(440,673)	-	-	(440,673)	(389,009)	-	-	(389,009)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance service expenses								
Incurred insurance service expenses:								
Claims	-	(18,087)	116,817	98,730	-	(15,609)	107,031	91,422
Expenses	-	(5,823)	42,328	36,505	-	(5,479)	46,478	40,999
Amortisation of insurance acquisition cash flows	22,664	-	-	22,664	21,856	-	-	21,856
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	(594)	(594)	-	-	(5,571)	(5,571)
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	15,925	-	15,925	-	75,395	-	75,395
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(51,413)	-	(51,413)	-	(6,948)	-	(6,948)
Total Insurance service expenses	22,664	(59,398)	158,551	121,817	21,856	47,359	147,938	217,153
Total Insurance service result	(418,009)	(59,398)	158,551	(318,856)	(367,153)	47,359	147,938	(171,856)
Total Insurance Finance Income or Expense	7,792	783	-	8,575	14,543	671	-	15,214
Total Changes in the Statement of Profit or Loss	(410,217)	(58,615)	158,551	(310,281)	(352,610)	48,030	147,938	(156,642)
Cash flows								
Premium received	483,142	-	-	483,142	394,958	-	-	394,958
Claims and other expenses paid	-	-	(159,145)	(159,145)	-	-	(153,510)	(153,510)
Insurance acquisition cash flows	(23,604)	-	-	(23,604)	(33,844)	-	-	(33,844)
Total cash flows	459,538	-	(159,145)	300,393	361,114	-	(153,510)	207,604
Net insurance contract liabilities as at 31 December	71,501	26,367	11,538	109,406	22,180	84,982	12,132	119,294

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Life Risk - Term Assurance - PAA

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Term Assurance, is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
Net insurance contract liabilities as at 01 January	15,182	205	-	15,387	13,120	1,006	-	14,126
Insurance revenue - Post transition								
Expected premium receipts allocation	(122,268)	-	-	(122,268)	(118,002)	-	-	(118,002)
	(122,268)	-	-	(122,268)	(118,002)	-	-	(118,002)
Total Insurance revenue - All Transition Methods	(122,268)	-	-	(122,268)	(118,002)	-	-	(118,002)
Insurance service expenses								
Incurred insurance service expenses:								
Claims	-	(3)	64,398	64,395	-	(77)	94,122	94,045
Expenses	-	-	-	-	-	(15)	-	(15)
Amortisation of insurance acquisition cash flows	2,984	-	-	2,984	2,739	-	-	2,739
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	43	-	43	-	-	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(207)	-	(207)	-	(620)	-	(620)
Total Insurance service expenses	2,984	(167)	64,398	67,215	2,739	(712)	94,122	96,149
Total Insurance service result	(119,284)	(167)	64,398	(55,053)	(115,263)	(712)	94,122	(21,853)
Total Insurance Finance Income or Expense	12	-	-	12	41	7	-	48
Total Changes in the Statement of Profit or Loss	(119,272)	(167)	64,398	(55,041)	(115,222)	(705)	94,122	(21,805)
Cash flows								
Premium received	110,752	-	(25,677)	85,075	119,402	-	-	119,402
Claims and other expenses paid	-	-	(64,398)	(64,398)	-	(96)	(94,122)	(94,218)
Insurance acquisition cash flows	(3,809)	-	-	(3,809)	(2,118)	-	-	(2,118)
Total cash flows	106,943	-	(90,075)	16,868	117,284	(96)	(94,122)	23,066
Net insurance contract liabilities as at 31 December	2,853	38	(25,677)	(22,786)	15,182	205	-	15,387

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Life Risk - Annuities

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	285,273	114,429	3,527	403,229	355,588	55,912	4,039	415,539
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(10,718)	-	-	(10,718)	(10,703)	-	-	(10,703)
Change in risk adjustment for non-financial risk for risk expired	(8)	-	-	(8)	(13)	-	-	(13)
Expected insurance service expenses incurred:								
Claims	8,103	-	-	8,103	(2,867)	-	-	(2,867)
Expenses	(197)	-	-	(197)	(300)	-	-	(300)
Recovery of insurance acquisition cash flows	(1,419)	-	-	(1,419)	(659)	-	-	(659)
Experience adjustment not related to future service	(15,711)	-	-	(15,711)	(216)	-	-	(216)
	(19,950)	-	-	(19,950)	(14,758)	-	-	(14,758)
Insurance revenue - Fair value approach								
Change in risk adjustment for non-financial risk for risk expired	(26)	-	-	(26)	(26)	-	-	(26)
Expected insurance service expenses incurred:								
Claims	(8,132)	-	-	(8,132)	(11,342)	-	-	(11,342)
Expenses	(641)	-	-	(641)	(661)	-	-	(661)
Recovery of insurance acquisition cash flows	-	-	-	-	-	-	-	-
Experience adjustment not related to future service	20,561	-	-	20,561	(300)	-	-	(300)
	11,762	-	-	11,762	(12,329)	-	-	(12,329)
Insurance revenue - Post transition								
CSM recognised for services provided	(610)	-	-	(610)	(275)	-	-	(275)
Change in risk adjustment for non-financial risk for risk expired	(15)	-	-	(15)	(5)	-	-	(5)
Expected insurance service expenses incurred:								
Claims	174	-	-	174	6	-	-	6
Expenses	(51)	-	-	(51)	(7)	-	-	(7)
Recovery of insurance acquisition cash flows	(326)	-	-	(326)	(102)	-	-	(102)
Experience adjustment not related to future service	(4,984)	-	-	(4,984)	3,343	-	-	3,343
	(5,812)	-	-	(5,812)	2,960	-	-	2,960
Total Insurance revenue - All Transition Methods	(14,000)	-	-	(14,000)	(24,127)	-	-	(24,127)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Life Risk - Annuities

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance service expenses								
Incurring insurance service expenses:								
Claims	-	(15,289)	8,693	(6,596)	-	(3,795)	17,200	13,405
Expenses	-	(432)	417	(15)	-	(194)	397	203
Amortisation of insurance acquisition cash flows	1,745	-	-	1,745	761	-	-	761
Changes that relate to past service (changes in fulfilment cash flows re LIC)		-	81	81	-	-	(512)	(512)
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	1,140	-	1,140	-	103	-	103
Losses and reversal of losses on onerous contracts - subsequent measurement	-	17,523	-	17,523	-	59,800	-	59,800
Total Insurance service expenses	1,745	2,942	9,191	13,878	761	55,914	17,085	73,760
Investment components	(26,951)	-	26,951	-	(18,444)	-	18,444	-
Total Insurance service result	(39,206)	2,942	36,142	(122)	(41,810)	55,914	35,529	49,633
Total Insurance Finance Income or Expense	47,690	3,295	-	50,985	(30,035)	2,603	-	(27,432)
Total Changes in the Statement of Profit or Loss	8,484	6,237	36,142	50,863	(71,845)	58,517	35,529	22,201
Cash flows								
Premium received	49,750	-	-	49,750	2,755	-	-	2,755
Claims and other expenses paid	-	-	(36,061)	(36,061)	-	-	(36,041)	(36,041)
Insurance acquisition cash flows	(4,329)	-	-	(4,329)	(1,225)	-	-	(1,225)
Total cash flows	45,421	-	(36,061)	9,360	1,530	-	(36,041)	(34,511)
Net insurance contract liabilities as at 31 December	339,178	120,666	3,608	463,452	285,273	114,429	3,527	403,229

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Indirect Participating (GMM)

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Indirect Participating (GMM), is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000		Rs'000	Rs'000	Rs'000	
Net insurance contract liabilities as at 01 January	1,617,465	-	-	1,617,465	1,955,406	-	-	1,955,406
Insurance revenue - Fair value approach								
CSM recognised for services provided	(1,071)	-	-	(1,071)	(1,543)	-	-	(1,543)
Change in risk adjustment for non-financial risk for risk expired	(9,781)	-	-	(9,781)	(10,503)	-	-	(10,503)
Expected insurance service expenses incurred:								
Claims	(103,358)	-	-	(103,358)	(99,033)	-	-	(99,033)
Expenses	(7,673)	-	-	(7,673)	(6,960)	-	-	(6,960)
Experience adjustment not related to future service	2,211	-	-	2,211	(947)	-	-	(947)
	(119,672)	-	-	(119,672)	(118,986)	-	-	(118,986)
Total Insurance revenue - All Transition Methods	(119,672)	-	-	(119,672)	(118,986)	-	-	(118,986)
Insurance service expenses								
Incurring insurance service expenses:								
Claims	-	-	(906)	(906)	-	-	49,450	49,450
Expenses	-	-	4,239	4,239	-	-	4,156	4,156
Total Insurance service expenses	-	-	3,333	3,333	-	-	53,606	53,606
Investment components	(56,942)	-	56,942	-	(58,793)	-	58,793	-
Total Insurance service result	(176,614)	-	60,275	(116,339)	(177,779)	-	112,399	(65,380)
Total Insurance Finance Income or Expense	371,201	-	-	371,201	(181,184)	-	-	(181,184)
Total Changes in the Statement of Profit or Loss	194,587	-	60,275	254,862	(358,963)	-	112,399	(246,564)
Cash flows								
Premium received	19,589	-	-	19,589	21,022	-	-	21,022
Claims and other expenses paid	-	-	(60,275)	(60,275)	-	-	(112,399)	(112,399)
Total cash flows	19,589	-	(60,275)	(40,686)	21,022	-	(112,399)	(91,377)
Net insurance contract liabilities as at 31 December	1,831,641	-	-	1,831,641	1,617,465	-	-	1,617,465

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Direct Participating (VFA)

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Direct Participating (VFA), is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	912,879	9,247	-	922,126	1,113,742	4,966	-	1,118,708
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(81)	-	-	(81)	(126)	-	-	(126)
Change in risk adjustment for non-financial risk for risk expired	(2)	-	-	(2)	-	-	-	-
Expected insurance service expenses incurred:								
Claims	(595)	-	-	(595)	(4,940)	-	-	(4,940)
Expenses	(583)	-	-	(583)	(544)	-	-	(544)
Recovery of insurance acquisition cash flows	(430)	-	-	(430)	(403)	-	-	(403)
Experience adjustment not related to future service	251	-	-	251	278	-	-	278
	(1,440)	-	-	(1,440)	(5,735)	-	-	(5,735)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(23,889)	-	-	(23,889)	(32,197)	-	-	(32,197)
Change in risk adjustment for non-financial risk for risk expired	453	-	-	453	1,031	-	-	1,031
Expected insurance service expenses incurred:								
Claims	63,640	-	-	63,640	66,467	-	-	66,467
Expenses	6,476	-	-	6,476	5,876	-	-	5,876
Experience adjustment not related to future service	12,542	-	-	12,542	347	-	-	347
	59,222	-	-	59,222	41,524	-	-	41,524
Insurance revenue - Post transition								
CSM recognised for services provided	-	-	-	-	(33)	-	-	(33)
Change in risk adjustment for non-financial risk for risk expired	-	-	-	-	-	-	-	-
Expected insurance service expenses incurred:								
Claims	-	-	-	-	(20)	-	-	(20)
Expenses	-	-	-	-	(41)	-	-	(41)
Recovery of insurance acquisition cash flows	-	-	-	-	(21)	-	-	(21)
Experience adjustment not related to future service	-	-	-	-	(36)	-	-	(36)
	-	-	-	-	(151)	-	-	(151)
Total Insurance revenue - All Transition Methods	57,782	-	-	57,782	35,638	-	-	35,638

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Direct Participating (VFA)

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Direct Participating (VFA), is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance service expenses								
Incurred insurance service expenses:								
Claims	(66,462)	(378)	121,242	54,402	(142,771)	(630)	137,608	(5,793)
Expenses	(10,512)	(153)	7,065	(3,600)	(12,049)	(78)	8,602	(3,525)
Amortisation of insurance acquisition cash flows	430	-	-	430	424	-	-	424
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	-	-	-	-	-	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	-	5,166	-	5,166	-	4,989	-	4,989
Total Insurance service expenses	(76,544)	4,635	128,307	56,398	(154,396)	4,281	146,210	(3,905)
Investement components	(57,516)	-	57,516	-	(67,082)	-	67,082	-
Total Insurance service result	(76,278)	4,635	185,823	114,180	(185,840)	4,281	213,292	31,733
Total Insurance Finance Income or Expense	(18,054)	-	-	(18,054)	(77,425)	-	-	(77,425)
Total Changes in the Statement of Profit or Loss	(94,332)	4,635	185,823	96,126	(263,265)	4,281	213,292	(45,692)
Cash flows								
Premium received	93,419	-	-	93,419	61,947	-	-	61,947
Claims and other expenses paid	(123,016)	-	(185,823)	(308,839)	455	-	(213,292)	(212,837)
Total cash flows	(29,597)	-	(185,823)	(215,420)	62,402	-	(213,292)	(150,890)
Net insurance contract liabilities as at 31 December	788,950	13,882	-	802,832	912,879	9,247	-	922,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Insurance Contracts without DPF

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Insurance Contracts without DPF, is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	12,619	158	-	12,777	11,334	226	-	11,560
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(158)	-	-	(158)	(113)	-	-	(113)
Change in risk adjustment for non-financial risk for risk expired	(13)	-	-	(13)	(59)	-	-	(59)
Expected insurance service expenses incurred:		-	-			-	-	
Claims	(37)	-	-	(37)	(4)	-	-	(4)
Expenses	(238)	-	-	(238)	(68)	-	-	(68)
Recovery of insurance acquisition cash flows	(118)	-	-	(118)	(81)	-	-	(81)
	(564)	-	-	(564)	(325)	-	-	(325)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(191)	-	-	(191)	(163)	-	-	(163)
Change in risk adjustment for non-financial risk for risk expired	(25)	-	-	(25)	(28)	-	-	(28)
		-	-			-	-	
Expected insurance service expenses incurred:		-	-			-	-	
Claims	(224)	-	-	(224)	(202)	-	-	(202)
Expenses	(165)	-	-	(165)	(136)	-	-	(136)
Experience adjustment not related to future service	4	-	865	869	9	-	-	9
	(601)	-	865	264	(520)	-	-	(520)
Insurance revenue - Post transition								
CSM recognised for services provided	(46)	-	-	(46)	(55)	-	-	(55)
Change in risk adjustment for non-financial risk for risk expired	15	-	-	15	5	-	-	5
Expected insurance service expenses incurred:								-
Claims	(9)	-	-	(9)	(25)	-	-	(25)
Expenses	(72)	-	-	(72)	(199)	-	-	(199)
Recovery of insurance acquisition cash flows	(51)	-	-	(51)	(92)	-	-	(92)
	(163)	-	-	(163)	(366)	-	-	(366)
Total Insurance revenue - All Transition Methods	(1,328)	-	865	(463)	(1,211)	-	-	(1,211)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Insurance Contracts without DPF

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Insurance Contracts without DPF, is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
Insurance service expenses								
Incurred insurance service expenses:								
Claims	-	(2)	(480)	(482)	-	(32)	(699)	(731)
Expenses	-	(20)	238	218	-	(45)	199	154
Amortisation of insurance acquisition cash flows	169	-	-	169	173	-	-	173
Changes that relate to future service:				-				-
Losses for the net outflow recognised on initial recognition	-	120		120	-	152	-	152
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(43)	-	(43)	-	(222)	-	(222)
Total Insurance service expenses	169	55	(242)	(18)	173	(147)	(500)	(474)
Investment components	(618)	-	618	-	(856)	-	856	-
Total Insurance service result	(1,777)	55	1,241	(481)	(1,894)	(147)	356	(1,685)
Total Insurance Finance Income or Expense	2,318	19	-	2,337	561	79	-	640
Total Changes in the Statement of Profit or Loss	541	74	1,241	1,856	(1,333)	(68)	356	(1,045)
Cash flows								
Premium received	3,471	-	-	3,471	3,072	-	-	3,072
Claims and other expenses paid	-	-	(376)	(376)	-	-	(356)	(356)
Insurance acquisition cash flows	(461)	-	-	(461)	(454)	-	-	(454)
Total cash flows	3,010	-	(376)	2,634	2,618	-	(356)	2,262
Net insurance contract liabilities as at 31 December	16,170	232	865	17,267	12,619	158	-	12,777

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Insurance Contracts with DPF (GMM)

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Insurance Contracts with DPF (GMM), is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	2,747,901	20,497	-	2,768,398	3,059,862	32,216	-	3,092,078
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(3,710)	-	-	(3,710)	(4,371)	-	-	(4,371)
Change in risk adjustment for non-financial risk for risk expired	(889)	-	-	(889)	(882)	-	-	(882)
Expected insurance service expenses incurred:								
Claims	(20,906)	-	-	(20,906)	(26,535)	-	-	(26,535)
Expenses	(2,140)	-	-	(2,140)	(1,437)	-	-	(1,437)
Recovery of insurance acquisition cash flows	(2,540)	-	-	(2,540)	(2,789)	-	-	(2,789)
Experience adjustment not related to future service	(359)	-	-	(359)	(26)	-	-	(26)
	(30,544)	-	-	(30,544)	(36,040)	-	-	(36,040)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(1,027)	-	-	(1,027)	(4,600)	-	-	(4,600)
Change in risk adjustment for non-financial risk for risk expired	(852)	-	-	(852)	(883)	-	-	(883)
Expected insurance service expenses incurred:								
Claims	(217,040)	-	-	(217,040)	(224,345)	-	-	(224,345)
Expenses	(8,149)	-	-	(8,149)	(7,410)	-	-	(7,410)
Experience adjustment not related to future service	(3,422)	-	-	(3,422)	(161)	-	-	(161)
	(230,490)	-	-	(230,490)	(237,399)	-	-	(237,399)
Insurance revenue - Post transition								
CSM recognised for services provided	(908)	-	-	(908)	(164)	-	-	(164)
Change in risk adjustment for non-financial risk for risk expired	(1)	-	-	(1)	13	-	-	13
Expected insurance service expenses incurred:								
Claims	625	-	-	625	-	-	-	-
Expenses	(1,479)	-	-	(1,479)	(1,106)	-	-	(1,106)
Recovery of insurance acquisition cash flows	(1,340)	-	-	(1,340)	(468)	-	-	(468)
Experience adjustment not related to future service	313	-	-	313	3,280	-	-	3,280
	(2,790)	-	-	(2,790)	1,555	-	-	1,555

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Insurance Contracts with DPF (GMM) (Continued)

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total Insurance revenue - All Transition Methods	(263,824)	-	-	(263,824)	(271,884)	-	-	(271,884)
Insurance service expenses								
Incurred insurance service expenses:								
Claims	(2)	(2,938)	62,856	59,916	16	(884)	173,606	172,738
Expenses	-	(2,454)	31,979	29,525	-	(1,947)	13,036	11,089
Amortisation of insurance acquisition cash flows	3,880	-	-	3,880	3,257	-	-	3,257
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	4,386	-	4,386	-	4,177	-	4,177
Losses and reversal of losses on onerous contracts - subsequent measurement	56	8,972	-	9,028	7,070	(19,669)	-	(12,599)
Total Insurance service expenses	3,934	7,966	94,835	106,735	10,343	(18,323)	186,642	178,662
Investment components	(17,853)	-	17,853	-	(21,202)	-	21,202	-
Total Insurance service result	(277,743)	7,966	112,688	(157,089)	(282,743)	(18,323)	207,844	(93,222)
Total Insurance Finance Income or Expense	441,337	7,023	-	448,360	(195,415)	6,604	-	(188,811)
Total Changes in the Statement of Profit or Loss	163,594	14,989	112,688	291,271	(478,158)	(11,719)	207,844	(282,033)
Cash flows								
Premium received	226,403	-	-	226,403	179,697	-	-	179,697
Claims and other expenses paid	-	-	(113,447)	(113,447)	-	-	(207,844)	(207,844)
Insurance acquisition cash flows	(21,311)	-	-	(21,311)	(13,500)	-	-	(13,500)
Total cash flows	205,092	-	(113,447)	91,645	166,197	-	(207,844)	(41,647)
Net insurance contract liabilities as at 31 December	3,116,587	35,486	(759)	3,151,314	2,747,901	20,497	-	2,768,398

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Insurance Contracts with DPF (VFA)

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for insurance contracts with DPF (VFA), is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	3,790,254	35,598	-	3,825,852	3,213,121	21,113	-	3,234,234
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(18,298)	-	-	(18,298)	(20,150)	-	-	(20,150)
Change in risk adjustment for non-financial risk for risk expired	717	-	-	717	(778)	-	-	(778)
		-	-			-	-	
Expected insurance service expenses incurred:								
Claims	5,249	-	-	5,249	10,515	-	-	10,515
Expenses	(10,416)	-	-	(10,416)	(7,249)	-	-	(7,249)
Recovery of insurance acquisition cash flows	(16,006)	-	-	(16,006)	(14,698)	-	-	(14,698)
	(38,754)	-	-	(38,754)	(32,360)	-	-	(32,360)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(3,849)	-	-	(3,849)	(2,026)	-	-	(2,026)
Change in risk adjustment for non-financial risk for risk expired	(368)	-	-	(368)	(320)	-	-	(320)
		-	-			-	-	
Expected insurance service expenses incurred:								
Claims	(2,161)	-	-	(2,161)	(2,269)	-	-	(2,269)
Expenses	(11,276)	-	-	(11,276)	(9,993)	-	-	(9,993)
	(17,654)	-	-	(17,654)	(14,608)	-	-	(14,608)
Insurance revenue - Post transition								
CSM recognised for services provided	(6,659)	-	-	(6,659)	(3,387)	-	-	(3,387)
Change in risk adjustment for non-financial risk for risk expired	(74)	-	-	(74)	(210)	-	-	(210)
Expected insurance service expenses incurred:								-
Claims	713	-	-	713	(5,979)	-	-	(5,979)
Expenses	(174)	-	-	(174)	(1,213)	-	-	(1,213)
Recovery of insurance acquisition cash flows	(4,388)	-	-	(4,388)	(4,404)	-	-	(4,404)
	(10,582)	-	-	(10,582)	(15,193)	-	-	(15,193)
Total Insurance revenue - All Transition Methods	(66,990)	-	-	(66,990)	(62,161)	-	-	(62,161)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (Continued)

Insurance Contracts with DPF (VFA)

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for insurance contracts with DPF (VFA), is disclosed in the table below:

	2023				2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows		Excluding loss component	Loss component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance service expenses								
Incurring insurance service expenses:								
Claims	-	975	9,751	10,726	-	1,359	(4,746)	(3,387)
Expenses	-	(4,955)	27,767	22,812	-	(3,801)	37,473	33,672
Amortisation of insurance acquisition cash flows	20,394	-	-	20,394	19,102	-	-	19,102
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	12,256	-	12,256	-	14,677	-	14,677
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(4,185)	-	(4,185)	-	2,250	-	2,250
Total Insurance service expenses	20,394	4,091	37,518	62,003	19,102	14,485	32,727	66,314
Investment components	(544,254)	-	544,254	-	(378,049)	-	378,049	-
Total Insurance service result	(590,850)	4,091	581,772	(4,987)	(421,108)	14,485	410,776	4,153
Total Insurance Finance Income or Expense	224,497	-	-	224,497	42,420	-	-	42,420
Total Changes in the Statement of Profit or Loss	(366,353)	4,091	581,772	219,510	(378,688)	14,485	410,776	46,573
Cash flows								
Premium received	487,500	-	-	487,500	990,641	-	-	990,641
Claims and other expenses paid	-	-	(581,772)	(581,772)	-	-	(410,776)	(410,776)
Insurance acquisition cash flows	(32,527)	-	-	(32,527)	(34,820)	-	-	(34,820)
Total cash flows	454,973	-	(581,772)	(126,799)	955,821	-	(410,776)	545,045
Net insurance contract liabilities as at 31 December	3,878,874	39,689	-	3,918,563	3,790,254	35,598	-	3,825,852

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM	Term Assurances - GMM					
	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
	Rs'000	Rs'000	Full retrospective approach	Fair value approach	Post transition	Rs'000
Net insurance contract (assets)/liabilities as at 01 January	(87,693)	70,624	99,870	908	35,585	119,294
Changes that relate to current services						
CSM recognised for services provided	-	-	(43,073)	(2,571)	(23,967)	(69,611)
Change in risk adjustment for non-financial risk for risk expired	-	(19,560)	-	-	-	(19,560)
Experience adjustments not related to future service	(193,603)	-	-	-	-	(193,603)
Total changes that relate to current services	(193,603)	(19,560)	(43,073)	(2,571)	(23,967)	(282,774)
Changes that relate to future services						
Contracts initially recognised in the year	(85,929)	21,963	-	-	79,891	15,925
Changes in estimates that adjust the CSM	(151,771)	9,797	87,733	25,219	29,022	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(55,166)	3,753	-	-	-	(51,413)
Total changes that relate to future services	(292,866)	35,513	87,733	25,219	108,913	(35,488)
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	(672)	78	-	-	-	(594)
Total changes that relate to past services	(672)	78	-	-	-	(594)
Total Insurance Service result	(487,141)	16,031	44,660	22,648	84,946	(318,856)
Total Insurance Finance Income or Expense	(9,388)	5,776	6,840	49	5,298	8,575
Total Changes in the Statement of Profit or Loss	(496,529)	21,807	51,500	22,697	90,244	(310,281)
Cash flows						
Premium received	483,142	-	-	-	-	483,142
Claims and other expenses paid	(159,145)	-	-	-	-	(159,145)
Insurance acquisition cash flows	(23,604)	-	-	-	-	(23,604)
Total cash flows	300,393	-	-	-	-	300,393
Net insurance contract (assets)/liabilities as at 31 December	(283,829)	92,431	151,370	23,605	125,829	109,406

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)	Term Assurances - GMM (Continued)					
	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
	Rs'000	Rs'000	Full retrospective approach	Fair value approach	Post transition	Rs'000
Net insurance contract (assets)/liabilities as at 01 January	(126,972)	62,203	125,282	534	7,285	68,332
Changes that relate to current services						
CSM recognised for services provided	-	-	(30,780)	(214)	(6,793)	(37,787)
Change in risk adjustment for non-financial risk for risk expired	-	(18,183)	-	-	-	(18,183)
Experience adjustments not related to future service	(178,762)	-	-	-	-	(178,762)
Total changes that relate to current services	(178,762)	(18,183)	(30,780)	(214)	(6,793)	(234,732)
Changes that relate to future services						
Contracts initially recognised in the year	(10,133)	28,963	-	-	56,565	75,395
Changes in estimates that adjust the CSM	27,217	(1,275)	(3,030)	565	(23,477)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(5,905)	(1,043)	-	-	-	(6,948)
Total changes that relate to future services	11,179	26,645	(3,030)	565	33,088	68,447
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	(5,553)	(18)	-	-	-	(5,571)
Experience adjustments in claims and other insurance service expenses in LIC	-	-	-	-	-	-
Total changes that relate to past services	(5,553)	(18)	-	-	-	(5,571)
Total Insurance Service result	(173,136)	8,444	(33,810)	351	26,295	(171,856)
Total Insurance Finance Income or Expense	4,811	(23)	8,398	23	2,005	15,214
Total Changes in the Statement of Profit or Loss	(168,325)	8,421	(25,412)	374	28,300	(156,642)
Cash flows						
Premium received	394,958	-	-	-	-	394,958
Claims and other expenses paid	(153,510)	-	-	-	-	(153,510)
Insurance acquisition cash flows	(33,844)	-	-	-	-	(33,844)
Total cash flows	207,604	-	-	-	-	207,604
Net insurance contract (assets)/liabilities as at 31 December	(87,693)	70,624	99,870	908	35,585	119,294

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Annuities	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	358,581	1,678	41,764	-	1,206	403,229
Changes that relate to current services						
CSM recognised for services provided	-	-	(10,718)	-	(610)	(11,328)
Change in risk adjustment for non-financial risk for risk expired	-	(49)	-	-	-	(49)
Experience adjustments not related to future service	(7,489)	-	-	-	-	(7,489)
Total changes that relate to current services	(7,489)	(49)	(10,718)	-	(610)	(18,866)
Changes that relate to future services						
Contracts initially recognised in the year	(3,773)	83	-	-	4,830	1,140
Changes in estimates that adjust the CSM	3,016	(4)	37	-	(3,049)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	17,432	91	-	-	-	17,523
Total changes that relate to future services	16,675	170	37	-	1,781	18,663
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	75	6	-	-	-	81
Total changes that relate to past services	75	6	-	-	-	81
Total Insurance Service result	9,261	127	(10,681)	-	1,171	(122)
Total Insurance Finance Income or Expense	48,408	332	2,102	-	143	50,985
Total Changes in the Statement of Profit or Loss	57,669	459	(8,579)	-	1,314	50,863
Cash flows						
Premium received	49,770	(20)	-	-	-	49,750
Claims and other expenses paid	(36,061)	-	-	-	-	(36,061)
Insurance acquisition cash flows	(4,329)	-	-	-	-	(4,329)
Total cash flows	9,380	(20)	-	-	-	9,360
Net insurance contract liabilities as at 31 December	425,630	2,117	33,185	-	2,520	463,452

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Annuities (Continued)	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	393,488	1,829	19,843	379	-	415,539
Changes that relate to current services						
CSM recognised for services provided	-	-	(10,703)	-	(275)	(10,978)
Change in risk adjustment for non-financial risk for risk expired	-	(44)	-	-	-	(44)
Experience adjustments not related to future service	1,264	-	-	-	-	1,264
Total changes that relate to current services	1,264	(44)	(10,703)	-	(275)	(9,758)
Changes that relate to future services						
Contracts initially recognised in the year	(2,044)	9	-	-	2,138	103
Changes in estimates that adjust the CSM	(30,647)	2	31,695	(382)	(668)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	59,715	85	-	-	-	59,800
Total changes that relate to future services	27,024	96	31,695	(382)	1,470	59,903
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	(477)	(35)	-	-	-	(512)
Experience adjustments in claims and other insurance service expenses in LIC	-	-	-	-	-	-
Total changes that relate to past services	(477)	(35)	-	-	-	(512)
Total Insurance Service result	27,811	17	20,992	(382)	1,195	49,633
Total Insurance Finance Income or Expense	(28,207)	(168)	929	3	11	(27,432)
Total Changes in the Statement of Profit or Loss	(396)	(151)	21,921	(379)	1,206	22,201
Cash flows						
Premium received	2,755	-	-	-	-	2,755
Claims and other expenses paid	(36,041)	-	-	-	-	(36,041)
Insurance acquisition cash flows	(1,225)	-	-	-	-	(1,225)
Total cash flows	(34,511)	-	-	-	-	(34,511)
Net insurance contract liabilities as at 31 December	358,581	1,678	41,764	-	1,206	403,229

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Indirect Participating (GMM)	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	1,585,198	16,035	-	16,232	-	1,617,465
Changes that relate to current services						
CSM recognised for services provided	-	-	-	(1,071)	-	(1,071)
Change in risk adjustment for non-financial risk for risk expired	-	(9,781)	-	-	-	(9,781)
Experience adjustments not related to future service	(105,487)	-	-	-	-	(105,487)
Total changes that relate to current services	(105,487)	(9,781)	-	(1,071)	-	(116,339)
Changes in estimates that adjust the CSM	(6,742)	1,779	-	4,963	-	-
Total changes that relate to future services	(6,742)	1,779	-	4,963	-	-
Total Insurance Service result	(112,229)	(8,002)	-	3,892	-	(116,339)
Total Insurance Finance Income or Expense	373,856	(3,576)	-	921	-	371,201
Total Changes in the Statement of Profit or Loss	261,627	(11,578)	-	4,813	-	254,862
Cash flows						
Premium received	19,589	-	-	-	-	19,589
Claims and other expenses paid	(60,275)	-	-	-	-	(60,275)
Total cash flows	(40,686)	-	-	-	-	(40,686)
Net insurance contract liabilities as at 31 December	1,806,139	4,457	-	21,045	-	1,831,641

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Indirect Participating (GMM) (Continued)	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	1,844,187	8,942	-	102,277	-	1,955,406
Changes that relate to current services						
CSM recognised for services provided	-	-	-	(1,543)	-	(1,543)
Change in risk adjustment for non-financial risk for risk expired	-	(10,503)	-	-	-	(10,503)
Experience adjustments not related to future service	(53,334)	-	-	-	-	(53,334)
Restatement and Other Changes	-	-	-	-	-	-
Total changes that relate to current services	(53,334)	(10,503)	-	(1,543)	-	(65,380)
Changes that relate to future services						
Contracts initially recognised in the year	-	-	-	-	-	-
Changes in estimates that adjust the CSM	76,617	12,957	-	(89,574)	-	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	-	-	-	-	-	-
Total changes that relate to future services	76,617	12,957	-	(89,574)	-	-
Total Insurance Service result	23,283	2,454	-	(91,117)	-	(65,380)
Total Insurance Finance Income or Expense	(190,895)	4,639	-	5,072	-	(181,184)
Total Changes in the Statement of Profit or Loss	(167,612)	7,093	-	(86,045)	-	(246,564)
Cash flows						
Premium received	21,022	-	-	-	-	21,022
Claims and other expenses paid	(112,399)	-	-	-	-	(112,399)
Insurance acquisition cash flows	-	-	-	-	-	-
Total cash flows	(91,377)	-	-	-	-	(91,377)
Net insurance contract liabilities as at 31 December	1,585,198	16,035	-	16,232	-	1,617,465

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)	Direct Participating (VFA)					
	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	751,786	3,894	854	165,317	275	922,126
Changes that relate to current services						
CSM recognized for services provided	-	-	-	(23,970)	-	(23,970)
Change in risk adjustment for non-financial risk for risk expired	-	532	(81)	-	-	451
Experience adjustments not related to future service	1,267	-	-	131,266	-	132,533
Restatement and Other Changes	-	-	-	-	-	-
Total changes that relate to current services	1,267	532	(81)	107,296	-	109,014
Changes that relate to future services						
Changes in estimates that adjust the CSM	255	(876)	(178)	1,074	(275)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	5,155	(70)	-	81	-	5,166
Total changes that relate to future services	5,410	(946)	(178)	1,155	(275)	5,166
Total Insurance Service result	6,677	(414)	(259)	108,451	(275)	114,180
Total Insurance Finance Income or Expense	115,573	-	-	(133,627)	-	(18,054)
Total Changes in the Statement of Profit or Loss	122,250	(414)	(259)	(25,176)	(275)	96,126
Cash flows						
Premium received	93,419	-	-	-	-	93,419
Claims and other expenses paid	(308,839)	-	-	-	-	(308,839)
Total cash flows	(215,420)	-	-	-	-	(215,420)
Net insurance contract liabilities as at 31 December	658,616	3,480	595	140,141	-	802,832

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)	Direct Participating (VFA) (Continued)					
	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	997,311	4,877	1,187	115,048	285	1,118,708
Changes that relate to current services						
CSM recognized for services provided	-	-	(126)	(32,197)	(33)	(32,356)
Change in risk adjustment for non-financial risk for risk expired	-	1,031	-	-	-	1,031
Experience adjustments not related to future service	(11,856)	-	-	69,925	-	58,069
Total changes that relate to current services	(11,856)	1,031	(126)	37,728	(33)	26,744
Changes that relate to future services						
Contracts initially recognised in the year	-	-	-	-	-	-
Changes in estimates that adjust the CSM	192	(2,007)	(207)	1,999	23	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	4,996	(7)	-	-	-	4,989
Total changes that relate to future services	5,188	(2,014)	(207)	1,999	23	4,989
Total Insurance Service result	(6,668)	(983)	(333)	39,727	(10)	31,733
Total Insurance Finance Income or Expense	(87,967)	-	-	10,542	-	(77,425)
Total Changes in the Statement of Profit or Loss	(94,635)	(983)	(333)	50,269	(10)	(45,692)
Cash flows						
Premium received	61,947	-	-	-	-	61,947
Claims and other expenses paid	(212,837)	-	-	-	-	(212,837)
Total cash flows	(150,890)	-	-	-	-	(150,890)
Net insurance contract liabilities as at 31 December	751,786	3,894	854	165,317	275	922,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Insurance Contracts without DPF	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	8,527	357	400	1,637	1,856	12,777
Changes that relate to current services						
CSM recognised for services provided	-	-	(158)	(191)	(46)	(395)
Change in risk adjustment for non-financial risk for risk expired	-	(23)	-	-	-	(23)
Experience adjustments not related to future service	(140)	-	-	-	-	(140)
Restatement and Other Changes	-	-	-	-	-	-
Total changes that relate to current services	(140)	(23)	(158)	(191)	(46)	(558)
Changes that relate to future services						
Contracts initially recognised in the year	(436)	39	-	-	517	120
Changes in estimates that adjust the CSM	(1,428)	(11)	616	720	103	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(46)	3	-	-	-	(43)
Total changes that relate to future services	(1,910)	31	616	720	620	77
Total Insurance Service result	(2,050)	8	458	529	574	(481)
Total Insurance Finance Income or Expense	2,037	64	104	90	42	2,337
Total Changes in the Statement of Profit or Loss	(13)	72	562	619	616	1,856
Cash flows						
Premium received	3,471	-	-	-	-	3,471
Claims and other expenses paid	(376)	-	-	-	-	(376)
Insurance acquisition cash flows	(461)	-	-	-	-	(461)
Total cash flows	2,634	-	-	-	-	2,634
Net insurance contract liabilities as at 31 December	11,148	429	962	2,256	2,472	17,267

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b)

Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Insurance Contracts without DPF (Continued)	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	7,645	306	318	1,962	1,329	11,560
Changes that relate to current services						
CSM recognised for services provided	-	-	(113)	(163)	(55)	(331)
Change in risk adjustment for non-financial risk for risk expired	-	(82)	-	-	-	(82)
Experience adjustments not related to future service	(1,202)	-	-	-	-	(1,202)
Total changes that relate to current services	(1,202)	(82)	(113)	(163)	(55)	(1,615)
Changes that relate to future services						
Contracts initially recognised in the year	77	(3)	-	-	78	152
Changes in estimates that adjust the CSM	(485)	125	178	(250)	432	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(245)	23	-	-	-	(222)
Total changes that relate to future services	(653)	145	178	(250)	510	(70)
Total Insurance Service result	(1,855)	63	65	(413)	455	(1,685)
Total Insurance Finance Income or Expense	475	(12)	17	88	72	640
Total Changes in the Statement of Profit or Loss	(1,380)	51	82	(325)	527	(1,045)
Cash flows						
Premium received	3,072	-	-	-	-	3,072
Claims and other expenses paid	(356)	-	-	-	-	(356)
Insurance acquisition cash flows	(454)	-	-	-	-	(454)
Total cash flows	2,262	-	-	-	-	2,262
Net insurance contract liabilities as at 31 December	8,527	357	400	1,637	1,856	12,777

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Insurance Contracts with DPF (GMM)	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	2,523,318	6,310	100,480	121,060	17,230	2,768,398
Changes that relate to current services						
CSM recognised for services provided	794	-	(3,710)	(1,821)	(908)	(5,645)
Change in risk adjustment for non-financial risk for risk expired	-	(1,742)	-	-	-	(1,742)
Experience adjustments not related to future service	(163,116)	-	-	-	-	(163,116)
Total changes that relate to current services	(162,322)	(1,742)	(3,710)	(1,821)	(908)	(170,503)
Changes that relate to future services						
Contracts initially recognised in the year	(14,227)	578	-	-	18,035	4,386
Changes in estimates that adjust the CSM	38,238	1,533	(3,129)	(48,107)	11,465	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	8,641	330	-	57	-	9,028
Total changes that relate to future services	32,652	2,441	(3,129)	(48,050)	29,500	13,414
Total Insurance Service result	(129,670)	699	(6,839)	(49,871)	28,592	(157,089)
Total Insurance Finance Income or Expense	456,178	1,133	8,038	(18,792)	1,803	448,360
Total Changes in the Statement of Profit or Loss	326,508	1,832	1,199	(68,663)	30,395	291,271
Cash flows						
Premium received	226,403	-	-	-	-	226,403
Claims and other expenses paid	(113,447)	-	-	-	-	(113,447)
Insurance acquisition cash flows	(21,311)	-	-	-	-	(21,311)
Total cash flows	91,645	-	-	-	-	91,645
Net insurance contract (assets)/ liabilities as at 31 December	2,941,471	8,142	101,679	52,397	47,625	3,151,314

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Insurance Contracts with DPF (GMM) (Continued)	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non- financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	2,778,290	4,513	93,380	215,895	-	3,092,078
Changes that relate to current services						
CSM recognised for services provided	832	-	(4,131)	(5,672)	(164)	(9,135)
Change in risk adjustment for non- financial risk for risk expired	-	(1,752)	-	-	-	(1,752)
Expected recoveries of incurred claims and other insurance service expense	-	-	-	-	-	-
Experience adjustments not related to future service	(73,898)	-	-	(15)	-	(73,913)
Restatement and Other Changes	-	-	-	-	-	-
Total changes that relate to current services	(73,066)	(1,752)	(4,131)	(5,687)	(164)	(84,800)
Changes that relate to future services						
Contracts initially recognised in the year	(11,512)	554	-	15	15,120	4,177
Changes in estimates that adjust the CSM	7,813	2,630	3,765	(16,121)	1,913	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(13,117)	406	-	112	-	(12,599)
Total changes that relate to future services	(16,816)	3,590	3,765	(15,994)	17,033	(8,422)
Total Insurance Service result	(89,882)	1,838	(366)	(21,681)	16,869	(93,222)
Total Insurance Finance Income or Expense	(123,443)	(41)	7,466	(73,154)	361	(188,811)
Total Changes in the Statement of Profit or Loss	(213,325)	1,797	7,100	(94,835)	17,230	(282,033)
Cash flows						
Premium received	179,697	-	-	-	-	179,697
Claims and other expenses paid	(207,844)	-	-	-	-	(207,844)
Insurance acquisition cash flows	(13,500)	-	-	-	-	(13,500)
Total cash flows	(41,647)	-	-	-	-	(41,647)
Net insurance contract liabilities as at 31 December	2,523,318	6,310	100,480	121,060	17,230	2,768,398

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Insurance Contracts with DPF (VFA)	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	3,525,743	10,053	205,953	17,156	66,947	3,825,852
Changes that relate to current services						
CSM recognised for services provided	-	-	(18,298)	(3,849)	(6,659)	(28,806)
Change in risk adjustment for non-financial risk for risk expired	-	275	-	-	-	275
Experience adjustments not related to future service	15,473	-	-	-	-	15,473
Restatement and Other Changes	-	-	-	-	-	-
Total changes that relate to current services	15,473	275	(18,298)	(3,849)	(6,659)	(13,058)
Changes that relate to future services			-			
Contracts initially recognised in the year	(7,056)	758	-	-	18,554	12,256
Changes in estimates that adjust the CSM	(72,843)	42	39,402	18,607	14,792	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(5,038)	853	-	-	-	(4,185)
Total changes that relate to future services	(84,937)	1,653	39,402	18,607	33,346	8,071
Total Insurance Service result	(69,464)	1,928	21,104	14,758	26,687	(4,987)
Total Insurance Finance Income or Expense	224,497	-	-	-	-	224,497
Total Changes in the Statement of Profit or Loss	155,033	1,928	21,104	14,758	26,687	219,510
Cash flows						
Premium received	487,500	-	-	-	-	487,500
Claims and other expenses paid	(581,772)	-	-	-	-	(581,772)
Insurance acquisition cash flows	(32,527)	-	-	-	-	(32,527)
Total cash flows	(126,799)	-	-	-	-	(126,799)
Net insurance contract liabilities as at 31 December	3,553,977	11,981	227,057	31,914	93,634	3,918,563

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

Insurance Contracts with DPF (VFA) (Continued)	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non- financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	2,965,519	9,818	205,325	27,645	25,927	3,234,234
Changes that relate to current services						
CSM recognised for services provided	-	-	(20,185)	(2,026)	(3,352)	(25,563)
Change in risk adjustment for non- financial risk for risk expired	-	(1,308)	-	-	-	(1,308)
Experience adjustments not related to future service	14,097	-	-	-	-	14,097
Total changes that relate to current services	14,097	(1,308)	(20,185)	(2,026)	(3,352)	(12,774)
Changes that relate to future services						
Contracts initially recognised in the year	(22,940)	697	-	-	36,920	14,677
Changes in estimates that adjust the CSM	(21,161)	1,359	20,813	(8,463)	7,452	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	2,763	(513)	-	-	-	2,250
Total changes that relate to future services	(41,338)	1,543	20,813	(8,463)	44,372	16,927
Total Insurance Service result	(27,241)	235	628	(10,489)	41,020	4,153
Total Insurance Finance Income or Expense	42,420	-	-	-	-	42,420
Total Changes in the Statement of Profit or Loss	15,179	235	628	(10,489)	41,020	46,573
Cash flows						
Premium received	990,641	-	-	-	-	990,641
Claims and other expenses paid	(410,776)	-	-	-	-	(410,776)
Insurance acquisition cash flows	(34,820)	-	-	-	-	(34,820)
Total cash flows	545,045	-	-	-	-	545,045
Net insurance contract liabilities as at 31 December	3,525,743	10,053	205,953	17,156	66,947	3,825,852

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(c) Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the assets for incurred claims

Reinsurance held - General Business	2023				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
	Rs'000	Rs'000	Rs'000	Rs'000	
					Rs'000
Net reinsurance contract assets as at 01 January	360,873	776	971,511	19,368	1,352,528
Allocation of the premium paid	(1,934,623)	-	-	-	(1,934,623)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense	-	-	602,089	16,552	618,641
Changes related to past service (changes related to incurred claims component)	-	-	325,075	2,962	328,037
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	(705)	-	-	(705)
Total Amounts Recovered from Reinsurance	-	(705)	927,164	19,514	945,973
Investment components	(2,663)	-	2,663	-	-
Effect of changes in Non-performance risk of reinsurers	-	-	(5,658)	-	(5,658)
Total Net Expenses from reinsurance	(1,937,286)	(705)	924,169	19,514	(994,308)
Total Insurance Finance Income or Expense	-	-	52,043	1,528	53,571
Total Changes in the Statement of Profit or Loss	(1,937,286)	(705)	976,212	21,042	(940,737)
Exchange differences on translation of foreign operations	(42,705)	(71)	(6,965)	(3,335)	(53,076)
Cash flows					
Premium paid	1,937,449	-	-	-	1,937,449
Amounts recovered	-	-	(739,934)	-	(739,934)
Total cash flows	1,937,449	-	(739,934)	-	1,197,515
Net reinsurance contract assets as at 31 December	318,331	-	1,200,824	37,075	1,556,230

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the assets for incurred claims (Continued)

Reinsurance held - General Business	2022				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
	Rs'000	Rs'000	Rs'000	Rs'000	
					Rs'000
Net reinsurance contract assets as at 01 January	290,218	63,214	1,147,589	32,102	1,533,123
Allocation of the premiums paid	(1,695,748)	-	-	-	(1,695,748)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense	-	-	492,592	10,107	502,699
Changes related to past service (changes related to incurred claims component)	-	-	(45,914)	(23,317)	(69,231)
Recoveries on onerous underlying contracts - subsequent measurement	-	(60,726)	-	-	(60,726)
Total Amounts Recovered from Reinsurance	-	(60,726)	446,678	(13,210)	372,742
Investment components	(1,771)	-	1,771	-	-
Effect of changes in Non-performance risk of reinsurers	-	-	-	-	-
Total Net Expenses from Reinsurance	(1,697,519)	(60,726)	448,449	(13,210)	(1,323,006)
Total Insurance Finance Income or Expense	-	9	47,125	1,187	48,321
Total Changes in the Statement of Profit or Loss	(1,697,519)	(60,717)	495,574	(12,023)	(1,274,685)
Exchange differences on translation of foreign operations	(15,474)	(1,721)	(12,814)	(711)	(30,720)
Cash flows					
Premium received	1,783,648	-	-	-	1,783,648
Amounts recovered	-	-	(658,838)	-	(658,838)
Total cash flows	1,783,648	-	(658,838)	-	1,124,810
Net reinsurance contract assets as at 31 December	360,873	776	971,511	19,368	1,352,528

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(c) Roll-forward of net asset or liability for reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims

Reinsurance Contracts Held - Life Business	2023				2022			
	Assets for remaining coverage		Assets for incurred claims	Total	Assets for remaining coverage		Assets for incurred claims	Total
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows		Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net reinsurance contract liabilities as at 01 January	155,550	38,932	7,244	201,726	127,227	12,556	9,688	149,471
Allocation of the premiums paid - Full retrospective approach								
CSM recognised for services provided	49,357	-	-	49,357	86,392	-	-	86,392
Change in risk adjustment for non-financial risk for risk transferred	(5,348)	-	-	(5,348)	(6,365)	-	-	(6,365)
Expected recoveries of incurred claims and other insurance service expense	(80,901)	-	-	(80,901)	(91,709)	-	-	(91,709)
Experience adjustment not related to future service	(26,908)	-	-	(26,908)	(9,174)	-	-	(9,174)
Total allocation of the premiums paid - Full retrospective approach	(63,800)	-	-	(63,800)	(20,856)	-	-	(20,856)
Allocation of the premiums paid - Fair value approach								
CSM recognised for services provided	(2,619)	-	-	(2,619)	(3,095)	-	-	(3,095)
Change in risk adjustment for non-financial risk for risk transferred	(1,033)	-	-	(1,033)	(1,171)	-	-	(1,171)
Expected recoveries of incurred claims and other insurance service expense	(6,836)	-	-	(6,836)	(6,534)	-	-	(6,534)
Experience adjustment not related to future service	(14,045)	-	-	(14,045)	(6,082)	-	-	(6,082)
Total allocation of the premiums paid - Fair value approach	(24,533)	-	-	(24,533)	(16,882)	-	-	(16,882)
Allocation of the premiums paid - Post transition								
CSM recognised for services provided	49,395	-	-	49,395	(32,766)	-	-	(32,766)
Change in risk adjustment for non-financial risk for risk transferred	(4,632)	-	-	(4,632)	(2,334)	-	-	(2,334)
Expected recoveries of incurred claims and other insurance service expense	(63,421)	-	-	(63,421)	(30,910)	-	-	(30,910)
Experience adjustment not related to future service	(23,705)	-	-	(23,705)	(8,716)	-	-	(8,716)
Restatement and Other Changes	(67,110)	-	-	(67,110)	-	-	-	-
Total allocation of the premiums paid - Post transition	(109,473)	-	-	(109,473)	(74,726)	-	-	(74,726)
Total allocation of the premiums paid	(197,806)	-	-	(197,806)	(112,464)	-	-	(112,464)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(c) Roll-forward of net asset or liability for reinsurance contracts held showing the liability for remaining coverage and the liability for incurred claims

	2023				2022			
	Assets for remaining coverage		Assets for incurred claims		Assets for remaining coverage		Assets for incurred claims	
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Total	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Total
Reinsurance Contracts Held - Life Business	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Amounts recovered from reinsurance								
Recoveries of incurred claims and other insurance service expense	-	(2,196)	86,594	84,398	-	(7,865)	90,920	83,055
Changes related to past service (changes related to incurred claims component)	-	-	(2,230)	(2,230)	-	-	(2,444)	(2,444)
Changes that relate to future service:								
Recoveries of losses on onerous underlying contracts on initial recognition	-	9,493	-	9,493	-	49,967	-	49,967
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	(36,701)	-	(36,701)	-	(16,809)	-	(16,809)
Total Amounts Recovered from Reinsurance	-	(29,404)	84,364	54,960	-	25,293	88,476	113,769
Investment Components	(8,646)	-	8,646	-	(10,188)	-	10,188	-
Total Net Expenses from Reinsurance	(206,452)	(29,404)	93,010	(142,846)	(122,652)	25,293	98,664	1,305
Total Insurance Finance Income or Expense	37,146	363	-	37,509	(11,741)	1,081	-	(10,660)
Total Changes in the Statement of Financial Performance	(169,306)	(29,041)	93,010	(105,337)	(134,393)	26,374	98,664	(9,355)
Cash flows								
Premium paid	185,619	-	-	185,619	162,716	2	-	162,718
Amounts recovered	-	-	(95,240)	(95,240)	-	-	(101,108)	(101,108)
Total cash flows	185,619	-	(95,240)	90,379	162,716	2	(101,108)	61,610
Net reinsurance contract assets as at 31 December	171,863	9,891	5,014	186,768	155,550	38,932	7,244	201,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(c) Roll-forward of the net asset or liability for reinsurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM

	2023					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net reinsurance contract assets/ (liabilities) as at 01 January	433,645	10,595	(140,034)	32,790	(135,270)	201,726
Changes that relate to current services						
CSM recognised for services provided	-	-	49,357	(2,619)	49,395	96,133
Change in risk adjustment for non-financial risk for risk expired	-	(11,013)	-	-	-	(11,013)
Experience adjustments not related to future service	(198,528)	-	-	-	-	(198,528)
Total changes that relate to current services	(198,528)	(11,013)	49,357	(2,619)	49,395	(113,408)
Changes that relate to future services						
Contracts initially recognised in the year	114,365	4,685	-	-	(109,557)	9,493
Changes in estimates that adjust the CSM	(35,995)	5,273	39,277	(17,749)	9,109	(85)
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(12,599)	1,683	-	-	-	(10,916)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM		-	(7,612)	(4,441)	(13,647)	(25,700)
Total changes that relate to future services	65,771	11,641	31,665	(22,190)	(114,095)	(27,208)
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	(2,196)	(34)	-	-	-	(2,230)
Total changes that relate to past services	(2,196)	(34)	-	-	-	(2,230)
Total Insurance Service result	(134,953)	594	81,022	(24,809)	(64,700)	(142,846)
Insurance Finance Income or Expense						
The effect of and changes in time of time value of money and financial risk	53,113	2,233	(8,937)	3,767	(12,667)	37,509
Total Insurance Finance Income or Expense	53,113	2,233	(8,937)	3,767	(12,667)	37,509
Total changes in the statement of profit or loss	(81,840)	2,827	72,085	(21,042)	(77,367)	(105,337)
Cash flows						
Premiums and premium tax paid	185,619	-	-	-	-	185,619
Amounts recovered	(95,240)	-	-	-	-	(95,240)
Total cash flows	90,379	-	-	-	-	90,379
Net Reinsurance contract assets/ (liabilities) as at 31 December	442,184	13,422	(67,949)	11,748	(212,637)	186,768

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Roll-forward of the net asset or liability for reinsurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM (Continued)

	2022					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
			Full retrospective approach	Fair value approach	Post transition	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net reinsurance contract assets/ (liabilities) as at 01 January	207,988	18,406	(120,261)	43,338	-	149,471
Changes that relate to current services						
CSM recognised for services provided	-	-	25,398	(3,095)	28,228	50,531
Change in risk adjustment for non-financial risk for risk expired	-	(9,870)	-	-	-	(9,870)
Expected recoveries of incurred claims and other insurance service expense	(70,073)	-	-	3	-	(70,070)
Total changes that relate to current services	(70,073)	(9,870)	25,398	(3,092)	28,228	(29,409)
Changes that relate to future services						
Contracts initially recognised in the year	211,068	6,478	-	-	(167,579)	49,967
Changes in estimates that adjust the CSM	79,448	(3,619)	(86,345)	1,498	9,018	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	9,150	(1,582)	-	-	-	7,568
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(12,407)	(11,969)	(1)	(24,377)
Total changes that relate to future services	299,666	1,277	(98,752)	(10,471)	(158,562)	33,158
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	(2,438)	(6)	-	-	-	(2,444)
Total changes that relate to past services	(2,438)	(6)	-	-	-	(2,444)
Total Insurance Service result	227,155	(8,599)	(73,354)	(13,563)	(130,334)	1,305
Insurance Finance Income or Expense						
The effect of and changes in time of time value of money and financial risk	(2,674)	1,348	(7,413)	3,015	(4,936)	(10,660)
Total Insurance Finance Income or Expense	(2,674)	1,348	(7,413)	3,015	(4,936)	(10,660)
Total changes in the statement of profit or loss	224,481	(7,251)	(80,767)	(10,548)	(135,270)	(9,355)
Cash flows						
Premiums and premium tax paid	102,284	(560)	60,994	-	-	162,718
Amounts recovered	(101,108)	-	-	-	-	(101,108)
Total cash flows	1,176	(560)	60,994	-	-	61,610
Net Reinsurance contract assets/ (liabilities) as at 31 December	433,645	10,595	(140,034)	32,790	(135,270)	201,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(d) The components of new business for insurance contracts issued is disclosed in the table below:

	2023			2022		
	Contracts issued			Contracts issued		
	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
Term Assurance - GMM	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of present value of future cash outflows	284,096	111,020	395,116	247,891	332,131	580,022
Estimates of present value of future cash inflows	(476,549)	(101,155)	(577,704)	(318,109)	(272,046)	(590,155)
Risk adjustment	18,044	6,060	24,104	13,653	15,310	28,963
CSM	174,409	-	174,409	56,565	-	56,565
Losses on onerous contracts at initial recognition	-	15,925	15,925	-	75,395	75,395
Annuities	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of present value of future cash outflows	24,073	1,224	25,297	1,260	2,280	3,540
Estimates of present value of future cash inflows	(28,981)	(89)	(29,070)	(3,404)	(2,179)	(5,583)
Risk adjustment	78	5	83	6	2	8
CSM	4,830	-	4,830	2,138	-	2,138
Losses on onerous contracts at initial recognition	-	1,140	1,140	-	103	103
Insurance contracts without DPF	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of present value of future cash outflows	868	455	1,323	456	358	814
Estimates of present value of future cash inflows	(1,422)	(338)	(1,760)	(535)	(202)	(737)
Risk adjustment	36	3	39	1	(4)	(3)
CSM	518	-	518	78	-	78
Losses on onerous contracts at initial recognition	-	120	120	-	152	152
Insurance contracts with DPF - GMM	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of present value of future cash outflows	15,840	10,754	26,594	15,313	9,525	24,838
Estimates of present value of future cash inflows	(34,312)	(6,511)	(40,823)	(30,964)	(5,371)	(36,335)
Risk adjustment	435	143	578	531	22	553
CSM	18,037	-	18,037	15,120	-	15,120
Losses on onerous contracts at initial recognition	-	4,386	4,386	-	4,176	4,176
Insurance contracts with DPF - VFA	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of present value of future cash outflows	27,606	26,973	54,579	40,164	27,928	68,092
Estimates of present value of future cash inflows	(46,683)	(14,952)	(61,635)	(77,770)	(13,263)	(91,033)
Risk adjustment	523	235	758	686	12	698
CSM	18,554	-	18,554	36,920	-	36,920
Losses on onerous contracts at initial recognition	-	12,256	12,256	-	14,677	14,677

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(d) The components of new business for insurance contracts issued is disclosed in the table below:

	2023			2022		
	Contracts Initiated			Contracts Initiated		
	Without Loss-Recovery Component	With Loss-Recovery Component	Total	Without Loss-Recovery Component	With Loss-Recovery Component	Total
Reinsurance Contracts Held	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimates of the present value of future cash inflows	40,606	12,136	52,742	31,409	36,383	67,792
Estimates of the present value of future cash outflows	(121,367)	(45,742)	(167,109)	(114,488)	(164,372)	(278,860)
Risk adjustment for non-financial risk	(2,959)	(1,726)	(4,685)	(1,868)	(4,610)	(6,478)
Loss recovery related to losses on underlying insurance contracts at initial recognition	-	9,493	9,493	-	49,967	49,967
Contractual Service Margin	(83,720)	(25,839)	(109,559)	(84,947)	(82,632)	(167,579)

(e) The disclosure of when the CSM is expected to be recognised in profit or loss in future years is presented below:

	2023					
	Less than 1 Year	1-2 Years	2-3 Years	3-4 Years	More than 4 Years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance Contracts Issued:						
Life Risk						
Term Assurance - GMM	67,857	51,475	39,139	30,016	112,317	300,804
Annuities	3,890	3,359	3,139	2,929	22,387	35,704
Participating						
Indiirect participating - GMM	1,084	1,154	1,167	1,179	16,463	21,047
Direct participating - VFA	17,407	14,235	11,161	8,544	21,502	72,849
Insurance contracts without DPF	424	424	418	344	4,081	5,691
Insurance contracts with DPF GMM	7,064	7,438	7,777	8,081	174,489	204,849
Insurance contracts with DPF VFA	25,204	24,860	22,929	21,228	251,302	345,523
	122,930	102,945	85,730	72,321	602,541	986,467

	2022					
	Less than 1 Year	1-2 Years	2-3 Years	3-4 Years	More than 4 Years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance Contracts Issued						
Life Risk						
Term Assurance - GMM	30,832	23,085	17,225	13,130	52,091	136,363
Annuities	4,733	4,459	3,862	3,579	26,337	42,970
Participating						
Indirect participating - GMM	1,447	1,405	1,364	1,274	10,743	16,233
Direct participating - VFA	21,473	17,597	14,234	11,054	28,497	92,855
Insurance contracts without DPF	351	345	336	322	2,540	3,894
Insurance contracts with DPF - GMM	9,183	9,499	9,745	9,935	178,495	216,857
Insurance contracts with DPF - VFA	24,976	23,387	21,886	19,383	188,922	278,554
	92,995	79,777	68,652	58,677	487,625	787,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

15 LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Loans and advances	644,648	617,967	1,038,759	103,000
Less: Allowance for impairment losses	(14,957)	(11,835)	(1,828)	(225)
	629,691	606,132	1,036,931	102,775

During the year ended 31 December 2023, the Company issued the following instruments to MUA Investment Holding Ltd:

(i) one-year loan of USD 14m (Rs 629m) and bearing interest at 5.50% per annum;

(ii) one-year loan of USD 4,325m (Rs 194m) and bearing interest at 4.81% per annum; and

(iii) one-year loan of USD 2.2m (Rs 98m) and bearing interest at 7.95% per annum.

Loans and advances also include redeemable preference shares of Rs 100M acquired from MUA Cy. The shares bear interest dividend of 6% per annum and will mature in 2031.

Loans and advances of the Company are classified as stage 1.

Mortgage and other loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	THE GROUP			
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
High grade	563,173	-	-	563,173
Standard grade	-	68,063	-	68,063
Individually impaired	-	-	13,412	13,412
Total	563,173	68,063	13,412	644,648
	2022			
	Stage 1	Stage 2	Stage 3	Total
High grade	540,680	-	-	540,680
Standard grade	-	61,191	-	61,191
Individually impaired	-	-	16,096	16,096
Total	540,680	61,191	16,096	617,967

	THE GROUP			
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At 01 January	540,680	61,191	16,096	617,967
New assets purchased	216,568	4,795	-	221,363
Assets derecognised or matured (excluding write-offs)	(149,638)	(37,840)	2,589	(184,889)
Transfer to Stage 1	14,962	(12,819)	(2,143)	-
Transfer to Stage 2	(47,587)	52,960	(5,373)	-
Transfer to Stage 3	(742)	(1,522)	2,264	-
Modification of contractual cash flow	-	1,298	(21)	1,277
Exchange difference	(11,070)	-	-	(11,070)
At 31 December	563,173	68,063	13,412	644,648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

15 LOANS AND RECEIVABLES (CONTINUED)

	THE GROUP			
	2022			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At 01 January	616,190	49,167	26,904	692,261
New assets purchased	128,330	1,775	-	130,105
Assets derecognised or matured (excluding write-offs)	(177,420)	(15,425)	(4,875)	(197,720)
Transfer to Stage 1	29,622	(27,533)	(2,089)	-
Transfer to Stage 2	(47,257)	52,878	(5,621)	-
Transfer to Stage 3	(220)	(1,557)	1,777	-
Modification of contractual cash flow	-	1,886	-	1,886
Exchange difference	(8,565)	-	-	(8,565)
At 31 December	540,680	61,191	16,096	617,967

	THE GROUP			
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance				
At 01 January	4,774	1,780	5,281	11,835
New assets purchased	2,952	42	-	2,994
Assets derecognised or matured (excluding write offs)	(721)	(158)	(3,379)	(4,258)
Transfer to Stage 1	62	(165)	(337)	(440)
Transfer to Stage 2	(118)	477	(80)	279
Transfer to Stage 3	(7)	(57)	1,128	1,064
Changes in PDs/LGDs/EADs	(878)	978	1,583	1,683
Modification of contractual cash flows	-	1,794	-	1,794
Other movements	6	-	-	6
At 31 December	6,070	4,691	4,196	14,957

	2022			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	2,816	(65)	12,912	15,663
New assets purchased	2,819	160	1,565	4,544
Assets derecognised or matured (excluding write offs)	(136)	-	(1,627)	(1,763)
Transfer to Stage 1	75	(115)	(2,759)	(2,799)
Transfer to Stage 2	(62)	318	(1,392)	(1,136)
Transfer to Stage 3	-	(6)	171	165
Changes in PDs/LGDs/EADs	(1,817)	743	(3,394)	(4,468)
Modification of contractual cash flows	-	1,044	-	1,044
Other movements	1,079	(299)	(195)	585
At 31 December	4,774	1,780	5,281	11,835

	THE COMPANY	
	2023	2022
	Rs'000	Rs'000
An analysis of changes in the ECLs is as follows:		
At 01 January	(225)	(183)
Impact of remeasurement	(1,603)	(42)
At 31 December	(1,828)	(225)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL ASSETS

(a) Financial assets at fair value through other comprehensive income

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At 01 January	1,202,064	1,339,781
Additions	500,901	564
Interest	5,628	4,057
Disposals	(342,073)	(77,452)
Increase/(decrease) in fair value	38,626	(61,805)
Exchange difference	(10,444)	(3,081)
At 31 December	1,394,702	1,202,064
Analysed as follows:		
Quoted equity securities	307,390	334,767
Unquoted equity securities	75,004	72,838
Quoted debt instruments	28,129	28,196
Unquoted debt instruments	984,179	766,263
Open Ended Mutual Funds	-	-
	1,394,702	1,202,064

	885,537	766,574
Corporate bonds	127,586	28,196
Less: Allowances for expected credit losses	1,013,123	794,770
	(815)	(311)
	1,012,308	794,459

The table below shows the credit quality and the maximum exposure to credit risk based on external credit rating for the instruments and year-end stage classification. The amounts presented are gross of impairment allowances.

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
High grade	885,537	766,574
Standard grade	127,586	28,196
Total	1,013,123	794,770

An analysis of changes in the ECLs is as follows:		
At 01 January	(311)	(236)
Impact of remeasurement	(504)	(75)
At 31 December	(815)	(311)

There were no transfers between stages during the year as there was no observed deterioration in credit risk on any of the instruments in the portfolio.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL ASSETS (CONTINUED)

(b) Financial assets at fair value through profit or loss

	Note	THE GROUP	
		2023	Restated 2022
		Rs'000	Rs'000
At 01 January		6,486,058	7,340,495
Additions		401,755	95,721
Disposals		(386,057)	(160,787)
Increase/ (decrease) in fair value	29	351,351	(789,371)
At 31 December		6,853,107	6,486,058
Analysed as follows:			
Local - Listed equity		2,050,164	2,099,640
Local - Listed bonds		477,214	558,815
Local - Unquoted equity		86,349	84,411
Local - Unquoted bonds		3,082,743	2,819,059
Open ended mutual funds		1,156,637	924,133
		6,853,107	6,486,058

(c) Debt instruments at amortised cost

	THE GROUP		THE COMPANY	
	2023	Restated 2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Government debt securities	5,762,504	5,411,989	-	89,745
Corporate bonds and Fixed deposits	2,554,539	1,971,855	657,132	1,368,977
	8,317,043	7,383,844	657,132	1,458,722
Less: Allowances for impairment losses	(24,592)	(13,047)	(4,083)	(3,046)
	8,292,451	7,370,797	653,049	1,455,676

- (i) The corporate bonds and fixed deposits for the Company includes notes issued by The Mauritius Union Assurance Cy. Ltd ("MUACL") and MUA Insurance (Kenya) Ltd. On 25 September 2019, the Company subscribed to 200,000 notes at a nominal amount of Rs 1,000 each, equivalent to a total of Rs 200m, issued by its subsidiary, MUACL. At the issue date, the notes carried a credit rating of CARE MAU AA-stable and the rating shall be monitored each year by CARE Rating Agency (Africa) Ltd. The interest rate is calculated as the aggregate of the repo rate and the applicable spread per annum. The applicable spread is either the initial spread of 1.25% or the revised spread which takes into account any change in the credit rating of the notes, as defined in the Notes Subscription Agreement. Unless redeemed earlier, the maturity shall be on the 10th anniversary of the issue date.
- (ii) On 03 July 2020, the Company subscribed to Rs 441,650,000 notes issued by MUA Insurance (Kenya) Ltd. At the issue date, the notes carried a credit rating of CARE MAU AA-stable and the rating shall be monitored each year by CARE Rating Agency (Africa) Ltd. The interest rate is calculated as the aggregate of the repo rate and the applicable spread per annum. The applicable spread is either the initial spread of 2.75% or the revised spread which takes into account any change in the credit rating of the notes, as defined in the Notes Subscription Agreement. Unless redeemed earlier, the maturity shall be on the 10th anniversary of the issue date.
- (iii) An amount of **Rs 120,997,000** (2022: Rs 144,698,000) included in debt instruments at amortised cost represents statutory deposits and pledged with the regulatory bodies in Mauritius and the East African subsidiaries' jurisdictions; in compliance with regulations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL ASSETS (CONTINUED)

(c) Debt instruments at amortised cost (Continued)

The table below shows the credit quality and maximum exposure to credit risk based on external credit rating for the instruments and year-end stage classification. The amounts presented are net of impairment allowances.

	THE GROUP		THE COMPANY	
	Restated			
	2023	2022	2023	2022
Stage 1				
External rating grade - Performing	Rs'000	Rs'000	Rs'000	Rs'000
High grade	5,753,661	5,403,790	-	89,669
Standard grade	2,538,790	1,967,007	653,049	1,366,007
Total	8,292,451	7,370,797	653,049	1,455,676

An analysis of changes in the gross carrying amount and the corresponding ECLs is as follows:

	THE GROUP		THE COMPANY	
	Restated			
	2023	2022	2023	2022
Gross carrying amount	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	7,383,844	6,173,482	1,458,722	949,870
Additions	18,698,128	4,640,060	1,290,678	1,144,579
Assets matured	(17,497,924)	(3,373,936)	(2,106,719)	(632,185)
Amortisation adjustments	20,562	(5,701)	(3,673)	2,075
Exchange difference	(287,567)	(50,061)	18,124	(5,617)
At 31 December	8,317,043	7,383,844	657,132	1,458,722
ECL allowance				
At 01 January	(13,047)	(11,283)	(3,046)	(1,469)
New assets purchased	(1,597)	(2,642)	-	(1,419)
Assets derecognised or matured (excluding write offs)	1,629	144	1,629	144
Impact of net- remeasurement of year end ECL	(13,060)	519	(2,666)	(302)
Exchange difference	1,483	215	-	-
At 31 December	(24,592)	(13,047)	(4,083)	(3,046)

There were no transfers between stages during the year as there was no observed deterioration in credit risk on any of the instruments in the portfolio.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17 TAX CHARGE

(a) In the statements of profit or loss

	Note	THE GROUP		THE COMPANY	
		Restated			
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
Income tax provision at applicable rate		73,198	57,815	32	1,460
CSR tax (refund)/charge		(3)	1,102	(18)	270
Under provision of income tax in prior year		1,983	18,891	1,979	66
Under provision of deferred tax in prior year	11	-	1,760	-	-
Deferred income tax credit	11	(52,003)	(8,689)	-	-
Alternative Minimum Tax		13,922	31,997	-	-
Tax charge for the year		37,097	102,876	1,993	1,796
(b) In the statements of financial position					
At 01 January		5,334	11,910	(971)	(397)
Payment		95,047	80,486	2,950	1,222
Tax withheld		-	1,896	-	-
Under provision of income tax		(1,983)	(18,891)	(1,979)	(66)
Income tax expense		(73,198)	(57,815)	(32)	(1,460)
CSR tax		3	(1,102)	18	(270)
Alternative Minimum Tax		(13,922)	(31,997)	-	-
Exchange difference		284	20,847	-	-
At 31 December		11,565	5,334	(14)	(971)
Current income tax liabilities		(23,086)	(38,989)	(14)	(971)
Current income tax assets		34,651	44,323	-	-
		11,565	5,334	(14)	(971)
(c) Tax rate reconciliation					
Profit before income tax		(199,617)	603,096	114,111	201,660
Tax thereon at applicable rate*		-	-	-	-
Corporate Social Responsibility at the rate of 2%		-	-	-	-
Tax charge in Seychelles branch		17,382	149,285	19,399	34,282
Tax thereon at applicable rate*		-	-	-	-
Tax effect of:					
Income not subject to tax		(90,820)	(21,877)	(9,863)	(60)
Expenses not deductible for tax purposes		116,120	38,947	18,074	8,262
Income exempt for tax		(55,072)	(90,131)	(27,578)	(41,024)
Under provision of deferred tax assets in prior year		-	1,760	-	-
Under provision of income tax in prior year		1,983	18,891	1,979	66
Effect of change in tax rate**		191	-	-	-
CSR (refund)/ contribution		(3)	1,102	(18)	270
Other movements		-	(33,961)	-	-
Deferred tax asset not recognised		33,394	6,863	-	-
Alternative Minimum Tax		13,922	31,997	-	-
		37,097	102,876	1,993	1,796

* Rates applicable are 17% for Mauritius, 25% for Seychelles and 30% for Kenya, Tanzania and Uganda.

**The rate in Rwanda is 28% in 2023 and 30% in 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

18 STATED CAPITAL

THE GROUP AND THE COMPANY	Issued and fully paid		No of shares	
	2023	2022	2023	2022
	Rs'000	Rs'000	No of shares - 000	No of shares - 000
At 01 January	1,661,733	1,198,142	55,515	51,076
Issue of shares	556	463,591	6	4,439
At 31 December	1,662,289	1,661,733	55,521	55,515

The ordinary shares are of no par value and have all been fully paid.

19 INVESTMENT CONTRACT LIABILITIES

	THE GROUP		
		Restated	Restated
	31 December 2023	31 December 2022	01 January 2022
	Rs'000	Rs'000	Rs'000
At 01 January	1,478,795	1,327,739	1,107,302
Contributions	236,243	199,565	112,515
Withdrawals	(28,864)	(18,179)	(66,320)
Investment fair value adjustment	105,528	(30,330)	174,242
At 31 December	1,791,702	1,478,795	1,327,739

Following a change in the Private Pension Scheme Act effective from 1 January 2015, the portfolio of group pension was transferred from the books of MUA Life Ltd to a trust. The trust has invested in the underlying funds of MUA Life Ltd. The value of the investment contract liabilities at 31 December 2023 and 2022 represents the fair value of the underlying investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

20 EMPLOYEE BENEFIT OBLIGATIONS

The benefits of employees of the Group fall under the following different types of arrangements:

- (i)

A defined benefit scheme which is funded for former employees of Island General Insurance Ltd (previously acquired by the Group). The plan assets are held independently by MUA Life Ltd.
- (ii)

Unfunded defined benefit scheme which is entitled to a No Worse Off Guarantee ('NWOG').
- (iii)

Unfunded benefit scheme for employees entitled to Vacation Leave as per The Workers Rights Act (2019).

The liabilities in respect of the defined benefit schemes above are analysed as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Funded obligation (note a)	9,590	7,971
Unfunded obligation (note b)	1,791	7,727
Vacation leave (note c)	9,873	-
	21,254	15,698

(a) Funded obligation

The amounts recognised in the statement of financial position in respect of the funded obligation are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Defined benefit of funded obligation	9,604	7,983
Fair value of plan assets	(14)	(12)
Benefit liability	9,590	7,971
(i) Movement of defined benefit of funded obligations:		
At 01 January	7,983	15,447
Benefits paid out	-	(3,506)
Amount recognised in profit or loss:		
Interest cost	480	617
Amount recognised in other comprehensive income:		
Actuarial changes arising from changes in financial assumptions	1,141	(4,575)
At 31 December	9,604	7,983
(ii) Movement of fair value of plan assets:		
At 01 January	12	3,577
Benefits paid	-	(3,506)
Amount recognised in profit or loss:		
Interest income	1	83
Amount recognised in other comprehensive income:		
Actuarial changes arising from changes in financial assumptions	1	(142)
At 31 December	14	12

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

20 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(a) **Funded obligation (Continued)**

The main categories of plan assets are as follows:

	THE GROUP	
	2023	2022
	%	%
Local equities	34	39
Local - Debt Maturity >=12 months	39	32
Local - Cash and Debt Maturity	4	8
Overseas equities	23	21
	100	100
The principal actuarial assumptions used for accounting purposes were:		
Discount rate	5.0%	6.0%
Expected rate of return on plan assets	2.8%	3.0%
Future salary increases*	0.0%	0.0%
Future pension increases	3.0%	3.0%
Deferred pension increases	0.0%	0.0%
Actuarial table for employee mortality	PMA 92-PFA	

* No increase in future salary as the pension plan is frozen.

A quantitative sensitivity analysis showing impact on defined benefit obligations for changes in significant assumptions is shown as follows:

	Discount rate		Future pension cost increase	
	1% increase	1% decrease	1% increase	1% decrease
	Rs'000	Rs'000	Rs'000	Rs'000
2023	1,348	1,678	1,187	1,012
2022	(1,107)	1,373	933	(800)
	Life expectancy of male pensioners		Life expectancy of female pensioners	
	Increase by 1 year	Decrease by 1 year	Increase by 1 year	Decrease by 1 year
	Rs'000	Rs'000	Rs'000	Rs'000
2023	215	(215)	69	(69)
2022	52	(52)	158	(157)

The sensitivity analyses have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is **7-8 years** (2022: 7-8 years).

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. Management assessment of the expected returns is based on historical returns trends and analysts' predictions of the market for the asset in the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

20 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(a) **Funded obligation (Continued)**

No contribution was received in 2023 and no future contribution is expected in 2024.

The plan exposes the Group to investment risk as the Group will have to make up any shortfall between the value of the plan assets at retirement and the defined benefit liability. This is a significant risk as all members are deferred and no further employer contributions will be made. Plan assets are held in respect of this liability and 39% of these assets are invested in the local equity market. This may expose the Group to a concentration of market risk.

The plan also exposes the Group to further market risks as prevailing interest rates impact liability values. There is a risk that actual experience does not match the expected experience when calculating the reserve.

(b) **Unfunded obligation**

The amounts recognised in the statement of financial position in respect of the unfunded obligation are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Present value of unfunded obligation	1,791	7,727
(i) Movement in the liability recognised in the statements of financial position:		
At 01 January	7,727	2,082
Amount recognised in profit or loss:		
Interest cost	112	105
Current service cost	8,121	2,162
Amount recognised in other comprehensive income:		
Actuarial (gain)/ loss arising from changes in financial assumptions	(14,169)	3,378
At 31 December	1,791	7,727

The principal actuarial assumptions used for accounting purposes were:

THE GROUP	
2023	2022
Discount rate	5.0%
Future salary increase	4.25%
CPI inflation rate	2.25%

No contribution is expected in 2024.

The impact of changes in significant assumptions is not expected to be material on the defined benefit obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

20 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(c) **Unfunded obligation - Vacation leave**

The amounts recognised in the statement of financial position in respect of vacation leave amounts to Rs 8m (2022: Rs Nil).

	THE GROUP
	2023
	Rs'000
Movement in defined benefit obligations:	
At 1 January	-
Current service cost	9,459
Interest cost	414
At 31 December	9,873
The principal actuarial assumptions used for accounting purposes were:	
	2023
Discount rate	6.0%
Future salary increase	4.3%

The impact of changes in significant assumptions is not expected to be material on the defined benefit obligation.

21 BORROWINGS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Floating rate notes (i)	507,800	506,641	507,800	506,641
Fixed rate notes (ii), (iii)	307,443	100,012	307,443	100,012
Bank loan (iv)	200,082	200,082	200,082	200,082
	1,015,325	806,735	1,015,325	806,735

- (i) On 24 September 2019, the Company issued floating rate notes through a private placement for a total nominal amount of Rs 500m. The interest rate is calculated as the aggregate of the repo rate and the applicable spread per annum. The applicable spread is either the initial spread of 1.25% or the revised spread which takes into account any change in the credit rating of the notes, as defined in the Notes Subscription Agreement. The notes have been assigned a rating of CARE MAU AA- by CARE Ratings (Africa) Private Limited and will mature on 24 September 2029.
- (ii) On 30 June 2021, the Company issued 4.5% per annum fixed rate notes through a private placement for a total nominal amount of Rs 100m. The interest rate is subject to change should the CARE MAU Rating of the Company change over the 10 year term of the notes. The notes have been assigned a rating of CARE MAU AA- by CARE Ratings (Africa) Private Limited and will mature on 30 June 2031.
- (iii) On 19 July 2023, the Company issued 6% per annum fixed rate notes through a private placement for a total nominal amount of Rs 200m. The interest rate is subject to change should the CARE MAU Rating of the Company change over the 8 year term of the notes. The notes have been assigned a rating of CARE MAU AA- by CARE Ratings (Africa) Private Limited and will mature on 28 July 2031.
- (iv) On 30 December 2022, the Company has taken a Rs 200m loan at a rate of 7.5% per annum. The loan has been assigned a rating of CARE MAU AA- by CARE Ratings (Africa) Private Limited and will mature on 30 December 2027.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

22 OTHER PAYABLES

	THE GROUP		THE COMPANY	
	Restated			
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Loans repaid in advance	4,896	5,131	-	-
Refund to customers	174,515	123,131	-	-
Commission payable	14,863	20,416		
Accruals	357,742	311,414	2,144	1,078
Stale cheques	80,166	59,764	3,559	1,750
Withholding tax and Value Added Tax payable	13,868	27,729	-	-
Cash held as guarantee	39,282	59,430	-	-
Tax payable on salaries and wages	8,793	4,851	-	-
Other payables	57,566	73,475	-	-
	751,691	685,341	5,703	2,828

Cash held as guarantee relates to a deposit fee for bonds issued by MUA Insurance (Rwanda) Ltd.

Other payables are non-interest bearing, repayable within one year and their carrying amounts approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

23 INSURANCE REVENUE

	Life risk		
	Term Assurance		Annuities
	GMM	PAA	
	Rs'000	Rs'000	Rs'000
Insurance Revenue			
CSM recognised for services provided	69,611	-	11,328
Change in risk adjustment for non-financial risk for risk expired	19,560	-	49
Expected insurance service expenses incurred:			
Claims	242,881	-	(145)
Expenses	117,049	-	889
Experience adjustments not related to future service	(31,092)	-	134
Recovery of insurance acquisition cash flows	22,664	-	1,745
Revenue from Contracts Not Measured Under PAA	440,673	-	14,000
Contracts Measured Under the PAA			
Expected premium receipts allocation	-	122,268	-
Revenue from Contracts Measured - PAA	-	122,268	-
Total Insurance Revenue	440,673	122,268	14,000

Insurance Revenue			
CSM recognised for services provided	37,787	-	10,978
Change in risk adjustment for non-financial risk for risk expired	18,183	-	44
Expected insurance service expenses incurred:			
Claims	227,126	-	14,203
Expenses	109,491	-	968
Experience adjustments not related to future service	(25,434)	-	(2,827)
Recovery of insurance acquisition cash flows	21,856	-	761
Revenue from Contracts Not Measured Under PAA	389,009	-	24,127
Contracts Measured Under the PAA			
Expected premium receipts allocation	-	118,002	-
Revenue from Contracts Measured - PAA	-	118,002	-
Total Insurance Revenue	389,009	118,002	24,127

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2023							
Participating					General business		
Indirect participating	Direct participating	Insurance contracts without DPF	Insurance contracts with DPF		PAA Contracts		Total
			GMM	VFA	Property	Casualty	
GMM	VFA	GMM	GMM	VFA	Property	Casualty	
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
1,071	23,970	395	5,645	28,806	-	-	140,826
9,781	(451)	23	1,742	(275)	-	-	30,429
103,358	(63,045)	270	237,321	(3,801)	-	-	516,839
7,673	(5,893)	475	11,768	21,866	-	-	153,827
(2,211)	(12,793)	(869)	3,468	-	-	-	(43,363)
-	430	169	3,880	20,394	-	-	49,282
119,672	(57,782)	463	263,824	66,990	-	-	847,840
-	-	-	-	-	1,561,097	4,692,270	6,375,635
-	-	-	-	-	1,561,097	4,692,270	6,375,635
119,672	(57,782)	463	263,824	66,990	1,561,097	4,692,270	7,223,475

2022							
1,543	32,356	331	9,135	25,563	-	-	117,693
10,503	(1,031)	82	1,752	1,308	-	-	30,841
99,033	(61,507)	231	250,880	(2,267)	-	-	527,699
6,960	(5,291)	403	9,953	18,455	-	-	140,939
947	(589)	(9)	(3,093)	-	-	-	(31,005)
-	424	173	3,257	19,102	-	-	45,573
118,986	(35,638)	1,211	271,884	62,161	-	-	831,740
-	-	-	-	-	1,347,176	4,437,445	5,902,623
-	-	-	-	-	1,347,176	4,437,445	5,902,623
118,986	(35,638)	1,211	271,884	62,161	1,347,176	4,437,445	6,734,363

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

24 INSURANCE SERVICE EXPENSES

	Life risk		
	Term Assurance		Annuities
	GMM	PAA	
	Rs'000	Rs'000	Rs'000
Claims	(98,730)	(64,395)	6,596
Expenses	(36,505)	-	15
Changes that relate to past service (changes in fulfilment cash flows re LIC)	594	-	(81)
Amortisation of insurance acquisition cash flows	(22,664)	(2,984)	(1,745)
Losses for the net outflow recognised on initial recognition	(15,925)	(43)	(1,140)
Losses and reversal of losses on onerous contracts - subsequent measurement	51,413	207	(17,523)
	(121,817)	(67,215)	(13,878)

	Rs'000	Rs'000	Rs'000
Claims	(91,422)	(94,045)	(13,405)
Expenses	(40,999)	15	(203)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	5,571	-	512
Amortisation of insurance acquisition cash flows	(21,856)	(2,739)	(761)
Losses for the net outflow recognised on initial recognition	(75,395)	-	(103)
Losses and reversal of losses on onerous contracts - subsequent measurement	6,948	620	(59,800)
	(217,153)	(96,149)	(73,760)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2023							
Participating					General business		
Indirect participating	Direct participating	Insurance contracts without DPF	Insurance contracts with DPF		PAA Contracts		Total
GMM	VFA		GMM	VFA	Property	Casualty	
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
906	(54,402)	482	(59,916)	(10,726)	(488,654)	(2,663,452)	(3,432,291)
(4,239)	3,600	(218)	(29,525)	(22,812)	(74,760)	(333,674)	(498,118)
-	-	-	-	-	3,601	(254,933)	(250,819)
-	(430)	(169)	(3,880)	(20,394)	(661,096)	(797,398)	(1,510,760)
-	-	(120)	(4,386)	(12,256)	-	-	(33,870)
-	(5,166)	43	(9,028)	4,185	-	7,585	31,716
(3,333)	(56,398)	18	(106,735)	(62,003)	(1,220,909)	(4,041,872)	(5,694,142)

	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	(49,450)	5,793	731	(172,738)	3,387	(184,842)	(2,289,590)	(2,885,581)	
	(4,156)	3,525	(154)	(11,089)	(33,672)	(60,871)	(372,403)	(520,007)	
	-	-	-	-	-	35,021	(10,725)	30,379	
	-	(424)	(173)	(3,257)	(19,102)	(301,950)	(789,519)	(1,139,781)	
	-	-	(152)	(4,177)	(14,677)	-	-	(94,504)	
	-	(4,989)	222	12,599	(2,250)	-	(12,502)	(59,152)	
	(53,606)	3,905	474	(178,662)	(66,314)	(512,642)	(3,474,739)	(4,668,646)	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

25 NET EXPENSE FROM REINSURANCE CONTRACTS HELD

		2023			2022		
		General	Life	Total	General	Life	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a)	Allocation of reinsurance premium	(1,934,623)	(197,806)	(2,132,429)	(1,695,748)	(112,464)	(1,808,212)
(b)	Amounts recovered from reinsurance						
	Recoveries of incurred claims and other insurance service expense	618,641	84,398	703,039	502,699	83,055	585,754
	Changes related to past service (changes related to incurred claims component)	328,037	(2,230)	325,807	(69,231)	(2,444)	(71,675)
	Recoveries of losses on onerous underlying contracts on initial recognition	-	9,493	9,493	-	49,967	49,967
	Recoveries on onerous underlying contracts - subsequent measurement	(705)	(36,701)	(37,406)	(60,726)	(16,809)	(77,535)
		945,973	54,960	1,000,933	372,742	113,769	486,511
(c)	Changes in risk of non-performance	(5,658)	-	(5,658)	-	-	-
	Net expense from reinsurance contracts held	(994,308)	(142,846)	(1,137,154)	(1,323,006)	1,305	(1,321,701)

26 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCE RESULT

The table below presents an analysis of total investment income and insurance finance result which are non-insurance related and recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Investment Income				
Rental income	19,940	14,347	-	-
Dividend income	114,219	90,481	115,000	224,000
Interest income on financial assets at FVTPL	209,845	216,969	-	-
	344,004	321,797	115,000	224,000
(b) Interest calculated using effective interest rate (EIR)				
Loans	21,988	36,808	26,662	6,000
Fixed deposit	98,275	29,474	40,643	15,650
Corporate bonds	-	1,344	-	-
Government long term bonds	518,889	434,290	-	-
Government treasury bills	17,081	9,259	-	-
	656,233	511,175	67,305	21,650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

26 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCE RESULT (CONTINUED)

2023											
Life risk				Participating					General Business		
Term assurance		Annuities		Indirect participating	Direct participating	Insurance contracts without DPF	Insurance contracts with DPF		Property	Casualty	Total
GMM	PAA			GMM	VFA	GMM	GMM	VFA			
Rs'000	Rs'000	Rs'000		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) Finance expense for insurance contracts issued											
Interest accreted on the carrying amount of the CSM	(12,187)	(8)	(2,245)	(921)	(3,885)	(236)	(15,257)	-	-	-	(34,739)
Interest accreted on present value cash flows	7,627	7	(12,188)	(66,956)	55,948	(589)	(181,242)	-	(25,059)	(103,912)	(326,364)
Interest accreted on risk adjustment	(4,805)	-	(48)	(377)	-	(22)	(429)	-	-	-	(5,681)
Effect of financial risk and changes in financial risk	790	(11)	(36,504)	(302,947)	71,342	(1,490)	(251,432)	-	-	-	(520,252)
Changes in fair value of underlying items of direct participating contracts	-	-	-	-	(105,351)	-	-	(224,497)	-	-	(329,848)
	(8,575)	(12)	(50,985)	(371,201)	18,054	(2,337)	(448,360)	(224,497)	(25,059)	(103,912)	(1,216,884)
Finance expense for insurance contracts issued											
2022											
Interest accreted on the carrying amount of the CSM	(10,425)	-	(944)	(5,072)	49,147	(178)	(15,424)	-	-	-	17,104
Interest accreted on present value cash flows	6,627	(28)	(10,003)	(53,276)	-	(575)	(146,210)	-	(14,608)	(70,253)	(288,326)
Interest accreted on risk adjustment	(3,934)	(8)	(35)	(292)	-	(15)	(239)	-	-	-	(4,523)
Effect of financial risk and changes in financial risk	(7,482)	(12)	38,414	239,824	(36,314)	128	350,684	-	-	-	585,242
Changes in fair value of underlying items of direct participating contracts	-	-	-	-	64,592	-	-	(42,420)	-	-	22,172
	(15,214)	(48)	27,432	181,184	77,425	(640)	188,811	(42,420)	(14,608)	(70,253)	331,669

(d) Finance income/(expense) from reinsurance contracts held	2023			2022		
	General	Life	Total	General	Life	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Effect of time value of money and changes in the time value of money, based on the locked-in interest rates:						
Interest accreted to reinsurance contracts using current financial assumptions	14,339	-	14,339	13,520	-	13,520
Interest accreted on the carrying amount of the CSM	8,933	(17,837)	(8,904)	-	(9,333)	(9,333)
Interest accreted on present value cash flows	30,264	30,793	61,057	27,509	17,574	45,083
Interest accreted on risk adjustment	412	534	946	976	1,083	2,059
Effect of financial risk and changes in financial risk	(377)	24,019	23,642	6,318	(19,984)	(13,666)
	53,571	37,509	91,080	48,323	(10,660)	37,663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	THE GROUP		THE COMPANY	
		2023	Restated 2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
27 (ALLOWANCE)/ REVERSAL OF EXPECTED CREDIT LOSSES					
Loans		(3,122)	3,828	(1,604)	(42)
Debt instruments at amortised cost		(13,028)	(1,979)	(1,037)	(1,577)
		(16,150)	1,849	(2,641)	(1,619)
28 OTHER OPERATING INCOME					
Brokerage fees		3,975	8,176	-	-
Administration fees		82,137	79,000	-	-
Management fees		14,749	15,328	-	-
Exchange gains		100,508	30,892	-	-
Stale cheques		2,345	2,086	-	-
Loan fees		637	551	-	-
Other income		34,130	8,197	-	-
		238,481	144,230	-	-
29 OTHER GAINS/(LOSSES)					
Gain on disposal of property and equipment and investment properties		6,814	345	-	-
Gain on cancellation of lease	5	624	(399)	-	-
Loss on disposal of associate	9	(1,080)	-	-	-
Loss on fair value of investment properties	6	(80,442)	(9,070)	-	-
Gain on disposal of financial assets		12,487	4,969	245	-
Gains recycled from OCI on disposal of debt instruments at fair value through other comprehensive income		23,185	-	-	-
Gains/(losses) on fair value of financial assets at FVTPL	16 (b)	351,351	(789,371)	-	-
		312,939	(793,526)	245	-
30 OTHER OPERATING EXPENSES					
Exchange loss		125,071	2,979	6,201	5,617
Employee benefits expenses		288,674	289,297	-	-
Repairs and maintenance		28,813	36,521	-	-
Utilities costs		13,173	17,398	-	-
Professional fees		110,503	107,752	6,155	10,075
Advertising costs		38,562	37,948	-	246
Other expenses		167,729	165,999	71	3,119
Share option scheme		7,901	8,152	-	-
Depreciation and amortisation		49,051	24,302	-	-
		829,477	690,348	12,427	19,057
31 OTHER FINANCE COSTS					
Interest expense:					
- Interest on subordinated bonds/notes		54,440	23,800	53,371	23,314
- Interest on leased assets	5	10,965	11,194	-	-
- Interest on bank overdraft		953	35	-	-
		66,358	35,029	53,371	23,314

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32 EMPLOYEE BENEFITS EXPENSES

Employee benefit expenses include both the portion attributable to insurance contracts and the remaining element of non-attributable expenses:

THE GROUP	
2023	2022
Rs'000	Rs'000
Wages and salaries	637,019
Social Security costs	33,932
Defined contribution expenses	28,545
Defined benefits expenses	18,585
Other costs	42,796
Share option scheme	7,889
34	7,889
768,766	700,927

33 DIVIDENDS PAID

THE GROUP AND COMPANY	
2023	2022
Rs'000	Rs'000
Interim ordinary dividend - Rs 0.80 (2022: Rs 0.80) per share	44,412
Final ordinary dividend - Rs 2.10 (2022: Rs 2.10) per share	116,582
161,006	157,654

34 SHARE BASED PAYMENT

(a) Group Share Option Scheme ('GSOS')

The Company's subsidiary, the Mauritius Union Assurance Cy. Ltd ("MUACL") had set up a Share Option Scheme ("SOS") to selected members of its executive management team effective from 01 January 2018. Following the Group Restructuring, the SOS was cancelled and a Group share scheme ("GSOS 1") launched and the executive management team that were eligible to the SOS agreed to exchange their shares in MUACL to equivalent number of shares in the ultimate parent effective from 01 January 2019. The vesting period had been fixed at 39 months and came to an end in April 2021. The eligible members can exercise their options until 30 March 2023.

In May 2021, another Group Share Option Scheme ("GSOS 2") was offered to selected members of the executive management team. The terms and conditions of the GSOS 2 are as described below:

Where the Company has committed to grant the award directly to the employees of MUACL and settle it in its own equity, it accounts for the award as equity-settled, with a corresponding increase in investment in subsidiary. At a group level, a charge to profit or loss is booked over the vesting period.

A shared understanding of the terms and conditions of the share based payment arrangements has been agreed between MUACL and its executive management team. At grant date, MUACL will confer to its executive management team options to subscribe for shares in the Company subject to certain vesting conditions.

The vesting period has been fixed by the Board at 39 months during which the executive management team members have to remain in employment with MUACL.

Once the shares are issued, they will rank 'pari passu' as to dividend, capital, voting rights and in all other respects with the existing shares of the Company.

The GSOS 2 is subject to an aggregate maximum number of shares which may be utilised and the GSOS 2 would be allowed to grant shares up to a maximum dilution of 2.5% of shareholders ("Maximum GSOS allocation"). Based on the current capital structure, this represents a maximum of 1,284,500 shares, which can be issued to the participants.

The objectives of the GSOS are as follows:

- (i) Focusing key staff on long term objectives to build sustainable value;
- (ii) Delivering value to shareholders by focusing the executive management team on growth of the share price;
- (iii) Aligning the objectives of management with those of the shareholders; and
- (iv) Encouraging the adoption of a Team environment and business culture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

34 SHARE BASED PAYMENT (CONTINUED)

(a) Group Share Option Scheme ('GSOS') (continued)

For the year ended 31 December 2023, a total charge of **Rs. 7.9m** (2022: Rs.7.9m) has been recognised as share based payment expense in the Group profit or loss for executive employees still in employment at year-end based on the fair value of the shares awarded.

As the Company's equity instruments are publicly traded, the fair value of the equity instrument granted was determined using the Black Scholes option valuation model.

The vesting period has been fixed by the Board at 35 months during which the executive management team members have to remain in employment with the Group and will come to an end in April 2024.

The weighted average fair value of options granted during the year was Nil.

The exercise price for options outstanding at the end of the year was Rs 90.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Set out below are summaries of options granted under the plan:

	Weighted 2023		Weighted 2022	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
	Rs	Rs	Rs	Rs
At 01 January	89.32	1,313,500	84.57	1,558,500
Granted during the year	-	-	-	-
Exercised during the year	-	-	59.10	(245,000)
At 31 December		1,313,500	89.32	1,313,500

(b) Employee Share Scheme ('ESS')

In 2021, the Company has approved the setting up of an ESS to the employees of The Mauritius Union Assurance Cy. Ltd, MUA Life Ltd, MUA Pension Ltd, MUA Mutual Fund Ltd and MUA Stockbroking Ltd. The ESS involves the listing of 1,500,000 ordinary shares on the Official Market of The Stock Exchange of Mauritius by way of block listing in terms of the ESS.

Employees of the above-mentioned group entities shall be entitled to participate in the ESS, whereby they are granted the right to convert up to 50% of their annual performance bonus into shares of the Company.

The exercise price will be equivalent to the Volume-Weighted Average Price of the shares of the Company over the last three months (the "Exercise Price") prior to the announcement of the annual performance bonus (adjusted to reflect any change in capital structure), less a discount (the "Discount") as may be determined by the Board in any given financial year. Eligible Members shall have the right to acquire the shares of the Company for a period of 14 days following the communication of the share entitlements (the "Exercise Period"). Beyond this 14-days period, the option to convert any annual performance bonus into shares of the Company shall lapse.

The ordinary shares acquired pursuant to the ESS will rank pari passu in all respects with existing ordinary shares issued, including for voting purposes and in full for all dividends and distributions on ordinary shares declared, made or paid after their issue and for any distributions made on a winding up of the Company. Each ordinary share acquired pursuant to the ESS shall confer upon its holder the right to one vote on a poll at a meeting of the Company on any resolution.

Set out below are summaries of options granted under the plan:

	2023		2022	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
	Rs	Rs	Rs	Rs
At 01 January	-	1,387,256	-	1,406,369
Granted during the year	-	-	-	-
Exercised during the year	98.90	(5,622)	122.20	(19,113)
At 31 December		1,381,634		1,387,256

No options expired during the periods covered by the above table.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

35 FAIR VALUE MEASUREMENTS

(a) Fair values of assets and liabilities that are measured at fair value on a recurring basis

Some of the assets and liabilities are measured at fair value at the end of the reporting period. The following table gives the information about how the fair values of these assets and liabilities are determined (in particular the valuation technique(s) and the inputs used):

	Fair Value		Fair Value Hierarchy		Valuation technique(s) and key input(s)	
	2023	2022	2023	2022	2023	2022
	Rs'000	Rs'000				
Investment properties						
Land	178,777	218,150	Level 2	Level 2	Sales comparison approach and selling price	
Buildings	12,201	12,536	Level 2	Level 2		
Buildings	206,210	311,273	Level 3	Level 3	Discounted Cash Flow	
Property and equipment:						
Land	-	40,000	Level 2	Level 2	Sales comparison approach and selling price	
Buildings	58,784	201,657	Level 2	Level 2		
Assets held for sale	171,600	-	Level 2	Level 2	Sales comparison approach and selling price	
Financial assets at fair value through other comprehensive income:						
Quoted equity securities	307,390	334,767	Level 1	Level 1	Not applicable	
Unquoted equity securities:						
Foreign equities	35,950	37,372	Level 2	Level 2	Net Assets Value	
Foreign equities	36,616	32,993	Level 3	Level 3	see disclosure in Note a(i)	
Commerce and others	2,438	2,473	Level 3	Level 3		
Debt instruments:						
Quoted bonds	28,129	28,196	Level 1	Level 1	Not applicable	
Unquoted bonds	984,179	766,263	Level 2	Level 2	Yield To Maturity	
Financial assets at fair value through profit or loss:						
Quoted	2,527,378	2,658,455	Level 1	Level 1	Not applicable	
Unquoted	3,082,743	2,819,059	Level 2	Level 2	Yield To Maturity	
Unquoted	86,349	84,411	Level 3	Level 3	see disclosure in Note a(i)	
Open-ended mutual funds	1,156,637	924,133	Level 2	Level 2	Net Assets Value	

The sales comparison approach makes reference to the price per square metre from current year sales of comparable plot of land or buildings in the vicinity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

35 FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

(i) The following table shows the valuation techniques used in the determination of fair values in Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	Fair value		Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2023	2022				
	Rs'000	Rs'000				
Investment properties:						
Investment property in Tanzania	206,210	311,273	Discounted Cash Flow	Discount due to lack of marketability	5%	A 5% increase/decrease in the discount factor will lead to a decrease/increase of Rs 10.31m (2022: Rs 15.56m) in fair value.
Financial assets at fair value through other comprehensive income:						
Foreign equities: Leisure and hotels	27,276	21,328	Price to Book Value	Discount due to lack of marketability	35% - 45% (2022: 50% - 60%)	A 5% increase/decrease in the discount factor will lead to a decrease/increase of Rs 2.27m (2022: Rs 2.13m) in fair value.
Foreign equities: Reinsurance	9,340	11,665	Dividend yield model	Discount due to lack of marketability	20% - 30% (2022: 30%)	A 5% increase/decrease in the discount factor will lead to a decrease/increase of Rs 0.62m (2022: Rs 0.84m) in fair value.
Commerce and others	2,438	2,473	NAV	NAV	0% - 30% (2022: 0% - 5%)	A 5% increase/decrease in the NAV will lead to an increase/decrease of Rs 0.14m (2022: Rs 0.15m).
Financial assets at fair value through profit or loss:						
Foreign equities: Leisure and hotels	11,850	7,419	Comparative EV/EBITDA	Discount due to lack of marketability	20%-30% (2022: 20%-30%)	A 25% increase/decrease in the discount factor will lead to a decrease/increase of Rs 2.96m (2022: Rs 1.76m) in fair value.
Foreign equities: Investment	74,499	77,358	NAV	Fair value of underlying property	5% (2022: 5%)	An increase/decrease in the FV of property will lead to an increase/decrease of Rs 3.73m (2022: Rs 3.87m) in fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

35 FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Fair values of assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of recognised financial assets and financial liabilities approximate their fair values.

	Carrying amount		Fair value		Fair value hierarchy	
	2023	Restated 2022	2023	Restated 2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000		
The Group						
Loans and receivables						
Debt instruments at amortised cost						
Corporate bonds and fixed deposits	2,538,790	1,967,007	2,558,516	1,466,873	Level 2	Level 2
Government debt securities	5,753,661	5,403,790	5,851,808	6,559,248	Level 2	Level 2
Financial liabilities						
Floating rate notes	507,800	506,641	523,970	503,932	Level 2	Level 2
Fixed rate notes	307,443	100,012	310,379	91,687	Level 2	Level 2
Bank loan	200,082	200,082	220,384	200,082	Level 2	Level 2
The Company						
Debt instruments at amortised cost						
Corporate bonds and fixed deposits	653,049	1,455,676	729,475	1,510,837	Level 2	Level 2
Loans receivables	1,036,931	102,775	1,044,766	88,476	Level 2	Level 2
Financial liabilities						
Floating rate notes	507,800	506,641	523,970	503,932	Level 2	Level 2
Fixed rate notes	307,443	100,012	310,379	91,687	Level 2	Level 2
Bank loan	200,082	200,082	220,384	200,082	Level 2	Level 2

The valuation technique used to fair value the above instruments is discounted cash flow with observable yield for similar instruments.

(c) Reconciliation of Level 3 fair value measurements

The following table shows a reconciliation of the opening to the closing balances of Level 3 financial assets which are recorded at fair value:

	2023			2022		
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Investment property	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Investment property
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	84,777	35,466	311,273	85,459	26,873	323,850
Additions	-	-	-	-	200	-
Total gain/(loss) in profit or loss	1,572	-	(88,143)	(682)	-	(9,600)
Total gain in other comprehensive income	-	3,588	-	-	8,393	-
Exchange difference	-	-	(16,920)	-	-	(2,977)
At 31 December	86,349	39,054	206,210	84,777	35,466	311,273

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

36 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. The Chief Executive Officer (CEO) is the chief operating decision maker.

The Group's reportable segments under IFRS 8 are as follows:

- (i) General insurance business in Mauritius and East African subsidiaries
- (ii) Life insurance business

Revenue in the above segments is derived primarily from insurance premiums, investment income and realised gain on financial assets.

- (ii) Other - consists of stockbroking, mutual fund and pension. Revenue in this segment is derived primarily from brokerage commissions, investment income and realised gains on financial assets.

The customer portfolio base is widely spread and there are no customer accounts for more than 10% of the total revenue.

2023	THE GROUP				
	General	Life	Other	Consolidated adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance revenue	6,260,167	970,108	-	(6,800)	7,223,475
Insurance service expense	(5,262,781)	(431,361)	-	-	(5,694,142)
Net expense from reinsurance contracts held	(994,308)	(142,846)	-	-	(1,137,154)
Insurance service result	3,078	395,901	-	(6,800)	392,179
Interest revenue	282,922	323,253	102,438	(52,380)	656,233
Investment income	224,982	316,396	115,253	(312,627)	344,004
Other (losses) / gains	(63,833)	362,996	(2,374)	-	296,789
Movement in investment contract liabilities	-	(105,528)	-	-	(105,528)
Net investment income	444,071	897,117	215,317	(365,007)	1,191,498
Finance expense for insurance contracts issued	(128,971)	(1,087,913)	-	-	(1,216,884)
Finance income for reinsurance contracts held	53,571	37,509	-	-	91,080
Net insurance finance expense	(75,400)	(1,050,404)	-	-	(1,125,804)
Net insurance and investment result	371,749	242,614	215,317	(371,807)	457,873
Other operating income	253,624	21,980	102,023	(139,146)	238,481
Depreciation and amortisation	(45,941)	-	(3,110)	-	(49,051)
Other administrative expenses (excluding depreciation and amortisation)	(620,399)	(116,303)	(73,950)	30,226	(780,426)
Other finance cost	(30,144)	(52)	(87,926)	51,764	(66,358)
Share of loss from joint ventures	(136)	-	-	-	(136)
Profit before tax	(71,247)	148,239	152,354	(428,963)	(199,617)
Income tax expense					(37,097)
Profit for the year					(236,714)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

36 SEGMENT INFORMATION (CONTINUED)

2022	THE GROUP				
	General	Life	Other	Consolidated adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance revenue	5,850,821	949,742	-	(66,200)	6,734,363
Insurance service expense	(4,059,317)	(681,265)	-	71,936	(4,668,646)
Net expense from reinsurance contracts held	(1,323,006)	1,305	-	-	(1,321,701)
Insurance service result	468,498	269,782	-	5,736	744,016
Interest revenue	264,104	238,784	21,774	(13,487)	511,175
Investment income	282,964	292,980	224,274	(478,421)	321,797
Other (losses) / gains	(17,700)	(772,210)	(1,767)	-	(791,677)
Movement in investment contract liabilities	-	30,330	-	-	30,330
Net investment income	529,368	(210,116)	244,281	(491,908)	71,625
Finance expense for insurance contracts issued	(84,861)	416,530	-	-	331,669
Finance income for reinsurance contracts held	48,323	(10,660)	-	-	37,663
Net insurance finance expense	(36,538)	405,870	-	-	369,332
Net insurance and investment result	961,328	465,536	244,281	(486,172)	1,184,973
Other operating income	42,006	21,453	94,602	(13,831)	144,230
Depreciation & amortisation	(23,057)	-	(1,245)	-	(24,302)
Other administrative expenses (excluding depreciation and amortisation)	(465,677)	(129,085)	(73,522)	2,238	(666,046)
Other finance cost	(24,476)	-	(24,046)	13,493	(35,029)
Share of loss from joint ventures	(730)	-	-	-	(730)
Profit before income tax	489,394	357,904	240,070	(484,272)	603,096
Income tax expense					(102,876)
Profit for the year					500,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

36 SEGMENT INFORMATION (CONTINUED)

2023	THE GROUP				
	General	Life	Other	Consolidated adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	7,444,068	13,372,949	4,820,241	(3,954,138)	21,683,120
Segment liabilities	(5,018,260)	(12,324,159)	(1,934,597)	1,722,930	(17,554,086)
Total equity					(4,129,034)
Capital expenditure					
Property and equipment	44,106	4,215	8,335	-	56,656
Intangible assets	9,343	1,269	578	-	11,190
2022					
Segment assets	7,219,362	12,349,309	3,758,709	(2,902,757)	20,424,623
Segment liabilities	(4,364,860)	(11,400,390)	(803,560)	788,235	(15,780,575)
Total equity					(4,644,048)
Capital expenditure					
Property and equipment	43,765	7,218	337	-	51,320
Intangible assets	8,692	5,307	784	-	14,783

GEOGRAPHICAL INFORMATION

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritius	4,522,400	3,851,314	13,862,330	12,916,724
Kenya	1,083,259	1,433,375	486,578	535,803
Tanzania	749,807	727,886	794,054	399,353
Uganda	374,126	319,829	247,704	203,966
Rwanda	493,883	401,959	428,349	461,491
	7,223,475	6,734,363	15,819,015	14,517,337

37 BASIC AND DILUTED EARNINGS PER SHARE

	THE GROUP	
	2023	Restated 2022
	Rs'000	Rs'000
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holders of the parent	(105,509)	450,503
Weighted average number of ordinary shares ranking for dividend:		
Number of ordinary shares for basic EPS	55,518,784	52,492,636
Effect of dilution from share options	339,818	509,728
Number of ordinary shares adjusted for the effect of dilution	55,858,602	53,002,364
(Loss)/ earnings PER share - BASIC (rs)	(1.90)	8.58
(Loss)/ earnings per share - Diluted (Rs)	(1.89)	8.50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

38 ASSETS HELD-FOR-SALE

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Land and building	171,600	-

In December 2023, The Mauritius Union Assurance Cy. Ltd signed an agreement to sell the land and building at Leoville L'Homme Street, Port Louis. The disposal was finalised in January 2024.

39 NOTES TO THE STATEMENTS OF CASH FLOWS

	Notes	THE GROUP		THE COMPANY	
		2023	Restated 2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash generated from operations					
(Loss)/ profit before income tax		(199,617)	603,096	114,111	201,660
Fair value (gain)/loss on financial assets at FVTPL	16 (b)	(351,351)	789,371	-	-
Decrease in fair value of investment properties	6	80,442	9,070	-	-
Share based payment charge	34	7,889	7,889	-	-
Foreign exchange losses/ (gains)		24,563	(18,369)	(6,201)	5,617
Provision for employee benefit obligations		18,585	2,089	-	-
Impairment of escrow account		5,590	-	-	-
Allowance for/(reversal of) expected credit losses		16,150	(1,849)	2,641	1,619
Dividend income	26 (a)	(114,219)	(90,481)	(115,000)	(224,000)
Interest income		(866,078)	(728,144)	(67,305)	(21,650)
Interest expense	31	66,358	35,029	53,371	23,314
Depreciation of property and equipment	4	45,745	41,941	-	-
Depreciation of rights of use assets	5 (a)	28,823	27,871	-	-
Amortisation of intangible assets	7	67,030	40,839	-	-
Gain on sale of property and equipment	29	(6,814)	(345)	-	-
Gain on disposal of financial assets	29	(12,487)	(4,969)	-	-
Gains on disposal of debt instruments at fair value through other comprehensive income	29	(23,185)	-	-	-
Changes in investment contract liabilities		105,528	(30,330)	-	-
Lease liability reassessment		(1,334)	229	-	-
Loss on disposal of associate	9	1,080	-	-	-
Share of loss from joint ventures	10	136	730	-	-
		(1,107,166)	683,667	(18,383)	(13,440)
Change in other receivables and prepayments		70,448	(54,328)	-	-
Changes in insurance contract assets		-	-	-	-
Changes in insurance contract assets and liabilities		1,532,075	(879,029)	-	-
Changes in reinsurance contract assets		(126,829)	97,620	-	-
Changes in reinsurance contract liabilities		-	-	-	-
Change in other payables		79,156	73,445	2,875	(1,781)
Net cash generated from/ (used in) operations		447,684	(78,625)	(15,508)	(15,221)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

39 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Cash and short-term deposits

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Cash at banks and on hand	1,037,830	1,025,592	110,359	213,790
Short-term deposits	28,689	244,243	-	-
	1,066,519	1,269,835	110,359	213,790
T-Bills with original maturities of less than three months	85,843	502,869	-	375,045
	1,152,362	1,772,704	110,359	588,835

Cash at bank earns interest at fixed rates based on a daily basis deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates. The interest rates on the cash at bank vary between **0% to 1.30%** (2022: 0% to 1.30%) and from **3.07% to 5.75%** for short-term deposits (2022: 0.64% to 4.31%).

(c) Non cash transaction

Non cash transactions relate to the following:

- (i) During the year ended 31 December 2023, the Company issued 5,622 shares (2022: 264,000 shares) as part of both the executive management share option scheme and employee share scheme.
- (ii) During the year ended 31 December 2023, MUA Insurance (Kenya) Ltd issued bonus shares 15,000,000 at KES 20 par value. At Group level, a transfer of Rs 64m was made from retained earnings to non distributable reserves.
- (ii) During the year ended 31 December 2022, MUA Insurance (Rwanda) Ltd issued bonus shares 2,000,000 at RWF 1000 par value. At Group level, a transfer of Rs 70m was made from retained earnings to non distributable reserves.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

39 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

	Notes	THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	39(b)	1,152,362	1,772,704	110,359	588,835
Borrowings	21	(1,015,325)	(806,735)	(1,015,325)	(806,735)
Lease liabilities	5(b)	(93,635)	(133,225)	-	-
Net surplus/ (shortfall)		43,402	832,744	(904,966)	(217,900)

	THE GROUP				THE COMPANY		
	Borrowings	Lease liabilities	Cash & cash equivalents	Total	Borrowings	Cash & cash equivalents	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
01 January 2022	(604,216)	(113,660)	1,097,436	379,560	(604,216)	13,911	(590,305)
Cash flows	(200,000)	23,222	670,007	493,229	(200,000)	574,625	374,625
Interest expense	(23,314)	(11,194)	-	(34,508)	(23,314)	-	(23,314)
Interest paid	20,795	11,194	-	31,989	20,795	-	20,795
New leases	-	(47,513)	-	(47,513)	-	-	-
Foreign exchange adjustments	-	2,541	5,261	7,802	-	299	299
Other changes	-	2,185	-	2,185	-	-	-
31 December 2022	(806,735)	(133,225)	1,772,704	832,744	(806,735)	588,835	(217,900)
Cash flows	(200,000)	27,199	(568,340)	(741,141)	(200,000)	(485,086)	(685,086)
Interest expense	(54,440)	(10,965)	-	(65,405)	(53,371)	-	(53,371)
Interest paid	45,850	10,965	-	56,815	44,781	-	44,781
New leases	-	(20,161)	-	(20,161)	-	-	-
Foreign exchange adjustments	-	8,022	(52,002)	(43,980)	-	6,610	6,610
Other changes	-	24,530	-	24,530	-	-	-
31 December 2023	(1,015,325)	(93,635)	1,152,362	43,402	(1,015,325)	110,359	(904,966)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

40 GOODWILL

Goodwill acquired through business combination with indefinite lives are allocated to eight individual CGUs. The carrying amounts of goodwill allocated to each of the CGUs as at 31 December 2023 and 2022 are shown below:

	The Mauritius Union Assurance Cy. Ltd	MUA Life Ltd	MUA Mutual Fund Ltd	MUA Insurance (Uganda) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Rwanda) Ltd	MUA Insurance (Kenya) Ltd (Ex Saham)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023	133,188	51,197	21,780	25,593	42,252	16,716	-	290,726
2022 - restated	133,188	51,197	21,780	26,032	45,653	19,893	-	297,743

The recoverable amounts of the cash generating units (“CGU”) are determined on the basis of value in use calculations. At 31 December 2023, the value in use of each CGU exceeds the carrying amount. An impairment of Rs 39m had been recorded as at 31 December 2016 in respect of MUA Insurance (Kenya) Ltd and an impairment of Rs 128m in respect of MUA Insurance (Kenya) Ltd (Ex Saham) was recognised at 31 December 2021.

To determine the value in use for each CGU, cash flow forecast from the most recent financial approved budgets for the next three years is used, adjusted for any one-off claims and change in business. Discount rates used represent the current market assessment of the risks specific to a CGU, taking into consideration the time value of money and the weighted average cost of capital (WACC).

Life insurance CGU (MUA Life Ltd)

The recoverable amount for the life insurance business CGUs has been determined based on a value in use (VIU) calculation. The calculation is based on the VIU of the business, together with the present value of expected future profits from new business over a five year period.

The assumptions were:

- Risk-adjusted discount rates used for calculation of embedded value are calculated using a risk margin of 4% (2022: 4%), based on the operating segment's WACC.
- Future regular bonuses on contracts with DPF are projected in a manner consistent with current bonus rates and expected future returns on assets deemed to back the policies.
- Economic assumptions are based on market yields on risk-free fixed interest rates for the relevant currencies at the end of each reporting period.
- New business contribution represents the present value of projected future distributable profit generated from business written in a period. This is initially based on the most recent five-year business plans approved by senior management.
- And the key assumptions were:
 - Growth rate which represents the rate used to extrapolate new business contributions beyond the business plan period, and is based on management's estimate of future growth of **-5%** (2022: -5%), which is in line with the average growth rate of life insurance industry.
 - A pre-tax Group-specific risk-adjusted discount rate of **9.25%** (2022: 9.25%) is used to discount expected profits from future new business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

40 GOODWILL (CONTINUED)

Investment Management services CGU (MUA Mutual Fund)

The recoverable amount of the investment management services businesses has also been determined based on a VIU calculation using cash flow projections based on the budgeted fee income margin approved by management covering a three-year period. A pre-tax Group-specific risk-adjusted discount rate of **7.43%** (2022: 8.57%) is used. The applied long-term growth rate is **2%** (2022: 2%).

Non-life insurance

The recoverable amount of the non-life insurance business has been determined based on a VIU calculation using cash flow projections based on financial budgets approved by management covering a three-year period. Discount rates used represent the current market assessment of the risks specific to a CGU, taking into consideration the time value of money and the WACC. The projected cash flows beyond the three years excluding expenses have been extrapolated using a steady average growth rate of **3%** (2022: 3%) which is in line with the GDP growth rate of each country. The projected cash flows are determined by claim ratio, retention ratio, growth rate and rate of return on investment based on past performances, adjusted for one off expenses and management expectations for market developments.

The assumptions used for the VIU impairment calculation are:

- Policy lapses – The Group has retained records of policy lapses since its inception and is, therefore, able to predict trends over the coming years. Management plans assume no change from recent experiences.
- Expenses – Estimates are obtained from forecasted budget. The financial budget plans assume that expenses will broadly increase in line with inflation rate.

And the key assumptions used are:

- Premium and margins – Premium income is based on past data and adjusted for any group development. Different growth rate has been applied to the different class of business. Growth rates varying between **10% to 30%** (2022: 10% to 30%) per annum were applied for non-life insurance businesses.
- Claims ratio was determined by using the past payment made during the three preceding years adjusted for one-off claims occurred.
- Discount rate - The Group used the WACC for each entity by determining a local cost of equity and cost of debt.

Sensitivity to changes in assumptions

The Group also carried out sensitivity analyses based on changes on major assumptions. The impact of the change in assumptions on the headroom between carrying amount and recoverable value is shown below:

	MUA Life Ltd		MUA Mutual Fund Ltd	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Discount factor +1%	(100,986)	(81,477)	(8,718)	(8,310)
Discount factor -1%	110,061	89,086	12,651	11,293
Growth rate +1%	120,269	95,284	13,325	9,970
Growth rate -1%	(111,917)	(88,524)	(9,183)	(7,338)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

40 GOODWILL (CONTINUED)

Sensitivity to changes in assumptions (Continued)

	2023			
	The Mauritius Union Assurance Cy. Ltd	MUA Insurance (Uganda) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Rwanda) Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Discount factor +1%	(515,084)	(8,566)	(9,501)	(42,989)
Discount factor -1%	854,158	9,559	10,981	49,153
Claim ratio +1%	(498,548)	(9,591)	(5,369)	(28,526)
Claim ratio -1%	566,400	9,591	5,369	28,526
Growth rate+1%	894,361	6,921	6,326	37,666
Growth rate-1%	(541,993)	(6,199)	(5,522)	(32,940)

	2022			
	Rs'000	Rs'000	Rs'000	Rs'000
Discount factor +1%	(499,656)	(8,261)	(15,295)	(29,367)
Discount factor -1%	655,340	8,517	17,942	33,720
Claim ratio +1%	(394,018)	(33,902)	(5,532)	(20,921)
Claim ratio -1%	394,018	33,927	5,532	20,896
Growth rate+1%	437,178	17,455	11,025	25,817
Growth rate-1%	(568,085)	(15,534)	(9,529)	(22,447)

41 CONTINGENCIES

Material litigation

As at 31 December 2023, there were material litigations outstanding and the matter relates to claims under the directors & officers policies. In alignment with external counsels, the Group is of the opinion that, while the inherent risk appears high, the residual risk is low. Disclosing any details may affect the outcome of the case (in the event it proceeds), which is still at an early stage (pleadings), and certain particulars are not in the public domain.

42 SUBSEQUENT EVENTS

Corporate Climate Responsibility Levy (CCR)

On 26 July 2024, the Finance (Miscellaneous Provisions) Act 2024 was enacted and any mauritian subsidiary meeting the prescribed conditions is required, in every year, to pay a CCR Levy equivalent to 2% of its chargeable income. The levy will be paid in respect of the year of assessment commencing on 01 January 2024, that is tax filing due on 30 June 2025 based on the financial statements for the year ending 31 December 2024.

The financial statements for the year ended 31 December 2023 do not reflect the effect of the CCR as the change in the tax law was neither substantively enacted nor enacted as of 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

43 PRIOR YEAR ADJUSTMENTS

During the year ended 31 December 2023, the directors performed internal assessments which warranted the following prior year adjustments in order to reflect reliable and more relevant information. The errors were as per IAS 8 and not changes in estimates.

The nature of the adjustments relating to MUA Insurance (Kenya) Ltd are:

(i) It was noted that the goodwill arising on the acquisiton of Saham Assurance Company Kenya Limited in July 2020 was overstated, impacting intangible assets, retained earnings and foreign currency translation reserve; and

(ii) It was noted that amounts recoverable from reinsurers were overstated as at 31 December 2021 and 2022, impacting reinsurance contract assets, retained earnings, foreign currency translation reserves and non-controlling interests.

The nature of the adjustment relating to MUA Life Ltd is:

(iii) During the year ended 31 December 2023, the directors noted that the carrying amounts of investment contract liabilities were incorrectly calculated and were understated by Rs 30m and Rs 34m as at 01 January 2022 and 31 December 2022 respectively. A prior year adjustment was required in order to correct this material error.

The impacts of the above adjustments are shown below:

	THE GROUP				
	As previously stated	Adoption of IFRS 17	Impact of adjustment - Life	Impact of adjustment - Kenya	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000

31 December 2022					
Statements of financial position					
Intangible assets	690,971	-	-	(121,147)	569,824
Reinsurance contract assets	-	1,744,413	-	(190,159)	1,554,254
Investment contract liabilities	(1,444,470)	-	(34,325)	-	(1,478,795)
Retained earnings	(2,593,288)	405,972	34,325	149,820	(2,003,171)
Foreign currency translation reserve	(67,703)	(9,697)	-	(1,636)	(79,036)
Non-controlling interests	(797,740)	(16,756)	-	102,741	(711,755)
Total equity	(3,458,731)	379,519	34,325	250,925	(2,793,962)
01 January 2022					
Statements of financial position					
Intangible assets	736,013	-	-	(128,260)	607,753
Reinsurance contract assets	-	1,882,104	-	(199,510)	1,682,594
Investment contract liabilities	(1,297,548)	-	(30,191)	-	(1,327,739)
Retained earnings	(2,518,793)	508,867	30,191	184,145	(1,795,590)
Foreign currency translation reserve	(79,118)	320	-	3,238	(75,560)
Non-controlling interests	(793,818)	12,745	-	110,196	(670,877)
Total equity	(3,391,729)	521,932	30,191	297,579	(2,542,027)
31 December 2022					
Statements of profit or loss					
Movement in investment contract liabilities	34,464	-	(4,134)	-	30,330
Statements of cash flows					
Changes in investment contract liabilities	(34,464)	-	4,134	-	(30,330)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

44 Current vs Non Current break down - Group

	2023			2022 - Restated		
	No more than 12 months	More than 12 months	Total	No more than 12 months	More than 12 months	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Assets						
Property and equipment - owned	-	190,436	190,436	-	367,243	367,243
Right of use assets	-	79,265	79,265	-	117,680	117,680
Investment properties	-	397,188	397,188	-	541,959	541,959
Intangible assets	-	501,273	501,273	-	569,824	569,824
Investment in associate	-	-	-	-	1,080	1,080
Investment in joint venture	-	11,525	11,525	-	13,555	13,555
Deferred income tax assets	-	45,562	45,562	-	33,335	33,335
Other receivables	215,175	-	215,175	211,807	-	211,807
Reinsurance contract assets	1,106,852	636,146	1,742,998	1,050,925	503,329	1,554,254
Insurance contract assets	5,163	17,623	22,786	-	-	-
Loans and receivables	115,779	513,912	629,691	127,314	478,818	606,132
Financial assets at fair value through other comprehensive income	83,226	1,311,476	1,394,702	50,941	1,151,123	1,202,064
Debt instruments at amortised cost	2,788,668	5,503,783	8,292,451	2,912,995	4,457,802	7,370,797
Financial assets at fair value through profit or loss	242,281	6,610,826	6,853,107	204,469	6,281,589	6,486,058
Income tax assets	34,651	-	34,651	44,323	-	44,323
Prepayments	34,191	-	34,191	34,677	-	34,677
Assets held for sale	171,600	-	171,600	-	-	-
Cash and cash equivalents	1,066,519	-	1,066,519	1,269,835	-	1,269,835
Total Assets	5,864,105	15,819,015	21,683,120	5,907,286	14,517,337	20,424,623
Liabilities						
Deferred income tax liabilities	-	39,282	39,282	-	78,142	78,142
Employee benefit obligations	-	21,254	21,254	-	15,698	15,698
Borrowings	15,325	1,000,000	1,015,325	6,735	800,000	806,735
Lease liabilities	26,149	67,486	93,635	28,782	104,443	133,225
Insurance contract liabilities	1,633,860	12,184,251	13,818,111	1,733,631	10,810,019	12,543,650
Investment contract liabilities	1,791,702	-	1,791,702	1,478,795	-	1,478,795
Other payables	751,691	-	751,691	685,341	-	685,341
Income tax liabilities	23,086	-	23,086	38,989	-	38,989
Total Liabilities	4,241,813	13,312,273	17,554,086	3,972,273	11,808,302	15,780,575

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

44 Current vs Non Current break down - Company

	2023			2022 - Restated		
	No more than 12 months	More than 12 months	Total	No more than 12 months	More than 12 months	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Assets						
Investment in subsidiaries	-	2,026,631	2,026,631	-	1,885,731	1,885,731
Investment in joint ventures	-	495	495	-	495	495
Amount receivable from related parties	7,550	-	7,550	6,850	-	6,850
Loans and receivables	98,172	938,759	1,036,931	3,000	99,775	102,775
Debt instruments at amortised cost	9,143	643,906	653,049	713,624	742,052	1,455,676
Cash and cash equivalents	110,359	-	110,359	213,790	-	213,790
Total Assets	225,224	3,609,791	3,835,015	937,264	2,728,053	3,665,317
Liabilities						
Borrowings	15,325	1,000,000	1,015,325	6,735	800,000	806,735
Other payables	5,703	-	5,703	2,828	-	2,828
Amount due to related parties	-	-	-	367	-	367
Income tax liabilities	14	-	14	971	-	971
Total Liabilities	21,042	1,000,000	1,021,042	10,901	800,000	810,901



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