



Annual Report 2024



From our very first days in 1948 to today...

We have seen the world change
And we have changed with it.

We have embraced new technologies
But stayed true to our founding principles.

We witnessed natural disasters
And have helped people rebuild.

We saw firsthand the effects of climate change
And adopted more sustainable practices.

We optimised our way of doing business
By keeping people in mind.

We navigated through economic fluctuations
And adapted our strategies to remain dependable.

We saw trends come and go
But stayed true to our DNA.

We have supported our clients
And saw them thrive.

We expanded our foothold to Africa
But remained united as one MUA.

We've been by your side for over 75 years
And intend to remain your trusted partner.



CONTENTS

07	CHAIRMAN'S REPORT
11	ABOUT MUA
19	PERFORMANCE & STRATEGY
35	SUSTAINABILITY
43	CORPORATE GOVERNANCE
83	RISK MANAGEMENT
95	FINANCIAL STATEMENTS



**Big dreams begin
with brave first steps —
we're right beside you.**

Chairman's Message

Dominique GALEA
Group Chairman



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the performance of MUA Ltd for the year ending 31 December 2024, also reflecting the results of 2023. The year 2024 marks a period of significant progress, particularly as we navigated the challenges of transitioning to the IFRS17 accounting standard. I want to extend my thanks to our shareholders for your patience and support. Our teams have worked hard to meet the significantly more complex demands of this standard. We are proud to have succeeded but every “first time” is difficult and so it has taken more time than in previous years to finalize the accounts in the new format.

Results

The last two years have been transformative for MUA Ltd. Inflation and political instability were external challenges, but it was also a time of internal reset and strategic recalibration. Our teams successfully navigated market headwinds, new accounting standards as well as unexpected difficulties, particularly in our MUA Kenya operations.

Inflationary pressures in 2023 put a strain on claims costs, compelling us to recalculate premiums and tighten underwriting standards. Although the nature of General Insurance means that the effects of these measures took time to fully materialize, I am pleased to report that in 2024 they have clearly started to show results, contributing to a notable improvement in our bottom line. This progress, paired with the emerging first results of our “4X+1” Transformation Programme, has been pivotal in positioning MUA for profitable further growth.

A specific challenge arose in late 2023 and early 2024, when an internal review at MUA Kenya uncovered significant legacy issues. This led to a one-off need to strengthen reserves, negatively impacting 2023 results. While the impact on the Group's overall capitalisation was limited, it did significantly affect our consolidated profits for 2023. However, this situation has been fully addressed, with stringent corrective measures now in place to safeguard against future recurrence. We are currently collaborating with the Kenyan authorities to strengthen the local capital base. This process is made more complex by a regulatory requirement that limits foreign insurers to holding no more than two-thirds of the capital in a local insurer—a threshold we have already reached. We are confident to find a solution for this last step of the clean-up in MUA Kenya and remain committed to our East African operations. The actions taken have made us stronger and more resilient going forward.

The fruits of our groups' tenacity, reactivity and resilience are visible in 2024 results: a group Profit After Tax of Rs 399m and Gross Written Premiums of Rs 8.3bn, both very marked improvements from 2023.

Dividends

In line with our commitment to delivering shareholder returns, we have kept dividends stable at Rs 161 million for both 2023 and 2024. We remain committed to creating sustainable value for you, our shareholders, and we know that dividend continuity is important for you.

Acknowledgements

The past two years have also seen changes within the Board. In 2023, we bid farewell to Catherine McIlraith and Ashraf Musbally and welcomed Nelly Brossard and Sheila Ujoodha, both of whom bring a wealth of experience and insight. In 2024, we saw the departure of Lydia Waruguru (Kibaara) and Mélanie Faugier and were pleased to welcome Namita Hardwar.

I would like to thank my fellow Board members for their unwavering support and commitment, particularly as we navigated such a transformative period for the group. I also extend my gratitude to our shareholders, employees, clients, and all stakeholders. Your dedication and trust have been fundamental as we guided the business through the complexities and opportunities encountered over the past two years.

Looking Ahead

We are committed to being a regional leader, aspiring to be recognized, appreciated and favoured by our customers, partners and employees, for attaining levels of excellence on par with worldwide insurance industry leaders. As highlighted by our Group CEO, the successful implementation of our “4X+1” Transformation Programme is already bearing fruit. Our focus on operational efficiency, customer excellence, and technical innovation will continue to drive the MUA forward.

With the strategic steps we have taken and the strengthened foundations we have put in place, I am confident that MUA is well-positioned to sustain its profitable growth and success in the coming years.

Dominique GALEA

Group Chairman

A vibrant watercolor illustration of a man and a woman at a fruit stand. The man, on the left, is smiling and looking down at a large pile of red tomatoes. The woman, on the right, is also smiling and looking at the tomatoes. They are both wearing casual clothing. The background shows a busy outdoor market with other people and stalls. A blue awning with the word 'TABAC' is visible. The overall style is artistic and colorful.

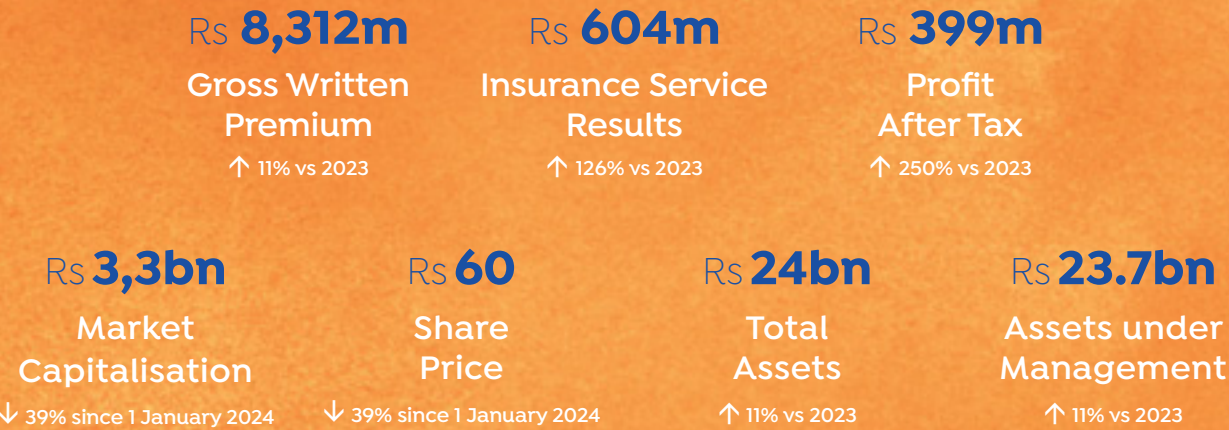
► [About MUA](#)



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

MUA at a Glance

2024 Group Highlights*



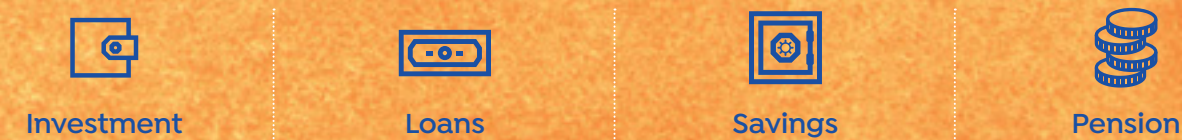
*All figures are as at 31 December 2024

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, where we remain market leader in motor and liability insurance (based on the latest published statistics of the FSC).

>75
years of experience
in Mauritius

>110
years of experience
in East Africa

6 Countries

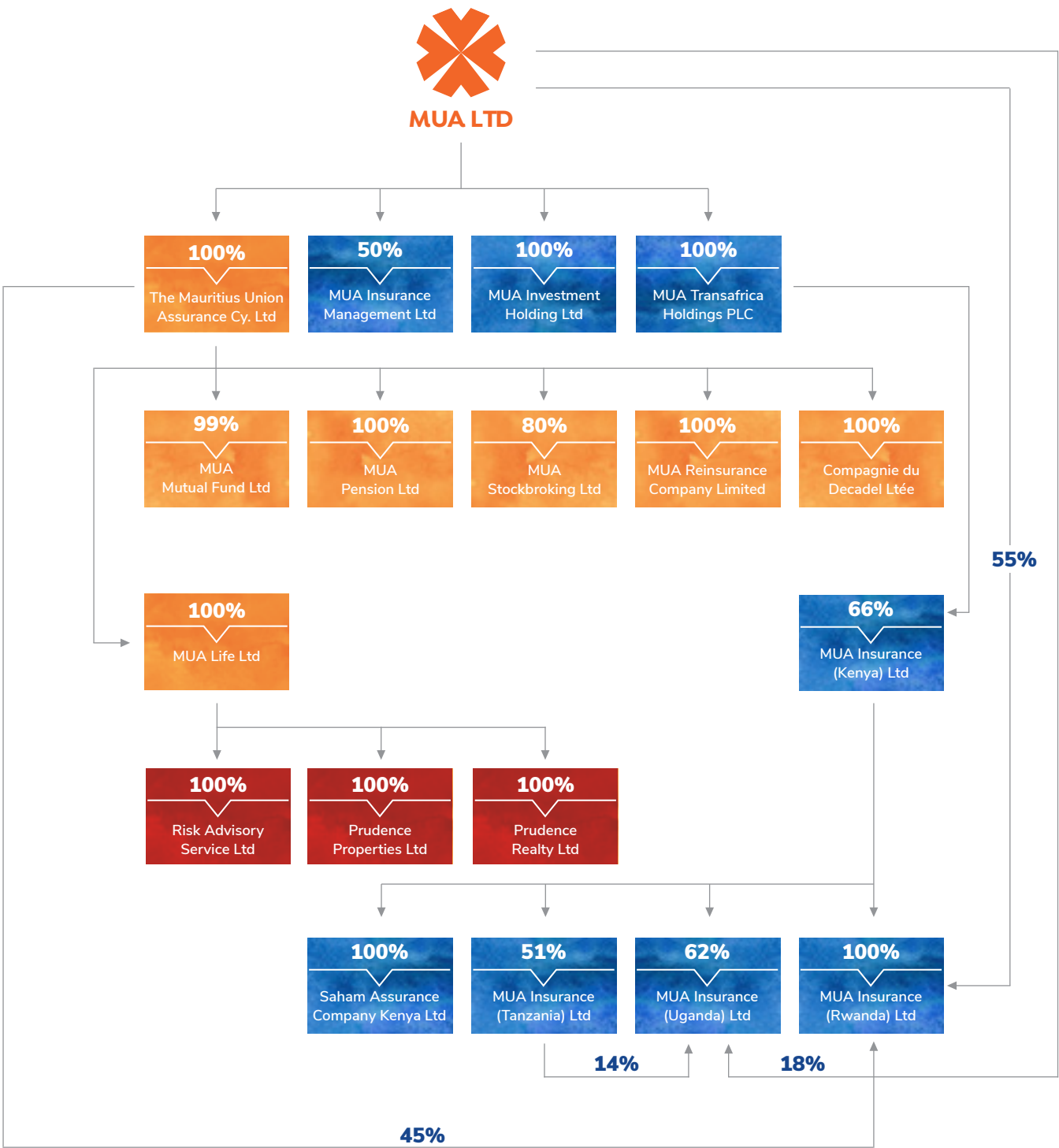
1. Mauritius
2. Kenya
3. Uganda
4. Rwanda
5. Tanzania
6. Seychelles



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	100%	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

Level 2, Barkly Wharf, Le Caudan Waterfront
Port Louis 11307
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

► Performance &
Strategy



**So you can build
today and rest
easy tomorrow.**

CEO's Report

Joerg WEBER
Group CEO



Dear Shareholders,

This year's address to you is unique, as it covers a two-year period spanning both 2023 and 2024. This exceptional approach was necessitated by the complex and resource-intensive transition to the new IFRS 17 accounting standard, a challenge faced by the entire insurance industry. This significant undertaking required a substantial investment of time from our teams, leading to the 2023 and 2024 financial results becoming available concurrently. We believe that presenting a consolidated view of this entire period offers a more coherent and transparent narrative of our journey through significant challenges to a position of renewed and unprecedented strength.

Looking back, 2022 had been a year defined by significant economic headwinds, primarily driven by a surge in global inflation that impacted all our markets. As we moved into 2023, these challenges persisted. While we had already begun implementing corrective measures in late 2022, particularly within our General Insurance business, the nature of our industry means that such actions, especially premium adjustments, require a full twelve months to permeate the entire portfolio. Consequently, while the underlying health of our Mauritian operations was steadily improving - with premium volumes in General Insurance growing by 11%, the financial results for 2023 did not yet show the full, positive effect of our decisive actions.

The year 2023 presented a further, unexpected challenge. In late 2023 and early 2024, a series of rigorous internal reviews at our subsidiary, MUA Kenya, uncovered a significant understatement of legacy technical reserves and reinsurance liabilities dating back several years. This discovery demanded immediate and comprehensive action. We moved swiftly to strengthen the balance sheet by booking all required provisions to adequately reflect these legacy liabilities. This action, while essential for the long-term health and transparency of the subsidiary, resulted in a significant one-off loss for MUA Kenya, placing considerable strain on its Capital Adequacy Ratio. While the impact on the Group's overall capitalisation was limited, it nonetheless also negatively affected our consolidated Group profits for 2023. I want to assure you that we have not only addressed the financial implications but have also implemented stringent measures, including disciplinary actions and a thorough overhaul of internal controls and Group oversight, to prevent any recurrence of such issues across all entities.

Against this challenging backdrop, I am therefore particularly pleased to report that 2024 marked a decisive and very successful turnaround for the MUA Group. The strategic and pricing measures taken to counteract inflationary pressures in our Mauritian business started to show their full impact for the first time. Our Mauritian General Insurance operation, for instance, saw its top line grow by an impressive 23% in 2024 and, more importantly, swung from a loss of MUR -101 million in 2023 to a profit of MUR 40 million. Our Mauritian Life business remained an engine of profit and contributed MUR 251 million to our results. Simultaneously, our focused actions in Kenya successfully stabilised the subsidiary, which - while still missing critical mass - is now writing sound and technically profitable business. The combination of this strong recovery in our home market and the stabilisation of our largest East African entity enabled MUA Group to close 2024 with strong profits of Rs 399 million, after Rs 266 million loss the previous year.

A significant turnaround in 2024 after a very difficult 2023: I feel that this is a testament to our resilience, the fundamental strength of our business and our commitment to ProfitableGrowth - this must be one single word for us because growth makes only sense if it is profitable.

These excellent results are not merely the outcome of pricing discipline. They also represent the first tangible benefits of our comprehensive **“4X+1” transformation program**, which we initiated in late 2022. This ambitious program is the engine of our future success, designed to fundamentally transform MUA across four pillars of eXcellence - Technical, Human Resources, Customer, and Operational & Sales - all unified by our “+1” or “One MUA” philosophy.

In **Technical Excellence**, we have, among other actions, introduced a “drive-through” motor claims process. Customer feedback on this quick and easy solution for a potentially frustrating moment in the client’s life is great – and cutting out the slack in the old processes also helps to bring cost down. Furthermore, we executed group-wide commercial portfolio reviews, using hard data to ensure we price risks correctly, even if it means letting some unprofitable business go. This data-driven approach is already yielding results, with the accident-year loss ratio for our Mauritian Motor portfolio improving by over 21 percentage points.

In **Operational & Sales Excellence**, we have re-engineered our processes, automating 23 of them through Robotic Process Automation (RPA), ensuring greater operational efficiency and better management of available resources to deliver on our objectives.

Our focus on **Customer Excellence** has already produced several innovations, such as the launch of the ‘MUA connect’ multi-channel customer interaction system and a ‘one-click’ renewal process for Motor insurance, simplifying and improving the client experience by making it possible to renew a motor insurance with a single click in a WhatsApp message or email. These and many other initiatives to continuously improve customer experience, are also linked to our new brand platform, which we have just rolled out. Like the entire “4X+1” program, it is based on the difficult but very important step of acknowledging the truth that we are still far from perfect in the way we cater for our clients – and then embarking on a journey to systematically change this. This platform’s slogan, *“Always improving for you”*.

Finally, our commitment to **Human Resources Excellence** is building a stronger, more performance-oriented culture. One of the many changes that we have initiated is to guide managers to clearly differentiate between good and insufficient performance of their team members, and to link this to truly meaningful differentiation in compensation and promotion.

These pillars are bound together by our **“+1”** (One MUA) approach, which reinforces Group-level governance, oversight, and synergy – a crucial lesson from our experience in Kenya.

The successes of 2024 are just the beginning, but they demonstrate unequivocally that our strategy is sound, and our execution is on track to build the most advanced, customer-centric, and efficient insurer in our region, on par with best practice in international markets.

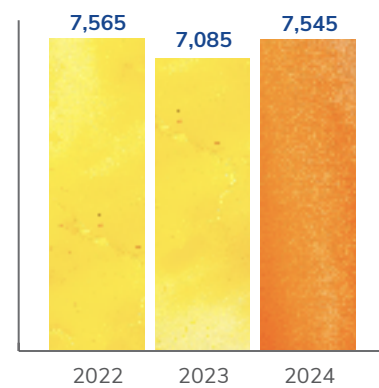
As we look to the future, we are confident that the foundations we have strengthened and the strategic initiatives we are driving will sustain the positive momentum of the record year 2024, delivering continued value to you, our shareholders.

Sincerely,

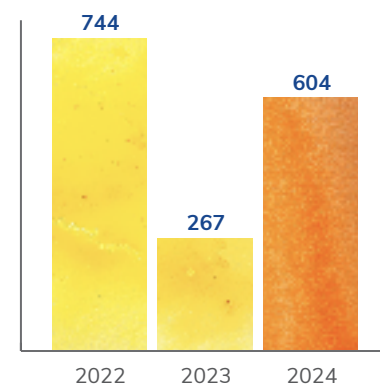
Joerg Weber

FINANCIAL HIGHLIGHTS 2024

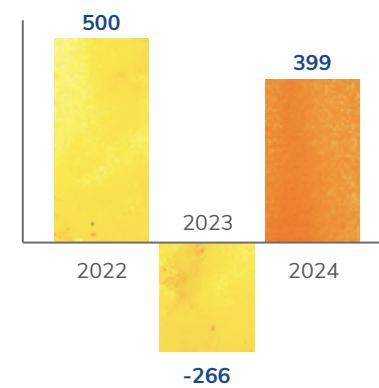
Gross Earned Premium
(Rs m)



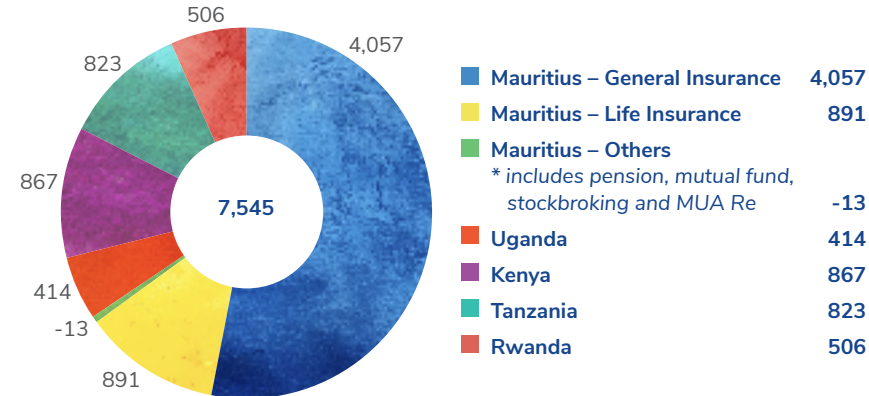
Insurance Service Result
(Rs m)



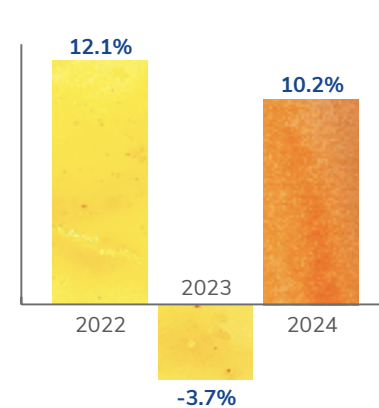
Group Profit After Tax (PAT)
(Rs m)



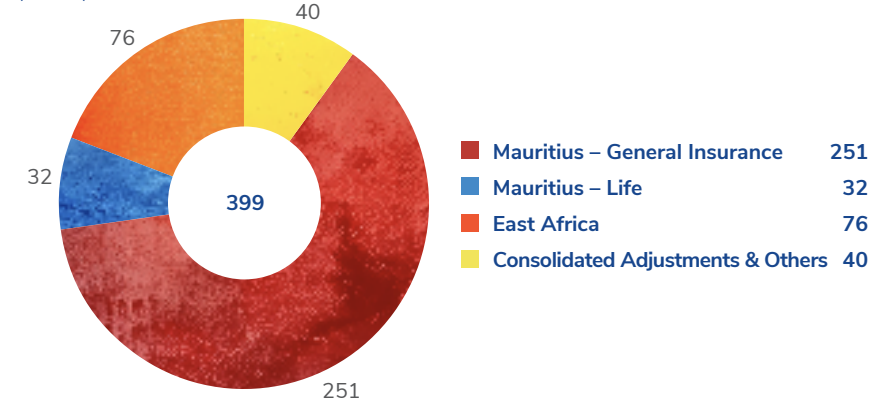
Group revenue split by country
(Rs m)



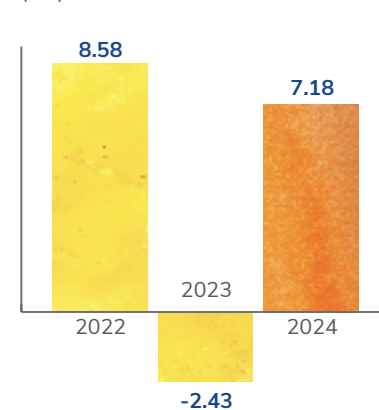
Group Return on Equity
(%)



PAT by region
(Rs m)



Earnings per share
(Rs)



THE 4X+1 TRANSFORMATION PROGRAMME

At the end of 2022, MUA's Group CEO and Executive Committee decided to implement a systematic transformation programme, which was named the "4X+1":

The "4X" stands for eXcellence across four key areas of modern insurance:

- **Technical EXcellence:** to strengthen insurance techniques and use of data.
- **Human Resource EXcellence:** to strengthen ownership, motivation and talent ability.
- **Customer & Sales EXcellence:** to make customer satisfaction a true yardstick for company and employee performance.
- **Operational EXcellence:** the agile, efficient and modern setup of internal processes and systems.

EXcellence across each of these disciplines will be complemented by the "+1" aspect, which stands for "One MUA". This refers to the creation and strengthening of the internal ties that transform MUA constituents into one coherent whole which is more than the sum of its parts, including:

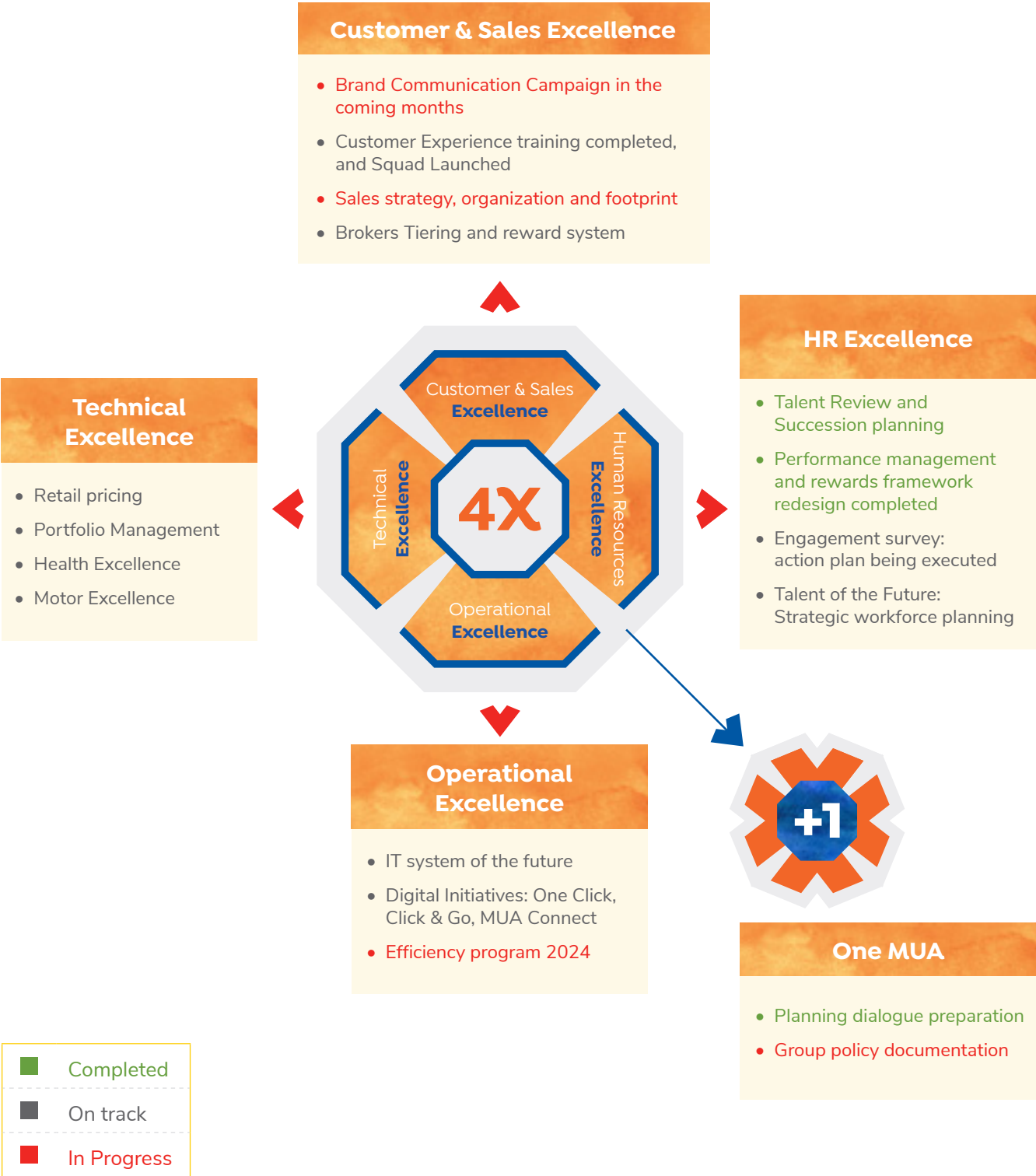
- **Management Steering and Coaching:** to strengthen our oversight of critical subsidiary functions and develop structured strategy & business planning discussions.
- **Group Governance:** state-of-the-art structures and processes to make and enforce decisions within MUA, including all necessary "checks & balances".
- **Group Business Synergies:** to leverage our common IT system, develop shared services, exchange digital assets, transfer knowledge and exchange ideas.
- **One strong, international brand:** to promote our pan-African value proposition, benefit from a common brand across all our subsidiaries and ensure a pan-African brand consistency.

Our Ambition:

To be recognized, appreciated and favoured by our customers, partners and employees, for attaining levels of EXCELLENCE on par with worldwide insurance industry leaders.

THE 4X+1 TRANSFORMATION PROGRAMME (continued)

The progress so far...



The 4X+1 journey is entering a new phase of dynamism combining digital implementation with exhaustive organisation and process transformation.

WORKSTREAM	PROGRESS HIGHLIGHTS
Operational Excellence	• IT System of the Future: Vendor selection for RFP in progress, Demo being performed by shortlisted Vendor. Board Presentation of the project schedule in Feb 2025; • Digital Customer Operations: New Motor product on GIIS, One-Click Renewal, Customer Interaction System at the Contact Centre are done. Click & Go, KYC App, Mycalculator and MUA Connect ticketing are in progress; • Efficiency–Six sigma deployment: Opex & Lean Training are done. Business Intelligence tool for life and Pension Managers. Recruitment of Business Process engineer to support OPEX deployment to be kicked off.
Technical Excellence	• Retail Pricing: Ensured that proper tools are in place to calculate, monitor and review pricing; • Portfolio Management: Monitor, analyse and review portfolio on an ongoing basis; • Health Claims: Increase the digital submission of Claims. Implement cost containment measures; • Motor Claims: Implemented MUA Drive-Thru Claims, and the optimisation of replacement cars.
Customer & Sales Excellence	• Branding and Communication: Communication Strategy & Brand Platform proposal done. Next step is to Launch of Communication Campaign; • Customer Experience: CX Training done company wide; CX squad created. CX Action Plan defined. "5-star" feedback for Customer interaction in place; • Sales Excellence: Flagship branches and satellites were validated. Trianon and Goodlands to be implemented. Leads generation & management conceptualized, Sales consultant appointed; • Brokers conquest Tiering done. Action plan post satisfaction survey in progress.
Human Resources Excellence	• Performance-based pay: Performance management appraisals and rewards framework executed in 2024; • Employee engagement: Employee Satisfaction Survey 2024 score improved by 11 points; • Talent Management: Talent Review and Succession planning done. Capability development plan to be executed.
ONE MUA	• Management Dialogue: 2 sessions of discussions with each subsidiary CEO on strategy, key initiatives and financial implications already performed in 2023 and 2024; • Group policies: Review existing policies and ensure they are implemented across entities; • MUA international: Develop an international programme value proposition for Mauritius or Seychelles based holdings with portfolio companies across the continent.

Mauritius

MAURITIUS – GENERAL INSURANCE

PERFORMANCE REVIEW

Mauritius – General Insurance

	2022 (Rs m)	2023 (Rs m)	2024 (Rs m)
Insurance Revenue	2,931	3,559	4,057
Insurance Service Results	216	34	232
Profit before Tax	318	(20)	236
Income tax expenses	(20)	13	(4)
Profit After Tax (PAT)	297	(6)	233

Performance Review

Gross Written Premium grew by 23% in Mauritius for the 12-month period ended 31 December 2024, compared to the same period in 2023. Profit After Tax reached Rs 233m, from a loss of Rs 6m the previous year. This reflects the positive impact of measures implemented to mitigate claims inflation, which became more visible during the year, along with a focused approach to grow top line with evolving market needs.

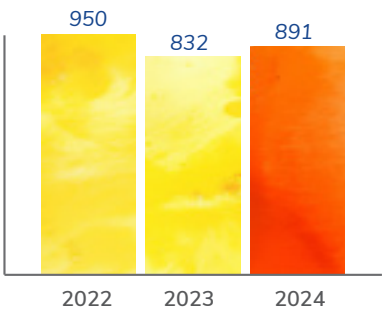
As part of the group’s transformation programme and our digital strategy, we launched One Click Renewal, allowing clients to renew their motor insurance with a single click on their smart phones, and a new Customer Interaction system to enhance client communication. There has been a concerted effort to push online and digital services in health claims, premium and claims payments and the onboarding of our clients and KYC verifications. We also implemented an innovative Drive-Thru Claims service in several of our branches across the island, to improve the processing of motor claims for vehicles with minor damages.

MAURITIUS – LIFE INSURANCE

PERFORMANCE REVIEW

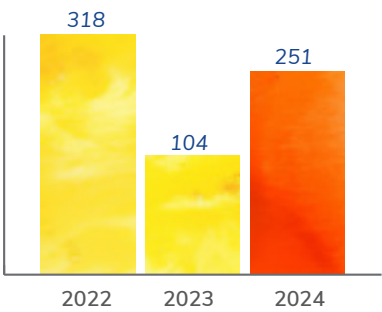
Insurance Revenue

(Rs m)



Profit After Tax

(Rs m)



A new General Manager was appointed. We continued with our digital transformation journey, with an important milestone being the launching of our Life Client Portal, allowing policyholders to view details of their life insurance policies, fund value, arrears and download annual statements as well as tax pension certificates.

The new accounting standard IFRS 17 which came into operation at the beginning of 2023 required important changes in accounting and reporting, including consequent changes in solvency rules. The new standard does not change the economics of the business but the timing of profit recognition.

During 2024 Gross Written Premium grew by 6% compared to 2023, with a 2% growth in New Business compared to the previous year.

In the ambit of our Transformation Programme and the Operational Excellence pillar, we started a review of our internal processes to identify and eliminate unnecessary steps in our process flow.

MAURITIUS – OTHER ENTITIES

MUA PENSION

MUA Pension manages more than 600 pension schemes. Total pension fund assets under administration in 2025 exceeded Rs 14bn.

Rs 98m	>600	Rs 14bn	49,500	6%
Turnover	Number of clients	Total assets under management	Total number of members	Increase in Profits After Tax

Highlights:

- Increase in revenue of 11% and profits after tax by 6%.
- Launch of employer portal EPIC, to enable employers to manage contribution and update member data directly with pension core system.

MUA STOCKBROKING & MUA MUTUAL FUND

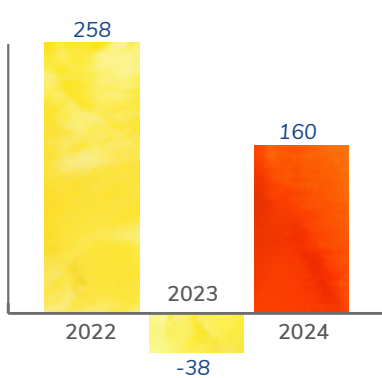
MUA decided to divest in its non-core, non-insurance assets, starting with MUA Stockbroking in 2023 and followed by MUA Mutual Fund in 2025.

EAST AFRICA – GENERAL INSURANCE

PERFORMANCE REVIEW IN 2024

Insurance Service Results

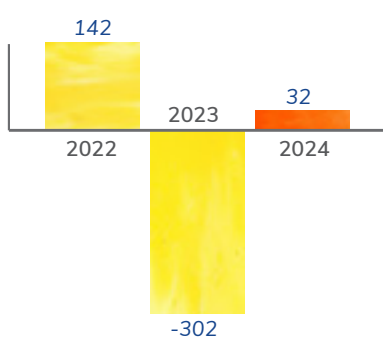
(Rs m)



Note: Incentive fee ratio for East Africa = 4.4%

Profit After Tax

(Rs m)

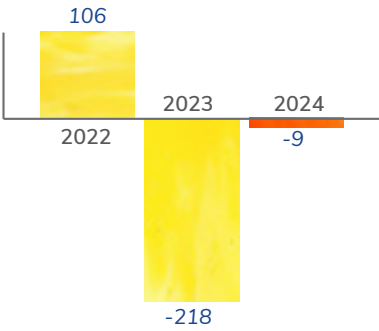


Overall, our East African entities reported a Profit After Tax of Rs 32m for the full year 2024, a return to positive territory following a loss of Rs 302m in Financial Year 2023 as a result of issues which surfaced during that year related to MUA Kenya. Actions taken during Financial Year 2023 and 2024 to fully provision and strengthen the balance sheet as well as implement a thorough overhaul of internal control and group oversight, have enabled us to successfully stabilise the Kenyan entity and ensure that no such issues reoccur in the future. The slight dip in Gross Written Premium from Rs 2.61bn to Rs 2.57bn was mainly driven by Kenya, reflecting the continued emphasis on portfolio quality over volume.

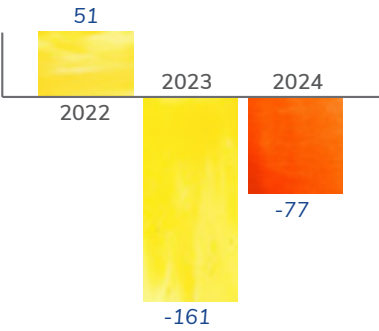
KENYA

PERFORMANCE REVIEW

Insurance Service Results
(Rs m)



Profit After Tax
(Rs m)



In 2023 MUA Kenya was impacted by write off of reinsurance receivables and a material increase in reserves. With all 2023 issues fully provisioned, the business entered 2024 on a much stronger footing. The focus now shifts to building sustainable and profitable top-line growth.

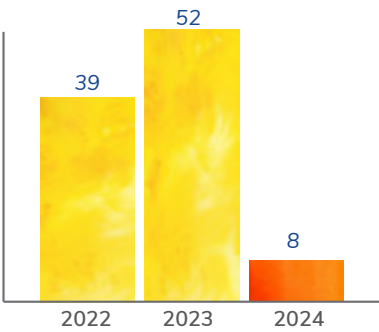
The following specific milestones were achieved:

- A robust Intermediary appreciation program where 174 key supporters and long serving customers were appreciated.
- MUA Kenya initiated preventive care for its staff and customers where free health check-ups were conducted.

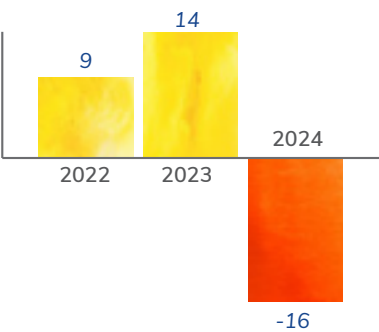
UGANDA

PERFORMANCE REVIEW

Insurance Service Results
(Rs m)



Profit After Tax
(Rs m)



Despite an 11% growth in Gross Written Premiums, MUA Uganda's bottom line was impacted by high claim losses in the Fire, Engineering & accident classes.

The 11% growth was driven by the fast-growing Bancassurance channel, as well as the Motor and Accident classes. These remain a key focus area, in addition to growing the Third Party, Travel and Broker Channels.

UGANDA

PERFORMANCE REVIEW (Continued)

2024 Highlights and achievements

The MUA Motor Extra and Mobi Loan products helped drive strategic partnerships with local banks and brokers, a key contributor to the topline premium growth.

In a bid to further develop the MUA Employer brand, we implemented the following initiatives:

- A new **Performance Management Model**, to instil a performance driven culture within the organisation;
- Talent review and succession planning;
- **Learning & Training Opportunities:** Access to a variety of learning resources—workshops, certifications, digital learning, and leadership development programs;
- **Leadership Development:** Focus on building internal leaders through mentorship, coaching, and leadership programs;
- **Employee Retention Programs:** Providing recognition, rewards, and career advancement opportunities that make employees feel appreciated and motivated to stay.

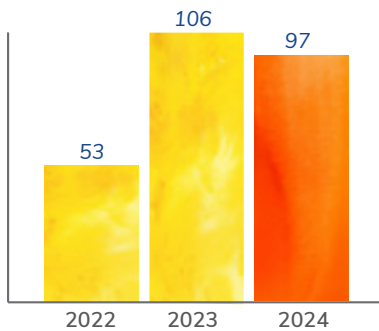
Focus areas for 2025

- Enhancement of sales distribution channels, with particular focus on Banks, brokers and growing the agency footprint;
- Building Strategic business Partnerships;
- Enhanced customer Experience and brand visibility;
- Human Resource Development
 - Capacity Building & Skills elevation, to drive growth initiatives
 - Talent review and Succession planning initiatives
- Operational efficiency to drive cost reductions, enhanced customer experience, satisfaction;
- Leverage growing industry segments including Marine Insurance & Oil and Gas.

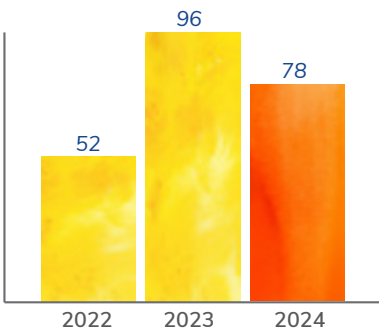
RWANDA

PERFORMANCE REVIEW

Insurance Service Results
(Rs m)



Profit After Tax
(Rs m)



Rwanda remained the most stable performer in the region, delivering a profit of Rs 78m, slightly down from Rs 96m, with GWP remaining broadly flat at Rs 530m. The Rwandan operation continues to benefit from a well-regulated environment and a disciplined operating model. The decline in profitability is seen as timing-related rather than structural.

RWANDA

PERFORMANCE REVIEW (Continued)

2024 Highlights and achievements

- GCR AA (RW): The national scale financial strength rating of AA (RW) with a Stable Outlook by GCR was reaffirmed, underscoring the company’s financial strength;
- Regulatory Transition: Successfully completed the complex, systemic transition from IFRS 4 to the new IFRS 17 reporting standard;
- Customer Experience Hub Launch: Launched the Customer Experience (CX) Hub, signalling a major step in enhancing client servicing and accessibility;
- MUA remained the 2nd largest insurer in the market.

Client and Intermediary Initiatives

- “First-to-Mind, First-to-Find” Strategy: Implemented a market strategy to expand physical and brand presence through channels like car dealerships, banks, and retail outlets, while amplifying support for distribution partners;
- MUA Femme Product Launch: Introduced MUA Femme, a bespoke product for women offering premium discounts of up to 30% on bundled policies. It also includes practical benefits like free roadside assistance, vehicle towing, and a complimentary replacement vehicle for up to five days following an accident;
- Strategic Partnerships: Collaborated with e-mobility partners like GoKabisa and car dealerships like Carcarbaba to provide tailored insurance and responsive claims support, particularly for the introduction of electric vehicles.

Agent Network

- The MUA Agents Network is deemed an essential driver of the company’s growth, with its outstanding performance” largely attributed to the impressive growth in 2024;
- The network’s success is built on a strategic focus on training, innovation, and collaboration, with the aim of creating a foundation for sustainable growth;
- The network adapts to rising client demands by utilizing WhatsApp for real-time interaction and by adopting a new digital platform for online client services.

Transformation Initiatives

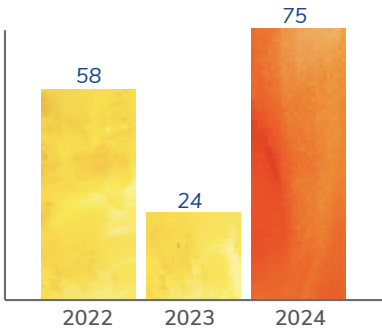
- Transformation centred on digital systems upgrade and strategic business resilience;
- Digital Core System Upgrade: comprehensive upgrade of the core system is underway, including the backend integration of Artificial Intelligence (AI) for medical and general insurance lines;
- ESG and Responsible Business: The Company embedded Environmental, Social, and Governance (ESG) principles into its operations. This includes prioritising staff well-being (e.g., meal support, gym memberships) and directing CSR investments to support vulnerable groups, women, orphans, and youth-focused charities. The company also upgraded its office spaces and fleet to more sustainable alternatives;
- Corporate Culture & Retention: MUA maintained one of the lowest staff turnover rates in the industry, which is attributed to an intentional “people-first” culture driven by insights from anonymous internal employee engagement surveys.

TANZANIA

PERFORMANCE REVIEW

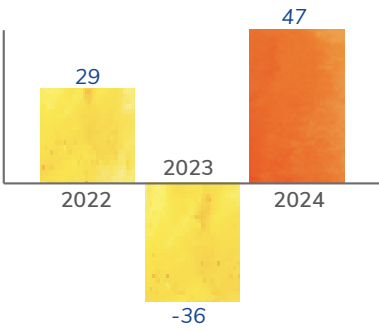
Insurance Service Results

(Rs m)



Profit After Tax

(Rs m)



Key Milestones and Strategic Achievements

- **Retail Expansion:** Retail business grew strongly with **motor up 30%, branches +56%, and bancassurance increasing sixfold.**
- **Network Strengthening:** Opened new branch in Zanzibar and reinforced existing ones in **Mwanza, Arusha, Iringa, Kariakoo, Tegeta, and Morogoro.**
- **Agent Growth:** Recruited **many new agents**, boosting retail performance and visibility across the country.
- **Broker Partnerships:** Broker business grew by **11%.**

Transformation and Employee Initiatives

- **Operational Efficiency:** Management expenses decreased by 7%, with key cost optimization measures and improved monitoring.
- **Employee Engagement:** A successful internal engagement programme fostered an engaged and high-performing workforce.
- **Governance and Compliance:** implementation of **IFRS 17** and **RBC/ORSA readiness.**

Outlook

Building on this momentum, MUA Tanzania enters 2025 with confidence, focusing on:

- Sustained growth across **retail, bancassurance, and broker channels;**
- Continued **digital transformation** and **customer experience improvement;**
- The **preparation of the launch of Life;** and
- Strengthening governance and operational resilience to support long-term profitability.



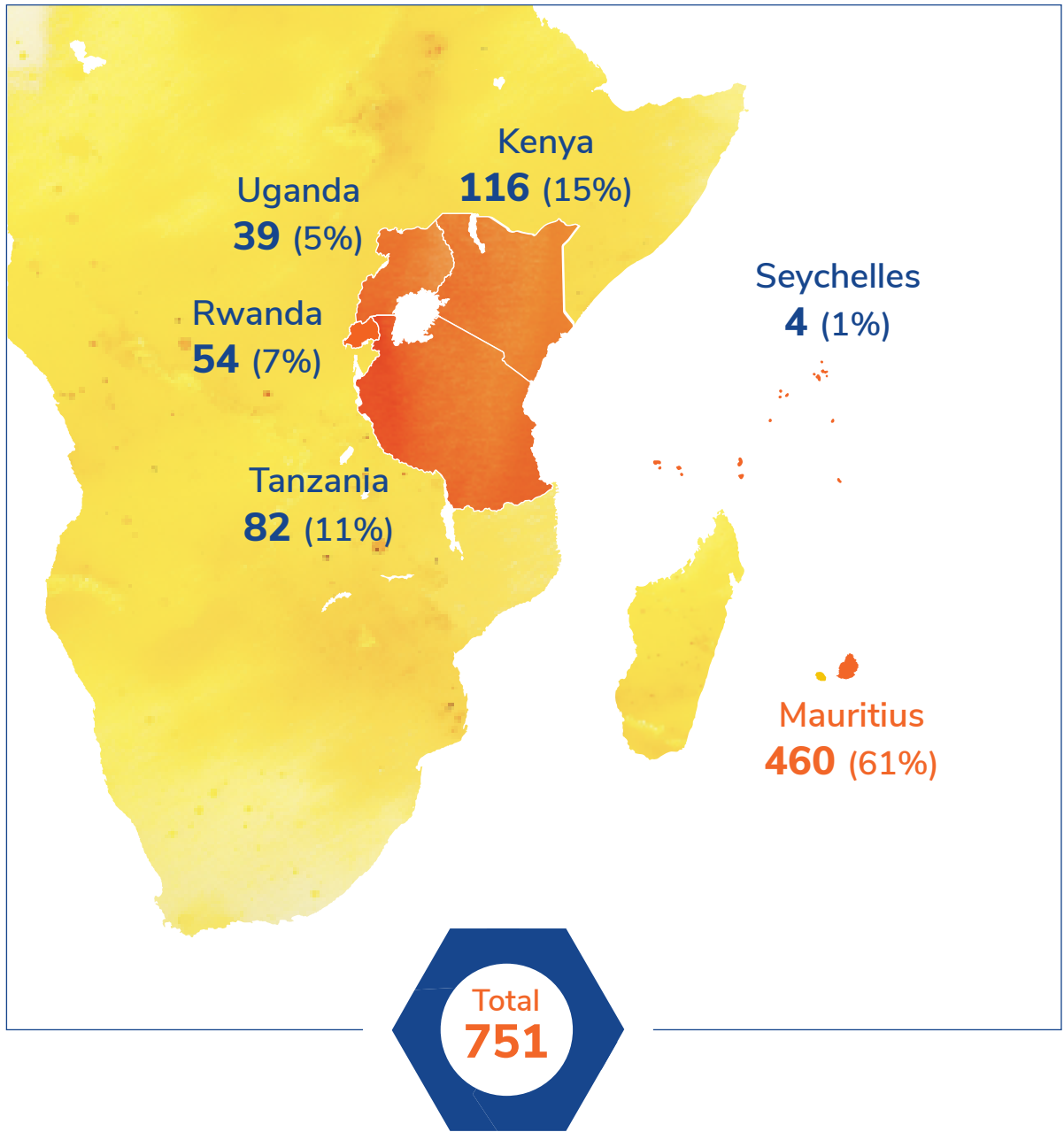
From the sustainable sourcing to reducing our carbon footprint, we have championed sustainable development.

SUSTAINABILITY

Part 1: Investing in our staff

Group Human Resources

Overall headcount



Men to Women ratio (Total)

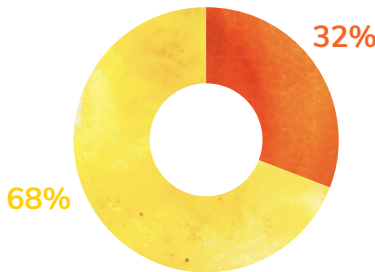


41%



59%

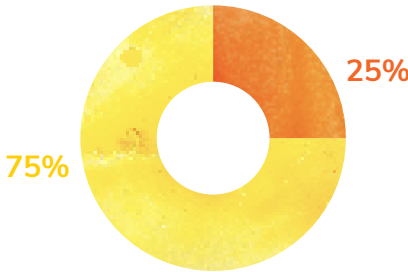
Mauritius



Tanzania



Seychelles



Rwanda



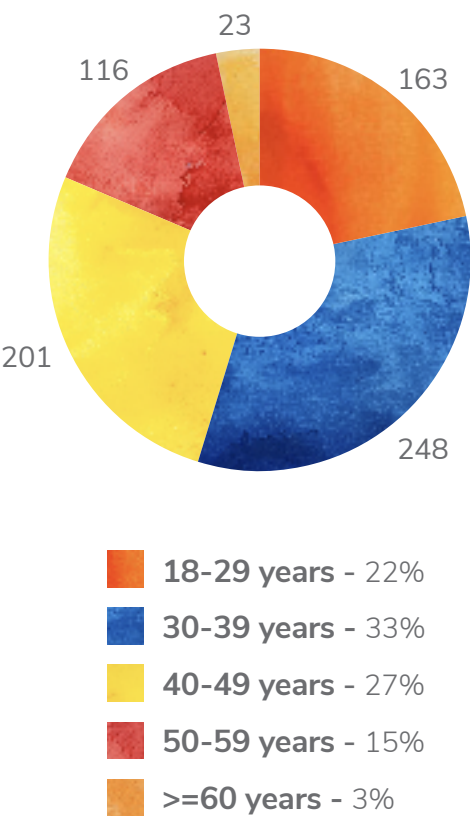
Uganda



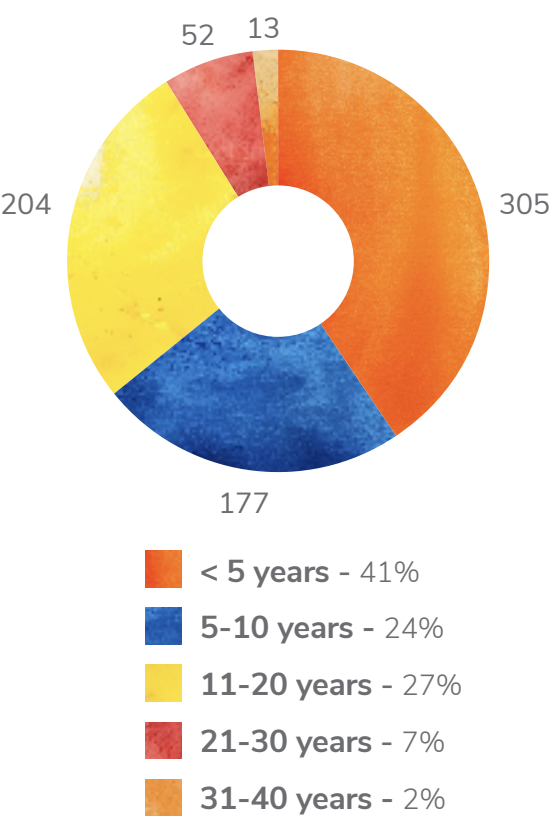
Kenya



Employees by age



Employees by length of service



Employee Training & Development

		Mauritius	Uganda	Tanzania	Rwanda	Kenya	Kenya	TOTAL
Training hours		4,951	92	205	100	631	2	5,981
Participants		486	39	83	45	12	3	658
Training budget		9,300,000	455,581	294,368	628,060	2,352	-	10,680,361
Employees sponsored for professional qualifications		9	25	4	3	7	-	48

Employee Welfare Activities

Activities Mauritius:

Celebrations and Cultural Activities: for Independence Day, Women's Day, Eid, Diwali, Flower Arranging Workshop on Mothers' Day.

Health & Wellness: Corporate Massage on Women's Day, MUA Futsal Tournament, Yoga, Zumba & Football every week, Women's Health Test, free Optical Checkup and discount on selected frames, Access Bar Awareness Session.

Events: End of year Party & gifts, Christmas Vibes, Big Friday Vibes.

After the feedback received from the first Pulse Survey in 2023, several initiatives were started in 2024 centred around 5 main identified dimensions which should contribute to employee engagement in all areas:

- **Capability**
 - Talent review and successions planning
 - Refresher around feedback and difficult conversations
 - Learning Management system
 - CX Culture journey
- **Communication**
 - Reinforce internal communication
 - Leverage internal screens content
 - Improve cascading of information after Management events/meeting
- **Collaboration**
 - Reinforcement of delegation tools
 - Departmental action plans
 - Talent Acquisition channels & employee referencing
 - Optimisation of MS teams for all
 - Improvement onboarding process
- **Compensation & Benefits**
 - New performance framework
 - Annual compensation benchmarks
 - Promote internal staff offers
 - Total benefit statement improvement
- **Work environment**
 - One roof
 - Reinforce flexible work arrangements
 - Big Fridays
 - Group direction/vision based on 4x+1
 - System of tomorrow

The Pulse Survey Wave 2 conducted in 2024 shows improvements in all areas especially in handling talent management, inclusion and future ways of working.

Part 2: Investing in our customers

Strengthening our Customer Experience (CX) capabilities

Recognising that customer experience is a cornerstone of our **4X+1 transformation strategy**, we established a dedicated **Customer Experience Department** in 2024. This unit is fully focused on driving client-centric initiatives and embedding a culture of continuous improvement across the organisation.

To support this, we launched **company-wide CX training programmes**, ensuring that employees at all levels understand and embrace customer-first behaviours. Alongside this cultural transformation, we have been **streamlining processes through digitisation**, enabling simpler, faster, and more reliable client interactions.

We also began the **systematic monitoring of customer touchpoints** through structured Customer Satisfaction (CSAT) assessments. This enables us to capture insights at every stage of the client journey, translating them into actionable improvements.

To ensure effective oversight and governance, we implemented a **CX Committee** supported by a **CX SteerCo**. This governance structure ensures that customer insights are reviewed at senior level, action plans are prioritised, and progress is tracked consistently.

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.

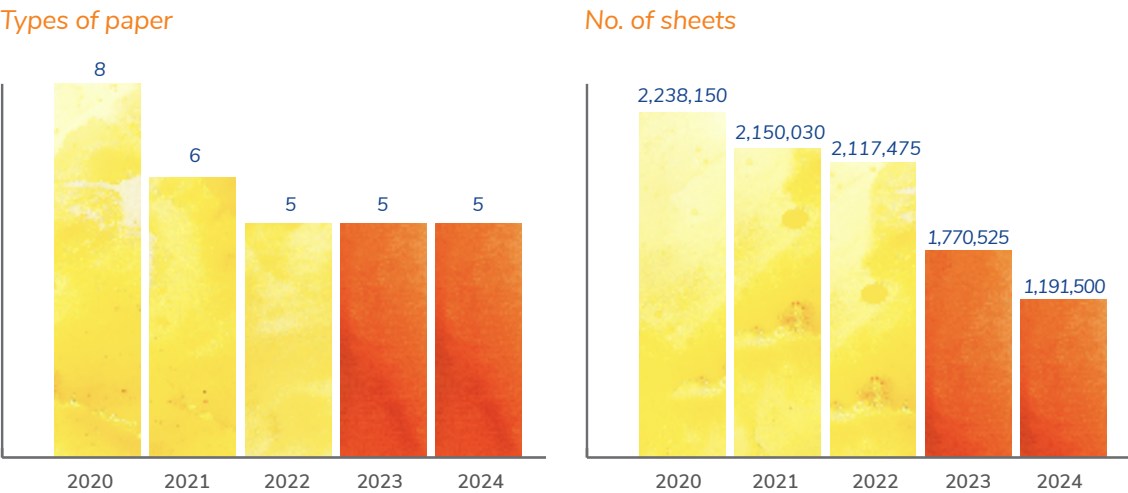
Some of the key results of the initiatives conducted in 2024:

- **Quality of Service:** those who responded that they were satisfied and very satisfied – **86%**
- **Net Promoter Score: 23.9%.**

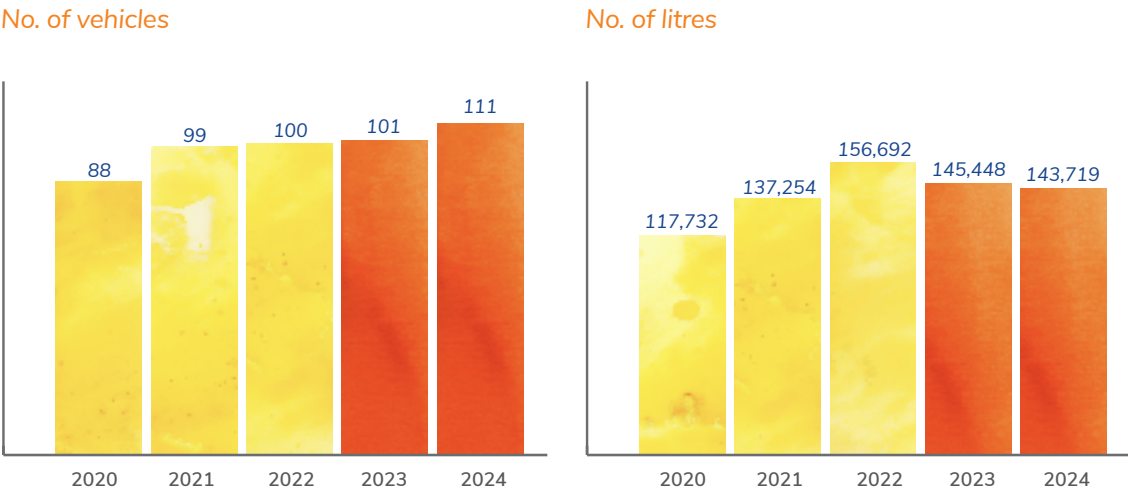
Part 3: Investing in our environment

Paper Consumption

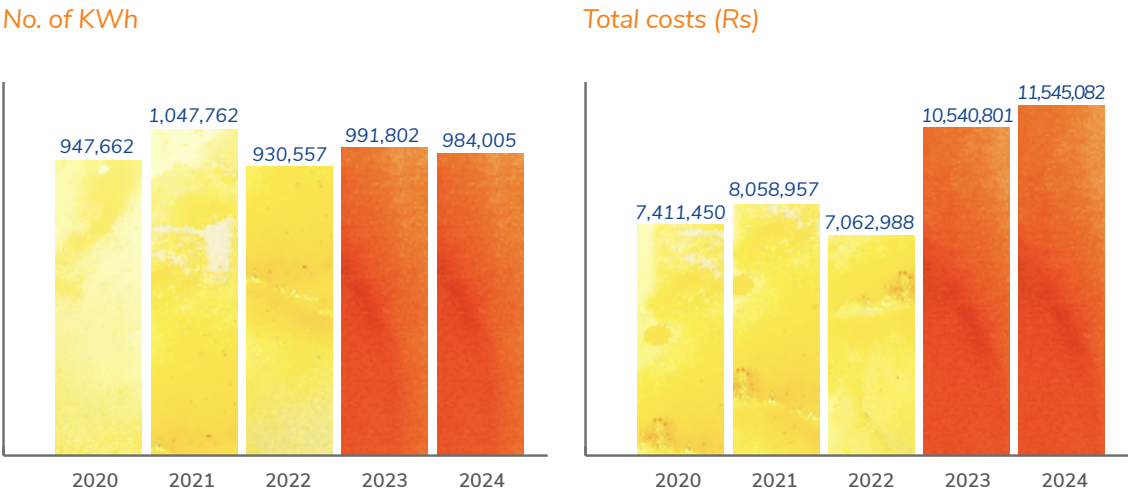
Most commonly used across the Group



Fuel Consumption



Electricity Consumption



Part 4: Investing in our community

During the year ending **31 December 2024**, MUA Foundation total societal causes amounting to **Rs. 1,059,790**.

Projects	Funding
Education, Welfare & Development of vulnerable Children	
Association d'Alphabétisation de Fatima: yearly salary of a teacher	100,000
SOS Children's Village: support of vulnerable children	100,000
Etoile du Berger: financial support for school materials, uniforms, vegetables and fruits (for a period of 1 yr)	150,000
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	40,000



► 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 08 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 44
• The Structure of the Board and its Committees	page 46
• Director Appointment Procedures	page 51
• Directors Duties, Remuneration and Performance	page 66
• Risk Governance and Internal Control	page 70
• Reporting with Integrity	page 70
• Audit	page 72
• Relations with Shareholders and Other Key Stakeholders	page 73

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

The Board has approved the Statement of Accountabilities. MUA is led by an effective and highly committed Board of Directors who possess the appropriate skills, knowledge, experience and independence to enable them to discharge their duties and responsibilities in the most effective way. The Board is conscious of its responsibility to uphold the highest standards of corporate governance. To that end, the Company operates within a 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 & Compliance Committee¹, 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 authorization 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.

.

¹ The Board has approved the change of the "Risk Committee" into the now "Risk & Compliance Committee" since 30 July 2024, with new terms of reference, in line with the Group's renewed efforts to enhance its Anti-Money Laundering & Combating the Financing of Terrorism (AML/CFT) framework.

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 (7) and a maximum of twelve (12) Directors. As at 31 December 2024, the Company was headed by a unitary Board consisting of eleven (11) Directors, five (5) of whom are Independent Non-Executives, five (5) Non-Executives and one (1) Executive.

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 to fully assume 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	5/6
Bruno de Froberville	NED	2019	M	Mauritius	6/6
Alfred Bouckaert	IND	2019	M	Belgium	5/6
Mushtaq Oosman	NED	2019	M	Mauritius	6/6
Mélanie Faugier (up to 31/07/24)	NED	2019	F	Mauritius	2/2
Olivier De Grivel	IND	2019	M	Mauritius	5/6
Brian Ah-Chuen	NED	2022	M	Mauritius	4/6
Joerg Weber (Group CEO)	ED	2022	M	Mauritius	6/6
Nelly Eve Brossard	IND	2023	F	France	5/6
Sheila Ujoodha	IND	2023	F	Mauritius	5/6
Lydia Kibaara (from 28/11/23 and up to 26/03/24)	ED	2023	F	Kenya	1/1
Namita Hardowar (as from 01/09/24)	IND	2024	F	Mauritius	4/4
*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, Mrs. Sheila Ujoodha and Mrs. Namita Hardowar as independent directors of the Company on the 24 August 2023, 01 September 2023 and 01 September 2024 respectively, until the forthcoming annual meeting held on 06 December 2024 where, as recommended by the Corporate Governance, Nomination and Remuneration Committee and by the Board of Directors, their appointments were proposed to the shareholders of the Company, and approved.*

The profile of the Directors is disclosed on pages 52 to 58 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 & Compliance 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 (4) 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	6/6
Sheila Ujoodha	IND	5/6
Olivier de Grivel	IND	4/6

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 & Compliance 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
Sheila Ujoodha (Chairman)	IND	2/2
Brian Ah Chuen	NED	2/2
Melanie Faugier (up to 31.07.24)	NED	1/1
Dominique Galea	NED	1/2
Mushtaq Oosman	NED	2/2

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 Long Term Incentive Scheme;
- 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 & Compliance Committee

Members:	Category	Attendance at Committee meetings
Alfred Bouckaert (Chairman)	IND	2/2
Olivier De Grivel	IND	2/2
Dominique Galea	NED	2/2
Mushtaq Oosman	NED	2/2

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;
- Managing the Group’s risk policies;
- Overseeing all aspects of Anti Money-Laundering & Combating the Financing of Terrorism (“AML/CFT”) compliance in line with applicable legal and regulatory obligations.

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
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 & Compliance Committee and Assets and Liabilities Committee.

Directorship in other listed companies:

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).

Skills & Experience:

- Currently Managing Director of ABC Banking Corporation Ltd (listed on the DEM of the Stock Exchange of Mauritius) and Deputy Chairperson of the Mauritius Bankers Association;
- 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);
- Fellow Member of the Mauritius Institute of Directors.

Board Committee memberships:

Corporate Governance, Nomination & Remuneration Committee.

Directorship in other listed companies:

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 & Compliance 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 & Compliance Committee;
Assets and Liabilities Committee and Audit Committee.

Directorship in other listed companies: none



Mélanie FAUGIER

Non-Executive Director

(up to 31.07.2024)

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 (up to 31.07.2024)

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), Risk & Compliance Committee and Corporate Governance and Nomination & Remuneration 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

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

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:

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

(up to 26.03.2024)

Citizen and Resident of Kenya

Born in 1971

Appointed: November 2023

Qualifications: 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



Namita HARDOWAR

Independent Director

Citizen and Resident of Mauritius

Appointed: September 2024

Qualifications: BSc (Hons) in Management, MSc in HR (Distinction), University of Mauritius, Certification in Public Sector Reforms, University of Wellington, New Zealand

Fellow Member of Mauritius Institute of Directors.

Skills & Experience:

- Held several posts in both the private and public sectors, having worked at Air Mauritius Ltd, CIEL Group, CMH Continent Ltee, Mauritius Institute of Training and Development, and the Financial Services Commission
- Currently Co-Founder and Managing Director of Institutional Expert Services, engaged in management consulting and capacity building
- Holds Director position in private non listed companies and is a Director on the COMESA Business Council
- Past President of the MCCI, ex-Board member of Business Mauritius and Past President of Association Mauricienne des Femmes Chefs d'Entreprises.

Board Committee memberships: none

Directorship 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 2024:



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 and as independent director on the Board of Axis Fiduciary Ltd.



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 Senior Legal & Compliance Consultant and registered trainer with Temple Group.
- From 2008 to 2009, sat as Director of Transparency Mauritius;
- Worked for the Nestlé Group from 2010 to 2021, as Head of Legal/Senior Legal Manager for the Equatorial African Region & East & Southern African Region overseeing 26 jurisdictions in Sub-Saharan Africa.
- 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.



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 September 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. From 2014 to 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.
- In September 2023 he became CEO of MUA Tanzania.



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.



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.



Candyce TAYLOR

Group Chief Investment Officer

Citizen of South Africa and Australia, Resident of Mauritius

Appointed: January 2024

Qualifications: Bachelor of Commerce & Bachelor of Economics, specialising in Economics, Finance, International Business & Banking

Skills & Experience:

- Experience in investment banking, real estate investment management and development, corporate activities, portfolio management and investor relations;
- Previously worked for JP Morgan (Investment banking, Mergers & Acquisitions), London Metric Property (FTSE100 listed REIT) and Grit Real Estate Income Group amongst others;
- Joined MUA in 2019 as Investment Manager;
- Experience working across different markets including Australia, United Kingdom;
- Appointed Group Chief Investment Officer in January 2024.



Pramod ARIKAL

Group Chief Transformation Officer

Citizen of Germany and Resident of Mauritius

Qualifications: Bachelor of Technology from the University of Kerala (India); Master of Business Administration from the European School of Management and Technology in Berlin (Germany).

Skills & Experience:

- With 25 years of hands-on international work experience in Business, Technology and Strategy over across Europe, Asia, and Africa.
- Over 16 years of experience within the Allianz Group, as Senior Manager Strategy, Head of Business Development of Allianz Telematics, Chief Information Officer of Allianz Africa and most recently Senior Director of Syncier (joint venture between Allianz and Microsoft).
- He also has wide-ranging experience in Business Development, Claims Management, Broker Distribution, Digital Innovation and Transformation.
- Became Group Chief Transformation Officer of MUA in June 2024.

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.

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. All conflicts of interest and related party's transactions have been conducted in accordance with the conflicts of interest and related party transactions policy.

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 2024. 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 2024:

	Direct Interest		Indirect Interest	
Name of Directors	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	2,789,367	5.024
MUSHTAQ OOSMAN	10,374	0.02		
SHEILA UJODHA	-	-	-	-
JOERG WEBER	-	-	-	-
NAMITA HARDOWAR	-	-	-	-
CELINE GORMAND (alternate to Mr Dominique Galea)	24,097	0.04	1,282,531	2.31

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 identified a board evaluator to initiate the evaluation exercise in 2025, 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 2024.

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 68 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.

The Group had set up a Group Share Option Scheme ("GSOS") where the Company has committed to grant the award directly to employees and settle it in its own equity. 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.

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 2024 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	1,753,000	-	-	500,000	500,000	2,753,000
Nelly Brossard	1,500,000	-	-	-	-	1,500,000
Olivier de Grivel	384,000	148,000	-	148,000	148,000	828,000
Melanie Faugier	224,000	-	148,000	-	-	372,000
Dominique Galea	1,008,000	-	148,000	148,000	148,000	1,452,000
Bruno de Froberville	384,000	148,000	-	-	148,000	680,000
Sheila Ujoodha	384,000	148,000	210,000	-	-	742,000
Mushtaq Oosman	384,000	210,000	148,000	148,000	-	890,000
Namita Hardowar	-	-	-	-	-	-

The above represent the cumulated fees paid to the directors during the year by The Mauritius Union Assurance Cy. Ltd and MUA Life Ltd, and consisted of fixed fees only.

Remuneration received from the Group:	2024 Rs	2023 Rs
Executive Directors:		
Joerg Weber	14,065,420	17,565,816
Ashraf Musbally	-	28,769,203
Non-Executive Directors	9,749,000	7,839,000
Total	23,814,420	54,174,019

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 27001 international standard). Matters relating to Information Security are overseen by the board through the Risk & Compliance Committee. Since October 2021, the IT systems, electronic information assets and information risk management of the Mauritian subsidiaries of MUA Ltd are ISO 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.

MUA has also embarked on a project to further enhance its data protection processes, with a view to being ISO 27701 certified by end 2025, subject to all parameters being met.

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 the internal controls are reviewed as and when required to cater for changes in the level of risks.

The Risk report is found on pages 84 to 93 of this report.

Terms of reference of MUA Risk & Compliance 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;
- managing MUA risk policies; and
- Overseeing all aspects of Anti Money-Laundering & Combating the Financing of Terrorism ("AML/CFT") compliance in line with applicable legal and regulatory obligations.

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 Group Head of Legal, Compliance & Risk, the Money Laundering Reporting Officer (depending on the nature of the complaint) or they may address their grievance 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 recognize 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 2024, MUA 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

In 2024, the MUA Foundation proudly contributed a total of Rs. 1,059,790 to societal causes, reaffirming its unwavering commitment to making a difference. Despite the challenging economic climate shaped by high inflation rates and stringent monetary policies, MUA remained steadfast in its mission to uplift communities. This was achieved through a combination of financial and non-financial support to NGOs, ensuring they could continue their vital work.

Beyond monetary contributions, the Foundation has also fostered a culture of active involvement by engaging its employees in volunteer initiatives. From empowering vulnerable groups to supporting educational opportunities and environmental sustainability, these collective efforts reflect MUA's dedication to driving meaningful and lasting change.

Charitable donations channelled through MUA Foundation

Category	No of projects	Total spent (Rs)
Education, welfare & development of vulnerable children	3	350,000
Sustainable Development / Environment	3	709,790
Total	6	1,059,790

MUA Foundation is deeply committed to fostering a more inclusive world by uplifting vulnerable communities, combating poverty, and ensuring children have access to quality education in a safe and sustainable environment. We believe our mission goes beyond financial contributions, actively engaging our employees to drive positive change in our communities and the planet.

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 2024, as follows:

- Underwriting review;
- GI Customer Service review;
- ISMS review – ISO27001 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 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 79 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.

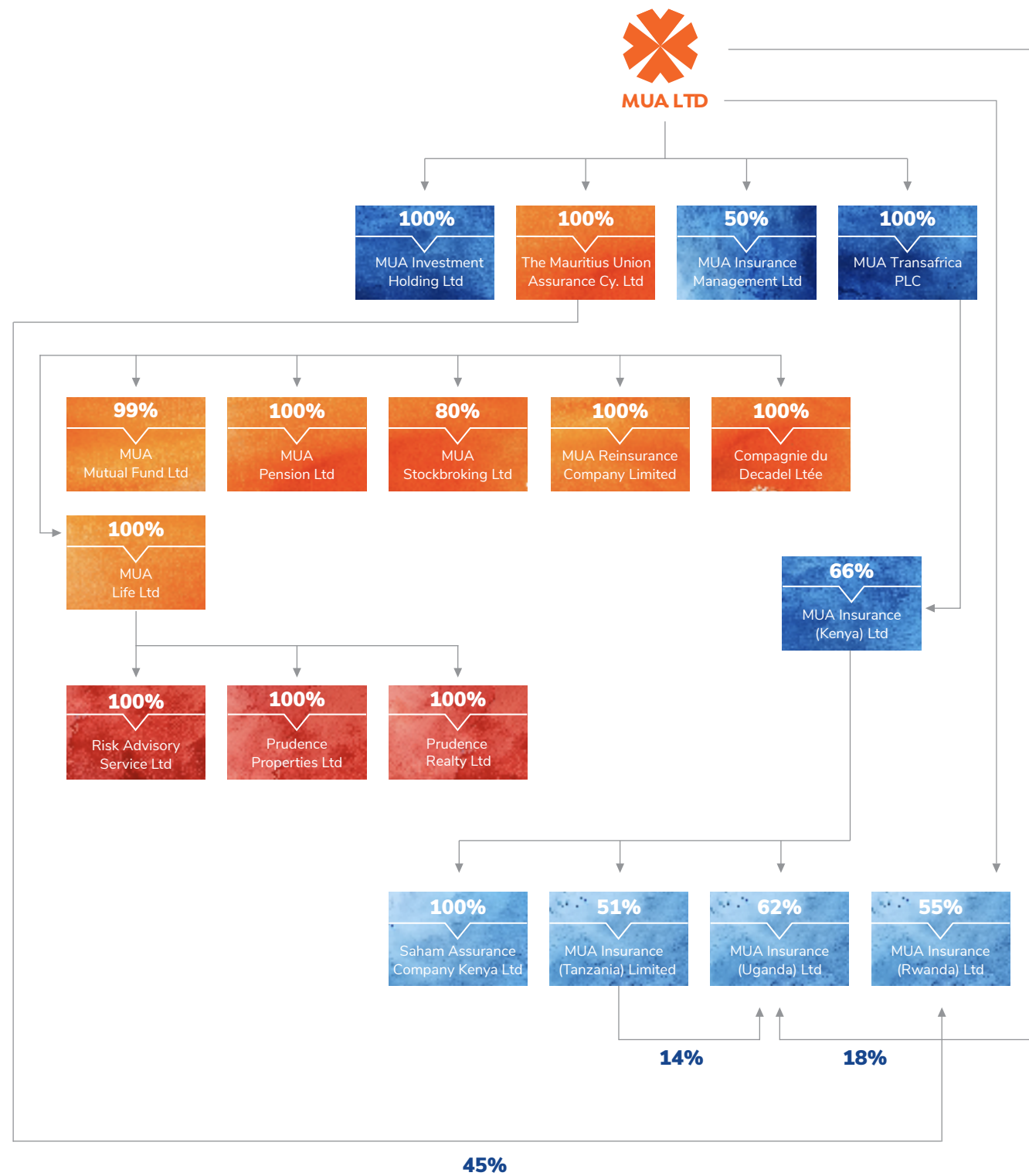
The key stakeholders of the Group and the principle ways in which we engage with them are detailed below:

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 as at 31 December 2024 were as follows:

Name of shareholder	% Holding
KASA INVESTMENTS LTD	13.27
SUCCESSION MR PIERRE JOSEPH EMILE LATOUR-ADRIEN	8.76
SOCIETE DE PROMOTION ET DE PARTICIPATION POUR LA COOPERATION ÉCONOMIQUE S.A ("PROPARCO")	7.53
DEVLIN INVESTMENTS LTD	6.30

Group Shareholding structure as at 31 December 2024 was as follows:



Shareholding Profile

Shareholders' Spread				
Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1-500	827	38.2516	131,729	0.2373
501-1,000	199	9.2044	157,110	0.2830
1,001-5,000	537	24.8381	1,342,065	2.4172
5,001-10,000	178	8.2331	1,289,281	2.3222
10,001-50,000	286	13.2285	6,339,637	11.4185
50,001-100,000	56	2.5902	4,016,535	7.2343
100,001-250,000	46	2.1277	7,465,755	13.4468
250,001-500,000	18	0.8326	6,588,922	11.8675
> 500,000	15	0.6938	28,189,814	50.7734
Total	2,162	100.0000	55,520,848	100.0000

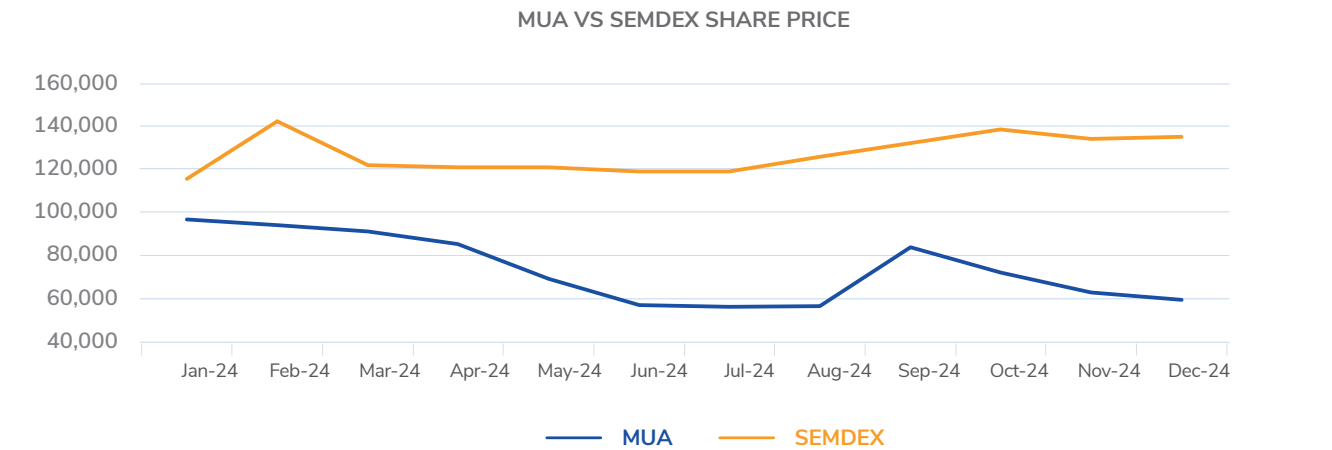
Shares in Public Hands

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

Due to the delay encountered in the implementation of the new accounting standards, IFRS 17, applicable to insurers, the annual report 2023 was not ready to be submitted to the approval of the shareholders at the annual meeting that was held on Friday 6 December 2024.

The annual report 2023 and the annual report 2024 will be submitted to the shareholders at the forthcoming annual meeting of shareholders. The timetable of important upcoming events, as found below, may therefore be impacted.

Timetable of important upcoming events:

DECEMBER Financial year end (31 December 2024)	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 2024 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
Mushtaq Oosman
Olivier De Grivel
Mélanie Faugier (up to 31.07.2024)
Joerg Weber
Nelly Brossard
Sheila Ujoodha (as from 06.03.2024)
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
Mushtaq Oosman
Olivier De Grivel
Mélanie Faugier (up to 31.07.2024)
Joerg Weber
Nelly Brossard
Sheila Ujoodha (as from 06.03.2024)
Celine Gormand (Alternate to Mr. Dominique Galea)

Saham Assurance Company Kenya Limited

Bertrand Casteres
Jérôme Katz
Lydia Kibaara – Nzioki (resigned on 19.02.2024)

Executive Director’s Service Contract

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

Auditors’ Remuneration

	The Group		The Company	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Audit Fees Paid to				
PwC	60,949	17,619	1,500	2,050
Other Audit Firms	2,201	1,875	-	-
Fees Paid for Other Services provided by				
PwC	2,825	2,723	42	607
Details:				
Tax Services	942	2,485	42	607
Advisory and Other Services	1,883	238	-	-
Other Audit Firms:	6,025	24,412	-	-
Details:				
Tax Services	296	1,242	-	-
Advisory and Other Services	5,729	23,170	-	-
TOTAL	72,000	46,629	1,542	2,657

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.



Dominique GALEA
Chairman



Joerg WEBER
Group CEO

15 August 2025

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 15 August 2025 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 2024

Throughout the year ended 31 December 2024 to the best of the Board’s knowledge MUA Ltd has complied with the latest version Code of Corporate Governance for Mauritius. 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

15 August 2025



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

RISK MANAGEMENT REPORT

Risk Management philosophy and objectives

As an insurance provider, operating in a dynamic and volatile risk environment, MUA faces a range of internal and external challenges with climate change being one of them. One of the key events of 2024 was the severe climatic conditions in January, causing flooding across the island impacting numerous motor vehicles, business premises and households. On the economic outlook, the inflationary impact was felt with an increase in the cost of claims, impacting our motor insurance business with rising cost of repairs and spare parts as well as our health insurance business, with increasing costs of medication and treatment. The stress from rising costs resulted in developing new pricing strategies and enhancing our competitiveness. Amid a talent exodus, MUA, like many local players, feels the impact with the limited pool of local talents to address the demand for skilled professionals in the financial sector. We have hence established strategic collaborations with universities and take part in career fairs and recruitment events, as well as looking at sourcing talent from our affiliates in East Africa, among others.

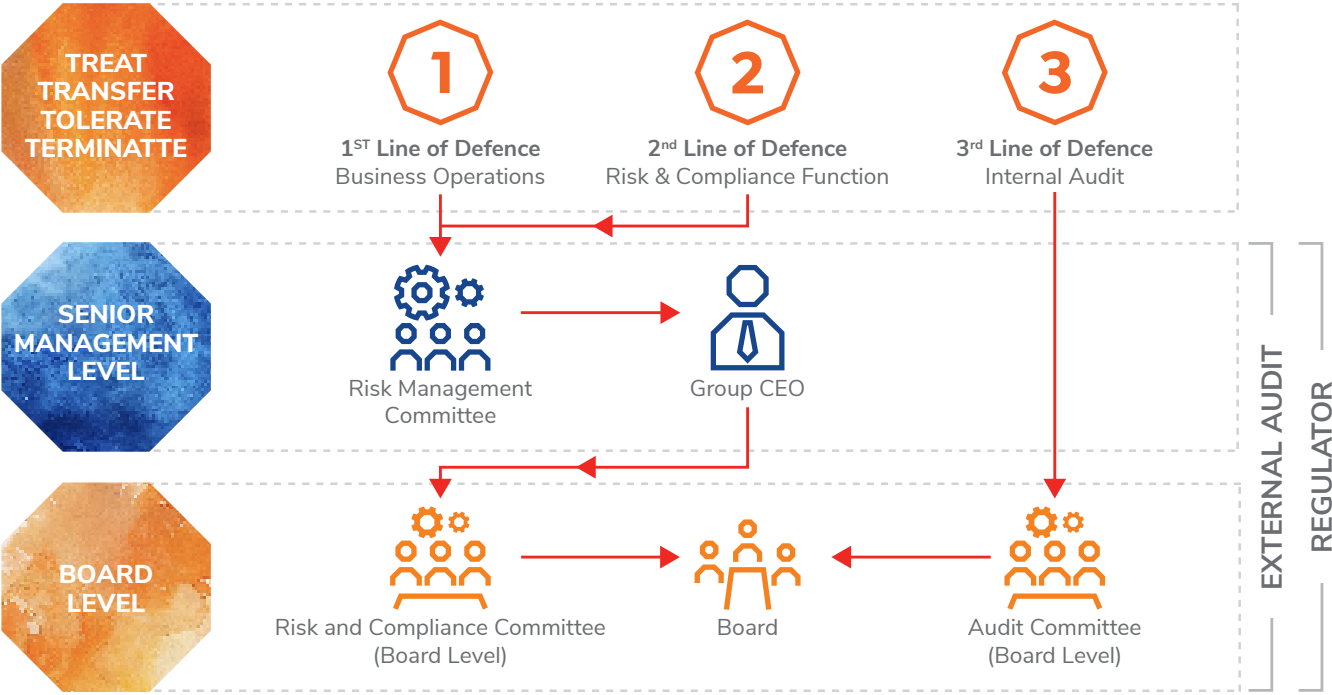
Despite these challenges, the implementation of effective mitigating actions has been instrumental in keeping these risks well within MUA's defined risk appetite. These measures include proactive risk assessment, robust internal controls, strategic underwriting practices, adjusting premium rates, refining claims management strategies and a comprehensive reinsurance program, all of which contribute to enhancing MUA's resilience and stability in an uncertain risk landscape. Our risk management framework covers all operations and business units within MUA. The key objectives of our risk management framework remain:

- Ensuring risks inherent to our business activities in Mauritius and in the East African market are proactively 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.

The three main pillars of our risk management framework are:

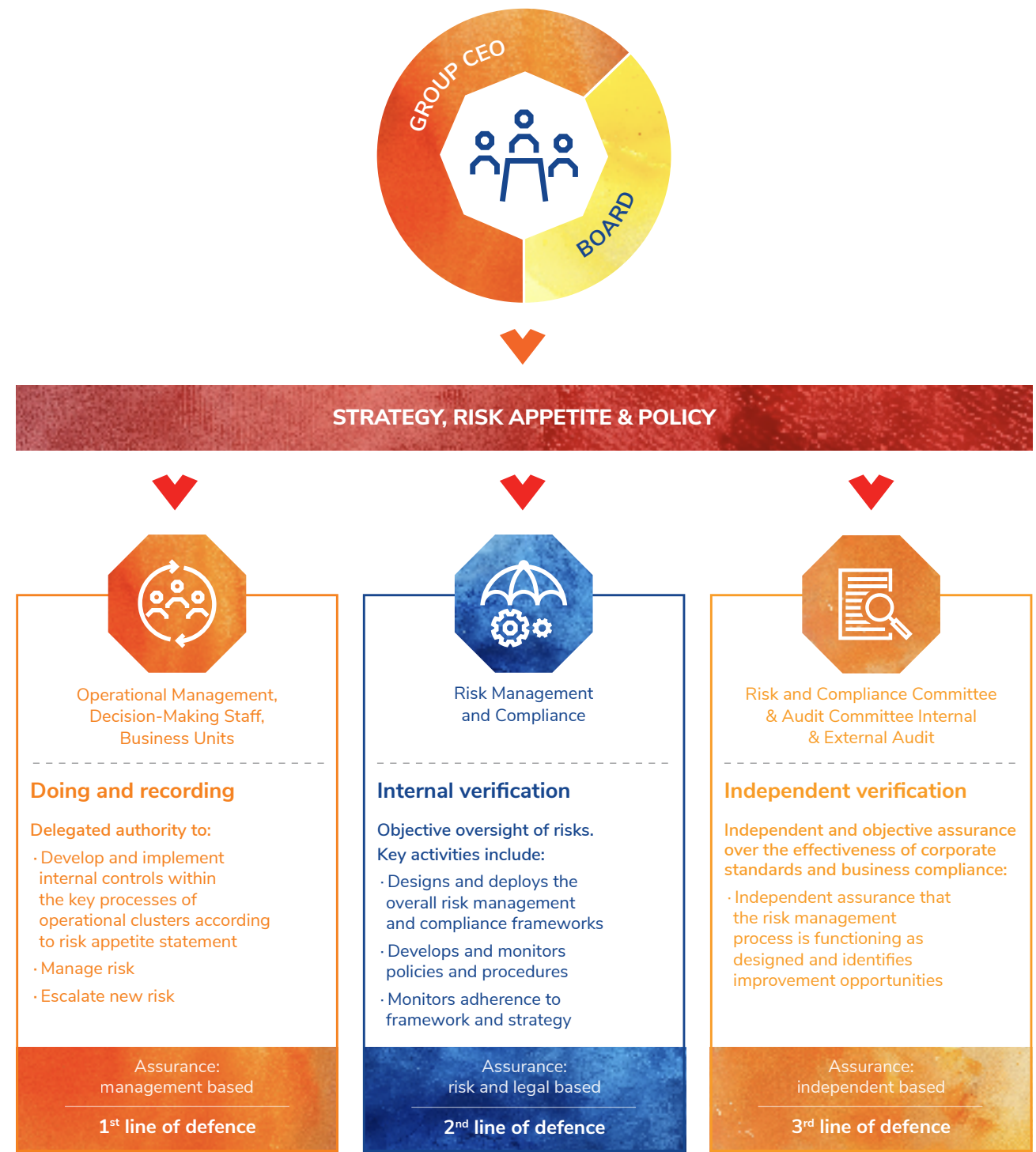
- **Open risk culture:** Promote a strong risk management culture amongst our staff, driven by a robust risk governance structure and clear risk appetites;
- **Capital Requirements:** Ensure sufficient capital surpluses to meet the expectations of customers, shareholders & stakeholders, as well as comply 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



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



Emerging risk landscape

The emerging risk landscape for MUA is becoming increasingly complex, driven by a mix of technological advancements, environmental and geopolitical factors. Key areas of concern include cyber risk, as with the adoption of digital technologies and tools, MUA faces growing threats from data breaches and cyberattacks. Additionally, climate change is intensifying, with more frequent and severe weather events challenging traditional underwriting models and increasing claims exposure. For MUA, proactively managing emerging risks demands ongoing advancements in data analytics and risk modelling capabilities. Moreover, as an insurer, MUA needs to design and update its insurance products dynamically to keep pace with rapidly evolving risks and changing market conditions. Traditional insurance models, which rely on historical data and fixed policy structures, may not be sufficient in an environment where new risks such as cyber threats, climate-related disasters, or regulatory shifts can emerge suddenly and change the exposure landscape.

These emerging risks remain MUA's concern and are closely monitored through discussion during the Risk Management Committee with the Country and Group CEOs and Directors at the Risk and Compliance Committee on a quarterly basis.

The Risk Management Committee (RMC) – Group level

- Acknowledges and reviews current and emerging risks faced by MUA;
- Evaluates and prioritizes 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.

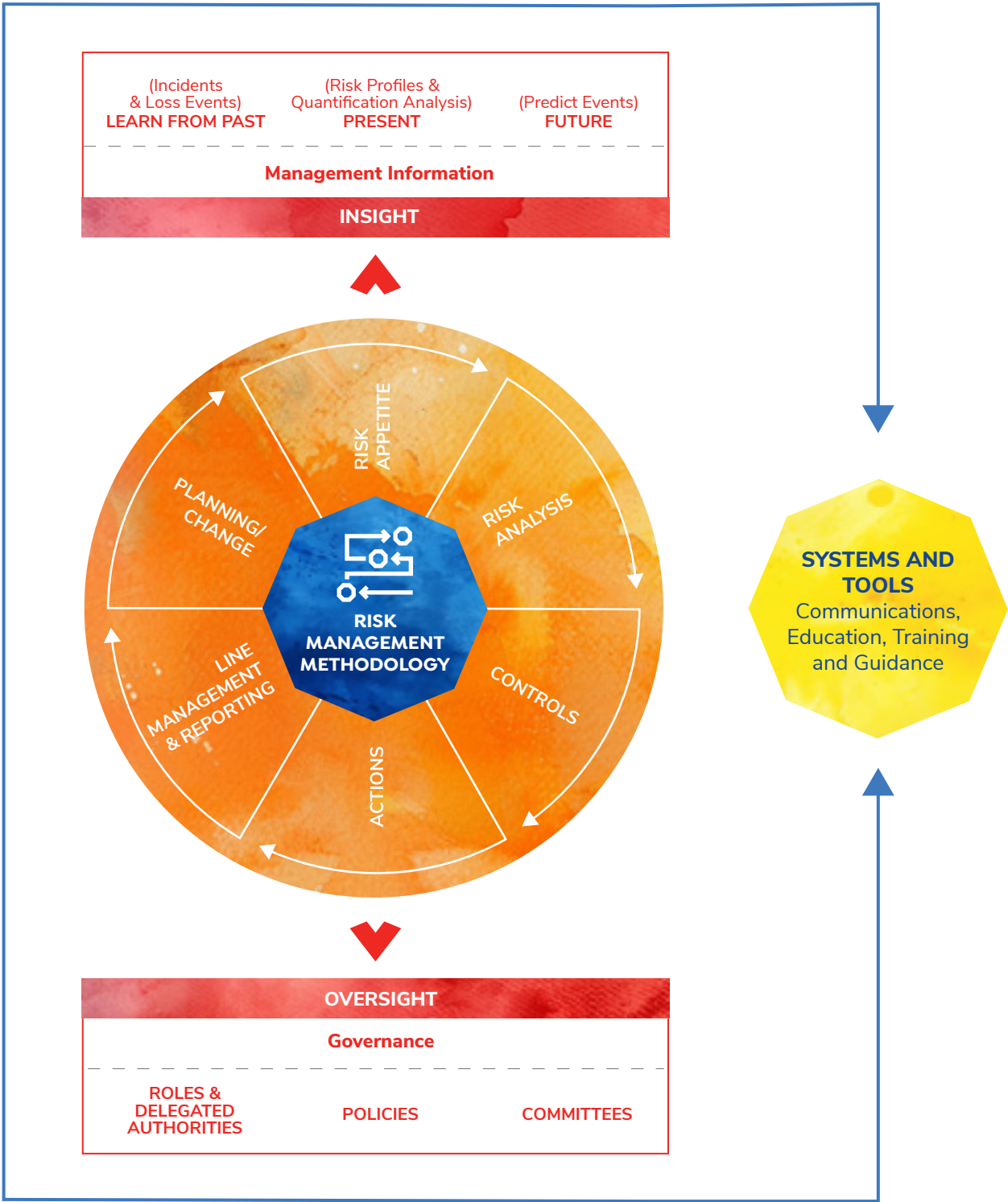
The Local Risk Committee – East African subsidiaries level

- 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 Organizations of the Treadway Commission ("COSO") Enterprise Risk Management (ERM) Framework. The COSO ERM framework is the broadly accepted standard against which organizations 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 consists of tracking risk management execution and continuing to identify and manage existing and new risks and involves the following 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..

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.



RISK MANAGEMENT				
Strategic	Customer, Products & Markets	Operational	Financial	Insurance
• Strategy & Planning • Business Continuity Planning • Pandemics • Corporate responsibility • ESG	• Customer • Distribution Management • Outsourcing • Communications • Brand & Marketing Communication	• Legal & Regulatory • Information Technology & Business Protection • Financial Crime • People • Purchasing & Supply Management • Health & Safety • Product Approval Process	• Capital Management • Credits • Financial Reporting • Reserving • Liquidity • ORSA • Market Risk	• Life Insurance • Life Insurance Product Development & Pricing • Unit Pricing • General Insurance Underwriting • General Insurance Reinsurance • General Insurance Claims
EXTERNAL DEVELOPMENTS				
Monitored through Policies and Risk Control Matrices		Continuous monitoring and feedback loop process between 1 st and 3 rd lines of defence		

Role of the Risk and Compliance Committee

The Group Risk Committee, established by the Board of Directors, was upgraded to a Group Risk and Compliance Committee (“RCC”) for a more strategic shift towards enhancing oversight and aligning more closely with regulatory requirements and managing compliance (especially AML/CFT) risks.

The Risk and Compliance 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, MUA 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 and Compliance Committee. 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.

The Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act of 18 July 2024 further amends a series of legislation to ensure that Mauritius meets international standards on AML/CFT and Proliferation. The key obligation is to ensure that financial institutions maintain a register of ultimate beneficial owners.

Moreover, the Financial Crimes Commission Act 2023 consolidated various statutes on financial crimes. THE FCC Act repealed & replaced the Prevention of Corruption Act, the Asset Recovery Act, the Good Governance and Integrity Reporting Act, and Part II of the Financial Intelligence and Anti-Money Laundering Act. In doing so, it provides for a robust framework enhancing existing laws and making combating financial crime more effective.

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	✓	✓		✓

Regulatory Developments (continued)

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;
- Review of financial impact thresholds on the risk heat maps for Mauritius and 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 accompanying 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 2024, 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 accompanying consolidated and separate financial statements of MUA Ltd comprise:

- the statements of financial position as at 31 December 2024;
- the statements of profit or loss for the year then 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 1,879m as at 31 December 2024. 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. An impairment loss of MUR 150m was accounted for during the year.	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 2024, goodwill amounted to Rs 297.4m, as detailed in Note 43 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 43 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 actuarial specialists, we: - 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 key 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. 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 77.8% of the total liabilities of the Group; - The selection of measurement approach and the significant judgements made on the eligibility for the Variable Fee Approach and Premium Allocation Approach 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 key 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 and assessed for any change to ensure compliance with IFRS 17; - evaluated management’s controls over the results, which include checks and challenges by management through their own internal review; - 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; - evaluated the buildup and any change of the probability-weighted estimate of future cashflows across all measurement models; - tested the key assumptions applied and their reasonableness in the determination of the insurance contract liabilities; 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)

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.

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.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF MUA LTD

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

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, 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

15 August 2025

John Li How Cheong, licensed by FRC

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		THE GROUP			THE COMPANY	
		31 December 2024	Restated 31 December 2023	Restated 01 January 2023	31 December 2024	31 December 2023
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS	Notes					
Property and equipment - owned	4	304,443	307,556	484,363	-	-
Right of use assets	5 (a)	111,354	79,265	117,680	-	-
Investment properties	6	418,725	397,188	541,959	-	-
Intangible assets	7	463,918	501,273	569,824	-	-
Investments in subsidiaries	8	-	-	-	1,879,261	2,026,631
Investment in associate	9	-	-	1,080	-	-
Investment in joint ventures	10	14,355	11,525	13,555	495	495
Deferred income tax assets	11	69,104	45,562	33,335	-	-
Other receivables	12	201,727	215,961	212,471	-	-
Amount receivable from related parties	13	-	-	-	8,249	7,550
Reinsurance contract assets	14	2,258,700	1,776,214	1,571,406	-	-
Insurance contract assets	14	20,273	-	-	-	-
Loans and receivables	15	547,946	598,050	573,949	1,101,919	1,036,931
Financial assets at fair value through other comprehensive income	16 (a)	1,796,036	1,394,702	1,202,064	-	-
Debt instruments at amortised cost	16 (b)	9,020,646	8,292,451	7,370,797	809,967	653,049
Financial assets at fair value through profit or loss	16 (c)	7,560,436	6,778,608	6,408,635	-	-
Current income tax assets	17	69,277	34,651	44,323	-	-
Prepayments		18,957	34,191	34,677	-	-
Assets held-for-sale	41	-	171,600	-	-	-
Cash and cash equivalents	42 (b)	1,148,323	1,067,438	1,270,134	50,146	110,359
Total assets		24,024,220	21,706,235	20,450,252	3,850,037	3,835,015
EQUITY AND LIABILITIES						
Equity						
Stated capital	18	1,662,289	1,662,289	1,661,733	1,662,289	1,662,289
Total reserves		2,239,188	1,972,906	2,234,435	1,161,777	1,151,684
Non-distributable share of life surplus		6,161	6,161	6,161	-	-
Total ordinary shareholders' equity		3,907,638	3,641,356	3,902,329	2,824,066	2,813,973
Non-controlling interests		477,089	430,140	711,755	-	-
Total equity		4,384,727	4,071,496	4,614,084	2,824,066	2,813,973
Liabilities						
Deferred income tax liabilities	11	67,885	53,206	91,070	-	-
Employee benefit obligations	20	27,733	21,254	15,698	-	-
Borrowings	21	1,028,099	1,015,325	806,735	1,012,462	1,015,325
Lease liabilities	5 (b)	124,508	93,635	133,225	-	-
Insurance contract liabilities	14	15,281,142	13,890,174	12,589,469	-	-
Investment contract liabilities	19	2,269,101	1,791,702	1,478,795	-	-
Other payables	22	834,814	754,870	687,358	6,590	5,703
Amount due to related parties	13	-	-	-	6,108	-
Current income tax liabilities	17	6,211	14,573	33,818	811	14
Total liabilities		19,639,493	17,634,739	15,836,168	1,025,971	1,021,042
Total equity and liabilities		24,024,220	21,706,235	20,450,252	3,850,037	3,835,015

These financial statements have been approved for issue by the Board of Directors on 15 August 2025.

Brian Ah-Chuen
Non-Executive Director

Bruno de Froberville
Non-Executive Director

The notes on pages 107 to 235 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

		THE GROUP		THE COMPANY	
Notes		2024	2023 Restated	2024	2023
		Rs'000	Rs'000	Rs'000	Rs'000
Insurance revenue	24	7,544,615	7,085,259	-	-
Insurance service expenses	25	(6,051,941)	(5,683,711)	-	-
Insurance service result before reinsurance contracts held		1,492,674	1,401,548	-	-
Allocation of reinsurance premium	26 (a)	(2,029,427)	(2,124,226)	-	-
Amounts recoverable from reinsurers for incurred claims	26 (b)	1,128,076	995,638	-	-
Changes in risk of non-performance	26 (c)	12,364	(5,658)	-	-
Net expense from reinsurance contracts held		(888,987)	(1,134,246)	-	-
Insurance service result		603,687	267,302	-	-
Investment income	27 (a)	366,693	344,004	269,417	115,000
Interest revenue calculated using effective interest rate	27 (b)	668,390	651,641	73,019	67,305
Reversal of / (allowance for) expected credit losses	30	2,215	(13,104)	(2,669)	(2,641)
Movement in investment contract liabilities	19	(224,033)	(105,528)	-	-
Other gains	31	579,986	315,863	-	245
Net investment income		1,393,251	1,192,876	339,767	179,909
Finance expense from insurance contracts issued	28	(1,113,298)	(1,114,571)	-	-
Finance income from reinsurance contracts held	29	119,431	87,085	-	-
Net insurance finance expenses		(993,867)	(1,027,486)	-	-
Net insurance and investment result		1,003,071	432,692	339,767	179,909
Other operating income	32	245,107	241,474	57,697	-
Other operating expenses	33	(700,629)	(839,550)	(167,715)	(12,427)
Other finance costs	34	(73,884)	(66,358)	(59,785)	(53,371)
Share of profit / (loss) from joint ventures	10	689	(136)	-	-
Profit /(loss) before income tax		474,354	(231,878)	169,964	114,111
Income tax expense	17 (a)	(75,520)	(34,352)	(1,495)	(1,993)
Profit/(loss) for the year		398,834	(266,230)	168,469	112,118
Attributable to:					
Equity holders of the parent		399,815	(135,025)		
Non-controlling interests		(981)	(131,205)		
		398,834	(266,230)		
Earnings/(loss) per share:					
- Basic (Rs)	40	7.20	(2.43)		
- Diluted (Rs)	40	7.18	(2.42)		

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		THE GROUP		THE COMPANY	
Notes		2024	2023 Restated	2024	2023
		Rs'000	Rs'000	Rs'000	Rs'000
Profit/(loss) for the year		398,834	(266,230)	168,469	112,118
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		8,106	(54,809)	-	-
(Decrease)/increase arising on revaluation of financial assets at fair value through other comprehensive income		(10,025)	27,974	-	-
Fair value gain recycled on disposal of debt instruments at fair value through other comprehensive income	31	(1,349)	(23,185)	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(3,268)	(50,020)	-	-
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		88,533	10,652	-	-
Income tax effect		(9,035)	(273)	-	-
		79,498	10,379	-	-
Re-measurement (loss)/gain on defined benefit plans		(6,297)	13,029	-	-
Income tax effect		1,062	(1,965)	-	-
		(5,235)	11,064	-	-
Revaluation of land and buildings	4	2,340	10,433	-	-
Income tax effect		(398)	(1,798)	-	-
		1,942	8,635	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		76,205	30,078	-	-
Other comprehensive income for the period, net of tax		72,937	(19,942)	-	-
Comprehensive income for the year		471,771	(286,172)	168,469	112,118
Attributable to:					
Equity holders of the parent		424,822	(128,771)		
Non-controlling interests		46,949	(157,401)		
		471,771	(286,172)		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

THE GROUP		Attributable to Owners of the Parent												
		Notes	Stated capital	Share Option Reserve	Revaluation reserves	Currency translation reserve	Investment revaluation reserve	Retained earnings	Contingency reserve	Non distributable reserves	Total reserves	Non distributable share of Life Surplus	Non-controlling interests	Total equity
			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 2023, as previously reported			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
Impact of prior year restatements			-	-	25,249	-	-	(55,213)	-	-	(29,964)	-	-	(29,964)
At 01 January 2023, as restated			1,661,733	24,778	83,364	79,036	(40,667)	1,947,958	69,991	69,975	2,234,435	6,161	711,755	4,614,084
Profit for the year, as restated			-	-	-	-	-	(135,025)	-	-	(135,025)	-	(131,205)	(266,230)
Other comprehensive income for the year, as restated			-	-	8,635	(29,096)	15,651	11,064	-	-	6,254	-	(26,196)	(19,942)
Comprehensive income for the year, as restated			-	-	8,635	(29,096)	15,651	(123,961)	-	-	(128,771)	-	(157,401)	(286,172)
Share based payment	37		-	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			-	-	-	-	-	(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			556	-	-	-	-	-	-	-	-	-	-	556
Dividends	36		-	-	-	-	-	(161,006)	-	-	(161,006)	-	(103,855)	(264,861)
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, as restated			1,662,289	32,667	91,999	58,119	(40,250)	1,617,292	78,620	134,459	1,972,906	6,161	430,140	4,071,496
At 01 January 2024, as restated			1,662,289	32,667	91,999	58,119	(40,250)	1,617,292	78,620	134,459	1,972,906	6,161	430,140	4,071,496
Profit for the year			-	-	-	-	-	399,815	-	-	399,815	-	(981)	398,834
Other comprehensive income for the year			-	-	1,942	(24,428)	52,728	(5,235)	-	-	25,007	-	47,930	72,937
Comprehensive income for the year			-	-	1,942	(24,428)	52,728	394,580	-	-	424,822	-	46,949	471,771
Share based payment	37		-	2,630	-	-	-	-	-	-	2,630	-	-	2,630
Transfer of gain on disposal of financial assets at fair value through other comprehensive income			-	-	-	-	(3,486)	3,486	-	-	-	-	-	-
Winding up of MUA Stockbroking			-	-	(6,160)	-	(7,896)	14,231	-	(339)	(164)	-	-	(164)
Transfer of revaluation gain on disposal of land and building			-	-	(44,905)	-	-	44,905	-	-	-	-	-	-
Dividends	36		-	-	-	-	-	(161,006)	-	-	(161,006)	-	-	(161,006)
Transactions with owners			-	2,630	(51,065)	-	(11,382)	(98,384)	-	(339)	(158,540)	-	-	(158,540)
At 31 December 2024			1,662,289	35,297	42,876	33,691	1,096	1,913,488	78,620	134,120	2,239,188	6,161	477,089	4,384,727

The notes on pages 107 to 235 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

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 2023	1,661,733	20,305	1,119,394	52,984	1,192,683	2,854,416
Profit and comprehensive income for the year	-	-	-	112,118	112,118	112,118
Share based payment 37	-	7,889	-	-	7,889	7,889
Issue of shares 18	556	-	-	-	-	556
Dividends 36	-	-	-	(161,006)	(161,006)	(161,006)
Total transactions with owners	556	7,889	-	(161,006)	(153,117)	(152,561)
At 31 December 2023	1,662,289	28,194	1,119,394	4,096	1,151,684	2,813,973
At 01 January 2024	1,662,289	28,194	1,119,394	4,096	1,151,684	2,813,973
Profit and comprehensive income for the year	-	-	-	168,469	168,469	168,469
Share based payment 37	-	2,630	-	-	2,630	2,630
Dividends 36	-	-	-	(161,006)	(161,006)	(161,006)
Total transactions with owners	-	2,630	-	(161,006)	(158,376)	(158,376)
At 31 December 2024	1,662,289	30,824	1,119,394	11,559	1,161,777	2,824,066

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

Notes	THE GROUP		THE COMPANY	
	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Operating activities				
Net cash (used in)/generated from operations 42 (a)	(242,381)	450,392	(16,032)	(15,508)
Dividend received	257,844	81,567	269,417	115,000
Interest received	866,921	772,979	69,871	39,281
Interest paid	(74,334)	(58,903)	(62,648)	(44,778)
Proceeds on disposal/maturity of financial assets	1,932,792	7,204,740	-	-
Purchase of financial assets	(2,520,295)	(7,795,149)	-	-
Loans and receivables disbursed	(74,041)	(142,263)	-	-
Loans and receivables repaid	96,540	128,402	-	-
Income tax paid 17 (b)	(126,403)	(95,047)	(698)	(2,950)
Contributions to investment contract liabilities 19	294,000	236,243	-	-
Withdrawals from investment contract liabilities 19	(40,634)	(28,864)	-	-
Net cash from operating activities	370,009	754,097	259,910	91,045
Investing activities				
Proceeds on disposal of property and equipment	1,881	26,273	-	-
Proceeds on disposal of investment property 6	-	52,000	-	-
Proceeds on disposal/maturity of financial assets	3,371,983	11,009,125	149,754	1,731,674
Proceeds on disposal of assets held-for-sale	161,500	-	-	-
Purchase of investment property 6	(58)	(4,592)	-	-
Purchase of property and equipment 4	(40,567)	(56,656)	-	-
Purchase of intangible assets 7	(7,664)	(11,190)	-	-
Purchase of financial assets	(3,423,924)	(12,222,660)	(315,469)	(1,290,678)
Loans and receivables disbursed	(68,252)	(79,100)	-	(922,599)
Loans and receivables repaid	104,997	56,487	-	-
Net cash from/ (used in) investing activities	99,896	(1,230,313)	(165,715)	(481,603)
Financing activities				
Issue of shares 18	-	556	-	556
Issue of bank loan/notes	14,190	200,000	-	200,000
Additional investment in subsidiaries 8	-	-	-	(133,011)
Repayment of principal portion - lease liabilities 5 (d)	(52,827)	(27,199)	-	-
Amount paid to subsidiary	-	-	5,409	(1,067)
Dividends :				
- Owners of the Parent 36	(161,006)	(161,006)	(161,006)	(161,006)
- Non-controlling interest	-	(103,855)	-	-
Net cash used in financing activities	(199,643)	(91,504)	(155,597)	(94,528)
Net increase/(decrease) in cash and cash equivalents	270,262	(567,720)	(61,402)	(485,086)
Movement in cash and cash equivalents				
At 01 January	1,153,281	1,773,003	110,359	588,835
Net increase/(decrease) in cash and cash equivalents	270,262	(567,720)	(61,402)	(485,086)
Effects of exchange rate changes on cash and cash equivalents 42 (d)	26,039	(52,002)	1,189	6,610
At 31 December 42 (b)	1,449,582	1,153,281	50,146	110,359

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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, grant secured loans and conduct investment activities.

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 and the plan assets of the defined benefit pension plans which are measured at fair values.

The 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 material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

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 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

2.2.1 Standards and amendments effective for accounting period beginning on 01 January 2024

A number of new standards, amendments to standards and interpretations are effective for the first time for the financial year beginning on 01 January 2024. None of these had a significant effect on the financial statements of the Group and the Company.

2.2.2 Standards and amendments effective for accounting period beginning after 01 January 2024

A number of new standards, amendments to existing standards and interpretations are effective for annual periods beginning after 01 January 2024 and have not been applied in preparing these financial statements. The ones that are relevant to the Group's and the Company's operations are assessed below while the others are not considered relevant to the Group's and the Company's operations.

(i) IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027)

IFRS 18 will replace IAS 1 'Presentation of Financial Statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's and the Company's financial statements.

The Group and the Company will apply the new standard from its mandatory effective date of 01 January 2027. Retrospective application is required, and so the comparative information for the financial years ending 31 December 2025 and 31 December 2026 will be restated in accordance with IFRS 18.

(ii) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 01 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 which:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

Management does not expect these amendments to have a material impact on its operations or financial statements.

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.

(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 within 'other operating income' or 'other operating expenses' respectively.

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 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 are recognised in other comprehensive income and as part of the currency translation reserve in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (continued)

(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.

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. 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. 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). No group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group aggregates portfolios of insurance contracts as 'Property' and 'Casualty', refer to note 3.1 for more detail.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.1 General Insurance (continued)

ii Insurance and reinsurance contracts accounting treatment (continued)

Level of aggregation (continued)

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 General Measurement Model ('GMM') and VFA contracts
- The sale of loss-making contracts through an official process for Premium Allocation Approach ('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.

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; and
 - 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.1 General Insurance (continued)

ii Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach ('PAA')

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 Liability for Remaining Coverage ('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.

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; and
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.1 General Insurance (continued)

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 Liability for Incurred Claims ('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.

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 or to groups in the portfolio.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.1 General Insurance (continued)

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 insurance income or expense into 'Insurance service result', comprising insurance revenue and insurance service expense, and 'finance expense from insurance contracts issued'.

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

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.

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 premium 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.

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 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.1 General Insurance (continued)

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.

In relation to contracts with a coverage of more than one year and where the time between the premium due date and start of coverage period exceeds one year, allowance is made for accretion of interest on the LRC.

For contracts with a coverage of less than one year, there is no allowance for accretion of interest as premium is received within one year of the coverage period.

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

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, 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 compensate policyholders for claims arising from one or more insurance contracts issued.

The Group also issues contracts with discretionary participating features ("DPF") whereby it 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%** (2023: 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%** (2023: 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 Liabilities, 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 the VFA.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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). No group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group has defined portfolios of insurance 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

Recognition

Similar policies as those insurance contracts of the General Insurance Business

Onerous groups of contracts

Similar policies as those insurance contracts of the General Insurance Business

Contract boundary

Similar policies as those insurance contracts of the General Insurance Business and specifically the following.

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

- Options the policyholder can exercise which compel the Group 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 group 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 Group 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 Group by considering all the risks covered for the policyholder by the Group. The Group reassesses contract boundary of each group at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

Insurance Contracts – Modification and Derecognition

Similar policies as those insurance contracts of the General Insurance Business

Insurance Acquisition Cash Flows

Similar policies as those insurance contracts of the General Insurance 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 Contractual Service Margin ('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

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.2 Life Insurance (continued)

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

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 rate 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

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 LRC 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 comprising 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.2 Life Insurance (continued)

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

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.

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 changes in 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 consistently 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Insurance contracts (continued)

2.4.2 Life Insurance (continued)

Measurement - Variable Fee Approach ('VFA') (continued)

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 during the year.

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

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 coverage period that is less than one year and are as a result eligible for the PAA approach. Decennial liability, 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. Life Insurance: It has been determined that funeral cover 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.	There is no allowance as the premium is received within one year of the coverage period.
--	--

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 LICThe change in LIC as a result of changes in discount rates will be resulting from changes in discount rates and present this in OCI.	captured within profit or loss.
--	---------------------------------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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. The total consideration for a group of contracts covers amounts related to the provision of services and comprises:

- Expected insurance service expenses, excluding any amounts allocated to the loss component of the LRC;
- 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.

Insurance Finance Income or Expense

Similar policies as those insurance contracts of the General Insurance Business

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 and unlisted bonds, government and corporate bonds

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 2024

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 'other gains' 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 are 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").

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 EIR. The EIR amortisation is included in 'other finance 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (continued)

(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.

(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%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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 for buildings. 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.

The carrying amount of an item of property and equipment shall be derecognised: (a) on disposal; or (b) when no future economic benefits are expected from its use or disposal. 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 2024

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 ten 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 ("NVOG") 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 is 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.

(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 Mauritian 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 ('CSR') charge

In line with the definition within the Income Tax Act 1995, the CSR charge 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.

Corporate Climate Responsibility Levy ('CCR')

The Finance (Miscellaneous Provisions) Act 2024 requires an entity that meets the prescribed criteria to pay a CCR Levy of 2% of its chargeable income.

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.

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 38.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Fair value measurement (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Leases (continued)

The Group as lessee (continued)

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.

Group as lessor

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

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 Insurance Contract Liabilities, 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.

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 sale in its present condition subject only to terms that are customary for the sale and its sale must be highly probable. An asset held-for-sale is measured at the lower of its carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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 Company (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 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.

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

(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 sue 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.

Discount rates

LIC 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 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (continued)

a. General Insurance (continued)

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

Contracts Issued	2024	2023
1 year	3.98% to 13.02%	4.01% to 16.10%
3 years	4.45% to 13.52%	4.66% to 17.96%
5 years	4.79% to 14.14%	4.66% to 17.45%
10 years	5.09% to 15.28%	4.89% to 15.71%

(ii) 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.

(iii) 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.

(iv) Reportable groups - General insurance business

IFRS 17 requires that an entity shall aggregate or disaggregate information so that useful information is not obscured either by the inclusion of a large amount of insignificant detail or by the aggregation of items that have different characteristics. The Group presents two segments of general insurance business which are reported as Property and Casualty. As disclosed under 3.1.2, for the purpose of IFRS 17, the classes of business are grouped under Property and Casualty with Property comprising fire and allied perils, engineering, and marine and all risks, and Casualty comprising motor, liability, personal accident, health, financial and special risks. The directors are of the view that the level of disclosure is appropriate and aligns to the nature of the general insurance business operations.

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 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (continued)

b. Life Insurance (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 Company'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 Group, but later increases are broadly neutral in effect.

Refer to Note 3.1 for the sensitivity impact on profit before tax while considering changes in the above assumptions on an individual basis.

(ii) Insurance contracts with DPF

For contracts using the VFA, changes in CSM 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 liabilities.

VFA 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 is necessary to apply judgement 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 the Group therefore applies judgement in setting this.

(iii) Valuation of Options & Guarantees

In the valuation of the liabilities for both the unit-linked and with-profits businesses, 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 Group 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.

Given the sophisticated nature of incorporating these management actions into the actuarial models, and the limited verifiable data available within the Mauritian market regarding the volatilities of asset classes, the allowance for the time value of options and guarantees is approximate in nature. The models and assumptions used are complex and will be subject to refinement as more data becomes available and modelling techniques are enhanced.

These assumptions are integral to our financial strategy and are regularly reviewed to align with the dynamic economic landscape and evolving regulatory requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 book of 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

A blended approach is used to derive the discount rates for all insurance contracts. 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:

	2024				
	1 year	3 years	5 years	10 years	> 10 years
Life Risk- Annuities	4.017%	4.483%	4.810%	5.102%	5.408%
Life Risk- Term Assurance	4.017%	4.483%	4.810%	5.102%	5.408%
Direct Participating	7.180%	7.635%	7.933%	8.198%	8.285%
Indirect Participating	7.268%	7.723%	8.021%	8.285%	8.553%
Insurance Contracts without DPF	4.017%	4.483%	4.810%	5.102%	5.408%
Insurance Contracts with DPF	7.617%	8.083%	8.410%	8.702%	8.772%
	2023 - Restated				
	4.036%	4.347%	4.471%	4.661%	4.975%
Life Risk- Annuities	4.036%	4.347%	4.471%	4.661%	4.975%
Life Risk- Term Assurance	4.036%	4.347%	4.471%	4.661%	4.975%
Direct 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	4.036%	4.347%	4.471%	4.661%	4.975%
Insurance Contracts with DPF	7.636%	7.947%	8.071%	8.241%	8.241%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (continued)

b. Life Insurance (continued)

(vi) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group 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 CSM

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.

(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. 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 38 for sensitivity analysis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Significant accounting judgements, estimates and assumptions (continued)

d. Expected credit losses on financial assets

The measurement of ECL across all categories of financial assets requires judgement, in particular, in the estimation of the amount and timing of future cash flows, 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.

e. 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 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.

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 has reviewed the carrying amount of goodwill and investments in subsidiaries at the end of the reporting period, and noted that the investment in MUA Transafrica Holdings Limited is impaired by Rs 150m. Refer to Note 8 for more detail.

Sensitivity analyses were also carried out based on changes on major assumptions. The impact of the change in assumptions on the shortfall between carrying amount and recoverable value is shown below:

	Discount rate		Claim ratio		Growth rate	
	+1%	-1%	+1%	-1%	+1%	-1%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Impact on impairment	2,600	(2,731)	15,947	(15,947)	(917)	834

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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) Limited, the directors considered the Group's absolute size of holding in the subsidiary 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 the subsidiary and therefore the Group has control over MUA Insurance (Tanzania) Limited.

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 2024, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS

3.1 Insurance risk

The Group manages its assets and liabilities within an Asset-Liability Management ("ALM") framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Group periodically produces reports at fund level which are circulated to the key management personnel. The principal technique of the ALM is to match assets to liabilities arising from insurance and investment contracts by funds.

The table below reconciles the assets and liabilities per the financial position to whether they belong to the policyholders or shareholders in line with the Group's ALM framework:

THE GROUP	2024		
	Insurance related	Non-insurance related	Total
	Rs'000	Rs'000	Rs'000
Underlying assets			
Loans and receivables	294,555	253,391	547,946
Financial assets at fair value through other comprehensive income	-	1,796,036	1,796,036
Debt instruments at amortised cost	3,983,175	5,037,471	9,020,646
Financial assets at fair value through profit or loss	6,253,791	1,306,645	7,560,436
Investment properties	71,085	347,640	418,725
Cash and cash equivalents	398,004	750,319	1,148,323
	11,000,610	9,491,502	20,492,112
Insurance contract assets	20,273	-	20,273
Reinsurance contract assets	2,258,700	-	2,258,700
Insurance contract liabilities	(15,281,142)	-	(15,281,142)
Investment contract liabilities	-	(2,269,101)	(2,269,101)
Other liabilities	-	(2,089,250)	(2,089,250)
	(13,002,169)	(4,358,351)	(17,360,520)
	2023		
Underlying assets			
Loans and receivables	308,756	289,294	598,050
Financial assets at fair value through other comprehensive income	-	1,394,702	1,394,702
Debt instruments at amortised cost	3,969,556	4,322,895	8,292,451
Financial assets at fair value through profit or loss	5,778,320	1,000,288	6,778,608
Investment properties	73,144	324,044	397,188
Cash and cash equivalents	422,683	644,755	1,067,438
	10,552,459	7,975,978	18,528,437
Reinsurance contract assets	1,776,214	-	1,776,214
Insurance contract liabilities	(13,890,174)	-	(13,890,174)
Investment contract liabilities	-	(1,791,702)	(1,791,702)
Other liabilities	-	(1,952,863)	(1,952,863)
	(12,113,960)	(3,744,565)	(15,858,525)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.1 Insurance risk (continued)

3.1.2 Insurance and reinsurance contracts classification - Life Insurance

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.

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.

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
- Annuities	GMM
Participating	
- Indirect Participating (with-profit insurance contracts)	GMM
- Direct Participating (with-profit insurance contracts)	VFA
- Insurance Contracts without DPF	GMM
- Insurance Contracts with DPF (unit-linked insurance contracts)	GMM
- Insurance Contracts with DPF (unit-linked insurance contracts)	VFA
Reinsurance Contracts	GMM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.1 Insurance risk (continued)

3.1.2 Insurance and reinsurance contracts classification - Life insurance (continued)

Concentration of risk

The following tables show the concentration of risk based on benefits assured for the life insurance policies and based on annuities payable for the annuities portfolio:

	Total benefits insured			
	2024			
	Before reinsurance		After reinsurance	
	Rs'000	%	Rs'000	%
Rs'000				
0-50	1,161,786	1	1,066,844	3
50-100	5,567,013	5	5,418,285	15
100-150	2,920,890	3	2,754,841	8
150-200	2,326,781	2	2,140,983	6
200-250	1,955,424	1	1,714,550	5
250-300	2,138,651	2	19,074,711	54
More than 300	95,215,244	86	3,381,430	9
Total	111,285,789	100	35,551,644	100

	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	1,778,370	2	12,086,882	24
More than 300	84,595,720	83	22,494,152	45
Total	101,374,700	100	49,613,505	100

	Total annuities payable per annum			
	2024		2023	
	Rs'000	%	Rs'000	%
Rs'000				
0 - 10	3,301	2	2,904	2
10 - 20	7,447	6	6,598	5
20- 50	27,091	20	23,843	20
50 - 100	29,003	22	25,838	21
100 - 150	18,090	13	15,758	13
More than 150	50,211	37	47,064	39
Total	135,143	100	122,005	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.1 Insurance risk (continued)

3.1.2 Insurance and reinsurance contracts classification - Life Insurance (continued)

(i) Sensitivities

The following tables present information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impact profit before tax, before and after mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

	Change in assumptions	2024		2023 - Restated	
		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%	295	(5,679)	570	(4,395)
	-10%	(1,463)	2,615	(653)	1,843
Expenses	+10%	(18,843)	(19,383)	(20,892)	(18,605)
	-10%	17,986	15,799	16,393	14,235
Mortality/morbidity rate	+10%	(43,135)	(14,654)	(41,108)	(11,775)
	-10%	39,429	9,991	29,532	4,465
Longevity	+10%	22,470	21,589	21,540	20,350
	-10%	(22,633)	(23,912)	(21,669)	(23,327)
Inflation	+1%	(21,292)	(22,361)	(20,794)	(22,839)
	-1%	19,367	18,232	18,160	16,704
Discount rate	+1%	124,387	101,159	138,987	120,022
	-1%	(148,548)	(125,250)	(156,710)	(138,400)

	Change in assumptions	2024		2023 - Restated	
		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%	(19,632)	(51,318)	(17,044)	(44,484)
	-10%	24,008	61,663	19,942	53,606
Expenses	+10%	(29,071)	(28,740)	(28,397)	(27,769)
	-10%	31,054	33,429	35,358	36,116
Mortality/morbidity rate	+10%	(78,121)	(17,836)	(66,991)	(21,307)
	-10%	83,718	23,907	79,598	29,009
Longevity	+10%	27,257	29,260	24,105	26,488
	-10%	(24,093)	(23,940)	(23,528)	(23,068)
Inflation	+1%	(3,907)	(2,836)	(4,260)	(2,836)
	-1%	4,749	5,820	4,698	6,121
Discount rate	+1%	(27,216)	(30,021)	(52,481)	(55,793)
	-1%	36,494	41,583	56,750	62,876

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.1 Insurance risk (continued)

3.1.3 Insurance and reinsurance contracts classification - General Insurance

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with the 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.

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

Outstanding claims				
2024				
	No of claims	Gross Liabilities	Reinsurance of liabilities	Net
		Rs'000	Rs'000	Rs'000
Property	11,736	823,718	(407,388)	416,330
Casualty	30,419	2,345,411	(1,159,976)	1,185,435
IBNR, ULAE & Risk adjustment for non-financial risk	-	764,591	(257,339)	507,252
Effect of discounting	-	(279,619)	117,158	(162,461)
Total	42,155	3,654,101	(1,707,545)	1,946,556

Outstanding claims				
2023				
	No of claims	Gross Liabilities	Reinsurance of liabilities	Net
		Rs'000	Rs'000	Rs'000
Property	8,757	566,713	(280,303)	286,410
Casualty	29,288	1,622,775	(802,643)	820,132
IBNR, ULAE & Risk adjustment for non-financial risk	-	877,003	(231,327)	645,676
Effect of discounting	-	(251,239)	76,374	(174,865)
Total	38,045	2,815,252	(1,237,899)	1,577,353

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.1 Insurance risks (continued)

3.1.3 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

2024					
	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%	(243,944)	(180,382)	(201,049)	(157,872)
Discount rate	+1%	4,235	(4,332)	3,582	(3,810)
Expected loss	-5%	243,944	180,382	201,049	157,872
Discount rate	-1%	(4,370)	(910)	(3,689)	(951)

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)

(ii) Claims Development Tables

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.1 Insurance risks (continued)

3.1.3 Insurance and reinsurance contracts classification - General Insurance (continued)

(ii) Claims Development Tables (continued)

Gross undiscounted liabilities for incurred claims for 2024

Accident Year	Before 2020	2020	2021	2022	2023	2024	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of accident year	-	2,128,843	8,769,676	2,506,270	2,958,339	3,532,029	
One year later	-	2,341,648	2,405,450	2,955,150	3,180,323	-	
Two years later	-	2,155,436	2,490,085	2,875,738	-	-	
Three years later	-	2,220,455	2,485,055	-	-	-	
Four years later	4,078,210	2,225,544	-	-	-	-	
Cumulative Payments to Date	(3,622,767)	(1,965,810)	(2,312,231)	(2,590,628)	(2,658,496)	(2,057,838)	(15,207,770)
Gross cumulative claim liabilities	455,443	259,734	172,824	285,110	521,827	1,474,191	3,169,129
IBNR-best estimate							566,408
Gross undiscounted claim liabilities							3,735,537
Risk adjustment for non-financial risk							150,114
ULAE provision							48,069
Effect of discounting							(279,619)
Gross liabilities for incurred claims							3,654,101

Net undiscounted liabilities for incurred claims for 2024

Accident Year	Before 2020	2020	2021	2022	2023	2024	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of accident year	-	1,390,093	1,772,525	2,041,391	2,478,618	2,541,354	
One year later	-	1,541,233	1,914,125	2,248,334	2,321,455	-	
Two years later	-	1,498,124	1,970,989	2,239,307	-	-	
Three years later	-	1,452,210	1,959,068	-	-	-	
Four years later	2,958,983	1,527,256	-	-	-	-	
Cumulative Payments to Date	(2,773,262)	(1,455,296)	(1,845,676)	(2,058,852)	(2,064,650)	(1,747,922)	(11,945,658)
Net cumulative claim liabilities	185,721	71,960	113,392	180,455	256,805	793,432	1,601,765
IBNR-best estimate							349,204
Net undiscounted claim liabilities							1,950,969
Risk adjustment for non-financial risk							115,182
ULAE provision							42,866
Effect of discounting							(162,461)
Net liabilities for incurred claims							1,946,556

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL 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					
	2024	2023	2024		2023		
	% 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	7%	9%	+/- 207,185	+/- 156,080	+/- 183,755	+/- 141,292	
GBP	2%	9%	+/- 92	+/- 75	+/- 356	+/- 289	
EUR	7%	9%	+/- 22,577	+/- 18,287	+/- 26,646	+/- 22,058	
ZAR	7%	9%	+/- 133	+/- 108	+/- 1,348	+/- 1,119	

		THE COMPANY					
	2024	2023	2024		2023		
	% 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	7%	9%	+/- 77,218	+/- 62,547	+/- 84,986	+/- 70,538	

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 2024

3. MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL 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							
2024		2023	2024				2023 - Restated			
% 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%	2.50%	-/+	310,431	-/+	276,863	-/+	287,598	-/+	257,443
Financial assets and liabilities	2.50%	2.50%	+/-	130,087	+/-	140,035	+/-	115,461	+/-	116,838

		THE COMPANY									
		2024	2023	2024				2023			
		% 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 assets and liabilities											
	2.50%	2.50%	+/-	8,823	+/-	7,147	+/-	6,492	+/-	5,389	

(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 equity price risk 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 COMPANY							
Changes in share price	2024	2023	2024			2023 - Restated				
	% 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%	+/-	-	+/-	9,624	+/-	-	+/-	7,935
	+/-2.5%	+/-2.5%	+/-	95,901	+/-	77,680	+/-	80,466	+/-	66,787
				95,901		87,304		80,466		74,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.2 Financial risks (continued)

3.2.2 Credit risk

Credit risk is the 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 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	
	2024	2023 Restated	2024	2023
Financial assets	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	1,304,688	1,012,308	-	-
Financial assets at fair value through profit or loss	3,724,392	3,559,957	-	-
Debt instruments at amortised cost	9,020,647	8,292,451	809,967	653,049
Loans and receivables	547,946	598,050	1,101,919	1,036,931
Other receivables	161,658	160,953	-	-
Amount receivable from related parties	-	-	8,249	7,550
Reinsurance contract assets	2,258,700	1,776,214	-	-
Insurance contract assets	20,273	-	-	-
Cash and cash equivalents	1,148,323	1,067,438	50,146	110,359
	18,186,627	16,467,371	1,970,281	1,807,889

The collaterals held against loans and receivables are as follows:	Carrying value	Value of collaterals held	Net credit exposure
	Rs'000	Rs'000	Rs'000
2024	599,426	1,442,077	-
2023	584,877	1,411,110	-

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 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL 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 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 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 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.2 Financial risks (continued)

3.2.2 Credit risk (continued)

Grouping financial assets measured on a collective basis

The Group calculates ECLs either on a collective or on an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets
- 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 Group 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 associated 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.2 Financial risks (continued)

3.2.3 Liquidity risk (continued)

The following policies and procedures are in place to mitigate the Group's exposure to liquidity risk:

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 liquidity gap in the bucket of more than five years is due to the insurance contract liabilities having a longer maturity duration (more than 20 years). This gap will be covered by:

(i) the portfolio of highly marketable and diverse assets that can be easily liquidated and will be rolled forward and further invested so as to meet future cash flown needs, and

(ii) the availability of committed lines of credit that can be accessed to meet liquidity needs.

The table below summarises the undiscounted maturity profile of portfolios of insurance contracts issued, portfolios of reinsurance contracts held, and financial assets and liabilities of the Group.

THE GROUP							
2024							
	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	75,709	60,250	260,250	45,250	545,250	325,750	1,312,459
Lease liabilities	68,962	16,506	15,667	15,442	12,821	24,245	153,643
Insurance contract liabilities	4,047,563	1,183,242	863,508	1,069,184	721,098	21,876,015	29,760,610
Investment contract liabilities	2,269,101	-	-	-	-	-	2,269,101
Other payables*	621,896	-	-	-	-	-	621,896
	7,083,231	1,259,998	1,139,425	1,129,876	1,279,169	22,226,010	34,117,709
Reinsurance contract assets	1,921,631	372,679	168,968	128,156	104,649	392,163	3,088,246
Loans and receivables	146,642	125,687	106,272	88,275	63,647	248,547	779,070
Financial assets at FV OCI	553,251	335,344	201,165	394,276	307,823	153,883	1,945,742
Financial assets at FV PL	4,303,796	455,534	782,025	505,178	435,446	2,114,136	8,596,115
Debt instruments at amortised cost	3,986,921	1,007,021	665,184	911,712	718,695	4,274,684	11,564,217
Other receivables	161,658	-	-	-	-	-	161,658
Cash and cash equivalents	1,148,323	-	-	-	-	-	1,148,323
	12,222,222	2,296,265	1,923,614	2,027,597	1,630,260	7,183,413	27,283,371
Liquidity gap	5,138,991	1,036,267	784,189	897,721	351,091	(15,042,597)	(6,834,338)
2023 - Restated							
Borrowings	75,575	60,250	60,250	260,250	45,250	863,813	1,365,388
Lease liabilities	27,645	16,900	14,771	14,185	13,946	17,945	105,392
Insurance contract liabilities	3,201,634	974,904	1,084,558	867,802	980,590	19,791,074	26,900,562
Investment contract liabilities	1,791,702	-	-	-	-	-	1,791,702
Other payables*	575,459	-	-	-	-	-	575,459
	5,672,015	1,052,054	1,159,579	1,142,237	1,039,786	20,672,832	30,738,503
Reinsurance contract assets	1,678,956	262,704	158,222	115,410	89,395	332,153	2,636,840
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	3,717,698	377,592	415,384	669,123	496,520	2,315,635	7,991,952
Debt instruments at amortised cost	3,035,105	699,928	739,626	536,775	858,738	4,195,784	10,065,956
Other receivables	160,953	-	-	-	-	-	160,953
Cash and cash equivalents	1,067,438	-	-	-	-	-	1,067,438
	10,257,979	1,677,275	1,629,211	1,519,687	1,887,175	7,283,571	24,254,898
Liquidity gap	4,585,964	625,221	469,632	377,450	847,389	(13,389,261)	(6,483,605)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.2 Financial risks (continued)

3.2.3 Liquidity risk (continued)

THE COMPANY							
2024							
	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	60,250	60,250	260,250	45,250	545,250	325,750	1,297,000
Other payables*	6,590	-	-	-	-	-	6,590
	66,840	60,250	260,250	45,250	545,250	325,750	1,303,590
Loans and receivables	1,008,256	4,500	4,500	4,500	4,500	106,750	1,133,006
Debt instruments at amortised cost	36,895	36,895	36,895	36,895	236,895	456,464	840,939
Amount receivable from related parties	8,249	-	-	-	-	-	8,249
Cash and cash equivalents	50,146	-	-	-	-	-	50,146
	1,103,546	41,395	41,395	41,395	241,395	563,214	2,032,340
Liquidity gap	1,036,706	(18,855)	(218,855)	(3,855)	(303,855)	237,464	728,750
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	60,250	60,250	260,250	45,250	863,813	1,365,388
Other payables*	5,703	-	-	-	-	-	5,703
	81,278	60,250	60,250	260,250	45,250	863,813	1,371,091
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	(18,855)	(18,855)	(218,855)	(3,855)	75,476	831,841

* Loans repaid in advance and refund to customers have been excluded from other payables.

3.3 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 38 for fair value disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 MANAGEMENT OF INSURANCE, FINANCIAL AND CAPITAL RISKS (CONTINUED)

3.4 Capital management

- The Group's objectives when managing capital are:
- to comply with the minimum capital requirements according to regulatory requirements within the Mauritian as well as the overseas African jurisdictions where it operates.
 - 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 it minimises 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 2024 and 2023 for both life and general businesses.

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

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	
	2024	2023	2024	2023 Restated	2024	2023	2024	2023	2024	2023	2024	2023
	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/ admissible shareholder assets	1,441,821	1,421,577	1,059,548	971,763	(419,157)	(260,212)	1,371,856	693,025	242,789	236,418	384,729	294,510
Borrowings	305,646	306,114	-	-	437,382	434,390	-	-	-	-	-	-
	1,747,467	1,727,691	1,059,548	971,763	18,225	174,178	1,371,856	693,025	242,789	236,418	384,729	294,510
Adjustments onto a regulatory basis	(472,431)	(579,282)	1,775,000	1,502,000	(115,407)	(149,645)	(814,676)	(254,426)	(73,227)	(60,355)	(41,321)	(50,979)
Available capital resources	1,275,036	1,148,409	2,834,548	2,473,763	(97,182)	24,533	557,180	438,599	169,562	176,063	343,408	243,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4 PROPERTY AND EQUIPMENT - OWNED

(a)	THE GROUP		Land and Buildings		Office equipment, computers, fixtures, fittings & other electricals	Motor vehicles	Total
	2024	Note	Freehold land	Buildings on freehold land			
			Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION							
	At 01 January 2024		-	179,089	439,985	27,861	646,935
	Additions during the year		-	-	29,953	10,614	40,567
	Disposals during the year		-	-	(346)	(3,710)	(4,056)
	Exchange differences		-	(54)	17,634	2,937	20,517
	At 31 December 2024		-	179,035	487,226	37,702	703,963
ACCUMULATED DEPRECIATION							
	At 01 January 2024		-	3,185	321,708	14,486	339,379
	Charge for the year		-	3,554	40,529	5,251	49,334
	Disposals during the year		-	-	(155)	(2,421)	(2,576)
	Revaluation adjustment		-	(2,340)	-	-	(2,340)
	Exchange differences		-	(54)	13,357	2,420	15,723
	At 31 December 2024		-	4,345	375,439	19,736	399,520
CARRYING AMOUNT							
	At 31 December 2024		-	174,690	111,787	17,966	304,443
2023							
COST OR VALUATION							
	At 01 January 2023, as restated		40,000	327,000	418,039	36,149	821,188
	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	41	(40,000)	(131,600)	-	-	(171,600)
	Exchange differences		-	(311)	(14,480)	(2,555)	(17,346)
	At 31 December 2023		-	179,089	439,985	27,861	646,935
ACCUMULATED DEPRECIATION							
	At 01 January 2023		-	8,223	304,773	23,829	336,825
	Charge for the year		-	6,206	38,432	3,447	48,085
	Disposals during the year		-	(507)	(11,198)	(10,799)	(22,504)
	Revaluation adjustment		-	(10,433)	-	-	(10,433)
	Exchange differences		-	(304)	(10,299)	(1,991)	(12,594)
	At 31 December 2023		-	3,185	321,708	14,486	339,379
CARRYING AMOUNT							
	At 31 December 2023		-	175,904	118,277	13,375	307,556

There are no pledges on the Group's property and equipment. Furniture and fittings include work in progress (WIP) of Rs 7.1m (2023: Rs nil) which represent renovation works of new offices in Caudan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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.

At 31 December 2024, the Group had obtained an independent assessment that the fair values of the land and buildings did not differ materially from the carrying amounts at the reporting date.

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

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Cost	33,734	33,734
Accumulated depreciation	(12,040)	(10,861)
Net book values	21,694	22,873

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

5 LEASES

- (a) Right of use assets - Buildings

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

- (b) Lease liabilities

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
At 01 January	93,635	133,225
Additions	60,519	20,161
Disposals / Cancelled contracts	(139)	(22,910)
Accretion of interest	12,025	10,965
Lease modification	13,914	(1,620)
Payments	(64,852)	(38,164)
Exchange difference	9,406	(8,022)
At 31 December	124,508	93,635

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5 LEASES (CONTINUED)

THE GROUP	
2024	2023
Rs'000	Rs'000
(c) <u>Amounts recognised in statement of profit or loss</u>	
Depreciation expense of right-of-use assets	51,97428,823
Interest expense on lease liabilities	12,02510,965
Gain on cancellation of contract	-(624)
Gain on modification of contract	(2,203)(710)
	61,79638,454
(d) <u>The total cash outflows for leases were as follows:</u>	
Principal	52,82727,199
Interest	12,02510,965
	64,85238,164

6 INVESTMENT PROPERTIES

THE GROUP	
2024	2023
Rs'000	Rs'000
At 01 January	397,188541,959
Additions	584,592
Disposals	-(52,000)
Decrease in fair value	-(80,442)
Exchange differences	21,479(16,921)
<u>At 31 December</u>	<u>418,725397,188</u>

Investment properties relate to land and buildings held by the Group in Mauritius and a multi-storey building in Tanzania.

A full valuation exercise of the investment properties were carried out as at 31 December 2023 by the following:

- (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 38 for more details.

At 31 December 2024, the Group had obtained an independent assessment that the fair values of the investment properties did not differ materially from the carrying amounts at the reporting date.

The rental income arising during the year amounted to **Rs 19.2m** (2023: Rs 19.9m) for the Group, which is included in investment income. Direct operating expenses incurred during the year amounted to **Rs 2.6m** (2023: Rs 1.6m).

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 2024

7 INTANGIBLE ASSETS

		THE GROUP				
	Note	Goodwill	Client portfolio	Computer software	Work in Progress	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<u>2024</u>						
COST						
At 01 January 2024		457,556	467,555	288,768	4,117	1,217,996
Additions during the year		-	-	4,893	2,771	7,664
Transfer from work in progress		-	-	1,480	(1,480)	-
Exchange differences		6,649	8,803	2,475	(54)	17,873
		464,205	476,358	297,616	5,354	1,243,533
<u>At 31 December 2024</u>						
AMORTISATION AND IMPAIRMENT						
At 01 January 2023		166,830	323,099	226,794	-	716,723
Charge for the year		-	32,264	22,714	-	54,978
Exchange differences		-	5,993	1,921	-	7,914
		166,830	361,356	251,429	-	779,615
<u>At 31 December 2024</u>		<u>297,375</u>	<u>115,002</u>	<u>46,187</u>	<u>5,354</u>	<u>463,918</u>
<u>2023</u>						
COST						
At 01 January 2023		464,573	475,614	268,603	16,477	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)
		457,556	467,555	288,768	4,117	1,217,996
<u>At 31 December 2023</u>						
AMORTISATION AND IMPAIRMENT						
At 01 January 2023		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)
		166,830	323,099	226,794	-	716,723
<u>At 31 December 2023</u>		<u>166,830</u>	<u>323,099</u>	<u>226,794</u>	<u>-</u>	<u>716,723</u>
<u>At 31 December 2023</u>						
CARRYING AMOUNT						
At 31 December 2023		290,726	144,456	61,974	4,117	501,273

Work in progress relates to the new softwares that are being customised for internal use.

For Goodwill impairment assessment, refer to note 43.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

8 INVESTMENTS IN SUBSIDIARIES

(a) Unquoted
At 01 January
Additions resulting from share option scheme charge
Additional investment
Impairment charge
At 31 December

THE COMPANY	
2024	2023
Rs'000	Rs'000
2,026,631	1,885,731
2,630	7,889
-	133,011
(150,000)	-
1,879,261	2,026,631

During the year ended 31 December 2024, the carrying amount of the investment in MUA Transafrica Holdings Limited decreased by **Rs 150m** following an impairment review of the underlying investment held by the latter in MUA Insurance (Kenya) Ltd. This was primarily due to the adverse financial position of the entity.

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	Value of investment for Category A		Class of shares held	% interest held by the Group		% of ownership interest held by NCI	
				2024	2023		2024	2023	2024	2023
				Rs'000	Rs'000					
The Mauritius Union Assurance Cy. Ltd	A	General Insurance business	Mauritius	1,258,545	1,255,915	Ordinary	100%	100%	-	-
MUA Transafrica Holdings Limited	A	Investment holding	Kenya	465,145	615,145	Ordinary	100%	100%	-	-
MUA Investment Holding Limited	A	Investment holding	Mauritius	656	656	Ordinary	100%	100%	-	-
MUA Insurance (Rwanda) Ltd	A	General Insurance business	Rwanda	132,355	132,355	Ordinary	100%	100%	-	-
MUA Life Ltd	B	Life Insurance	Mauritius	-	-	Ordinary	100%	100%	-	-
MUA Mutual Fund Ltd	B	Fund management	Mauritius	-	-	Ordinary	98.60%	98.60%	1.40%	1.40%
MUA Stockbroking Ltd	B	Dormant (in process of winding up)	Mauritius	-	-	Ordinary	80%	80%	20%	20%
Compagnie du Decadel Limitée	B	Property holding	Mauritius	-	-	Ordinary	100%	100%	-	-
MUA Pension Ltd	B	Manager & Consultant of pension funds	Mauritius	-	-	Ordinary	100%	100%	-	-
Risk Advisory Services Limited	D	Property holding	Mauritius	-	-	Ordinary	100%	100%	-	-
MUA Reinsurance Company Limited	B	Reinsurance business	Mauritius	-	-	Ordinary	100%	100%	-	-
Prudence Properties Ltd	D	Property Developer	Mauritius	-	-	Ordinary	100%	100%	-	-
Prudence Realty Ltd	D	Dormant	Mauritius	-	-	Ordinary	100%	100%	-	-
MUA Insurance (Kenya) Ltd	C	General Insurance business	Kenya	-	-	Ordinary	66.38%	66.38%	33.62%	33.62%
MUA Insurance (Tanzania) Limited	C	General Insurance business	Tanzania	-	-	Ordinary	33.89%	33.89%	66.11%	66.11%
MUA Insurance (Uganda) Ltd	A/C	General Insurance business	Uganda	22,560	22,560	Ordinary	63.68%	63.68%	36.32%	36.32%
				1,879,261	2,026,631					

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.
Category D: These relate to subsidiaries of MUA Life Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

8 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information of subsidiaries with material non-controlling interests ('NCI'):

2024	MUA Insurance (Kenya) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Uganda) Ltd
	Rs'000	Rs'000	Rs'000
Proportion of NCI	33.62%	66.11%	36.32%
Total assets	1,148,891	1,625,995	470,043
Total liabilities	(1,563,983)	(817,976)	(227,254)
Net (liabilities)/assets	(415,092)	808,019	242,789
Carrying amounts of NCI	(139,554)	534,181	88,181
Revenue	867,267	822,669	413,528
(Loss)/profit for the year	(77,455)	47,475	(16,438)
Other comprehensive income for the year	4,920	20,428	654
Comprehensive income for the year	(72,535)	67,903	(15,784)
(Loss)/profit allocated to NCI	(26,040)	31,386	(5,970)
Comprehensive income allocated to NCI	(24,386)	44,891	(5,733)
2023	MUA Insurance (Kenya) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Uganda) Ltd
	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

8 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Summarised cash flow information:

2024	MUA Insurance (Kenya) Ltd	MUA Insurance (Tanzania) Limited	MUA Insurance (Uganda) Ltd
	Rs'000	Rs'000	Rs'000
Net cash (used in) / from operating activities	(72,851)	(168,860)	11,096
Net cash from / (used in) investing activities	48,234	123,179	(16,588)
Net cash (used in) / from financing activities	(137,615)	11,934	(2,948)
Net (decrease) in cash and cash equivalents	(162,232)	(33,747)	(8,440)
2023			
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

(d) There are no restrictions to transfer assets to or from entities within the Group.

9 INVESTMENT IN ASSOCIATE

In 2023, the Group disposed of its 40% interest in Compagnie du Congo (Société Anonyme). The registered office is Boulevard Bischoffsheim, 33 boîte 1, 1000, Bruxelles.

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
At 01 January	-	1,080
Disposal	-	(1,080)
At 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

10 INVESTMENT IN JOINT VENTURES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	11,525	13,555	495	495
Share of profit/(loss)	689	(136)	-	-
Exchange difference	2,141	(1,894)	-	-
At 31 December	14,355	11,525	495	495

(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			
			2024		2023	
			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	
	2024	2023
	Rs'000	Rs'000
Current assets	13,051	-
Non-current assets	228,188	160,462
Current liabilities	(24,743)	(19,062)
Equity	216,496	141,400
% holding	50% -5.1%	50% -5.1%
Group's share in equity	14,355	11,525
Revenue and other income	31,912	18,233
Expenses	(5,902)	(18,027)
Profit before income tax	26,010	206
Income tax	(4,010)	(3,443)
Profit/(loss) for the year	22,000	(3,237)
Comprehensive income for the year	22,000	(3,237)
Group's share of profit/(loss)	689	(136)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11 DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method at 19% for the local entities and 30% for the subsidiaries in Kenya, Tanzania and Uganda and 28% for the subsidiary in Rwanda.

(a) The movement in the deferred income tax account is as follows :

	Note	THE GROUP	
		2024	2023 Restated
		Rs'000	Rs'000
At 01 January		(7,644)	(57,735)
Under provision in previous years	17 (a)	3,595	-
Recognised in profit or loss	17 (a)	15,993	51,406
Recognised in OCI		(8,371)	(4,036)
Exchange differences		(2,354)	2,721
At 31 December		1,219	(7,644)
(b) The following amounts are shown in the statement of financial position:			
Deferred income tax liabilities		(67,885)	(53,206)
Deferred income tax assets		69,104	45,562
		1,219	(7,644)

Deferred income tax assets and liabilities are attributable to the following:

Deferred income tax liabilities		
Revaluation of investment property	(69,551)	(62,954)
Difference between capital allowances and depreciation	(21,789)	(25,882)
Fair value gain on equity investment	(12,339)	(2,219)
	(103,679)	(91,055)
Set-off of deferred income tax assets*	35,794	37,849
Net deferred income tax liabilities	(67,885)	(53,206)
Deferred income tax assets		
Difference between capital allowances and depreciation	10,521	(455)
Provision for bad debts	41,446	32,014
Provision for impairment of loan receivables	204	328
Provision for impairment on balances with related parties	6,368	3,882
Provision for outstanding claims	16,424	3,021
IFRS 16 impact	(501)	837
Employee benefit obligations	4,893	3,039
Unrealised exchange gains	6,759	3,601
Tax losses carried forward	18,784	37,144
	104,898	83,411
Set-off of deferred tax liabilities*	(35,794)	(37,849)
Net deferred income tax assets	69,104	45,562
	1,219	(7,644)

*The setting-off of deferred income tax assets and liabilities arises on taxes levied by the same tax authority on different taxable entities settling deferred income tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

12 OTHER RECEIVABLES

	THE GROUP	
	2024	2023 Restated
	Rs'000	Rs'000
Staff loans and advances	15,410	17,671
Advances	4,377	1,403
Amounts due from governmental bodies	16,602	3,089
Guarantee	1,771	1,303
VAT	29,521	52,529
Withholding tax receivable	6,171	1,076
Dividend receivable	2,498	23,256
Interest receivable	19,814	27,218
Escrow account	8,561	8,561
Deposit receivable	21,369	4,520
Pension fund receivable	27,022	22,624
Rent receivable	10,410	10,142
Other receivables	38,201	42,569
	201,727	215,961

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	
	2024	2023
	Rs'000	Rs'000
Loan receivable from	41,481	41,531

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.

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, 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 rates ranging from 4.65% to 7.50% p.a (2023: 5.15% to 8.00%) and are unsecured.

(b) The Company

	2024	2023
Subsidiaries:	Rs'000	Rs'000
Amounts owed by	8,249	7,550
Amounts owed to	6,108	-

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.

(c) Remuneration of key management personnel

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Salaries and short-term employee benefits	200,169	193,199
Post-employment benefits	11,221	10,173
	211,390	203,372

Key management personnel consist of the Chief Executive Officer and senior managers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14 INSURANCE AND REINSURANCE CONTRACTS

The breakdown of portfolios 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:

Insurance contracts issued

Life Risk

Term Assurance - GMM

Term Assurance - PAA

Annuities

Participating

Indirect participating

Direct participating

Insurance contracts without DPF

Insurance contracts with DPF - GMM

Insurance contracts with DPF - VFA

General insurance

Property

Casualty

Total insurance contracts issued

Reinsurance contracts held - General insurance

Reinsurance contracts held - Life insurance

Total reinsurance contracts held

2024		
Assets	Liabilities	Net
Rs'000	Rs'000	Rs'000
-	44,100	44,100
(20,273)	-	(20,273)
-	411,975	411,975
-	2,066,422	2,066,422
-	803,215	803,215
-	19,665	19,665
-	3,469,062	3,469,062
-	4,114,545	4,114,545
-	1,319,296	1,319,296
-	3,032,862	3,032,862
(20,273)	15,281,142	15,260,869
(2,039,677)	-	(2,039,677)
(219,023)	-	(219,023)
(2,258,700)	-	(2,258,700)

2023 - Restated

Assets	Liabilities	Net
Rs'000	Rs'000	Rs'000
-	29,906	29,906
-	2,888	2,888
-	442,906	442,906
-	1,949,745	1,949,745
-	869,663	869,663
-	15,142	15,142
-	3,142,082	3,142,082
-	3,914,206	3,914,206
-	1,021,260	1,021,260
-	2,502,376	2,502,376
-	13,890,174	13,890,174
(1,556,230)	-	(1,556,230)
(219,984)	-	(219,984)
(1,776,214)	-	(1,776,214)

Insurance contracts issued

Life Risk

Term Assurance - GMM

Term Assurance - PAA

Annuities

Participating

Indirect participating

Direct participating

Insurance contracts without DPF

Insurance contracts with DPF - GMM

Insurance contracts with DPF - VFA

General Insurance

Property

Casualty

Total insurance contracts issued

Reinsurance contracts held - General insurance

Reinsurance contracts held - Life insurance

Total reinsurance contracts held

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 roll forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Property, is disclosed in the table below:

Property	2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	292,579	708,493	20,188	1,021,260
Insurance revenue	(1,589,484)	-	-	(1,589,484)
Insurance service expenses				
Incurring insurance service expenses:				
Claims	-	853,852	14,086	867,938
Expenses	-	90,694	-	90,694
Amortisation of insurance acquisition cash flows	344,457	-	-	344,457
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	36,171	(6,937)	29,234
Total Insurance service expenses	344,457	980,717	7,149	1,332,323
Total Insurance service result	(1,245,027)	980,717	7,149	(257,161)
Total Insurance Finance Income or Expense	-	68,147	1,675	69,822
Total Changes in the Statement of Profit or Loss	(1,245,027)	1,048,864	8,824	(187,339)
Exchange differences on translation of foreign operations	16,391	34,542	1,504	52,437
Cash flows				
Premium received	1,620,742	-	-	1,620,742
Claims and other expenses paid	-	(872,222)	-	(872,222)
Insurance acquisition cash flows	(315,161)	-	(421)	(315,582)
Total cash flows	1,305,581	(872,222)	(421)	432,938
Net insurance contract liabilities as at 31 December	369,524	919,677	30,095	1,319,296

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)

Property	2023			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
	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)
Insurance service expenses				
Incurring insurance service expenses:				
Claims	-	809,157	8,037	817,194
Expenses	-	74,760	-	74,760
Amortisation of insurance acquisition cash flows	332,556	-	-	332,556
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 Financial Performance	(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	-	-	1,561,586
Claims and other expenses paid	-	(415,340)	59	(415,281)
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 2024

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)

The roll forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Casualty, is disclosed in the table below:

Casualty	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss 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	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	415,805	-	1,999,862	86,709	2,502,376
Insurance revenue	(5,064,292)	-	-	-	(5,064,292)
Insurance service expenses					
Incurring insurance service expenses:					
Claims	-	-	2,685,875	68,288	2,754,163
Expenses	-	-	364,295	-	364,295
Amortisation of insurance acquisition cash flows	907,730	-	-	-	907,730
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	160,581	(64,032)	96,549
Total Insurance service expenses	907,730	-	3,210,751	4,256	4,122,737
Total Insurance service result	(4,156,562)	-	3,210,751	4,256	(941,555)
Total Insurance Finance Income or Expense	-	-	221,623	14,530	236,153
Total Changes in the Statement of Profit or Loss	(4,156,562)	-	3,432,374	18,786	(705,402)
Exchange differences on translation of foreign operations	14,741	-	184,177	14,103	213,021
Cash flows					
Premium received	5,028,860	-	-	-	5,028,860
Claims and other expenses paid	-	-	(3,032,103)	-	(3,032,103)
Insurance acquisition cash flows	(974,311)	-	-	421	(973,890)
Total cash flows	4,054,549	-	(3,032,103)	421	1,022,867
Net insurance contract liabilities as at 31 December	328,533	-	2,584,310	120,019	3,032,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)

Casualty	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss 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	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 2024

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 - GMM, is disclosed in the table below:

				2024	2023 - Restated			
	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 (assets)/ liabilities as at 01 January	(9,466)	27,834	11,538	29,906	13,287	96,936	12,131	122,354
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(39,130)	-	-	(39,130)	(43,011)	-	-	(43,011)
Change in risk adjustment for non-financial risk for risk expired	(7,189)	-	-	(7,189)	(10,056)	-	-	(10,056)
Expected insurance service expenses incurred:								
Claims	(85,301)	-	-	(85,301)	(125,166)	-	-	(125,166)
Expenses	(48,461)	-	-	(48,461)	(59,370)	-	-	(59,370)
Recovery of insurance acquisition cash flows	(7,744)	-	-	(7,744)	(11,384)	-	-	(11,384)
Experience adjustment not related to future service	19,477	-	-	19,477	2,089	-	-	2,089
	(168,348)	-	-	(168,348)	(246,898)	-	-	(246,898)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(7,102)	-	-	(7,102)	(2,708)	-	-	(2,708)
Change in risk adjustment for non-financial risk for risk expired	(1,817)	-	-	(1,817)	(1,239)	-	-	(1,239)
Expected insurance service expenses incurred:								
Claims	(22,216)	-	-	(22,216)	(15,481)	-	-	(15,481)
Expenses	(7,474)	-	-	(7,474)	(5,190)	-	-	(5,190)
Experience adjustment not related to future service	2,944	-	-	2,944	(24,551)	-	-	(24,551)
	(35,665)	-	-	(35,665)	(49,169)	-	-	(49,169)
Insurance revenue - Post transition								
CSM recognised for services provided	(43,907)	-	-	(43,907)	(24,834)	-	-	(24,834)
Change in risk adjustment for non-financial risk for risk expired	(11,942)	-	-	(11,942)	(8,113)	-	-	(8,113)
Expected insurance service expenses incurred:								
Claims	(147,002)	-	-	(147,002)	(100,261)	-	-	(100,261)
Expenses	(66,732)	-	-	(66,732)	(51,900)	-	-	(51,900)
Recovery of insurance acquisition cash flows	(15,581)	-	-	(15,581)	(10,650)	-	-	(10,650)
Experience adjustment not related to future service	27,458	-	-	27,458	33,622	-	-	33,622
	(257,706)	-	-	(257,706)	(162,136)	-	-	(162,136)
Total Insurance revenue - All Transition Methods	(461,719)	-	-	(461,719)	(458,203)	-	-	(458,203)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 - GMM, is disclosed in the table below:

				2024	2023 - Restated			
	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								
Claims	-	(5,110)	149,975	144,865	-	(19,164)	116,816	97,652
Expenses	-	(2,097)	76,254	74,157	-	(6,191)	42,327	36,136
Amortisation of insurance acquisition cash flows	23,325	-	-	23,325	22,034	-	-	22,034
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	232	232	-	-	(594)	(594)
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	16,430	-	16,430	-	17,071	-	17,071
Losses and reversal of losses on onerous contracts - subsequent measurement	-	9,078	-	9,078	-	(61,159)	-	(61,159)
Total Insurance service expenses	23,325	18,301	226,461	268,087	22,034	(69,443)	158,549	111,140
Total Insurance service result	(438,394)	18,301	226,461	(193,632)	(436,169)	(69,443)	158,549	(347,063)
Total Insurance Finance Income or Expense	3,664	(412)	-	3,252	1,903	341	-	2,244
Total Changes in the Statement of Profit or Loss	(434,730)	17,889	226,461	(190,380)	(434,266)	(69,102)	158,549	(344,819)
Cash flows								
Premium received	460,254	-	-	460,254	435,117	-	-	435,117
Claims and other expenses paid	-	-	(226,229)	(226,229)	-	-	(159,142)	(159,142)
Insurance acquisition cash flows	(29,451)	-	-	(29,451)	(23,604)	-	-	(23,604)
Total cash flows	430,803	-	(226,229)	204,574	411,513	-	(159,142)	252,371
Net insurance contract (assets)/ liabilities as at 31 December	(13,393)	45,723	11,770	44,100	(9,466)	27,834	11,538	29,906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 - PAA is disclosed in the table below:

	2024				2023 - Restated			
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	2,850	38	-	2,888	15,183	205	-	15,388
Insurance revenue								
Expected premium receipts allocation	(120,684)	-	-	(120,684)	(147,945)	-	-	(147,945)
	(120,684)	-	-	(120,684)	(147,945)	-	-	(147,945)
Insurance service expenses								
Claims	-	(7)	59,676	59,669	-	(3)	64,398	64,395
Expenses	-	(1)	-	(1)	-	-	-	-
Amortisation of insurance acquisition cash flows	7,067	-	-	7,067	2,984	-	-	2,984
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	23	-	23	-	43	-	43
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(20)	-	(20)	-	(207)	-	(207)
Total Insurance service expenses	7,067	(5)	59,676	66,738	2,984	(167)	64,398	67,215
Total Insurance service result	(113,617)	(5)	59,676	(53,946)	(144,961)	(167)	64,398	(80,730)
Total Insurance Finance Income or Expense	15	1	(24,000)	(23,984)	12	-	-	12
Total Changes in the Statement of Profit or Loss	(113,602)	(4)	35,676	(77,930)	(144,949)	(167)	64,398	(80,718)
Cash flows								
Premium received	119,366	-	-	119,366	136,425	-	-	136,425
Claims and other expenses paid	-	-	(59,676)	(59,676)	-	-	(64,398)	(64,398)
Insurance acquisition cash flows	(4,921)	-	-	(4,921)	(3,809)	-	-	(3,809)
Total cash flows	114,445	-	(59,676)	54,769	132,616	-	(64,398)	68,218
Net insurance contract liabilities/ (assets) as at 31 December	3,693	34	(24,000)	(20,273)	2,850	38	-	2,888

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Annuities, is disclosed in the table below:

	2024				2023 - Restated			
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	318,647	120,651	3,608	442,906	285,272	114,430	3,527	403,229
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(22,581)	-	-	(22,581)	(10,718)	-	-	(10,718)
Change in risk adjustment for non-financial risk for risk expired	(5)	-	-	(5)	(8)	-	-	(8)
Expected insurance service expenses incurred:								
Claims	(1,089)	-	-	(1,089)	8,105	-	-	8,105
Expenses	(119)	-	-	(119)	(195)	-	-	(195)
Recovery of insurance acquisition cash flows	(620)	-	-	(620)	(1,419)	-	-	(1,419)
Experience adjustment not related to future service	16	-	-	16	16	-	-	16
	(24,398)	-	-	(24,398)	(4,219)	-	-	(4,219)
Insurance revenue - Fair value approach								
Change in risk adjustment for non-financial risk for risk expired	(25)	-	-	(25)	(26)	-	-	(26)
Expected insurance service expenses incurred:								
Claims	(11,638)	-	-	(11,638)	(8,122)	-	-	(8,122)
Expenses	(588)	-	-	(588)	(641)	-	-	(641)
Experience adjustment not related to future service	15	-	-	15	16	-	-	16
	(12,236)	-	-	(12,236)	(8,773)	-	-	(8,773)
Insurance revenue - Post transition								
CSM recognised for services provided	(868)	-	-	(868)	(610)	-	-	(610)
Change in risk adjustment for non-financial risk for risk expired	(14)	-	-	(14)	(15)	-	-	(15)
Expected insurance service expenses incurred:								
Claims	54	-	-	54	174	-	-	174
Expenses	(85)	-	-	(85)	(50)	-	-	(50)
Recovery of insurance acquisition cash flows	(984)	-	-	(984)	(324)	-	-	(324)
Experience adjustment not related to future service	2,049	-	-	2,049	25,510	-	-	25,510
	152	-	-	152	24,685	-	-	24,685
Total Insurance revenue - All Transition Methods	(36,482)	-	-	(36,482)	11,693	-	-	11,693

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Annuities, is disclosed in the table below:

	2024				2023 - Restated			
	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	-	(8,273)	12,556	4,283	-	(15,302)	8,693	(6,609)
Expenses	-	(501)	619	118	-	(435)	417	(18)
Amortisation of insurance acquisition cash flows	1,604	-	-	1,604	1,745	-	-	1,745
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	688	688	-	-	81	81
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	1,667	-	1,667	-	1,140	-	1,140
Losses and reversal of losses on onerous contracts - subsequent measurement	-	1,971	-	1,971	-	17,523	-	17,523
Total Insurance service expenses	1,604	(5,136)	13,863	10,331	1,745	2,926	9,191	13,862
Investment components	(21,059)	-	21,059	-	(26,951)	-	26,951	-
Total Insurance service result	(55,937)	(5,136)	34,922	(26,151)	(13,513)	2,926	36,142	25,555
Total Insurance Finance Income or Expense	5,310	4,441	-	9,751	47,690	3,295	-	50,985
Total Changes in the Statement of Profit or Loss	(50,627)	(695)	34,922	(16,400)	34,177	6,221	36,142	76,540
Cash flows								
Premium received	26,483	-	-	26,483	3,527	-	-	3,527
Claims and other expenses paid	-	-	(34,233)	(34,233)	-	-	(36,061)	(36,061)
Insurance acquisition cash flows	(6,781)	-	-	(6,781)	(4,329)	-	-	(4,329)
Total cash flows	19,702	-	(34,233)	(14,531)	(802)	-	(36,061)	(36,863)
Net insurance contract liabilities as at 31 December	287,722	119,956	4,297	411,975	318,647	120,651	3,608	442,906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Indirect Participating, is disclosed in the table below:

	2024			2023 - Restated		
	Liabilities for remaining coverage	Liabilities for incurred claims		Liabilities for remaining coverage	Liabilities for incurred claims	
	Excluding loss component	Estimates of the present value of future cash flows	Total	Excluding loss component	Estimates of the present value of future cash flows	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	1,949,745	-	1,949,745	1,672,373	-	1,672,373
Insurance revenue - Fair value approach						
CSM recognised for services provided	(16,657)	-	(16,657)	(8,520)	-	(8,520)
Change in risk adjustment for non-financial risk for risk expired	(262)	-	(262)	(9,781)	-	(9,781)
Expected insurance service expenses incurred:						
Claims	98,847	-	98,847	61,452	-	61,452
Expenses	(7,474)	-	(7,474)	(7,673)	-	(7,673)
Experience adjustment not related to future service	(83)	-	(83)	2,211	-	2,211
Total Insurance revenue	74,371	-	74,371	37,689	-	37,689
Insurance service expenses						
Incurred insurance service expenses:						
Claims	-	36,263	36,263	-	(906)	(906)
Expenses	-	16,488	16,488	-	4,239	4,239
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(43,126)	(43,126)	(9,060)	-	(9,060)
Total Insurance service expenses	-	9,625	9,625	(9,060)	3,333	(5,727)
Investment components	(43,991)	43,991	-	(56,942)	56,942	-
Total Insurance service result	30,380	53,616	83,996	(28,313)	60,275	31,962
Total Insurance Finance Income or Expense	120,044	-	120,044	284,848	-	284,848
Total Changes in the Statement of Profit or Loss	150,424	53,616	204,040	256,535	60,275	316,810
Cash flows						
Premium received	3,932	-	3,932	20,837	-	20,837
Claims and other expenses paid	-	(91,295)	(91,295)	-	(60,275)	(60,275)
Total cash flows	3,932	(91,295)	(87,363)	20,837	(60,275)	(39,438)
Net insurance contract liabilities/(assets) as at 31 December	2,104,101	(37,679)	2,066,422	1,949,745	-	1,949,745

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Direct Participating, is disclosed in the table below:

	2024				2023 - Restated			
	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/ (assets) as at 01 January	858,329	13,902	(2,568)	869,663	912,877	9,247	-	922,124
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(84)	-	-	(84)	(80)	-	-	(80)
Change in risk adjustment for non-financial risk for risk expired	(1)	-	-	(1)	(2)	-	-	(2)
Expected insurance service expenses incurred:								
Claims	(5,614)	-	-	(5,614)	(606)	-	-	(606)
Expenses	(560)	-	-	(560)	(593)	-	-	(593)
Recovery of insurance acquisition cash flows	(447)	-	-	(447)	(430)	-	-	(430)
Experience adjustment not related to future service	379	-	-	379	251	-	-	251
	(6,327)	-	-	(6,327)	(1,460)	-	-	(1,460)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(17,106)	-	-	(17,106)	(23,885)	-	-	(23,885)
Change in risk adjustment for non-financial risk for risk expired	456	-	-	456	453	-	-	453
Expected insurance service expenses incurred:								
Claims	43,549	-	-	43,549	63,595	-	-	63,595
Expenses	6,281	-	-	6,281	6,474	-	-	6,474
Experience adjustment not related to future service	(14,906)	-	-	(14,906)	12,089	-	-	12,089
	18,274	-	-	18,274	58,726	-	-	58,726
Total Insurance revenue - All Transition Methods	11,947	-	-	11,947	57,266	-	-	57,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

The roll-forward of the net asset or liability for insurance contracts issued, showing the LRC and the LIC for Direct Participating, is disclosed in the table below:

	2024				2023 - Restated			
	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	-	(2,228)	29,943	27,715	(66,461)	(323)	121,242	54,458
Expenses	-	(181)	(4,614)	(4,795)	(10,513)	(140)	7,065	(3,588)
Amortisation of insurance acquisition cash flows	447	-	-	447	431	-	-	431
Changes that relate to future service:								
Losses and reversal of losses on onerous contracts - subsequent measurement	-	1,579	-	1,579	-	5,118	-	5,118
Total Insurance service expenses	447	(830)	25,329	24,946	(76,543)	4,655	128,307	56,419
Investment components	(55,789)	-	55,789	-	(57,516)	-	57,516	-
Total Insurance service result	(43,395)	(830)	81,118	36,893	(76,793)	4,655	185,823	113,685
Total Insurance Finance Income or Expense	(14,024)	-	-	(14,024)	(26,789)	-	-	(26,789)
Total Changes in the Statement of Profit or Loss	(57,419)	(830)	81,118	22,869	(103,582)	4,655	185,823	86,896
Cash flows								
Premium received	166,476	-	-	166,476	49,034	-	-	49,034
Claims and other expenses paid	-	-	(255,793)	(255,793)	-	-	(188,391)	(188,391)
Total cash flows	166,476	-	(255,793)	(89,317)	49,034	-	(188,391)	(139,357)
Net insurance contract liabilities/(assets) as at 31 December	967,386	13,072	(177,243)	803,215	858,329	13,902	(2,568)	869,663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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:

	2024				2023 - Restated			
	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	14,908	234	-	15,142	12,618	159	-	12,777
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(188)	-	-	(188)	(158)	-	-	(158)
Change in risk adjustment for non-financial risk for risk expired	(36)	-	-	(36)	(13)	-	-	(13)
Expected insurance service expenses incurred:								
Claims	(38)	-	-	(38)	(37)	-	-	(37)
Expenses	(264)	-	-	(264)	(240)	-	-	(240)
Recovery of insurance acquisition cash flows	(119)	-	-	(119)	(118)	-	-	(118)
	(645)	-	-	(645)	(566)	-	-	(566)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(115)	-	-	(115)	(191)	-	-	(191)
Change in risk adjustment for non-financial risk for risk expired	(23)	-	-	(23)	(25)	-	-	(25)
Expected insurance service expenses incurred:		-	-					
Claims	(206)	-	-	(206)	(224)	-	-	(224)
Expenses	(171)	-	-	(171)	(165)	-	-	(165)
Experience adjustment not related to future service	7	-	-	7	869	-	-	869
	(508)	-	-	(508)	264	-	-	264
Insurance revenue - Post transition								
CSM recognised for services provided	(70)	-	-	(70)	(46)	-	-	(46)
Change in risk adjustment for non-financial risk for risk expired	6	-	-	6	15	-	-	15
Expected insurance service expenses incurred:								
Claims	10	-	-	10	(9)	-	-	(9)
Expenses	(144)	-	-	(144)	(72)	-	-	(72)
Recovery of insurance acquisition cash flows	(77)	-	-	(77)	(51)	-	-	(51)
	(275)	-	-	(275)	(163)	-	-	(163)
Total Insurance revenue - All Transition Methods	(1,428)	-	-	(1,428)	(465)	-	-	(465)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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:

	2024				2023 - Restated			
	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	-	(30)	(560)	(590)	-	(2)	(479)	(481)
Expenses	-	(12)	382	370	-	(17)	237	220
Amortisation of insurance acquisition cash flows	196	-	-	196	169	-	-	169
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	12	-	12	-	120	-	120
Losses and reversal of losses on onerous contracts - subsequent measurement	-	44	-	44	-	(45)	-	(45)
Total Insurance service expenses	196	14	(178)	32	169	56	(242)	(17)
Investment components	(560)	-	560	-	(618)	-	618	-
Total Insurance service result	(1,792)	14	382	(1,396)	(914)	56	376	(482)
Total Insurance Finance Income or Expense	3,061	4	-	3,065	2,318	19	-	2,337
Total Changes in the Statement of Profit or Loss	1,269	18	382	1,669	1,404	75	376	1,855
Cash flows								
Premium received	3,558	-	-	3,558	1,347	-	-	1,347
Claims and other expenses paid	-	-	(382)	(382)	-	-	(376)	(376)
Insurance acquisition cash flows	(322)	-	-	(322)	(461)	-	-	(461)
Total cash flows	3,236	-	(382)	2,854	886	-	(376)	510
Net insurance contract liabilities as at 31 December	19,413	252	-	19,665	14,908	234	-	15,142

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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:

	2024				2023 - Restated			
	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	3,104,729	37,353	-	3,142,082	2,741,172	20,866	-	2,762,038
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(3,777)	-	-	(3,777)	(3,648)	-	-	(3,648)
Change in risk adjustment for non-financial risk for risk expired	(757)	-	-	(757)	(921)	-	-	(921)
Expected insurance service expenses incurred:								
Claims	(28,171)	-	-	(28,171)	(21,093)	-	-	(21,093)
Expenses	(2,318)	-	-	(2,318)	(2,336)	-	-	(2,336)
Recovery of insurance acquisition cash flows	(2,655)	-	-	(2,655)	(2,540)	-	-	(2,540)
Experience adjustment not related to future service	141	-	-	141	(359)	-	-	(359)
	(37,537)	-	-	(37,537)	(30,897)	-	-	(30,897)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(1,503)	-	-	(1,503)	(1,668)	-	-	(1,668)
Change in risk adjustment for non-financial risk for risk expired	(760)	-	-	(760)	(857)	-	-	(857)
Expected insurance service expenses incurred:								
Claims	(228,129)	-	-	(228,129)	(217,753)	-	-	(217,753)
Expenses	(8,098)	-	-	(8,098)	(8,123)	-	-	(8,123)
Experience adjustment not related to future service	2,315	-	-	2,315	(3,422)	-	-	(3,422)
	(236,175)	-	-	(236,175)	(231,823)	-	-	(231,823)
Insurance revenue - Post transition								
CSM recognised for services provided	(1,599)	-	-	(1,599)	(895)	-	-	(895)
Change in risk adjustment for non-financial risk for risk expired	(45)	-	-	(45)	(4)	-	-	(4)
Expected insurance service expenses incurred:								
Claims	1,372	-	-	1,372	108	-	-	108
Expenses	(2,963)	-	-	(2,963)	(1,570)	-	-	(1,570)
Recovery of insurance acquisition cash flows	(2,339)	-	-	(2,339)	(1,340)	-	-	(1,340)
Experience adjustment not related to future service	(75)	-	-	(75)	313	-	-	313
	(5,649)	-	-	(5,649)	(3,388)	-	-	(3,388)
Total Insurance revenue - All Transition Methods	(279,361)	-	-	(279,361)	(266,108)	-	-	(266,108)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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:

	2024				2023 - Restated			
	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	(4,830)	(9,930)	70,878	56,118	(373)	(2,230)	63,615	61,012
Expenses	(94)	(2,750)	18,866	16,022	(26)	(2,167)	31,979	29,786
Amortisation of insurance acquisition cash flows	4,994	-	-	4,994	3,880	-	-	3,880
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	3,085	-	3,085	-	4,386	-	4,386
Losses and reversal of losses on onerous contracts - subsequent measurement	-	47,505	-	47,505	7,164	9,547	-	16,711
Total Insurance service expenses	70	37,910	89,744	127,724	10,645	9,536	95,594	115,775
Investment components	(18,453)	-	18,453	-	(17,853)	-	17,853	-
Total Insurance service result	(297,744)	37,910	108,197	(151,637)	(273,316)	9,536	113,447	(150,333)
Total Insurance Finance Income or Expense	367,052	15,461	-	382,513	431,780	6,951	-	438,731
Total Changes in the Statement of Profit or Loss	69,308	53,371	108,197	230,876	158,464	16,487	113,447	288,398
Cash flows								
Premium received	217,458	-	-	217,458	226,404	-	-	226,404
Claims and other expenses paid	-	-	(108,197)	(108,197)	-	-	(113,447)	(113,447)
Insurance acquisition cash flows	(13,157)	-	-	(13,157)	(21,311)	-	-	(21,311)
Total cash flows	204,301	-	(108,197)	96,104	205,093	-	(113,447)	91,646
Net insurance contract liabilities as at 31 December	3,378,338	90,724	-	3,469,062	3,104,729	37,353	-	3,142,082

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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:

	2024				2023 - Restated			
	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	3,874,259	39,947	-	3,914,206	3,784,466	35,598	-	3,820,064
Insurance revenue - Full retrospective approach								
CSM recognised for services provided	(17,081)	-	-	(17,081)	(16,864)	-	-	(16,864)
Change in risk adjustment for non-financial risk for risk expired	217	-	-	217	720	-	-	720
						-	-	
Expected insurance service expenses incurred:								
Claims	2,304	-	-	2,304	5,298	-	-	5,298
Expenses	(11,517)	-	-	(11,517)	(10,592)	-	-	(10,592)
Recovery of insurance acquisition cash flows	(16,372)	-	-	(16,372)	(16,006)	-	-	(16,006)
	(42,449)	-	-	(42,449)	(37,444)	-	-	(37,444)
Insurance revenue - Fair value approach								
CSM recognised for services provided	(5,946)	-	-	(5,946)	(3,839)	-	-	(3,839)
Change in risk adjustment for non-financial risk for risk expired	(351)	-	-	(351)	(369)	-	-	(369)
						-	-	
Expected insurance service expenses incurred:								
Claims	(2,248)	-	-	(2,248)	(2,165)	-	-	(2,165)
Expenses	(10,037)	-	-	(10,037)	(11,284)	-	-	(11,284)
	(18,582)	-	-	(18,582)	(17,657)	-	-	(17,657)
Insurance revenue - Post transition								
CSM recognised for services provided	(7,629)	-	-	(7,629)	(6,654)	-	-	(6,654)
Change in risk adjustment for non-financial risk for risk expired	(7)	-	-	(7)	(79)	-	-	(79)
Expected insurance service expenses incurred:								
Claims	108	-	-	108	745	-	-	745
Expenses	(1,870)	-	-	(1,870)	(342)	-	-	(342)
Recovery of insurance acquisition cash flows	(7,054)	-	-	(7,054)	(4,388)	-	-	(4,388)
	(16,452)	-	-	(16,452)	(10,718)	-	-	(10,718)
Total Insurance revenue - All Transition Methods	(77,483)	-	-	(77,483)	(65,819)	-	-	(65,819)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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:

	2024				2023 - Restated			
	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	-	494	19,207	19,701	-	900	9,752	10,652
Expenses	-	(4,006)	36,094	32,088	-	(4,604)	27,768	23,164
Amortisation of insurance acquisition cash flows	23,426	-	-	23,426	20,394	-	-	20,394
Changes that relate to future service:								
Losses for the net outflow recognised on initial recognition	-	10,973	-	10,973	-	12,256	-	12,256
Losses and reversal of losses on onerous contracts - subsequent measurement	-	3,210	-	3,210	-	(4,203)	-	(4,203)
Total Insurance service expenses	23,426	10,671	55,301	89,398	20,394	4,349	37,520	62,263
Investment components	(570,281)	-	570,281	-	(544,254)	-	544,254	-
Total Insurance service result	(624,338)	10,671	625,582	11,915	(589,679)	4,349	581,774	(3,556)
Total Insurance Finance Income or Expense	326,706	-	-	326,706	233,232	-	-	233,232
Total Changes in the Statement of Profit or Loss	(297,632)	10,671	625,582	338,621	(356,447)	4,349	581,774	229,676
Cash flows								
Premium received	525,438	-	-	525,438	478,767	-	-	478,767
Claims and other expenses paid	-	-	(625,582)	(625,582)	-	-	(581,774)	(581,774)
Insurance acquisition cash flows	(38,138)	-	-	(38,138)	(32,527)	-	-	(32,527)
Total cash flows	487,300	-	(625,582)	(138,282)	446,240	-	(581,774)	(135,534)
Net insurance contract liabilities as at 31 December	4,063,927	50,618	-	4,114,545	3,874,259	39,947	-	3,914,206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

2024

	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	(383,662)	106,849	151,115	25,138	130,466	29,906
Changes that relate to current services						
CSM recognised for services provided	-	-	(39,130)	(7,102)	(43,907)	(90,139)
Change in risk adjustment for non-financial risk for risk expired	-	(20,948)	-	-	-	(20,948)
Experience adjustments not related to future service	(108,285)	-	-	-	-	(108,285)
Total changes that relate to current services	(108,285)	(20,948)	(39,130)	(7,102)	(43,907)	(219,372)
Changes that relate to future services						
Contracts initially recognised in the year	(110,339)	30,187	-	-	96,582	16,430
Changes in estimates that adjust the CSM	(46,341)	331	23,537	9,053	13,420	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	8,238	840	-	-	-	9,078
Total changes that relate to future services	(148,442)	31,358	23,537	9,053	110,002	25,508
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	201	31	-	-	-	232
Total changes that relate to past services	201	31	-	-	-	232
Total Insurance Service result	(256,526)	10,441	(15,593)	1,951	66,095	(193,632)
Total Insurance Finance Income or Expense	(17,772)	3,592	7,812	1,063	8,557	3,252
Total Changes in the Statement of Profit or Loss	(274,298)	14,033	(7,781)	3,014	74,652	(190,380)
Cash flows						
Premium received	460,254	-	-	-	-	460,254
Claims and other expenses paid	(226,229)	-	-	-	-	(226,229)
Insurance acquisition cash flows	(29,451)	-	-	-	-	(29,451)
Total cash flows	204,574	-	-	-	-	204,574
Net insurance contract (assets)/ liabilities as at 31 December	(453,386)	120,882	143,334	28,152	205,118	44,100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)

2023 - Restated

Estimates of Present Value of Future cash flows

Risk Adjustment for non-financial risk

Full retrospective approach

Fair value approach

Post transition

Total

Rs'000

Rs'000

Rs'000

Rs'000

Rs'000

Rs'000

Net insurance contract (assets)/ liabilities as at 01 January

(85,388)

75,853

95,199

908

35,783

122,355

Changes that relate to current services

CSM recognised for services provided

Change in risk adjustment for non-financial risk for risk expired

Experience adjustments not related to future service

Total changes that relate to current services

Changes that relate to future services

Contracts initially recognised in the year

Changes in estimates that adjust the CSM

Changes in estimates that relate to losses and reversal of losses on onerous contracts

Total changes that relate to future services

Changes that relate to past services

Changes in estimates in LIC fulfilment cash flows

Total changes that relate to past services

Total Insurance Service result

Total Insurance Finance Income or Expense

Total Changes in the Statement of Profit or Loss

Cash flows

Premium received

Claims and other expenses paid

Insurance acquisition cash flows

Total cash flows

Net insurance contract (assets)/ liabilities as at 31 December

-

-

-

-

-

-

(43,011)

(2,708)

(24,834)

(70,553)

(19,408)

(212,420)

(212,420)

(19,408)

(43,011)

(2,708)

(24,834)

(302,381)

(90,709)

24,394

-

-

83,386

17,071

(166,599)

12,324

94,644

26,888

32,743

-

(66,316)

5,157

-

-

-

(61,159)

(323,624)

41,875

94,644

26,888

116,129

(44,088)

(672)

78

-

-

-

(594)

(672)

78

-

-

-

(594)

(536,716)

22,545

51,633

24,180

91,295

(347,063)

(13,928)

8,451

4,283

50

3,388

2,244

(550,644)

30,996

55,916

24,230

94,683

(344,819)

435,117

-

-

-

-

-

435,117

(159,143)

-

-

-

-

(159,143)

(23,604)

-

-

-

-

(23,604)

252,370

-

-

-

-

-

252,370

(383,662)

106,849

151,115

25,138

130,466

29,906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024					
	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	405,073	2,128	33,185	-	2,520	442,906
Changes that relate to current services						
CSM recognised for services provided	-	-	(22,581)	-	(868)	(23,449)
Change in risk adjustment for non-financial risk for risk expired	-	(44)	-	-	-	(44)
Experience adjustments not related to future service	(6,984)	-	-	-	-	(6,984)
Total changes that relate to current services	(6,984)	(44)	(22,581)	-	(868)	(30,477)
Changes that relate to future services						
Contracts initially recognised in the year	(1,717)	82	-	-	3,302	1,667
Changes in estimates that adjust the CSM	(15,410)	(168)	18,477	-	(2,899)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	2,213	(242)	-	-	-	1,971
Total changes that relate to future services	(14,914)	(328)	18,477	-	403	3,638
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	641	47	-	-	-	688
Total changes that relate to past services	641	47	-	-	-	688
Total Insurance Service result	(21,257)	(325)	(4,104)	-	(465)	(26,151)
Total Insurance Finance Income or Expense	7,740	(29)	1,856	-	184	9,751
Total Changes in the Statement of Profit or Loss	(13,517)	(354)	(2,248)	-	(281)	(16,400)
Cash flows						
Premium received	26,483	-	-	-	-	26,483
Claims and other expenses paid	(34,233)	-	-	-	-	(34,233)
Insurance acquisition cash flows	(6,781)	-	-	-	-	(6,781)
Total cash flows	(14,531)	-	-	-	-	(14,531)
Net insurance contract liabilities as at 31 December	377,025	1,774	30,937	-	2,239	411,975

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)	2023 - Restated					
	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	358,589	1,670	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	18,188	-	-	-	-	18,188
Total changes that relate to current services	18,188	(49)	(10,718)	-	(610)	6,811
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	76	5	-	-	-	81
Total changes that relate to past services	76	5	-	-	-	81
Total Insurance Service result	34,939	126	(10,681)	-	1,171	25,555
Total Insurance Finance Income or Expense	48,408	332	2,102	-	143	50,985
Total Changes in the Statement of Profit or Loss	83,347	458	(8,579)	-	1,314	76,540
Cash flows						
Premium received	3,527	-	-	-	-	3,527
Claims and other expenses paid	(36,061)	-	-	-	-	(36,061)
Insurance acquisition cash flows	(4,329)	-	-	-	-	(4,329)
Total cash flows	(36,863)	-	-	-	-	(36,863)
Net insurance contract liabilities as at 31 December	405,073	2,128	33,185	-	2,520	442,906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024			
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM	Total
			Fair value approach	
	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	1,779,447	4,457	165,841	1,949,745
Changes that relate to current services				
CSM recognised for services provided	-	-	(16,657)	(16,657)
Change in risk adjustment for non-financial risk for risk expired	-	(262)	-	(262)
Experience adjustments not related to future service	(37,426)	-	181,467	144,041
Total changes that relate to current services	(37,426)	(262)	164,810	127,122
Changes that relate to future services				
Changes in estimates that adjust the CSM	(18,447)	(934)	19,381	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	-	-	(43,126)	(43,126)
Total changes that relate to future services	(18,447)	(934)	(23,745)	(43,126)
Total Insurance Service result	(55,873)	(1,196)	141,065	83,996
Total Insurance Finance Income or Expense	184,134	(140)	(63,950)	120,044
Total Changes in the Statement of Profit or Loss	128,261	(1,336)	77,115	204,040
Cash flows				
Premium received	3,932	-	-	3,932
Claims and other expenses paid	(91,295)	-	-	(91,295)
Total cash flows	(87,363)	-	-	(87,363)
Net insurance contract liabilities as at 31 December	1,820,345	3,121	242,956	2,066,422

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 (continued)	2023 - Restated			
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM	Total
			Fair value approach	
	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	1,576,195	16,265	79,913	1,672,373
Changes that relate to current services				
CSM recognised for services provided	-	-	(8,520)	(8,520)
Change in risk adjustment for non-financial risk for risk expired	-	(9,781)	-	(9,781)
Experience adjustments not related to future service	(105,486)	-	164,809	59,323
Total changes that relate to current services	(105,486)	(9,781)	156,289	41,022
Changes that relate to future services				
Changes in estimates that adjust the CSM	(3,690)	2,156	1,534	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	-	-	(9,060)	(9,060)
Total changes that relate to future services	(3,690)	2,156	(7,526)	(9,060)
Total Insurance Service result	(109,176)	(7,625)	148,763	31,962
Total Insurance Finance Income or Expense	351,866	(4,183)	(62,835)	284,848
Total Changes in the Statement of Profit or Loss	242,690	(11,808)	85,928	316,810
Cash flows				
Premium received	20,837	-	-	20,837
Claims and other expenses paid	(60,275)	-	-	(60,275)
Total cash flows	(39,438)	-	-	(39,438)
Net insurance contract liabilities as at 31 December	1,779,447	4,457	165,841	1,949,745

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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	2024					
	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	723,125	3,484	596	142,458	-	869,663
Changes that relate to current services						
CSM recognised for services provided	-	-	(84)	(17,106)	-	(17,190)
Change in risk adjustment for non-financial risk for risk expired	-	455	-	-	-	455
Experience adjustments not related to future service	52,049	-	-	-	-	52,049
Total changes that relate to current services	52,049	455	(84)	(17,106)	-	35,314
Changes that relate to future services						
Changes in estimates that adjust the CSM	(35)	(1,367)	43	1,359	-	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	1,651	(72)	-	-	-	1,579
Total changes that relate to future services	1,616	(1,439)	43	1,359	-	1,579
Total Insurance Service result	53,665	(984)	(41)	(15,747)	-	36,893
Total Insurance Finance Income or Expense	(14,024)	-	-	-	-	(14,024)
Total Changes in the Statement of Profit or Loss	39,641	(984)	(41)	(15,747)	-	22,869
Cash flows						
Premium received	166,476	-	-	-	-	166,476
Claims and other expenses paid	(255,793)	-	-	-	-	(255,793)
Total cash flows	(89,317)	-	-	-	-	(89,317)
Net insurance contract liabilities as at 31 December	673,449	2,500	555	126,711	-	803,215

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 (continued)	2023 - Restated					
	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	751,784	3,894	1,129	165,317	-	922,124
Changes that relate to current services						
CSM recognised for services provided	-	-	(80)	(23,885)	-	(23,965)
Change in risk adjustment for non-financial risk for risk expired	-	451	-	-	-	451
Experience adjustments not related to future service	132,081	-	-	-	-	132,081
Total changes that relate to current services	132,081	451	(80)	(23,885)	-	108,567
Changes that relate to future services						
Changes in estimates that adjust the CSM	298	(871)	(453)	1,026	-	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	5,108	10	-	-	-	5,118
Total changes that relate to future services	5,406	(861)	(453)	1,026	-	5,118
Total Insurance Service result	137,487	(410)	(533)	(22,859)	-	113,685
Total Insurance Finance Income or Expense	(26,789)	-	-	-	-	(26,789)
Total Changes in the Statement of Profit or Loss	110,698	(410)	(533)	(22,859)	-	86,896
Cash flows						
Premium received	49,034	-	-	-	-	49,034
Claims and other expenses paid	(188,391)	-	-	-	-	(188,391)
Total cash flows	(139,357)	-	-	-	-	(139,357)
Net insurance contract liabilities as at 31 December	723,125	3,484	596	142,458	-	869,663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

	2024					
	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	9,050	403	2,463	2,257	969	15,142
Changes that relate to current services						
CSM recognised for services provided	-	-	(188)	(115)	(70)	(373)
Change in risk adjustment for non-financial risk for risk expired	-	(53)	-	-	-	(53)
Experience adjustments not related to future service	(1,026)	-	-	-	-	(1,026)
Total changes that relate to current services	(1,026)	(53)	(188)	(115)	(70)	(1,452)
Changes that relate to future services						
Contracts initially recognised in the year	(992)	28	-	-	976	12
Changes in estimates that adjust the CSM	340	62	104	(821)	315	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	44	-	-	-	-	44
Total changes that relate to future services	(608)	90	104	(821)	1,291	56
Total Insurance Service result	(1,634)	37	(84)	(936)	1,221	(1,396)
Total Insurance Finance Income or Expense	2,597	29	164	159	116	3,065
Total Changes in the Statement of Profit or Loss	963	66	80	(777)	1,337	1,669
Cash flows						
Premium received	3,558	-	-	-	-	3,558
Claims and other expenses paid	(382)	-	-	-	-	(382)
Insurance acquisition cash flows	(322)	-	-	-	-	(322)
Total cash flows	2,854	-	-	-	-	2,854
Net insurance contract liabilities as at 31 December	12,867	469	2,543	1,480	2,306	19,665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)

	2023 - Restated					Total
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM		Post transition	
			Full retrospective approach	Fair value approach		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net insurance contract liabilities as at 01 January	8,552	331	1,904	1,637	353	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	(139)	-	-	-	-	(139)
Total changes that relate to current services	(139)	(23)	(158)	(191)	(46)	(557)
Changes that relate to future services						
Contracts initially recognised in the year	(436)	39	-	-	517	120
Changes in estimates that adjust the CSM	(1,426)	(11)	613	721	103	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(48)	3	-	-	-	(45)
Total changes that relate to future services	(1,910)	31	613	721	620	75
Total Insurance Service result	(2,049)	8	455	530	574	(482)
Total Insurance Finance Income or Expense	2,037	64	104	90	42	2,337
Total Changes in the Statement of Profit or Loss	(12)	72	559	620	616	1,855
Cash flows						
Premium received	1,347	-	-	-	-	1,347
Claims and other expenses paid	(376)	-	-	-	-	(376)
Insurance acquisition cash flows	(461)	-	-	-	-	(461)
Total cash flows	510	-	-	-	-	510
Net insurance contract liabilities as at 31 December	9,050	403	2,463	2,257	969	15,142

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)

DPF (GMM)	2024					
	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	2,938,458	7,895	100,786	47,843	47,100	3,142,082
Changes that relate to current services						
CSM recognised for services provided	-	-	(3,777)	(1,503)	(1,599)	(6,879)
Change in risk adjustment for non-financial risk for risk expired	-	(1,562)	-	-	-	(1,562)
Experience adjustments not related to future service	(198,702)	-	-	4,916	-	(193,786)
Total changes that relate to current services	(198,702)	(1,562)	(3,777)	3,413	(1,599)	(202,227)
Changes that relate to future services						
Contracts initially recognised in the year	(11,742)	468	-	-	14,359	3,085
Changes in estimates that adjust the CSM	6,391	811	(2,268)	(11,079)	6,145	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	47,130	375	-	-	-	47,505
Total changes that relate to future services	41,779	1,654	(2,268)	(11,079)	20,504	50,590
Total Insurance Service result	(156,923)	92	(6,045)	(7,666)	18,905	(151,637)
Total Insurance Finance Income or Expense	365,348	426	8,594	3,900	4,245	382,513
Total Changes in the Statement of Profit or Loss	208,425	518	2,549	(3,766)	23,150	230,876
Cash flows						
Premium received	217,458	-	-	-	-	217,458
Claims and other expenses paid	(108,197)	-	-	-	-	(108,197)
Insurance acquisition cash flows	(13,157)	-	-	-	-	(13,157)
Total cash flows	96,104	-	-	-	-	96,104
Net insurance contract liabilities as at 31 December	3,242,987	8,413	103,335	44,077	70,250	3,469,062

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)

(GMM) (continued)	2023 - Restated					
	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	2,532,268	6,100	97,893	108,979	16,798	2,762,038
Changes that relate to current services						
CSM recognised for services provided	-	-	(3,649)	(1,668)	(894)	(6,211)
Change in risk adjustment for non-financial risk for risk expired	-	(1,782)	-	-	-	(1,782)
Experience adjustments not related to future service	(163,437)	-	-	-	-	(163,437)
Total changes that relate to current services	(163,437)	(1,782)	(3,649)	(1,668)	(894)	(171,430)
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	35,435	1,518	(1,273)	(47,065)	11,385	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	9,210	336	-	7,165	-	16,711
Total changes that relate to future services	30,418	2,432	(1,273)	(39,900)	29,420	21,097
Total Insurance Service result	(133,019)	650	(4,922)	(41,568)	28,526	(150,333)
Total Insurance Finance Income or Expense	447,563	1,145	7,815	(19,568)	1,776	438,731
Total Changes in the Statement of Profit or Loss	314,544	1,795	2,893	(61,136)	30,302	288,398
Cash flows						
Premium received	226,404	-	-	-	-	226,404
Claims and other expenses paid	(113,447)	-	-	-	-	(113,447)
Insurance acquisition cash flows	(21,311)	-	-	-	-	(21,311)
Total cash flows	91,646	-	-	-	-	91,646
Net insurance contract liabilities as at 31 December	2,938,458	7,895	100,786	47,843	47,100	3,142,082

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)	2024					
	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	3,553,383	11,980	249,661	31,756	67,426	3,914,206
Changes that relate to current services						
CSM recognised for services provided	-	-	(17,080)	(5,946)	(7,630)	(30,656)
Change in risk adjustment for non-financial risk for risk expired	-	(141)	-	-	-	(141)
Experience adjustments not related to future service	28,529	-	-	-	-	28,529
Total changes that relate to current services	28,529	(141)	(17,080)	(5,946)	(7,630)	(2,268)
Changes that relate to future services						
Contracts initially recognised in the year	(11,776)	952	-	-	21,797	10,973
Changes in estimates that adjust the CSM	(40,724)	(236)	18,864	12,049	10,047	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	3,007	203	-	-	-	3,210
Total changes that relate to future services	(49,493)	919	18,864	12,049	31,844	14,183
Total Insurance Service result	(20,964)	778	1,784	6,103	24,214	11,915
Total Insurance Finance Income or Expense	326,706	-	-	-	-	326,706
Total Changes in the Statement of Profit or Loss	305,742	778	1,784	6,103	24,214	338,621
Cash flows						
Premium received	525,438	-	-	-	-	525,438
Claims and other expenses paid	(625,582)	-	-	-	-	(625,582)
Insurance acquisition cash flows	(38,138)	-	-	-	-	(38,138)
Total cash flows	(138,282)	-	-	-	-	(138,282)
Net insurance contract liabilities as at 31 December	3,720,843	12,758	251,445	37,859	91,640	4,114,545

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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)	2023 - Restated					
	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	3,525,691	9,996	226,555	16,981	40,841	3,820,064
Changes that relate to current services						
CSM recognised for services provided	-	-	(16,864)	(3,839)	(6,654)	(27,357)
Change in risk adjustment for non-financial risk for risk expired	-	272	-	-	-	272
Experience adjustments not related to future service	15,476	-	-	-	-	15,476
Total changes that relate to current services	15,476	272	(16,864)	(3,839)	(6,654)	(11,609)
Changes that relate to future services						
Contracts initially recognised in the year	(7,055)	757	-	-	18,554	12,256
Changes in estimates that adjust the CSM	(73,332)	63	39,970	18,614	14,685	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(5,095)	892	-	-	-	(4,203)
Total changes that relate to future services	(85,482)	1,712	39,970	18,614	33,239	8,053
Total Insurance Service result	(70,006)	1,984	23,106	14,775	26,585	(3,556)
Total Insurance Finance Income or Expense	233,232	-	-	-	-	233,232
Total Changes in the Statement of Profit or Loss	163,226	1,984	23,106	14,775	26,585	229,676
Cash flows						
Premium received	478,767	-	-	-	-	478,767
Claims and other expenses paid	(581,774)	-	-	-	-	(581,774)
Insurance acquisition cash flows	(32,527)	-	-	-	-	(32,527)
Total cash flows	(135,534)	-	-	-	-	(135,534)
Net insurance contract liabilities as at 31 December	3,553,383	11,980	249,661	31,756	67,426	3,914,206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

	2024				2023				
	Assets for remaining coverage	Assets for incurred claims		Total	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance held - General Insurance	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net reinsurance contract assets as at 01 January	318,331	1,200,824	37,075	1,556,230	360,873	776	971,511	19,368	1,352,528
Allocation of the premium paid	(1,831,392)	-	-	(1,831,392)	(1,934,623)	-	-	-	(1,934,623)
Amounts recovered from reinsurance									
Recoveries of incurred claims and other insurance service expense	-	917,628	21,628	939,256	-	-	602,089	16,552	618,641
Changes related to past service (changes related to incurred claims component)	-	99,241	(26,237)	73,004	-	-	325,075	2,962	328,037
Changes that relate to future service:									
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	-	-	-	-	(705)	-	-	(705)
Total Amounts Recovered from Reinsurance	-	1,016,869	(4,609)	1,012,260	-	(705)	927,164	19,514	945,973
Investment components	-	-	-	-	(2,663)	-	2,663	-	-
Effect of changes in Non-performance risk of reinsurers	-	12,364	-	12,364	-	-	(5,658)	-	(5,658)
Total Net Expenses from reinsurance	(1,831,392)	1,029,233	(4,609)	(806,768)	(1,937,286)	(705)	924,169	19,514	(994,308)
Total Insurance Finance Income	-	110,629	5,103	115,732	-	-	52,043	1,528	53,571
Total Changes in the Statement of Profit or Loss	(1,831,392)	1,139,862	494	(691,036)	(1,937,286)	(705)	976,212	21,042	(940,737)
Exchange differences on translation of foreign operations	44,923	83,830	4,246	132,999	(42,705)	(71)	(6,965)	(3,335)	(53,076)
Cash flows									
Premium paid	1,800,270	-	-	1,800,270	1,937,449	-	-	-	1,937,449
Amounts recovered	-	(758,786)	-	(758,786)	-	-	(739,934)	-	(739,934)
Total cash flows	1,800,270	(758,786)	-	1,041,484	1,937,449	-	(739,934)	-	1,197,515
Net reinsurance contract assets as at 31 December	332,132	1,665,730	41,815	2,039,677	318,331	-	1,200,824	37,075	1,556,230

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 (continued)

	2024				2023 - Restated			
	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	
Reinsurance Contracts Held - Life Insurance	203,746	(45,296)	61,534	219,984	165,918	45,716	7,244	218,878
Net reinsurance contract assets/(liabilities) as at 01 January	27,707	-	-	27,707	52,104	-	-	52,104
Allocation of the premiums paid - Full retrospective approach	(3,880)	-	-	(3,880)	(5,347)	-	-	(5,347)
CSM recognised for services provided	(57,607)	-	-	(57,607)	(80,892)	-	-	(80,892)
Change in risk adjustment for non-financial risk for risk transferred	(20,012)	-	-	(20,012)	(26,908)	-	-	(26,908)
Expected recoveries of incurred claims and other insurance service expense	(53,792)	-	-	(53,792)	(61,043)	-	-	(61,043)
Experience adjustment not related to future service								
Total allocation of the premiums paid - Full retrospective approach								
Allocation of the premiums paid - Fair value approach	2,466	-	-	2,466	(1,207)	-	-	(1,207)
CSM recognised for services provided	(1,280)	-	-	(1,280)	(1,032)	-	-	(1,032)
Change in risk adjustment for non-financial risk for risk transferred	(10,509)	-	-	(10,509)	(6,826)	-	-	(6,826)
Expected recoveries of incurred claims and other insurance service expense	(9,416)	-	-	(9,416)	(14,045)	-	-	(14,045)
Experience adjustment not related to future service	(18,739)	-	-	(18,739)	(23,110)	-	-	(23,110)
Total allocation of the premiums paid - Fair value approach								
Allocation of the premiums paid - Post transition	69,957	-	-	69,957	20,325	-	-	20,325
CSM recognised for services provided	(6,666)	-	-	(6,666)	(7,324)	-	-	(7,324)
Change in risk adjustment for non-financial risk for risk transferred	(93,033)	-	-	(93,033)	(62,702)	-	-	(62,702)
Expected recoveries of incurred claims and other insurance service expense	(35,065)	-	-	(35,065)	(41,017)	-	-	(41,017)
Experience adjustment not related to future service	(60,697)	-	-	(60,697)	(14,732)	-	-	(14,732)
Restatement and Other Changes	(125,504)	-	-	(125,504)	(105,450)	-	-	(105,450)
Total allocation of the premiums paid - Post transition	(198,035)	-	-	(198,035)	(189,603)	-	-	(189,603)
Total allocation of the premiums paid								
Amounts recovered from reinsurance								
Recoveries of incurred claims and other insurance service expense	-	(1,700)	105,270	103,570	-	36,518	47,874	84,392
Changes related to past service (changes related to incurred claims component)	-	-	3,752	3,752	-	-	(2,230)	(2,230)
Changes that relate to future service:								
Recoveries of losses on onerous underlying contracts on initial recognition	-	11,478	-	11,478	-	10,534	-	10,534
Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	(2,984)	-	(2,984)	-	(43,031)	-	(43,031)
Total Amounts Recovered from Reinsurance	-	6,794	109,022	115,816	-	4,021	45,644	49,665
Investment Components	(8,853)	-	8,853	-	(8,646)	-	8,646	-
Total Net Expenses from Reinsurance	(206,888)	6,794	117,875	(82,219)	(198,249)	4,021	54,290	(139,938)
Total Insurance Finance Income or Expense	3,500	199	-	3,699	33,306	208	-	33,514
Total Changes in the Statement of Financial Performance	(203,388)	6,993	117,875	(78,520)	(164,943)	4,229	54,290	(106,424)
Cash flows								
Premium paid	191,683	-	-	191,683	202,771	-	-	202,771
Amounts recovered	-	-	(114,124)	(114,124)	-	(95,241)	-	(95,241)
Total cash flows	191,683	-	(114,124)	77,559	202,771	(95,241)	-	107,530
Net reinsurance contract assets as at 31 December	192,041	(38,303)	65,285	219,023	203,746	(45,296)	61,534	219,984

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(d) 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

	2024					
Reinsurance Contracts Held - Life Insurance (continued)	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
Net reinsurance contract assets/ (liabilities) as at 01 January	562,019	7,044	(73,326)	3,995	(279,748)	219,984
Changes that relate to current services						
CSM recognised for services provided						
Change in risk adjustment for non-financial risk for risk expired	-	(11,826)	-	-	-	(11,826)
Experience adjustments not related to future service	(122,072)	-	-	-	-	(122,072)
Restatement and Other Changes	-	-	-	-	(60,697)	(60,697)
Total changes that relate to current services	(122,072)	(11,826)	27,707	2,466	9,260	(94,465)
Changes that relate to future services						
Contracts initially recognised in the year	193,738	4,796	-	-	(187,056)	11,478
Changes in estimates that adjust the CSM	(22,798)	10,412	9,146	524	2,640	(76)
Changes in estimates that relate to losses and reversal of losses on onerous contracts	3,331	342	-	-	-	3,673
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(871)	-	(5,710)	(6,581)
Total changes that relate to future services	174,271	15,550	8,275	524	(190,126)	8,494
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	3,852	(100)	-	-	-	3,752
Total changes that relate to past services	3,852	(100)	-	-	-	3,752
Total Insurance Service result	56,051	3,624	35,982	2,990	(180,866)	(82,219)
Total Insurance Finance Income or Expense	16,964	(984)	(1,712)	3,668	(14,237)	3,699
Total changes in the statement of profit or loss	73,015	2,640	34,270	6,658	(195,103)	(78,520)
Cash flows						
Premiums and premium tax paid	191,683	-	-	-	-	191,683
Amounts recovered	(114,124)	-	-	-	-	(114,124)
Total cash flows	77,559	-	-	-	-	77,559
Net reinsurance contract assets/ (liabilities) as at 31 December	712,593	9,684	(39,056)	10,653	(474,851)	219,023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(d) 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)

	2023 - Restated					
	Estimates of Present Value of Future cash flows	Risk Adjustment for non-financial risk	CSM			Total
Reinsurance Contracts Held - Life Insurance (continued)			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	486,025	7,849	(152,891)	28,790	(150,896)	218,877
Changes that relate to current services						
CSM recognised for services provided	-	-	52,104	(1,207)	20,325	71,222
Change in risk adjustment for non-financial risk for risk expired	-	(13,703)	-	-	-	(13,703)
Expected recoveries of incurred claims and other insurance service expense	(66,028)	-	-	-	-	(66,028)
Experience adjustments not related to future service	(81,970)	-	-	-	-	(81,970)
Restatement and Other Changes	-	-	-	-	(14,732)	(14,732)
Total changes that relate to current services	(147,998)	(13,703)	52,104	(1,207)	5,593	(105,211)
Changes that relate to future services						
Contracts initially recognised in the year	130,469	3,969	-	-	(123,904)	10,534
Changes in estimates that adjust the CSM	(35,080)	6,074	40,896	(21,029)	9,052	(87)
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(14,240)	2,203	-	-	-	(12,037)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(8,777)	(5,999)	(16,131)	(30,907)
Total changes that relate to future services	81,149	12,246	32,119	(27,028)	(130,983)	(32,497)
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	(69,045)	(1,491)	84,223	(28,235)	(125,390)	(139,938)
Total Insurance Finance Income or Expense	37,508	686	(4,658)	3,440	(3,462)	33,514
Total changes in the statement of profit or loss	(31,537)	(805)	79,565	(24,795)	(128,852)	(106,424)
Cash flows						
Premiums and premium tax paid	202,771	-	-	-	-	202,771
Amounts recovered	(95,240)	-	-	-	-	(95,240)
Total cash flows	107,531	-	-	-	-	107,531
Net reinsurance contract assets/(liabilities) as at 31 December	562,019	7,044	(73,326)	3,995	(279,748)	219,984

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(e) The components of new business for insurance contracts issued is disclosed in the table below:

	2024			2023 - Restated		
	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	307,270	139,325	446,595	276,287	126,489	402,776
Estimates of present value of future cash inflows	(425,870)	(131,064)	(556,934)	(377,251)	(116,235)	(493,486)
Risk adjustment	22,018	8,169	30,187	17,578	6,817	24,395
CSM	96,582	-	96,582	83,386	-	83,386
Losses on onerous contracts at initial recognition	-	16,430	16,430	-	17,071	17,071
Term Assurance - PAA						
Estimate of present value of future cash outflows	184	59	243	146	113	259
Estimates of present value of future cash inflows	(447)	(39)	(486)	(363)	(76)	(439)
Risk adjustment	26	3	29	11	6	17
CSM	237	-	237	206	-	206
Losses on onerous contracts at initial recognition	-	23	23	-	43	43
Annuities						
Estimate of present value of future cash outflows	22,264	4,582	26,846	24,073	1,224	25,297
Estimates of present value of future cash inflows	(25,632)	(2,930)	(28,562)	(28,981)	(89)	(29,070)
Risk adjustment	66	15	81	78	5	83
CSM	3,302	-	3,302	4,830	-	4,830
Losses on onerous contracts at initial recognition	-	1,667	1,667	-	1,140	1,140
Insurance contracts without DPF						
Estimate of present value of future cash outflows	910	67	977	868	455	1,323
Estimates of present value of future cash inflows	(1,914)	(55)	(1,969)	(1,422)	(338)	(1,760)
Risk adjustment	28	-	28	37	3	40
CSM	976	-	976	517	-	517
Losses on onerous contracts at initial recognition	-	12	12	-	120	120
Insurance contracts with DPF - GMM						
Estimate of present value of future cash outflows	13,503	7,826	21,329	15,840	10,754	26,594
Estimates of present value of future cash inflows	(28,216)	(4,855)	(33,071)	(34,312)	(6,511)	(40,823)
Risk adjustment	355	114	469	435	143	578
CSM	14,358	-	14,358	18,037	-	18,037
Losses on onerous contracts at initial recognition	-	3,085	3,085	-	4,386	4,386
Insurance contracts with DPF - VFA						
Estimate of present value of future cash outflows	28,443	29,951	58,394	27,606	26,973	54,579
Estimates of present value of future cash inflows	(50,863)	(19,306)	(70,169)	(46,682)	(14,951)	(61,633)
Risk adjustment	624	328	952	522	234	756
CSM	21,796	-	21,796	18,554	-	18,554
Losses on onerous contracts at initial recognition	-	10,973	10,973	-	12,256	12,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(f) The components of new business for insurance contracts issued is disclosed in the table below:

	2024			2023		
	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	56,287	21,663	77,950	44,677	14,162	58,839
Estimates of the present value of future cash outflows	(189,638)	(82,050)	(271,688)	(134,926)	(54,381)	(189,307)
Risk adjustment for non-financial risk	(2,194)	(2,602)	(4,796)	(2,317)	(1,652)	(3,969)
Loss recovery related to losses on underlying insurance contracts at initial recognition	-	11,478	11,478	-	10,534	10,534
Contractual Service Margin	(135,545)	(51,511)	(187,056)	(92,566)	(31,337)	(123,903)

(g) The disclosure of when the CSM is expected to be recognised in profit or loss in future years is presented below:

	2024					
	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	78,223	61,613	48,559	38,040	150,169	376,604
Annuities	3,555	3,248	3,014	2,659	20,700	33,176
Participating						
Indirect participating	13,266	13,772	14,162	14,311	187,445	242,956
Direct participating	32,710	25,773	19,677	15,345	33,761	127,266
Insurance contracts without DPF	443	455	381	331	4,719	6,329
Insurance contracts with DPF GMM	7,841	8,250	8,617	8,935	184,019	217,662
Insurance contracts with DPF VFA	29,165	27,662	25,699	23,278	275,140	380,944
	165,203	140,773	120,109	102,899	855,953	1,384,937
	106,883	83,244	72,730	59,152	181,245	503,254
	2023 - Restated					
	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	65,873	50,682	39,306	30,616	120,242	306,719
Annuities	3,890	3,359	3,139	2,929	22,388	35,705
Participating						
Indirect participating	8,537	9,096	9,196	9,287	129,725	165,841
Direct participating	28,951	29,308	22,977	17,588	44,230	143,054
Insurance contracts without DPF	423	424	418	344	4,080	5,689
Insurance contracts with DPF - GMM	7,126	7,506	7,854	8,165	165,078	195,729
Insurance contracts with DPF - VFA	26,169	25,505	23,397	21,579	252,193	348,843
	140,969	125,880	106,287	90,508	737,936	1,201,580
	75,496	52,998	45,959	43,247	131,379	349,079
Reinsurance Contracts Held						

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

15 LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Loans and advances	556,606	609,961	1,103,756	1,038,759
Less: Allowance for impairment losses	(8,660)	(11,911)	(1,837)	(1,828)
	547,946	598,050	1,101,919	1,036,931

During the year ended 31 December 2023, the Company issued the following instruments to MUA Investment Holding Ltd:

- (i) Loan of USD 14m and bearing interest at 5.50% per annum tacitly renewable every year;
- (ii) Loan of USD 4,325m and bearing interest at 4.81% per annum tacitly renewable every year; and
- (iii) Loan of USD 2.2m and bearing interest at 7.95% per annum tacitly renewable every year.

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 throughout the years under review.

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			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
High grade	505,968	-	-	505,968
Standard grade	-	42,423	-	42,423
Individually impaired	-	-	8,215	8,215
Total	505,968	42,423	8,215	556,606

2023 - Restated			
High grade	563,173	-	563,173
Standard grade	-	33,376	33,376
Individually impaired	-	-	13,412
Total	563,173	33,376	609,961

	THE GROUP			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At 01 January	563,173	33,376	13,412	609,961
New assets purchased	130,266	10,395	1,632	142,293
Assets derecognised or matured (excluding write-offs)	(194,704)	(4,578)	(2,255)	(201,537)
Transfer to Stage 1	18,564	(12,802)	(5,762)	-
Transfer to Stage 2	(16,475)	20,003	(3,528)	-
Transfer to Stage 3	(745)	(3,971)	4,716	-
Exchange difference	5,889	-	-	5,889
At 31 December	505,968	42,423	8,215	556,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

15 LOANS AND RECEIVABLES (CONTINUED)

	THE GROUP			
	2023 - Restated			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At 01 January	540,680	29,008	16,096	585,784
New assets purchased	216,568	4,795	-	221,363
Assets derecognised or matured (excluding write-offs)	(149,638)	(37,177)	2,589	(184,226)
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	-	(1,869)	(21)	(1,890)
Exchange difference	(11,070)	-	-	(11,070)
At 31 December	563,173	33,376	13,412	609,961

	THE GROUP			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance				
At 01 January	6,070	1,645	4,196	11,911
New assets purchased	746	203	111	1,060
Assets derecognised or matured (excluding write offs)	(401)	(26)	(363)	(790)
Transfer to Stage 1	140	(760)	(2,040)	(2,660)
Transfer to Stage 2	(156)	310	(984)	(830)
Transfer to Stage 3	(10)	(164)	985	811
Changes in PDs/LGDs/EADs	(898)	(191)	239	(850)
Other movements	8	-	-	8
At 31 December	5,499	1,017	2,144	8,660

2023 - Restated			
At 01 January	4,774	1,780	5,281
New assets purchased	2,952	42	-
Assets derecognised or matured (excluding write offs)	(721)	(158)	(3,379)
Transfer to Stage 1	62	(165)	(337)
Transfer to Stage 2	(118)	477	(80)
Transfer to Stage 3	(7)	(57)	1,128
Changes in PDs/LGDs/EADs	(878)	(274)	1,583
Other movements	6	-	-
At 31 December	6,070	1,645	4,196

THE COMPANY	
2024	2023
Rs'000	Rs'000
An analysis of changes in the ECLs is as follows:	
At 01 January	(1,828)
Impact of remeasurement	(9)
At 31 December	(1,837)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

16 FINANCIAL ASSETS

(a) Financial assets at fair value through other comprehensive income

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
At 01 January	1,394,702	1,202,064
Additions	407,654	500,901
Interest	-	5,628
Disposals	(103,798)	(342,073)
Increase in fair value	78,508	38,626
Exchange difference	18,970	(10,444)
At 31 December	1,796,036	1,394,702
Analysed as follows:		
Quoted equity securities	362,023	307,390
Unquoted equity securities	129,325	75,004
Quoted debt instruments	30,414	28,129
Unquoted debt instruments	1,274,274	984,179
	1,796,036	1,394,702
(i) Debt instruments at fair value through other comprehensive income		
Government debt securities	1,167,301	885,537
Corporate bonds	137,967	127,586
Less: Allowances for expected credit losses	1,305,268	1,013,123
	(580)	(815)
	1,304,688	1,012,308

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	
	2024	2023
	Rs'000	Rs'000
High grade	1,167,301	885,537
Standard grade	137,967	127,586
Total	1,305,268	1,013,123
An analysis of changes in the ECLs is as follows:		
At 01 January	(815)	(311)
Impact of remeasurement	235	(504)
At 31 December	(580)	(815)

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 2024

16 FINANCIAL ASSETS (CONTINUED)

(b) Debt instruments at amortised cost

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Government debt securities	5,900,595	5,762,504	-	-
Corporate bonds and Fixed deposits	3,145,292	2,554,539	816,710	657,132
	9,045,887	8,317,043	816,710	657,132
Less: Allowances for impairment losses	(25,240)	(24,592)	(6,743)	(4,083)
	9,020,647	8,292,451	809,967	653,049

- (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 155,498,000** (2023: Rs 120,997,000) 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.

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	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
High grade	5,896,111	5,753,661	-	-
Standard grade	3,124,537	2,538,790	809,967	653,049
Total	9,020,648	8,292,451	809,967	653,049

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

16 FINANCIAL ASSETS (CONTINUED)

(b) Debt instruments at amortised cost (continued)

An analysis of changes in the gross carrying amount and the corresponding ECLs is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At 01 January	8,317,043	7,383,844	657,132	1,458,722
Additions	5,161,267	18,698,128	315,469	1,290,678
Assets matured	(4,801,245)	(17,497,924)	(149,754)	(2,106,719)
Amortisation adjustments	5,090	20,562	343	(3,673)
Exchange difference	363,731	(287,567)	(6,480)	18,124
At 31 December	9,045,886	8,317,043	816,710	657,132
ECL allowance				
At 01 January	(24,592)	(13,047)	(4,083)	(3,046)
New assets purchased	(624)	(1,597)	-	-
Assets derecognised or matured (excluding write offs)	-	1,629	-	1,629
Impact of net- remeasurement of year end ECL	(412)	(13,060)	(2,660)	(2,666)
Exchange difference	388	1,483	-	-
At 31 December	(25,240)	(24,592)	(6,743)	(4,083)

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.

(c) Financial assets at fair value through profit or loss

	Note	THE GROUP	
		2024	2023 Restated
		Rs'000	Rs'000
At 01 January		6,778,608	6,408,635
Additions		676,557	401,755
Disposals		(485,575)	(386,057)
Increase in fair value	31	590,846	354,275
At 31 December		7,560,436	6,778,608

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

17 TAX CHARGE

(a) In the statements of profit or loss

	Note	THE GROUP		THE COMPANY	
		2024	2023 Restated	2024	2023
		Rs'000	Rs'000	Rs'000	Rs'000
Income tax provision at applicable rate		92,639	83,778	764	32
CSR tax (refund)/charge		60	(3)	47	(18)
Under provision of income tax in prior year		2,409	1,983	684	1,979
Under provision of deferred tax in prior year	11	(3,595)	-	-	-
Deferred income tax credit	11	(15,993)	(51,406)	-	-
Tax charge for the year		75,520	34,352	1,495	1,993
(b) In the statements of financial position					
At 01 January		20,078	10,505	(14)	(971)
Payment		126,403	95,047	698	2,950
Tax withheld		5,196	-	-	-
Under provision of income tax		(2,409)	(1,983)	(684)	(1,979)
Income tax expense		(92,639)	(83,778)	(764)	(32)
CSR tax		(60)	3	(47)	18
Exchange difference		6,497	284	-	-
At 31 December		63,066	20,078	(811)	(14)
Current income tax liabilities		(6,211)	(14,573)	(811)	(14)
Current income tax assets		69,277	34,651	-	-
		63,066	20,078	(811)	(14)
(c) Tax rate reconciliation					
Profit/ (loss) before income tax		474,354	(231,878)	169,964	114,111
Tax thereon at applicable rate*		74,421	(72,609)	28,894	19,399
Tax effect of:					
Income not subject to tax		(34,430)	10,300	(17,431)	(9,863)
Expenses not deductible for tax purposes		68,521	116,120	44,807	18,074
Income exempt for tax		(101,530)	(55,072)	(55,506)	(27,578)
Under provision of deferred tax assets in prior year		(3,595)	-	-	-
Under provision of income tax in prior year		2,409	1,983	684	1,979
Capital loss attributable to shareholders		317	731	-	-
Unrealised (gain)/loss (fair value)		(375)	22	-	-
Capital gain attributable to shareholders		(3,913)	(1,302)	-	-
Effect of change in tax rate**		99	191	-	-
CSR (refund)/ contribution		60	(3)	47	(18)
Tax withheld		5,196	-	-	-
Deferred tax asset not recognised		68,340	33,991	-	-
		75,520	34,352	1,495	1,993

* Rates applicable are **19%** (2023: 17%) for Mauritian entities other than MUA Life Ltd, **10%** for MUA Life Ltd, **25%** for the branch in Seychelles and **30%** for the subsidiaries in Kenya, Tanzania and Uganda.

The rate in the subsidiary in Rwanda is **28% in 2024 (2023: 29.4%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18 STATED CAPITAL

THE GROUP AND THE COMPANY	Issued and fully paid		No of shares	
	2024	2023	2024	2023
	Rs'000	Rs'000	No of shares - 000	No of shares - 000
At 01 January	1,662,289	1,661,733	55,521	55,515
Issue of shares	-	556	-	6
At 31 December	1,662,289	1,662,289	55,521	55,521

The ordinary shares are of no par value and have all been fully paid.

19 INVESTMENT CONTRACT LIABILITIES

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
At 01 January	1,791,702	1,478,795
Contributions	294,000	236,243
Withdrawals	(40,634)	(28,864)
Investment fair value adjustment	224,033	105,528
At 31 December	2,269,101	1,791,702

Following a change in the Private Pension Scheme Act effective from 01 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 2024 and 2023 represents the fair value of the underlying investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 defined benefit scheme which requires that a gratuity be paid to an employee on retirement, computed as 15 days' remuneration for every period of 12 months of continuous employment. This is in line with the Workers' Rights Act 2019.
- (iv)

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	
	2024	2023
	Rs'000	Rs'000
Funded obligation (note a)	10,044	9,590
Unfunded obligation (note b)	11,678	1,791
Vacation leave (note c)	6,011	9,873
	27,733	21,254

(a) Funded obligation

The amounts recognised in the statement of financial position in respect of the funded obligation are as follows:

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Defined benefit of funded obligation	10,060	9,604
Fair value of plan assets	(16)	(14)
Benefit liability	10,044	9,590
(i) Movement of defined benefit of funded obligations:		
At 01 January	9,604	7,983
Amount recognised in profit or loss:		
Interest cost	480	480
Amount recognised in other comprehensive income:		
Actuarial changes arising from changes in financial assumptions	(24)	1,141
At 31 December	10,060	9,604
(ii) Movement of fair value of plan assets:		
At 01 January	14	12
Amount recognised in profit or loss:		
Interest income	1	1
Amount recognised in other comprehensive income:		
Actuarial changes arising from changes in financial assumptions	1	1
At 31 December	16	14

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

20 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(a) **Funded obligation (continued)**

The main categories of plan assets are as follows:

	THE GROUP	
	2024	2023
	%	%
Local equities	34	34
Local - Debt Maturity >=12 months	38	39
Local - Cash and Debt Maturity	4	4
Overseas equities	24	23
	100	100
The principal actuarial assumptions used for accounting purposes were:		
Discount rate	5.0%	5.0%
Expected rate of return on plan assets	2.8%	2.8%
Future salary increases*	0.0%	0.0%
Future pension increases	3.0%	3.0%
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
2024	(1,350)	1,670	1,231	(1,050)
2023	(1,348)	1,678	1,187	(1,012)
	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
2024	226	(222)	73	(72)
2023	215	(215)	69	(69)

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** (2023: 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 2024

20 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(a) **Funded obligation (continued)**

No contribution was received in 2024 and no future contribution is expected in 2025.

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. 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	
	2024	2023
	Rs'000	Rs'000
Present value of unfunded obligation	11,678	1,791
(i) Movement in the liability recognised in the statement of financial position:		
At 01 January	1,791	7,727
Amount recognised in profit or loss:		
Interest cost	86	112
Current service cost	3,479	8,121
Amount recognised in other comprehensive income:		
Actuarial loss/(gain) arising from changes in financial assumptions	6,322	(14,169)
At 31 December	11,678	1,791

The principal actuarial assumptions used for accounting purposes were:

	THE GROUP	
	2024	2023
Discount rate	5.0%	5.0%
Future salary increase	4.75%	4.25%
CPI inflation rate	2.25%	2.25%

No contribution is expected in 2025.

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		Life expectancy of male pensioners		Life expectancy of female pensioners	
	1% increase	1% decrease	1% increase	1% decrease	Increase by 1 year	Decrease by 1 year	Increase by 1 year	Decrease by 1 year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2024	(3,261)	5,675	2,979	(2,419)	251	(248)	287	(296)
2023	(2,363)	4,842	2,524	(1,788)	238	(230)	233	(239)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

20 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(c) **Unfunded obligation - Vacation leave**

	THE GROUP	
	2024	2023
Movement in the liability recognised in the statement of financial position:		
At 1 January	Rs'000	Rs'000
Current service cost	9,873	-
Interest cost	2,567	9,459
Benefits paid	532	414
Actuarial gains arising fom changes in financial assumptions	(5,130)	-
At 31 December	(1,831)	-
	6,011	9,873

The principal actuarial assumptions used for accounting purposes were:

	THE GROUP	
	2024	2023
Discount rate	5.00%	5.00%
Future salary increase	4.75%	4.25%
CPI inflation rate	2.25%	2.25%

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		Life expectancy	
	1% increase	1% decrease	1% increase	1% decrease	Increase by 1 year	Decrease by 1 year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2024	(314)	343	(307)	324	7	(9)
2023	(343)	372	(372)	395	5	(6)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

21 BORROWINGS

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Floating rate notes (i)	507,196	507,800	507,196	507,800
Fixed rate notes (ii), (iii), (v)	320,821	307,443	305,184	307,443
Bank loan (iv)	200,082	200,082	200,082	200,082
	1,028,099	1,015,325	1,012,462	1,015,325
Analysed as follows:				
Non-current	1,015,459	1,000,000	1,000,000	1,000,000
Current	12,640	15,325	12,462	15,325
	1,028,099	1,015,325	1,012,462	1,015,325

- (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.
- (v) MUA Insurance (Tanzania) Limited has taken a short term loan bearing at a rate of 7.3%. The loan is secured against short term bank deposits. The loan will mature 6 months from the issue date.

22 OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Loans repaid in advance	4,995	4,896	-	-
Refund to customers	207,923	174,515	-	-
Commission payable	21,904	14,863	-	-
Accruals	419,834	357,742	3,911	2,144
Stale cheques	77,759	80,166	2,679	3,559
Cash held as guarantee	47,198	39,282	-	-
Tax payable on salaries and wages	5,048	8,793	-	-
Other payables	50,153	74,613	-	-
	834,814	754,870	6,590	5,703

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 2024

23 CURRENT VS NON CURRENT BREAK DOWN - GROUP

	2024			2023 - 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	-	304,443	304,443	-	307,556	307,556
Right of use assets	-	111,354	111,354	-	79,265	79,265
Investment properties	-	418,725	418,725	-	397,188	397,188
Intangible assets	-	463,918	463,918	-	501,273	501,273
Investment in joint ventures	-	14,355	14,355	-	11,525	11,525
Deferred income tax assets	-	69,104	69,104	-	45,562	45,562
Other receivables	201,727	-	201,727	215,961	-	215,961
Reinsurance contract assets	1,405,454	853,246	2,258,700	1,130,969	645,245	1,776,214
Insurance contract assets	4,594	15,679	20,273	-	-	-
Loans and receivables	77,544	470,402	547,946	115,779	482,271	598,050
Financial assets at fair value through other comprehensive income	101,549	1,694,487	1,796,036	83,226	1,311,476	1,394,702
Debt instruments at amortised cost	3,677,983	5,342,663	9,020,646	2,788,668	5,503,783	8,292,451
Financial assets at fair value through profit or loss	3,514,567	4,045,869	7,560,436	3,459,265	3,319,343	6,778,608
Income tax assets	69,277	-	69,277	34,651	-	34,651
Prepayments	18,957	-	18,957	34,191	-	34,191
Assets held for sale	-	-	-	171,600	-	171,600
Cash and cash equivalents	1,148,323	-	1,148,323	1,067,438	-	1,067,438
Total Assets	10,219,975	13,804,245	24,024,220	9,101,748	12,604,487	21,706,235
Liabilities						
Deferred income tax liabilities	-	67,885	67,885	-	53,206	53,206
Employee benefit obligations	-	27,733	27,733	-	21,254	21,254
Borrowings	12,640	1,015,459	1,028,099	15,325	1,000,000	1,015,325
Lease liabilities	57,628	66,880	124,508	26,149	67,486	93,635
Insurance contract liabilities	2,078,298	13,202,844	15,281,142	1,653,173	12,237,001	13,890,174
Investment contract liabilities	2,269,101	-	2,269,101	1,791,702	-	1,791,702
Other payables	834,814	-	834,814	754,870	-	754,870
Income tax liabilities	6,211	-	6,211	14,573	-	14,573
Total Liabilities	5,258,692	14,380,801	19,639,493	4,255,792	13,378,947	17,634,739

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23 CURRENT VS NON CURRENT BREAK DOWN - COMPANY

	2024			2023		
	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						
Investments in subsidiaries	-	1,879,261	1,879,261	-	2,026,631	2,026,631
Investment in joint ventures	-	495	495	-	495	495
Amount receivable from related parties	8,249	-	8,249	7,550	-	7,550
Loans and receivables	98,162	1,003,757	1,101,919	98,172	938,759	1,036,931
Debt instruments at amortised cost	175,060	634,907	809,967	9,143	643,906	653,049
Cash and cash equivalents	50,146	-	50,146	110,359	-	110,359
Total Assets	331,617	3,518,420	3,850,037	225,224	3,609,791	3,835,015
Liabilities						
Borrowings	12,462	1,000,000	1,012,462	15,325	1,000,000	1,015,325
Other payables	6,590	-	6,590	5,703	-	5,703
Amount due to related parties	6,108	-	6,108	-	-	-
Current income tax liabilities	811	-	811	14	-	14
Total Liabilities	25,971	1,000,000	1,025,971	21,042	1,000,000	1,021,042

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

24 INSURANCE REVENUE

	2024										
	Life risk			Participating					General business		
	Term Assurance		Annuities	Indirect participating	Direct participating	Insurance contracts without DPF	Insurance contracts with DPF		PAA Contracts		Total
	GMM	PAA				GMM	GMM	VFA	Property	Casualty	
	Rs'000	Rs'000					Rs'000	Rs'000	Rs'000	Rs'000	
CSM recognised for services provided	90,139	-	23,449	16,657	17,190	373	6,879	30,656	-	-	185,343
Change in risk adjustment for non-financial risk for risk expired	20,948	-	44	262	(455)	53	1,562	141	-	-	22,555
Expected insurance service expenses incurred:											
Claims	254,519	-	12,673	(98,847)	(37,935)	234	254,928	(164)	-	-	385,408
Expenses	122,667	-	792	7,474	(5,721)	579	13,379	23,424	-	-	162,594
Experience adjustments not related to future service	(49,879)	-	(2,080)	83	14,527	(7)	(2,381)	-	-	-	(39,737)
Recovery of insurance acquisition cash flows	23,325	-	1,604	-	447	196	4,994	23,426	-	-	53,992
Revenue from Contracts Not Measured Under PAA	461,719	-	36,482	(74,371)	(11,947)	1,428	279,361	77,483	-	-	770,155
Contracts Measured Under PAA											
Expected premium receipts allocation	-	120,684	-	-	-	-	-	-	1,589,484	5,064,292	6,774,460
Revenue from Contracts Measured Under PAA	-	120,684	-	-	-	-	-	-	1,589,484	5,064,292	6,774,460
Total Insurance Revenue	461,719	120,684	36,482	(74,371)	(11,947)	1,428	279,361	77,483	1,589,484	5,064,292	7,544,615
2023 - Restated											
CSM recognised for services provided	70,553	-	11,328	8,520	23,965	395	6,211	27,357	-	-	148,329
Change in risk adjustment for non-financial risk for risk expired	19,408	-	49	9,781	(451)	23	1,782	(272)	-	-	30,320
Expected insurance service expenses incurred:											
Claims	240,908	-	(157)	(61,452)	(62,989)	270	238,738	(3,878)	-	-	351,440
Expenses	116,460	-	886	7,673	(5,881)	477	12,029	22,218	-	-	153,862
Experience adjustments not related to future service	(11,160)	-	(25,542)	(2,211)	(12,340)	(869)	3,468	-	-	-	(48,654)
Recovery of insurance acquisition cash flows	22,034	-	1,743	-	430	169	3,880	20,394	-	-	48,650
Revenue from Contracts Not Measured Under PAA	458,203	-	(11,693)	(37,689)	(57,266)	465	266,108	65,819	-	-	683,947
Contracts Measured Under PAA											
Expected premium receipts allocation	-	147,945	-	-	-	-	-	-	1,561,097	4,692,270	6,401,312
Revenue from Contracts Measured Under PAA	-	147,945	-	-	-	-	-	-	1,561,097	4,692,270	6,401,312
Total Insurance Revenue	458,203	147,945	(11,693)	(37,689)	(57,266)	465	266,108	65,819	1,561,097	4,692,270	7,085,259

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

25 INSURANCE SERVICE EXPENSES

2024										
	Life risk					Participating		General business		
	Term Assurance		Annuities	Indirect participating	Direct participating	Insurance contracts without DPF	Insurance contracts with DPF		PAA Contracts	
	GMM	PAA					GMM	VFA	Property	Casualty
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Claims	(144,865)	(59,669)	(4,283)	(36,263)	(27,715)	590	(56,118)	(19,701)	(867,938)	(2,754,163)
Expenses	(74,157)	1	(118)	(16,488)	4,795	(370)	(16,022)	(32,088)	(90,694)	(364,295)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	(232)	-	(688)	-	-	-	-	-	(29,234)	(96,549)
Amortisation of insurance acquisition cash flows	(23,325)	(7,067)	(1,604)	-	(447)	(196)	(4,994)	(23,426)	(344,457)	(907,730)
Losses for the net outflow recognised on initial recognition	(16,430)	(23)	(1,667)	-	-	(12)	(3,085)	(10,973)	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	(9,078)	20	(1,971)	43,126	(1,579)	(44)	(47,505)	(3,210)	-	-
	(268,087)	(66,738)	(10,331)	(9,625)	(24,946)	(32)	(127,724)	(89,398)	(1,332,323)	(4,122,737)
2023 - Restated										
Claims	(97,652)	(64,395)	6,609	906	(54,458)	481	(61,012)	(10,652)	(817,194)	(2,663,452)
Expenses	(36,136)	-	18	(4,239)	3,588	(220)	(29,786)	(23,164)	(74,760)	(333,674)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	594	-	(81)	-	-	-	-	-	3,601	(254,933)
Amortisation of insurance acquisition cash flows	(22,034)	(2,984)	(1,745)	-	(431)	(169)	(3,880)	(20,394)	(332,556)	(797,398)
Losses for the net outflow recognised on initial recognition	(17,071)	(43)	(1,140)	-	-	(120)	(4,386)	(12,256)	-	-
Losses and reversal of losses on onerous contracts - subsequent measurement	61,159	207	(17,523)	9,060	(5,118)	45	(16,711)	4,203	-	7,585
	(111,140)	(67,215)	(13,862)	5,727	(56,419)	17	(115,775)	(62,263)	(1,220,909)	(4,041,872)

26 NET EXPENSE FROM REINSURANCE CONTRACTS HELD

	2024			2023 - Restated		
	General	Life	Total	General	Life	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Allocation of reinsurance premium	(1,831,392)	(198,035)	(2,029,427)	(1,934,623)	(189,603)	(2,124,226)
(b) Amounts recovered from reinsurance						
Recoveries of incurred claims and other insurance service expense	939,256	103,570	1,042,826	618,641	84,392	703,033
Changes related to past service (changes related to incurred claims component)	73,004	3,752	76,756	328,037	(2,230)	325,807
Recoveries of losses on onerous underlying contracts on initial recognition	-	11,478	11,478	-	10,534	10,534
Recoveries on onerous underlying contracts - subsequent measurement	-	(2,984)	(2,984)	(705)	(43,031)	(43,736)
	1,012,260	115,816	1,128,076	945,973	49,665	995,638
(c) Changes in risk of non-performance	12,364	-	12,364	(5,658)	-	(5,658)
Net expense from reinsurance contracts held	(806,768)	(82,219)	(888,987)	(994,308)	(139,938)	(1,134,246)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

27 INVESTMENT INCOME AND INTEREST REVENUE CALCULATED USING EFFECTIVE INTEREST RATE

(a) Investment income

Rental income
Dividend income
Interest income on financial assets at FVTPL

(b) Interest calculated using effective interest rate (EIR)

Loans
Fixed deposit
Corporate bonds
Government long term bonds
Government treasury bills

THE GROUP		THE COMPANY	
2024	2023 Restated	2024	2023
Rs'000	Rs'000	Rs'000	Rs'000
19,373	19,940	-	-
145,149	114,219	269,417	115,000
202,171	209,845	-	-
366,693	344,004	269,417	115,000
84,395	52,193	58,725	26,662
64,557	63,478	14,294	40,643
2,414	-	-	-
508,531	518,889	-	-
8,493	17,081	-	-
668,390	651,641	73,019	67,305

28 FINANCE EXPENSE FROM INSURANCE CONTRACTS ISSUED

	2024										
	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	GMM	VFA			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest accreted on the carrying amount of the CSM	(17,432)	(52)	(2,039)	(16,934)	-	(439)	(16,740)	-	-	-	(53,636)
Interest accreted on present value cash flows	17,788	42	(15,331)	(80,027)	63,371	(772)	(221,591)	-	(69,822)	(236,153)	(542,495)
Interest accreted on risk adjustment	(4,491)	(16)	(65)	(190)	-	(30)	(540)	-	-	-	(5,332)
Effect of financial risk and changes in financial risk	883	10	7,684	(8,311)	2,557	(1,824)	(143,642)	-	-	-	(142,643)
Changes in fair value of underlying items of direct participating contracts	-	24,000	-	(14,582)	(51,904)	-	-	(326,706)	-	-	(369,192)
	(3,252)	23,984	(9,751)	(120,044)	14,024	(3,065)	(382,513)	(326,706)	(69,822)	(236,153)	(1,113,298)
2023 - Restated											
Interest accreted on the carrying amount of the CSM	(7,721)	(8)	(2,245)	(4,848)	(3,885)	(236)	(15,174)	-	-	-	(34,117)
Interest accreted on present value cash flows	5,815	7	(12,188)	(66,956)	55,948	(589)	(181,312)	-	(25,059)	(103,912)	(328,246)
Interest accreted on risk adjustment	(2,950)	-	(48)	(377)	-	(22)	(431)	-	-	-	(3,828)
Effect of financial risk and changes in financial risk	2,612	(11)	(36,504)	(212,667)	71,341	(1,490)	(241,814)	-	-	-	(418,533)
Changes in fair value of underlying items of direct participating contracts	-	-	-	-	(96,615)	-	-	(233,232)	-	-	(329,847)
	(2,244)	(12)	(50,985)	(284,848)	26,789	(2,337)	(438,731)	(233,232)	(25,059)	(103,912)	(1,114,571)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

29 FINANCE INCOME FROM REINSURANCE CONTRACTS HELD

	2024			2023 - Restated		
	General	Life	Total	General	Life	Total
Effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest accreted to reinsurance contracts using current financial assumptions	36,984	-	36,984	14,339	-	14,339
Interest accreted on the carrying amount of the CSM	21,912	(12,281)	9,631	8,933	(4,680)	4,253
Interest accreted on present value cash flows	42,987	24,955	67,942	30,264	18,343	48,607
Interest accreted on risk adjustment	930	503	1,433	412	296	708
Effect of financial risk and changes in financial risk	12,919	(9,478)	3,441	(377)	19,555	19,178
	115,732	3,699	119,431	53,571	33,514	87,085

30 REVERSAL OF/(ALLOWANCE FOR) EXPECTED CREDIT LOSSES

	THE GROUP		THE COMPANY	
Notes	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Loans	3,251	(76)	(9)	(1,604)
Debt instruments at amortised cost	(1,036)	(13,028)	(2,660)	(1,037)
	2,215	(13,104)	(2,669)	(2,641)

31 OTHER GAINS

	THE GROUP		THE COMPANY	
Notes	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(Loss)/gain on disposal of property and equipment and investment properties	(9,699)	6,814	-	-
Gain on cancellation of lease	5	624	-	-
Loss on disposal of associate	9	(1,080)	-	-
Loss on fair value of investment properties	6	(80,442)	-	-
(Loss)/gain on disposal of financial assets	(2,510)	12,487	-	245
Loss/ (gain) recycled from OCI on disposal of debt instruments at fair value through other comprehensive income	1,349	23,185	-	-
Gains on financial assets at fair value through FVTPL	16 (c)	590,846	354,275	-
	579,986	315,863	-	245

32 OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
Notes	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Brokerage fees	-	3,975	-	-
Administration fees	91,559	82,137	-	-
Management fees	14,936	14,749	-	-
Exchange gains	97,783	100,508	56,901	-
Stale cheques	3,034	2,345	796	-
Loan fees	547	637	-	-
Gain on lease modification	5	2,203	710	-
Other income	35,045	36,413	-	-
	245,107	241,474	57,697	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

33 OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
Notes	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Exchange loss	87,100	125,071	-	6,201
Employee benefits expenses	305,099	296,575	-	-
Repairs and maintenance	50,824	28,813	-	-
Utilities costs	7,858	13,173	-	-
Professional fees	136,095	110,503	15,258	6,155
Advertising costs	34,308	38,562	-	-
Other expenses	16,982	160,550	2,457	71
Impairment of investment in subsidiary	8	-	150,000	-
Depreciation and amortisation	62,363	66,303	-	-
	700,629	839,550	167,715	12,427

34 OTHER FINANCE COSTS

	THE GROUP		THE COMPANY	
Notes	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense:				
- Interest on subordinated bonds/notes	60,893	54,440	59,785	53,371
- Interest on leased assets	5	12,025	-	-
- Interest on bank overdraft	966	953	-	-
	73,884	66,358	59,785	53,371

35 EMPLOYEE BENEFITS EXPENSES

Employee benefit expenses include both the portion attributable to insurance contracts and the remaining element of non-attributable expenses:

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Wages and salaries	624,873	637,019
Social Security costs	26,403	33,932
Defined contribution expenses	38,014	28,545
Defined benefits expenses	174	18,585
Other costs	49,251	42,796
Share option scheme	2,630	7,889
	741,345	768,766

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

36 DIVIDENDS PAID

THE GROUP AND COMPANY	
2024	2023
Rs'000	Rs'000
Interim ordinary dividend - Rs 0.80 (2023: Rs 0.80) per share	44,412
Final ordinary dividend - Rs 2.10 (2023: Rs 2.10) per share	116,594
	161,006

37 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 could 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.

For the year ended 31 December 2024, a total charge of **Rs 2.6m** (2023: 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

37 SHARE BASED PAYMENT (CONTINUED)

(a) Group Share Option Scheme ('GSOS') (continued)

Set out below are summaries of options granted under the plan:

		Weighted 2024		Weighted 2023	
		Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
		Rs		Rs	
At 01 January and 31 December		89.32	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:

	2024		2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
	Rs		Rs	
At 01 January	-	1,381,634	-	1,387,256
Exercised during the year	-	-	98.90	(5,622)
At 31 December		1,381,634		1,381,634

No options expired during the periods covered by the above table.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

38 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)	
	2024	2023 Restated	2024	2023	2024	2023
	Rs'000	Rs'000				
Investment properties						
Land	178,777	178,777	Level 2	Level 2	Sales comparison approach and selling price	
Buildings	12,271	12,201	Level 2	Level 2		
Buildings	227,677	206,210	Level 3	Level 3	Discounted Cash Flow	
Property and equipment:						
Buildings	174,690	175,904	Level 2	Level 2		
					Sales comparison approach and selling price	
Assets held for sale	-	171,600	Level 2	Level 2		
Financial assets at fair value through other comprehensive income:						
Quoted equity securities	362,023	307,390	Level 1	Level 1	Not applicable	
Unquoted equity securities:						
Foreign equities	73,552	35,950	Level 2	Level 2	Net Assets Value	
Foreign equities	38,385	36,616	Level 3	Level 3	see disclosure in Note a(i)	
Commerce and others	17,388	2,438	Level 3	Level 3		
Debt instruments:						
Quoted bonds	30,414	28,129	Level 1	Level 1	Not applicable	
Unquoted bonds	1,274,274	984,179	Level 2	Level 2	Yield To Maturity	
Financial assets at fair value through profit or loss:						
Quoted	2,800,480	2,527,378	Level 1	Level 1	Not applicable	
Unquoted	3,352,771	3,082,743	Level 2	Level 2	Yield To Maturity	
Unquoted	12,972	11,703	Level 3	Level 3	see disclosure in Note a(i)	
Open-ended mutual funds	1,394,212	1,156,783	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 2024

38 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
	2024	2023				
	Rs'000	Rs'000				
Investment properties:						
Investment property in Tanzania	227,677	206,210	Discounted Cash Flow	Estimated rental value per square metre Rental growth Market occupancy rate Discount rate	5%	A 5% increase/decrease in the discount factor will lead to a decrease/ increase of Rs 11.39m (2023: Rs 10.31m) in fair value.
Financial assets at fair value through other comprehensive income:						
Foreign equities: Leisure and hotels	26,051	27,276	Price to Book Value	Discount due to lack of marketability	30% - 40%	A 5% increase/decrease in the discount factor will lead to a decrease/ increase of Rs 3.02m (2023: Rs 2.27m) in fair value.
Foreign equities: Reinsurance	12,334	9,340	Dividend yield model	Discount due to lack of marketability	20% - 30%	A 5% increase/decrease in the discount factor will lead to a decrease/ increase of Rs 0.82m (2023: Rs 0.62m) in fair value.
Commerce and others	17,388	2,438	NAV	Discount due to lack of marketability	0% - 30%	A 5% increase/decrease in the NAV will lead to an increase/decrease of Rs 0.62m (2023: Rs 0.14m).
Financial assets at fair value through profit or loss:						
Foreign equities: Leisure and hotels	12,972	11,850	Comparative EV/EBITDA	Discount due to lack of marketability	30%-40%	A 5% increase/decrease in the discount factor will lead to a decrease/ increase of Rs 0.63m (2023: Rs 0.59m) in fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

38 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	
	2024	2023 Restated	2024	2023 Restated	2024	2023
The Group	Rs'000	Rs'000	Rs'000	Rs'000		
Loans and receivables	547,946	598,050	564,377	604,247	Level 2	Level 2
Debt instruments at amortised cost						
Corporate bonds and fixed deposits	3,124,537	2,538,790	2,919,643	2,523,829	Level 2	Level 2
Government debt securities	5,896,111	5,753,661	5,888,579	5,851,808	Level 2	Level 2
Financial liabilities						
Floating rate notes	507,196	507,800	509,650	523,970	Level 2	Level 2
Fixed rate notes	320,821	307,443	310,915	310,379	Level 2	Level 2
Bank loan	200,082	200,082	216,943	220,384	Level 2	Level 2
The Company						
Debt instruments at amortised cost						
Corporate bonds and fixed deposits	809,967	653,049	852,692	729,475	Level 2	Level 2
Loans and receivables	1,101,918	1,036,931	1,108,878	1,044,766	Level 2	Level 2
Financial liabilities						
Floating rate notes	507,196	507,800	509,650	523,970	Level 2	Level 2
Fixed rate notes	305,184	307,443	309,304	310,379	Level 2	Level 2
Bank loan	200,082	200,082	216,943	220,384	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:

	2024			2023 - Restated		
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Investment properties	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Investment properties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	11,703	39,054	206,210	10,131	35,466	311,273
Additions	-	14,770	-	-	-	-
Total gain in profit or loss	1,561	-	-	1,572	-	(88,143)
Total (loss)/ gain in other comprehensive income	(292)	1,949	-	-	3,588	-
Exchange difference	-	-	21,467	-	-	(16,920)
At 31 December	12,972	55,773	227,677	11,703	39,054	206,210

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

39 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 Group Chief Executive Officer (Group 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 is no customer that accounts for more than 10% of the total revenue.

2024	THE GROUP				
	General	Life	Other	Consolidated adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance revenue	6,666,401	890,839	-	(12,625)	7,544,615
Insurance service expenses	(5,455,060)	(596,881)	-	-	(6,051,941)
Net expense from reinsurance contracts held	(806,768)	(82,219)	-	-	(888,987)
Insurance service result	404,573	211,739	-	(12,625)	603,687
Interest revenue	305,748	309,715	125,524	(72,597)	668,390
Investment income	236,319	323,427	269,593	(462,646)	366,693
Other gains/(losses)	106	591,630	(2,384)	(7,151)	582,201
Movement in investment contract liabilities	-	(224,033)	-	-	(224,033)
Net investment income	542,173	1,000,739	392,733	(542,394)	1,393,251
Finance expense for insurance contracts issued	(305,975)	(807,323)	-	-	(1,113,298)
Finance income for reinsurance contracts held	115,732	3,699	-	-	119,431
Net insurance finance expense	(190,243)	(803,624)	-	-	(993,867)
Net insurance and investment result	756,503	408,854	392,733	(555,019)	1,003,071
Other operating income	43,607	31,753	174,822	(5,075)	245,107
Depreciation and amortisation	(45,330)	(11,514)	(3,179)	(2,340)	(62,363)
Other administrative expenses (excluding depreciation and amortisation)	(412,211)	(154,923)	(229,862)	158,730	(638,266)
Other finance cost	(31,397)	-	(115,085)	72,598	(73,884)
Share of profit from joint ventures	-	-	689	-	689
Profit before income tax	311,172	274,170	220,118	(331,106)	474,354
Income tax expense					(75,520)
Profit for the year					398,834

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

39 SEGMENT INFORMATION (CONTINUED)

2023 - Restated	THE GROUP				
	General	Life	Other	Consolidated adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance revenue	6,260,167	831,892	-	(6,800)	7,085,259
Insurance service expense	(5,262,781)	(420,930)	-	-	(5,683,711)
Net expense from reinsurance contracts held	(994,308)	(139,938)	-	-	(1,134,246)
Insurance service result	3,078	271,024	-	(6,800)	267,302
Interest revenue	282,922	323,253	102,438	(56,972)	651,641
Investment income	224,982	316,396	115,253	(312,627)	344,004
Other (losses) / gains	(63,833)	362,996	(2,373)	5,969	302,759
Movement in investment contract liabilities	-	(105,528)	-	-	(105,528)
Net investment income	444,071	897,117	215,318	(363,630)	1,192,876
Finance expense for insurance contracts issued	(128,971)	(985,600)	-	-	(1,114,571)
Finance income for reinsurance contracts held	53,571	33,514	-	-	87,085
Net insurance finance expense	(75,400)	(952,086)	-	-	(1,027,486)
Net insurance and investment result	371,749	216,055	215,318	(370,430)	432,692
Other operating income	253,624	21,980	105,016	(139,146)	241,474
Depreciation & amortisation	(45,941)	(14,912)	(3,110)	(2,340)	(66,303)
Other administrative expenses (excluding depreciation and amortisation)	(620,399)	(107,798)	(75,276)	30,226	(773,247)
Other finance cost	(30,144)	(52)	(87,978)	51,816	(66,358)
Share of loss from joint ventures	-	-	(136)	-	(136)
Profit before income tax	(71,111)	115,273	153,834	(429,874)	(231,878)
Income tax expense					(34,352)
Profit for the year					(266,230)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

39 SEGMENT INFORMATION (CONTINUED)

2024	THE GROUP				
	General	Life	Other	Consolidated adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	8,438,322	14,546,222	5,048,034	(4,008,358)	24,024,220
Segment liabilities	(5,900,857)	(13,472,242)	(2,092,015)	1,825,621	(19,639,493)
Total equity					(4,384,727)
Capital expenditure					
Property and equipment	40,391	60	116	-	40,567
Intangible assets	6,218	1,014	432	-	7,664
2023 - Restated					
Segment assets	7,444,068	13,383,379	4,978,312	(4,099,524)	21,706,235
Segment liabilities	(5,018,260)	(12,393,278)	(2,016,504)	1,793,303	(17,634,739)
Total equity					(4,071,496)
Capital expenditure					
Property and equipment	44,106	4,215	8,335	-	56,656
Intangible assets	9,343	1,269	578	-	11,190

GEOGRAPHICAL INFORMATION

	Revenue from external customers		Non-current assets	
	Restated		Restated	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritius	4,934,966	4,384,184	12,136,429	10,647,802
Kenya	867,267	1,083,259	436,321	486,578
Tanzania	822,669	749,807	821,859	794,054
Uganda	413,528	374,126	307,924	247,704
Rwanda	506,185	493,883	101,712	428,349
	7,544,615	7,085,259	13,804,245	12,604,487

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

40 BASIC AND DILUTED EARNINGS PER SHARE

	THE GROUP	
	2024	2023 Restated
	Rs'000	Rs'000
The following reflects the income and share data used in the basic and diluted EPS computations:	399,815	(135,025)
Profit/ (loss) attributable to equity holders of the parent		
Weighted average number of ordinary shares ranking for dividend:		
Number of ordinary shares for basic EPS	55,520,848	55,518,784
Effect of dilution from share options	187,427	339,818
Number of ordinary shares adjusted for the effect of dilution	55,708,275	55,858,602
Earnings/ (loss) per share - Basic (Rs)	7.20	(2.43)
Earnings/(loss) per share - Diluted (Rs)	7.18	(2.42)

41 ASSETS HELD-FOR-SALE

	THE GROUP	
	2024	2023
	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

42 NOTES TO THE STATEMENTS OF CASH FLOWS

	Notes	THE GROUP		THE COMPANY	
		2024	2023 Restated	2024	2023
		Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash generated from operations		474,354	(231,878)	169,964	114,111
Profit/ (loss) before income tax					
Fair value gain on financial assets at FVTPL	16 (c)	(590,846)	(354,275)	-	-
Decrease in fair value of investment properties	6	-	80,442	-	-
Share based payment charge	37	2,630	7,889	-	-
Impairment of subsidiary	8	-	-	150,000	-
Foreign exchange (gain)/loss		(10,683)	24,564	(56,901)	(6,201)
Provision for employee benefit obligations	35	174	18,585	-	-
Impairment of escrow account		-	5,590	-	-
(Reversal of)/ allowance for expected credit losses	30	(2,215)	13,104	2,669	2,641
Dividend income	27 (a)	(145,149)	(114,219)	(269,417)	(115,000)
Interest income		(870,561)	(861,486)	(73,019)	(67,305)
Interest expense	34	73,884	66,358	59,785	53,371
Depreciation of property and equipment	4	49,334	48,085	-	-
Depreciation of rights of use assets	5 (a)	51,974	28,823	-	-
Amortisation of intangible assets	7	54,978	67,030	-	-
Loss/(gain) on sale of property and equipment and asset held for sale	31	9,699	(6,814)	-	-
Loss/(gain) on disposal of financial assets	31	2,510	(12,487)	-	-
Gains recycled on disposal of debt instruments at fair value through other comprehensive income	31	(1,349)	(23,185)	-	-
Changes in investment contract liabilities	19	224,033	105,528	-	-
Lease liability reassessment	5 (c)	(2,203)	(1,334)	-	-
Loss on disposal of associate	9	-	1,080	-	-
Share of (profit)/loss from joint ventures	10	(689)	136	-	-
		(680,125)	(1,138,464)	(16,919)	(18,383)
Change in other receivables and prepayments		(72,456)	70,326	-	-
Changes in insurance contract assets and liabilities		1,105,237	1,581,105	-	-
Changes in reinsurance contract assets		(615,485)	(142,893)	-	-
Change in other payables		20,448	80,318	887	2,875
Net cash (used in)/generated from operations		(242,381)	450,392	(16,032)	(15,508)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

42 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	
	2024	2023 Restated	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Cash at banks and on hand	763,843	1,038,749	50,146	110,359
Short-term deposits	384,480	28,689	-	-
	1,148,323	1,067,438	50,146	110,359
T-Bills with original maturities of less than three months	301,259	85,843	-	-
	1,449,582	1,153,281	50,146	110,359

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%** (2023: 0% to 1.30%) and from **3.70% to 5.34%** for short-term deposits (2023: 3.07% to 5.75%).

(d) Net debt reconciliation

	Notes	THE GROUP		THE COMPANY	
		2024	2023 Restated	2024	2023
		Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	42(b)	1,449,582	1,153,281	50,146	110,359
Borrowings	21	(1,028,099)	(1,015,325)	(1,012,462)	(1,015,325)
Lease liabilities	5(b)	(124,508)	(93,635)	-	-
Net surplus/ (shortfall)		296,975	44,321	(962,316)	(904,966)

	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 2023, as restated	(806,735)	(133,225)	1,773,003	833,043	(806,735)	588,835	(217,900)
Cash flows	(200,000)	27,199	(567,720)	(740,521)	(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, as restated	(1,015,325)	(93,635)	1,153,281	44,321	(1,015,325)	110,359	(904,966)
Cash flows	(14,190)	52,827	270,262	308,899	-	(61,402)	(61,402)
Interest expense	(60,893)	(12,025)	-	(72,918)	(59,785)	-	(59,785)
Interest paid	62,309	12,025	-	74,334	62,648	-	62,648
New leases	-	(60,519)	-	(60,519)	-	-	-
Foreign exchange adjustments	-	(9,406)	26,039	16,633	-	1,189	1,189
Other changes	-	(13,775)	-	(13,775)	-	-	-
31 December 2024	(1,028,099)	(124,508)	1,449,582	296,975	(1,012,462)	50,146	(962,316)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

43 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 2024 and 2023 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	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2024	133,188	51,197	21,780	28,179	46,867	16,164	297,375
2023	133,188	51,197	21,780	25,593	42,252	16,716	290,726

The recoverable amounts of the CGUs are determined on the basis of value in use calculations. At 31 December 2024, the value in use of each CGU exceeds the carrying amount.

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 CGU for 2024 has been determined based on a value in use ("VIU") calculation. The calculation is based on the adjusted net asset value ("NAV") of the CGU, which consists of the reported NAV and the CSM less two times the Minimum Capital Adequacy Requirement ("MCR"). The key assumptions and sensitivity analyses performed are detailed in Note 3.1.

The recoverable amount for 2023 had also been determined based on a VIU calculation but the basis used was different. The calculation was 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%, 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%**, 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%** is used to discount expected profits from future new business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

43 GOODWILL (CONTINUED)

Investment Management services CGU (MUA Mutual Fund Ltd)

The recoverable amount of the investment management services business 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 **7.31%** (2023: 7.43%) is used. The applied long-term growth rate is **2%** (2023: 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 steady average growth rates ranging from **3.5% to 7.0%** (2023: 3.0% to 6.2%) 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%** (2023: 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	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Discount factor +1%	(30,021)	(100,986)	(10,364)	(8,718)
Discount factor -1%	41,583	110,061	15,175	12,651
Growth rate +1%	(2,836)	120,269	13,713	13,325
Growth rate -1%	5,820	(111,917)	(9,367)	(9,183)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

43 GOODWILL (CONTINUED)

Sensitivity to changes in assumptions (continued)

	2024			
	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%	(972,142)	(7,725)	(6,662)	(23,359)
Discount factor -1%	1,468,963	8,773	7,767	26,231
Claim ratio +1%	(779,641)	(9,502)	(5,420)	(20,868)
Claim ratio -1%	777,701	9,502	5,420	20,868
Growth rate+1%	1,284,792	6,771	5,169	30,544
Growth rate-1%	(852,763)	(5,976)	(4,474)	(27,199)

	2023			
	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)

44 CONTINGENCIES

Material litigation

As at 31 December 2024, there were material litigations outstanding and the matter relates to claims under the directors & officers policies. In alignment with external counsels, the directors are 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.

45 SUBSEQUENT EVENTS

Disposal of stake in MUA Mutual Fund

On 29 July 2025, MUA Mutual Fund Ltd, the Group's Fund management arm was disposed in its entirety.

Dividends declared

The Company has also declared an interim dividend of Rs 0.80 per share in respect of its financial year ending 31 December 2025 amounting to Rs. 44,466,886.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

46 PRIOR YEAR ADJUSTMENTS

During the year ended 31 December 2024, the directors

(i) noted that a subsidiary, Prudence Properties Ltd, had not been consolidated in prior years and

(ii) reassessed the insurance contract liabilities of MUA Life Ltd at 01 January 2023 and 31 December 2023, and noted that a prior year adjustment was required in order to allow for:

- Correction of the treatment of stochastic asset returns in the time value of guarantee calculations;
- Correction of yield curve used for products without participation in underlying items;
- Correction of premium variance for the Bancassurances business; and
- Correction of treatment of GMM contracts with indirect participation that change nature over time.

The above errors were as per IAS 8 and did not relate to changes in estimates. The impacts of the above adjustments are shown below:

	THE GROUP			
	As previously stated	Impact of adjustment - MUA Life Ltd	Impact of adjustment - Prudence Properties Ltd	As restated
	Rs'000	Rs'000	Rs'000	Rs'000
Statement of financial position as at 31 December 2023				
Property and equipment - owned	190,436	-	117,120	307,556
Other receivables	215,175	-	786	215,961
Reinsurance contract assets	1,742,998	33,216	-	1,776,214
Insurance contract assets	22,786	(22,786)	-	-
Financial assets at fair value through profit or loss	6,853,107	-	(74,499)	6,778,608
Loans and receivables	629,691	-	(31,641)	598,050
Cash and cash equivalents	1,066,519	-	919	1,067,438
Stated capital	(1,662,289)	-	-	(1,662,289)
Total reserves	(2,030,444)	58,689	(1,151)	(1,972,906)
Deferred income tax liabilities	(39,282)	-	(13,924)	(53,206)
Other payables	(751,691)	-	(3,179)	(754,870)
Insurance contract liabilities	(13,818,111)	(72,063)	-	(13,890,174)
Current income tax liabilities	(23,086)	2,944	5,569	(14,573)
Statement of financial position as at 01 January 2023				
Property and equipment	367,243	-	117,120	484,363
Other receivables	211,807	-	664	212,471
Reinsurance contract assets	1,554,254	17,152	-	1,571,406
Loans and receivables	606,132	-	(32,183)	573,949
Financial assets at fair value through profit or loss	6,486,058	-	(77,423)	6,408,635
Cash and cash equivalents	1,269,835	-	299	1,270,134
Total reserves	(2,264,399)	28,667	1,297	(2,234,435)
Deferred income tax liabilities	(78,142)	-	(12,928)	(91,070)
Other payables	(685,341)	-	(2,017)	(687,358)
Insurance contract liabilities	(12,543,650)	(45,819)	-	(12,589,469)
Current income tax liabilities	(38,989)	-	5,171	(33,818)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

46 PRIOR YEAR ADJUSTMENTS (CONTINUED)

	THE GROUP			
	As previously stated	Impact of adjustment - MUA Life Ltd	Impact of adjustment - Prudence Properties Ltd	As restated
	Rs'000	Rs'000	Rs'000	Rs'000
Statement of profit or loss for the year ended 31 December 2023				
Insurance revenue	7,223,475	(138,216)	-	7,085,259
Insurance service expenses	(5,694,142)	10,431	-	(5,683,711)
Allocation of reinsurance premium	(2,132,429)	8,203	-	(2,124,226)
Amounts recoverable from reinsurers for incurred claims	1,000,933	(5,295)	-	995,638
Interest revenue calculated using effective interest rate	656,233	-	(4,592)	651,641
(Allowance)/ reversal of expected credit loss	(16,150)	-	3,046	(13,104)
Other gains	312,939	-	2,924	315,863
Finance expense from insurance contracts issued	(1,216,884)	102,313	-	(1,114,571)
Finance income from reinsurance contracts held	91,080	(3,995)	-	87,085
Other operating income	238,481	-	2,993	241,474
Other operating expenses	(829,477)	(6,407)	(3,666)	(839,550)
Other finance costs	(66,358)	-	-	(66,358)
Income tax expense	(37,097)	2,944	(199)	(34,352)
Earnings/(loss) per share:				
- Basic (Rs)	(1.90)	(0.53)	-	(2.43)
- Diluted (Rs)	(1.89)	(0.53)	-	(2.42)
Statements of comprehensive income for the year ended 31 December 2023				
Revaluation of land and buildings	8,093	-	2,340	10,433
Income tax effect	(1,400)	-	(398)	(1,798)
Statements of changes in equity for the year ended 31 December 2023				
Profit for the year	(236,714)	(30,022)	506	(266,230)
Other comprehensive income for the year	(21,884)	-	1,942	(19,942)
Statement of cash flows for the year ended 31 December 2023				
Loss before income tax	(199,617)	(32,966)	705	(231,878)
Fair value gain on financial assets at FVTPL	(351,351)	-	(2,924)	(354,275)
Interest income	(866,078)	-	4,592	(861,486)
Depreciation of property and equipment	45,745	-	2,340	48,085
Allowance for expected credit losses	16,150	-	(3,046)	13,104
			-	
Change in other receivables and prepayments	70,448	-	(122)	70,326
Changes in insurance contract assets and liabilities	1,532,075	49,030	-	1,581,105
Changes in reinsurance contract assets	(126,829)	(16,064)	-	(142,893)
Change in other payables	79,156	-	1,162	80,318
Interest paid	(56,815)	-	(2,088)	(58,903)
Net cash from operating activities	753,477	-	620	754,097
At 01 January	1,772,704	-	299	1,773,003
Net increase/(decrease) in cash and cash equivalents	(568,340)	-	620	(567,720)
At 31 December	1,152,362	-	919	1,153,281



4 Léoville L'Homme Street,
Port Louis, Mauritius
T +230 207 5500
BRN C18157344

mua.mu