MAURITIUS UNION
GROUP

THE MAURITIUS UNION ASSURANCE CY. LTD

PROSPECTUS

(Deemed to be Listing Particulars pursuant to the Listing Rules of the Stock Exchange of Mauritius Ltd)

IN RESPECT OF A RIGHTS ISSUE OF
Up to 5,010,000 new ordinary shares of par value MUR 10.00 each at an issue price of MUR 65.00 per share representing a total amount of MUR 325,650,000

1 new ordinary share will be issued for every 8 ordinary shares held on 21 August 2015

31 July 2015

IF YOU ARE A SHAREHOLDER OF THE MAURITIUS UNION ASSURANCE CY. LTD, THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document is issued by The Mauritius Union Assurance Cy. Ltd ("MUA" or the "Company"), a public company incorporated and domiciled in Mauritius on 26 July 1948 and regulated by the Companies Act 2001.

This document serves as a Prospectus (as defined in the Securities Act 2005) and is issued in compliance with the Securities Act 2005 and the Securities (Public Offers) Rules 2007 for the purpose of providing information to shareholders of the Company and to the public in general in relation to the rights issue of 5,010,000 new ordinary shares by MUA (the "Rights Issue").

A copy of this Prospectus has been registered with the Financial Services Commission ("FSC"). This Prospectus is not an invitation to the public to subscribe for shares in the Company and securities shall not be issued under this Prospectus more than 6 months after the date the Prospectus is granted effective registration.

This Prospectus also serves as Listing Particulars (as defined in the Listing Rules (the "Listing Rules") of the Stock Exchange of Mauritius Ltd ("SEM")) and includes information given in compliance with the relevant chapters of the Listing Rules with regard to the Rights Issue.

The shares to be offered have been granted approval with regard to their admission to listing on the Official List of the SEM. This document has been approved by the Listing Executive Committee ("LEC") of the SEM in conformity with the Listing Rules on 4 August 2015 and bears registration number LEC/R/03/2015.

For a full appreciation of this document, it should be read in its entirety. If you are in any doubt about the action you should take, you should consult your financial advisor, your investment dealer or any other independent advisor immediately.

Neither the FSC, nor the LEC, nor the SEM assumes any responsibility for the contents of this document. The FSC, LEC and the SEM make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this document and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

The FSC, LEC and the SEM do not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

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1. GLOSSARY

In this document, where the context permits, the expressions set out below bear the following meanings:

Act	The Companies Act 2001, as may be amended from time to time
Board	The Board of directors of MUA
CDS	The Central Depository & Settlement Co. Ltd
Company or MUA or the Issuer	The Mauritius Union Assurance Cy. Ltd
Constitution	The constitution of the Company dated 6 September 2004
Directors	The directors of MUA
FSC	Financial Services Commission of Mauritius
IFRS	International Financial Reporting Standards
LEC	Listing Executive Committee of the SEM
Listing Particulars	This document prepared pursuant to the Listing Rules of the SEM for the purpose of listing the New Ordinary Shares issued under the Rights Issue
Listing Rules	The rules constituted by the SEM governing the listing of securities on the Official Market
MUR	Mauritian rupees
NAV	Net asset value
New Ordinary Share	New ordinary shares of MUA issued in context of the Rights Issue, ranking pari passu with the existing ordinary shares
Prospectus	This document issued in compliance with the Securities Act 2005 and the Securities (Public Offers) Rules 2007
PEAL	Phoenix of East Africa Assurance Company Ltd, a company incorporated in the Republic of Kenya and with subsidiaries incorporated in Tanzania, Uganda and Rwanda
PTHL	Phoenix Transafrica Holdings Limited, a company incorporated in the Republic of Kenya and which holds a 66.38% equity stake in PEAL
Record date	21 August 2015
Rights Issue	The issue of 5,010,000 New Ordinary Shares of MUA of par value MUR 10.00 each, at an issue price of MUR 65.00 each, to the shareholders of the Company as particularised in these Listing Particulars
SEM	The Stock Exchange of Mauritius Ltd

2. DECLARATION BY DIRECTORS

This Prospectus includes particulars with regard to MUA to be given in compliance with the Securities Act 2005, the Securities (Public Offer) Rules 2007 and with the Listing Rules governing the listing of securities on the Official Market of the SEM.

The directors of MUA (the "Directors"), whose names appear in Section 9, collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this Prospectus and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no facts, the omission of which, would make any statement herein misleading.

In a cautionary announcement dated 12 June 2015, the Directors informed MUA's shareholders and the public in general that the Company would be proceeding with a rights issue of MUR325.65 million. The Rights Issue is conditional upon acceptance of 30% of the offer. In the event that the minimum proceeds are not obtained, MUA will refund those shareholders who have subscribed to the offer. MUA is confident that the shares will be fully subscribed and the board of directors of MUA (the "Board") intends to proceed with the Rights Issue even if the shares are not fully subscribed. The salient features of the Rights Issue are provided in Section 3.

The Directors confirm that the historical financial information included in this document, except for the unaudited quarterly accounts, have been extracted from audited, unqualified and consolidated annual reports for the years ended 31 December 2012, 2013 and 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in compliance with the Companies Act 2001 and the Financial Reporting Act 2004. The Directors accept responsibility for the said financial information.

Furthermore, the directors of MUA declare that, to the best of their knowledge and belief and after having made reasonable enquiries, in relation to the period after 31 December 2014, the date to which the last audited financial statements of MUA have been prepared, to the date of this document:

- There has been no material adverse change in the financial or trading position of MUA and its subsidiaries;
- They do not contemplate any change in the nature of the business of the Company; and
- The working capital available to MUA and its subsidiaries is sufficient for at least twelve months from the date of the issue of this document.

For a full appreciation of this document, it should be read in its entirety. If you are in any doubt about the action you should take, you should consult your financial advisor, your investment dealer or any other independent advisor immediately.

Approved by the Board of The Mauritius Union Assurance Cy. Ltd and signed on its behalf by:

Dominique Galea Chairman	**Bertrand Casteres** Director and Chief Executive Officer

3. SALIENT FEATURES OF THE RIGHTS ISSUE

Issuer	The Mauritius Union Assurance Cy. Ltd
Offer	Rights issue of 5,010,000 New Ordinary Shares of par value MUR10.00 each at an issue price of MUR65.00 each. A shareholder of MUA will be entitled to subscribe for 1 New Ordinary Share for every 8 ordinary shares registered in his/her name on 21 August 2015. MUA will not issue fractional shares. The number of New Ordinary Shares will be rounded down to the nearest integer when fractions occur.
Offer price	MUR 65.00 per share
Amount to be raised	MUR 325,650,000
Purpose of the issue	The main purpose of the issue is to strengthen the capital base of the Company, following the acquisition of Phoenix Transafrica Holdings Limited ("PTHL") in 2014. In addition, should any investment opportunities arise in the future, MUA shall be in a better position to capitalise on these opportunities.
Underwriter	The Rights Issue will not be underwritten. The Rights Issue is conditional upon acceptance of 30% of the offer and MUA will refund those shareholders who have subscribed to the offer in the event that the minimum proceeds are not obtained.
Opening of rights subscription	9 September 2015
Closing of rights subscription	30 September 2015
Trading of rights	Shareholders of MUA opting not to take up their rights may freely trade same on SEM as from 16 September 2015 to 23 September 2015. See section 4.6.4 below and Form B enclosed.
Excess entitlement	Shareholders of MUA who subscribe for all New Ordinary Shares to which they are entitled under the present Rights Issue may also apply, on the same terms and conditions, for New Ordinary Shares in excess of their entitlement. See section 4.6.3 below and Form A enclosed.
Issue date	12 October 2015
Listing of the New Ordinary Shares	Fully paid New Ordinary Shares will be listed and traded on the Official Market as from 19 October 2015. The LEC has on 4 August 2015 approved the listing of the New Ordinary Shares.
Payment terms	Payable at latest on closure of the subscription period on 30 September 2015.

A full calendar of events is set out in Section 4.5 of this document.

4. PARTICULARS OF THE RIGHTS ISSUE

4.1. Background to and purpose of the Rights Issue

MUA is seeking to raise MUR 325,650,000 through the Rights Issue to strengthen its capital base, following the acquisition of PTHL in 2014 (see sections 4.16.2 and 5.1 below). In addition, should any investment opportunities arise in the future, MUA shall be in a better position to capitalise on these opportunities.

The Rights Issue has been approved by the Board on 12 June 2015.

4.2. Regulatory approvals

A copy of this Prospectus, deemed to be also Listing Particulars pursuant to the Listing Rules, has been submitted and registered with the FSC on 3 August 2015.

An application has been made to the LEC of the SEM for the issue and listing of the New Ordinary Shares. The LEC has approved the application on 4 August 2015. This Prospectus bears registration number LEC/R/03/2015.

4.3. Terms of the Rights Issue

4.3.1. Nature and amount of the Rights Issue

The Rights Issue will consist of the issue of 5,010,000 New Ordinary Shares (Security ID: MUA-N-0000; ISIN: MU0001N00001) of par value MUR 10.00 each at an issue price of MUR 65.00 per share and fully payable on application.

The shareholders of MUA registered at close of business on 21 August 2015, the "Record date", shall have the right to subscribe to 1 New Ordinary Share for every 8 ordinary shares held at that date. MUA will not issue fractional shares. The number of New Ordinary Shares will be rounded down to the nearest integer when fractions occur.

Immediately following the completion of the Rights Issue in accordance with the terms of these Listing Particulars, the New Ordinary Shares will rank in all respect pari passu with the ordinary shares of MUA presently in issue. The New Ordinary Shares will be listed and traded on the Official Market of the SEM as from 19 October 2015.

Shareholders of MUA opting not to take up their rights may freely trade same on the SEM as from 16 September 2015 to 23 September 2015.

Shareholders of MUA who subscribe for all New Ordinary Shares to which they are entitled under the present Rights Issue may also apply, on the same terms and conditions, for New Ordinary Shares in excess of their entitlement.

All the New Ordinary Shares offered shall be in registered form and the register shall be kept by the Share Registry and Transfer Office, Abax Corporate Administrators Ltd. The New Ordinary Shares shall be in either certificated or dematerialised form.

As of the date of this document, the stated capital of MUA is made up of 40,080,000 fully paid up ordinary shares. Upon completion of the Rights Issue, MUA is expected to have a stated capital made up of 45,090,000 fully paid up ordinary shares.

4.3.2. Issue price

The Board has determined the issue price for the New Ordinary Shares at MUR 65.00 per share, equivalent to a discount of approximately 15% to both the three months volume weighted average share price of MUR 76.64 and the theoretical ex-rights price of MUR 76.56, both discounts calculated as at 11 June 2015, being the last dealing date before the Rights Issue was made public by the cautionary announcement of the 12 June 2015.

The Directors confirm that they have made due enquiry and consultation and are satisfied that a discount of approximately 15% and the resulting issue price of MUR 65.00 per share for the Rights Issue is fair and reasonable to the Company and all its existing shareholders as required by Section 56(1) of the Companies Act 2001.

The issue price of MUR 65.00 represents a discount of 14% to the three months volume weighted average share price of MUR 75.32 and a discount of 6% to the theoretical ex-rights price of MUR 69.44, both prices calculated as at 30 July 2015, being the last practicable date prior to the publication of this document.

4.3.3. Approval by shareholders

The Rights Issue is not conditional on approval by shareholders of MUA.

4.4. Dilution impact

Existing shareholders who do not subscribe to the New Ordinary Shares may be diluted by up to 11% following the Rights Issue.

Shareholders	Number of shares held currently	Current shareholding (%)	Shares taken up through Rights Issue	Number of shares post Rights Issue	Shareholding post Rights Issue (%)
Existing shareholders	40,080,000	100%	-	40,080,000	89%
Issue of New Ordinary Shares	-	-	5,010,000	5,010,000	11%
Total	**40,080,000**	**100%**	**5,010,000**	**45,090,000**	**100%**

4.5. Timetable

Publication of Prospectus on the SEM website post regulatory approval	4 August 2015
First cum rights to subscribe for New Ordinary Shares trading session	5 August 2015
Last day to deposit share certificates at CDS for first day of trading of rights for the New Ordinary Shares	14 August 2015
Last cum rights trading session	18 August 2015
Shares traded ex-rights	19 August 2015
Record date for shareholders entitled to subscribe for New Ordinary Shares	21 August 2015
Dispatch of Prospectus, offer letter and application forms to shareholders	2 September 2015
Opening of rights issue subscription	9 September 2015
First day to deposit offer letters at CDS for trading of rights	9 September 2015
Last day to deposit offer letters at CDS for trading of rights	15 September 2015
First day for trading of rights to subscribe for New Ordinary Shares	16 September 2015
Last day for trading of rights to subscribe for New Ordinary Shares	23 September 2015
Closing of rights issue subscription and payment	30 September 2015
Allotment of New Ordinary Shares	12 October 2015
Sending New Ordinary Shares certificates to shareholders	16 October 2015
Direct crediting of New Ordinary Shares in CDS accounts	16 October 2015
First day of trading of New Ordinary Shares	19 October 2015

4.6. Procedures for the Rights Issue

4.6.1. Offer period

The offer will open at 10 am on 9 September 2015 and will close at 4 pm on 30 September 2015. If the rights have not been exercised during this period by one or more shareholders, it shall be deemed that the offer has lapsed in respect of those shareholders.

4.6.2. Acceptance of subscription

Acceptances are irrevocable and cannot be withdrawn.

Shareholders may accept, wholly or partly, to subscribe for New Ordinary Shares by completing and returning a signed Application Form A.

The original application form must be returned with full payment for the shares subscribed to the Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 Cybercity, Ebène, Mauritius not later than 30 September 2015 at 4 pm.

A shareholder will be deemed to have declined the offer to subscribe for the New Ordinary Shares under the Rights Issue if he / she fails to meet the above deadline.

Incomplete applications will be rejected.

4.6.3. Application for excess New Ordinary Shares

Shareholders who subscribe in full for the New Ordinary Shares may also apply for New Ordinary Shares in excess of their entitlement on the same terms and conditions, by completing the Application Form A.

The original application form must be returned with full payment for the shares subscribed to the Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 Cybercity, Ebène, Mauritius not later than 30 September 2015 at 4 pm.

A separate cheque or bank transfer should be made for an application for excess New Ordinary Shares.

Further details about the application and allotment procedures for the excess New Ordinary Shares are summarised below:

- Any New Ordinary Share not subscribed for will be allotted by the Board to applicants for excess New Ordinary Shares on a pro rata basis, based on a shareholder's existing shareholding at the Record Date;
- MUA will not issue fractional shares and the number of New Ordinary Shares will be rounded down to the nearest integer when fractions occur. Any New Ordinary Shares not allocated following the rounding down will be pooled together with rights not taken up, to meet applications for excess New Ordinary Shares;
- No interest will be paid on monies received in respect of applications for excess New Ordinary Shares; and
- Refunds in respect of unsuccessful applications shall be made by cheque, posted to the shareholder's address within one month of the end of the offer period.

4.6.4. Renunciation and trading of rights to New Ordinary Shares

Shareholders who do not wish to subscribe to any or part of the New Ordinary Shares offered under the Rights Issue may renounce their rights or trade them by completing and signing Application Form B.

The rights may then be negotiated through one of the licensed investment dealers and traded on the Official Market from 16 September 2015 to 23 September 2015.

4.6.5. Transfer of rights to a related party

The right of a shareholder to subscribe for New Ordinary Shares may be transferred to a Related Party (as defined below) by completing Form C in accordance with the instructions contained therein.

The transfer of rights will only be accepted if made between spouses, an ascendant to a descendant, or by way of a succession. A certified true copy of the document evidencing such a relationship must be submitted together with the duly completed and signed Form C (for example, birth certificate, marriage certificate, affidavit).

A duly completed and signed Form C together with documentary evidence as to related party relationship and full payment must reach the Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 Cybercity, Ebène, Mauritius, not later than 30 September 2015 at 4 pm.

4.6.6. Purchase of rights to subscribe for New Ordinary Shares

Copies of Application Form D, for the purchase of the right to subscribe for New Ordinary Shares, will be made available to investment dealers.

For those persons who have purchased the right to subscribe for New Ordinary Shares on the Official Market, a completed Application Form D with full payment for the New Ordinary Shares need to be remitted to the Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 Cybercity, Ebène, Mauritius, not later than 30 September 2015 at 4 pm.

Those persons who have purchased the right to subscribe for New Ordinary Shares will not be entitled to apply for excess New Ordinary Shares, unless they are existing shareholders at the Record Date whereby they will be allocated the excess pro rata as to their existing shareholding at the Record Date.

4.7. Methods of payment

Payment for New Ordinary Shares can be made by bank transfer to the bank account of the Company, detailed as follows:

Bank Account Name:	The Mauritius Union Assurance Cy. Ltd
Bank Name:	SBM Bank (Mauritius) Ltd
MUR Account Number:	61031100000037
IBAN:	MU74STCB1170031100000037000MUR
Swift Code:	STCBMUMU

The shareholder reference (as mentioned in the offer letter) must be quoted in the bank transfer transaction and bank transfer receipt. A copy of the bank transfer receipt must be enclosed with the application form.

Payment can also be made by crossed cheque, drawn to the order of The Mauritius Union Assurance Cy. Ltd, for the full amount payable and must reach the Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 Cybercity, Ebène, Mauritius not later than 30 September 2015 at 4 pm together with the completed and signed application form(s).

Should a cheque forwarded in payment of an application for New Ordinary Shares be dishonoured by the drawer's bank or where bank transfers have failed, the application will be rejected.

No cash, nor any other form of payment, will be accepted.

All payments received will be banked by MUA as and when received during the offer period.

4.8. Refunds

No interest will be paid on monies received in respect of applications for New Ordinary Shares and/ or excess New Ordinary Shares. All refunds in respect of unsuccessful applications shall be made by cheque, within one month of the end of the offer period.

4.9. New Ordinary Shares not subscribed for

Any New Ordinary Share in respect of which no duly completed and signed application form(s) and/ or relevant full payment have been received at the closure of subscription will be allotted by the Board to applicants for excess New Ordinary Shares on a pro rata basis, based on a shareholder's existing shareholding at the Record Date.

After allocation of New Ordinary Shares to meet applications for excess shares, any New Ordinary Shares not applied for shall remain under the control of the Board, which shall offer and allocate the said shares to any person it deems fit at the subscription price of MUR65.00 per share.

The Rights Issue will not be underwritten and is conditional upon acceptance of 30% of the offer. In the event that the minimum proceeds are not obtained, MUA will refund those shareholders who have subscribed to the offer. MUA is confident that the shares will be fully subscribed and the Board intends to proceed with the Rights Issue even if the shares are not fully subscribed.

4.10. Fractional shares

MUA will not issue fractional shares. The number of New Ordinary Shares will be rounded down to the nearest integer when fractions occur.

4.11. Allotment of New Ordinary Shares

The allotment of New Ordinary Shares will be effected by 16 October 2015.

A letter of allotment will be sent by the Share Registry and Transfer Office to all subscribers confirming the number of New Ordinary Shares allotted to them.

CDS account holders will have their respective accounts credited with the number of New Ordinary Shares issued and allotted to them by 16 October 2015.

A share certificate will be sent by registered post to all subscribers who do not have a CDS account, by 16 October 2015.

4.12. Description of the rights attached

The New Ordinary Shares shall rank pari passu with the existing ordinary shares of the Company and accordingly shall have the rights set forth in the Constitution. A summary of the rights attached to the ordinary shares is set out below:

4.12.1. Voting

Each ordinary share shall confer upon its holder the right to vote at meetings of shareholders and on a poll to cast one vote for each share held.

4.12.2. Dividends

Each ordinary share shall confer upon its holder, subject to the rights of any other class of shares, the right to an equal share in dividends and other distributions made by the Company.

4.12.3. Distribution on the winding up of the Company

Each ordinary share shall confer upon its holder, subject to the rights of any other class of shares, the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

4.12.4. Redemption

The ordinary shares available for subscription through the Rights Issue are not redeemable. However, the Company may purchase or contract to purchase any of its ordinary shares, subject to the Listing Rules and the Companies Act 2001.

4.13. Listing of New Ordinary Shares

The New Ordinary Shares will be listed and traded on the Official Market as from 19 October 2015.

The Listing Executive Committee of the SEM has, on 4 August 2015, approved the above application.

4.14. Theoretical ex-rights price

The theoretical ex-rights price is based on the share price of MUA at 30 July 2015, being the last practicable date prior to the publication of this document.

Last price quoted prior to the issue (MUR)	70.00
Number of shares in issue	40,080,000
Market capitalisation prior to the issue (MUR)	2,805,600,000
Rights Issue price (MUR)	65.00
Number of shares to be issued	5,010,000
Value of shares to be issued (MUR)	325,650,000
Capitalisation following the issue (MUR)	3,131,250,000
Number of shares following the issue of New Ordinary Shares	45,090,000
Theoretical ex-rights price following the issue (MUR)	**69.44**
Rounded to nearest tick size (MUR)	**69.50**

4.15. History of share prices

The market values of MUA shares and SEMDEX index on the first dealing day in each of the six months preceding the date of this document are disclosed below.

Date	Share price (MUR)	SEMDEX
2 February 2015	75.00	2,007.74
2 March 2015	76.00	2,018.65
1 April 2015	76.00	1,977.83
4 May 2015	74.00	1,950.99
1 June 2015	76.00	1,953.59
1 July 2015	78.00	1,973.01

The share price of MUA on 11 June 2015, being the last dealing date before the announcement of the Rights Issue on 12 June 2015, was MUR 78.00. The SEMDEX was at 1,978.09.

The share price of MUA on 30 July 2015, being the last practicable date prior to the publication of this document, was MUR 70.00. The SEMDEX was at 1,973.38.

4.16. Proceeds from the rights issue

4.16.1. Estimated net proceeds

Proceeds	MUR
Gross proceeds	325,650,000
Less: estimated expenses (see below)	(2,320,000)
Estimated net proceeds	**323,330,000**

The estimated expenses associated with the Rights Issue are shown in the table below. These expenses will be borne by the Company.

Details of expenses	MUR
Professional fees	1,955,000
SEM application fee	95,000
Printing, stationery and postage	270,000
Total estimated expenses	**2,320,000**

4.16.2. Use of proceeds

MUA is seeking to raise MUR 325,650,000 through the Rights Issue to strengthen its capital base. The acquisition of PTHL by MUA in 2014 was partly financed by the Company's own funds and this has increased MUA's capital needs. The proceeds from the Rights Issue will thus contribute to increasing the level of capital required by MUA to operate. In addition, should any investment opportunities arise in the future, MUA shall be in a better position to capitalise on these opportunities.

The table below shows the impact of the Rights Issue on the capital base of MUA.

	Pre Rights Issue		**Post Rights Issue[1]**	
MUR million	**Pre acquisition of PTHL (Dec-13)**	**Post acquisition of PTHL (Dec-14)**	**Minimum acceptance of 30%**	**Full subscription**
Issued share capital[2]	200.4	400.8	415.8	450.9
Total reserves	1,522.1	1,429.2	1,509.6	1,702.4
Total shareholder's equity (excluding non-controlling interests)	**1,722.5**	**1,830.0**	**1,925.4**	**2,153.3**

1 Figures post Rights Issue are based on December 2014 accounts
2 During the year ended 31 December 2014, the Company proceeded with a bonus issue of one share for every share held increasing the total number of ordinary shares in issue from 20,040,000 to 40,080,000 and the share capital from MUR200,400,000 to MUR400,800,000. The issued share capital at December 2013 is stated pre bonus issue.

5. ABOUT MUA

5.1. Description of the business

Founded in 1948, MUA has been providing insurance services in Mauritius for over 65 years, focusing both on the short term and long term segments of the market.

The MUA group was created when the MUA acquired La Prudence Mauricienne Ltd in 2010, and is now the 2nd largest short term insurer on the island and the 4th largest long term insurer.

MUA is well placed to consolidate and improve on its position in these 2 markets locally, which have grown in 2013 by 7.5% (short term insurance) and 7% (long term insurance), to reach a total of approximately MUR 22 billion of total premiums.

The classes of insurance, in which MUA operates, comprise:

- Casualty – motor, liability, cash in transit, personal accident and health;
- Property – fire and allied perils, engineering, marine and all risks;
- Life – includes both life and pensions.

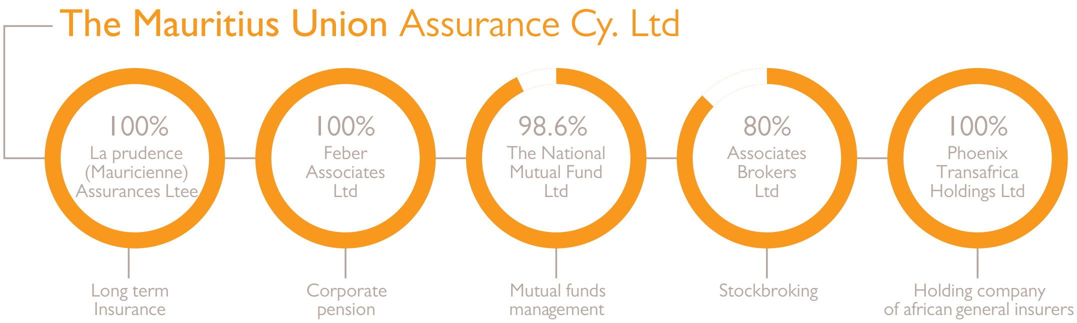
Through its subsidiaries, the MUA group also has a presence in stock broking activities, corporate pensions and mutual funds management.

The MUA group crossed another crucial milestone in 2014 with the acquisition of Phoenix Transafrica Holdings Limited, a company incorporated in the Republic of Kenya, which holds controlling interests in Phoenix of East Africa Assurance Company Ltd ("PEAL"), in a transaction valued at USD 22.6 million[1]. Through this transaction, the MUA group has gained an entry into the general insurance markets of Kenya, Tanzania, Uganda and Rwanda and is now in a prime position to benefit from the growth in the insurance sector in East Africa.

As at 31 December 2014, the MUA group generated revenues of MUR 2,772 million and net profit of MUR 169 million.

5.2. Group structure

The figure below shows the corporate structure for MUA and its subsidiaries.



1 The price for the acquisition of PTHL is in the process of being finalised and MUA will issue a communiqué in due course to inform shareholders of the final price. The transaction is a disclosable transaction under Chapter 13 of the Listing Rules and a disclosable transaction circular, which is subject to the approval of the SEM, will be made available to the shareholders of MUA and the public in general.

5.3. Stated capital

The stated share capital of the Company as at 31 December 2014 amounted to MUR 400,800,000 represented by 40,080,000 ordinary shares issued of par value MUR 10.00 each. All issued shares are fully paid.

During the year ended 31 December 2014, the Company proceeded with a bonus issue of one share for every share held increasing the total number of ordinary shares in issue from 20,040,000 to 40,080,000 and the share capital from MUR 200,400,000 to MUR 400,800,000.

No part of the capital of MUA is under option or agreed conditionally or unconditionally to be put under option.

5.4. Current shareholding

The list of substantial shareholders holding more than 5% of the share capital of MUA as at 31 December 2014 is given below.

Shareholders	No. of shares	% held
Ducray-Lenoir Investments Ltd	4,647,483	11.6
Mr Pierre-Emile Joseph Latour-Adrien	4,456,310	11.1
Devlin Investments Ltd	3,006,000	7.5
Société Robert de Froberville	2,870,870	7.2
Other shareholders	25,099,337	62.6
Total	**40,080,000**	**100.0**

In the context of the Rights Issue, Ducray-Lenoir Investments Ltd, Devlin Investments Ltd and Société Robert de Froberville have indicated their intention to subscribe to their share of the New Ordinary Shares.

5.5. Particulars of securities not representing share capital (at 31 December 2014)

Security	Number of securities	Status	Issue price (MUR)	Amount (MUR million)	Dividend / Interest rate	Maturity date
Redeemable preference shares	100,000	Non listed	1,000	100	3%	30-May-16
Subordinated bonds	20,000	Listed	10,000	200	Weighted average of Repo + 1.85% (to 23-Sep-19) Weighted average of Repo + 2.10% (from 24-Sep-19)	24-Sep-24

A preferential cumulative dividend of 3% per annum, calculated on the issue price, is payable to the preference shareholder. These preference shares are redeemable on 30 May 2016 and the Company has the option to defer the redemption of these shares until 2021. A preferential cumulative dividend of 5% per annum will then be payable as from the initial redemption date.

6. FINANCIAL SUMMARY AND ANALYSIS

6.1. Recent trends (MUA group)

The table below summarises the performance of MUA over the last three financial years ended 31 December 2012 (“FY12”), 2013 (“FY13”) and 2014 (“FY14”) and for the quarter ended 31 March 2014 (“Q1 FY14”) and 2015 (“Q1 FY15”). Additional financial information is set out in Section 13 - Financial Information.

	Quarter ended		Year to 31 December		
Consolidated (MUR million)	**31 March 2015** Unaudited	**31 March 2014** Unaudited	**2014** Audited	**2013** Audited	**2012** Audited
Statement of Profit and Loss					
Net earned premiums	587	457	2,095	1,907	1,796
Other income	214	130	677	941	374
Total revenue	**801**	**587**	**2,772**	**2,848**	**2,170**
Net claims and benefits	(523)	(415)	(1,889)	(2,053)	(1,394)
Other operating and administrative expenses	(192)	(120)	(652)	(479)	(488)
Profit from operations	**86**	**52**	**231**	**316**	**288**
Finance costs	(6)	(4)	(18)	(15)	(17)
Share of results of associated companies	-	-	1	-	-
Profit before tax	**80**	**48**	**214**	**301**	**271**
Income tax expense	(24)	(5)	(46)	(41)	(38)
Profit for the period / year	**56**	**43**	**168**	**260**	**233**
Statement of financial position					
Non-current assets	9,177	7,601	8,482	7,320	6,390
Current assets	3,537	2,442	3,573	2,382	2,250
Total assets	**12,714**	**10,043**	**12,055**	**9,702**	**8,640**
Owners' interest	2,630	1,772	2,430	1,728	1,453
Technical provisions	8,973	7,744	8,601	7,497	6,711
Non-current liabilities	427	165	423	173	203
Current liabilities	684	362	601	304	273
Total equity and liabilities	**12,714**	**10,043**	**12,055**	**9,702**	**8,640**

Copies of the Company's annual and quarterly reports can be obtained on the Company's website at www.mauritiusunion.com.

6.2. Q1 FY15 financial performance

For the quarter ended 31 March 2015, the net premiums earned reached MUR 587.9 million, representing a 28.7% increase over the same period last year. The consolidated net profit after tax amounted to MUR 56.1 million, compared to MUR 43.5 million for the same period last year. The consolidated results for the quarter ended 31 March 2015 include the results of Phoenix Transafrica Holdings Ltd, which was acquired in May 2014.

6.3. Trading prospects for the year 2015

On the local market, the industry remains very competitive and on the other hand, the number of motor vehicles accidents is on the rise. MUA expects to maintain its market share in Mauritius. Regarding its African subsidiaries, the Company had a good first quarter and the outlook for the year is promising.

6.4. Dividend policy

The payment of dividends is subject to the profitability of the Company, to its cash flow and to its capital expenditure requirements. The dividend payout is subject to the solvency test being satisfied as required under Section 61 (2) of The Companies Act 2001.

Dividends are normally declared in May and November and paid in June and December.

For each of the last three financial years ended 31 December 2012, 2013 and 2014, the Company paid an interim dividend of MUR 30,060,000 in June and a final dividend of MUR 70,140,000 in December. For 2015, the Company has paid an interim dividend per share of MUR 0.75 mid July 2015 and expects to pay a final dividend per share of MUR 1.75 in December 2015.

There are no existing arrangements under which future dividends are waived or agreed to be waived.

6.5. Dividends, NAV and Earnings per share

The financial ratios for the last three financial years are shown below. The ratios for 2012 and 2013 have been adjusted to account for an increase in the number of shares from 20,040,000 to 40,080,000 following the bonus issue in 2014. The data below excludes the effect of the Rights Issue.

The 2014 net asset value per share adjusted for the Rights Issue is MUR 47.76.

	Year to 31 December		
MUR	**2014** Audited	**2013**[1] Audited	**2012**[1] Audited
Dividend per share	2.50	2.50	2.50
Net asset value per share	45.66	42.98	36.13
Earnings per share	3.71	6.47	5.82

1 Figures have been adjusted for the 2014 bonus issue

7. RISK FACTORS

The risks described below represent those to which the MUA group is exposed.

7.1. Strategy and planning risk

Strategy and planning risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of management decisions regarding business strategies and their implementation. This risk reflects the compatibility between strategic goals, the business strategies and the resources deployed to achieve those goals.

Strategic risk also includes the lack of management's ability to effectively analyse and react to external factors (e.g. market conditions) which could affect the future direction of the relevant operating entity or the MUA group as a whole.

The strategic planning process hinges on the development of a three-year strategic plan which is reviewed annually during the budgetary exercise to ensure that strategic initiatives are on track and/or have to be amended in light of changes, both within the MUA group and in the external environment.

All strategic projects are regrouped within a project register to facilitate implementation and progress monitoring.

7.2. Customers, products and market risks

During insurance operations, there may be risks related to customer management, brand management, products and distribution management which can cause significant damage to the MUA group's reputation, profitability, future business and market share. These are:

i. Customer risk: Customers are the key component of any business and customer risks are very likely to arise upon failure to communicate effectively with existing and new customers in the process of providing them with the necessary information or during the delivery of the service. Such failure may result in customer complaints, litigated claims, cancelled policies and increased claim frequency or severity. The MUA group has in place a customer care department to professionally and promptly handle customer complaints.

ii. Distribution management risk: These risks occur when the distribution strategy fails to support effective, diversified distribution channels in line with its business objectives. The business development committee reviews the distribution channel strategy whilst monitoring potential inherent risks.

iii. Brand and marketing communication risk: These risks arise due to the inability to devise and implement integrated corporate marketing program with a view to developing and promoting the reputation of the organization through its brand portfolio. This may result in the inability to sustain competitive advantage in chosen markets. The marketing department uses a whole array of tools in its promotional mix as part of its corporate advertising strategy. It also makes use of surveys to assess the impact of its marketing campaign.

7.3. Operations and resource management risks

Operational risks are risks of loss and/or opportunity gain foregone resulting from inadequate or untried internal processes, human error and systems' malfunction or from external events. One or more of the following may cause such losses:

i. Legal and regulatory risk: It is the risk of financial or reputational loss arising from: regulatory or legal action; disputes for or against the company; failure to correctly document, enforce or adhere to contractual arrangements; inadequate management of non-contractual rights; or failure to meet non-contractual obligations. Compliance risk, also referred to as non-conformance risk, results in lower quality, higher costs, loss of revenue and undue delays. Non-conformance also gives rise to product/service failure risk because if not detected and corrected before a product or service is delivered to the customer, a product or performance failure could result. The legal and compliance department monitors such matters.

ii. Information technology risk: This refers to the risk that hardware and software do not operate as intended and that the integrity and reliability of data and information are compromised. This would impact the smooth running of day-to-day business. Hence the IT department has put in place a risk management policy along with relevant controls to ensure that potential risks are monitored and any impact mitigated.

iii. Financial crime risk: It is the failure to detect, prevent and report financial crime in respect of fraud, malpractice, bribery and corruption, money laundering and any other illegal behaviour within the company. Furthermore, if there might be unacceptable levels of fraud, malpractice, corruption and / or any illegal activity commissioned by an external party/parties. The Company makes sure that the requirements of regulation and legislation regarding financial crime management are fully met at all times.

iv. Human resource risk: Such risk stems from the fact that staff members entrusted with the management and control of various stages of the business process chain lack the requisite knowledge, skills and experience needed to ensure that critical business objectives are achieved and that significant business risks are reduced to an acceptable level. An internal training program has been initiated to minimize such risk while external training is also provided with the same objective in mind.

v. Business interruption risk: The Company's capability to operate normally is highly dependent on the availability of information technology, of skilled labour and other resources. If people with the requisite experience and skills or other key resources were unavailable or if critical systems happened to break down, the Company would experience difficulty in transacting business. A business continuity plan has been devised. It is based on the duplication of our records and information systems on back-up servers at a remote location. Insurance transactions are updated daily to these servers, through the Mauritius Telecom frame relay network. Full and uninterrupted customer service can be delivered from the remote location.

vi. Health and safety risk: Worker health and safety risks are significant if unchecked because they can expose the Company to substantial liability in respect of workers' compensation. Non-compliance with Health and Safety legislation may result in heavy fines. The Health and Safety Committee ensures that these risks are minimised through control, follow-up and communication procedures. The Human Resources Department ensures compliance with labour laws.

7.4. Financial risks

MUA has the responsibility of maintaining efficient levels of working capital, current assets and current liabilities. The short-term or the general insurance side, is required to maintain a minimum capital requirement ratio of 150% at all times (with a minimum of MUR 25 million) as required by the Insurance Act 2005. The amount of capital required takes into account investment concentration limits, policy liabilities risks, catastrophe risks and reinsurance cession risks.

On the long-term side, the minimum capital requirement is determined by the external actuary after taking into account stress test requirements. In order to demonstrate solvency, La Prudence Life Insurance Ltd must have assets in excess of liabilities to cover the minimum capital requirement by at least a multiple of one. In order to meet these financial obligations, there are other risks as highlighted below, to be managed.

i. Liquidity risk: Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet short-term debts. Liquidity risk is considered to be very low and the investment portfolio is managed under the guidance of the external actuary. The external actuary has confirmed that there are appropriate assets in place to match the liabilities in nature and term.

ii. Interest rate risk: Interest rate risk refers to the risk that the value of future cash flows from financial instrument backing the liabilities would be insufficient to fund guaranteed benefits payable, especially under long-term Life Assurance contracts. This risk is mitigated through a well-diversified portfolio of fixed income securities and equity investments. Under general insurance contracts, liabilities are not directly sensitive to the level of market interest rates as they are contractually non-interest bearing. In case of bodily injury claims which are settled over long periods, these long-tail liabilities are hedged by the equity portion of the investment portfolio of the general business.

iii. Market risk: Market risk is the risk that the value of 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 Investment Committee ensures that investments are sufficiently diversified in order to match assets and liabilities and liquidity requirements.

iv. Foreign exchange risk: The MUA group holds a number of deposits, equity investments, property investments and bank balances denominated in foreign currencies and is primarily exposed to fluctuations of the United States dollar, the Euro and the British Pound. Exposure to foreign currency is not hedged but closely monitored by management. The bulk of the insurance contracts written by the MUA group is in rupees. The reinsurance treaties have also been established in the local currency. There is only one treaty which is denominated in USD.

7.5. Credit risks

Credit risks are of four types:

i. Reinsurance Credit Risk: Reinsurance Credit Risk is defined as the reluctance or inability on the part of reinsurers to honour financial obligations towards the Company. A dedicated unit selects the Company's reinsurance partners and only reinsurers with strong credit profiles are considered. We may also require evidence of parental guarantee, details of retrocession arrangements, or other financial measures to further mitigate our exposure to reinsurance Credit Risk. The unit monitors and manages the concentration of risk to each reinsurer as well as their credit rating and solvency movements, with the objective of diversifying our reinsurance placements such that the financial impact of default by any one reinsurer is limited. The unit also performs back-to-back verifications for facultative placements in order to ensure that there are no discrepancies between the insurance and reinsurance contracts.

ii. Investment Credit Risk: The MUA group invests in debt instruments and there are risks that the issuer of debt securities defaults on capital or interest payments. The bulk of the MUA group's investment portfolio is in local government bonds. Investment in foreign debt securities should carry at least a BBB rating.

iii. Loans Credit Risk: Both Mauritius Union General Insurance and La Prudence Life Insurance grant loans in their normal course of business. Loan credit risk is the risk that a borrower defaults on capital or interest payments. This risk is mitigated through holding appropriate security against all loans granted, which are closely monitored, by the credit committee chaired by the Chief Executive Officer. The legal department monitors payment procedures and debt recovery through appropriate legal action, if necessary.

iv. Debtors Credit Risk: This risk is attributable to the inability of customers to pay amounts in full when insurance premiums are due. The MUA group has in place a policy for granting credit and maintains records of the payment history for contract holders with whom it conducts regular business. The credit terms are based on the client payment history. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the MUA group. A deposit premium payable in advance is also requested upfront to minimise the risk of default. The receivables are closely monitored, reminders are sent to policy holders when their accounts are overdue and the policies are cancelled if payments are not received following the reminders.

7.6. Financial reporting

It is the failure to generate trusted data from efficient processes and systems that meet governance and shareholder expectations resulting in the risk of misstatement (i.e. true and fair view) of internal or external financial information. The finance department has implemented a financial reporting risk management policy with adequate controls to manage these risks.

7.7. Reserving risk

The MUA group estimates and holds reserves for claims that have not yet been settled. If reserves were not sufficient, due to unforeseen factors, to cover forthcoming settlement of claims in abeyance, the MUA group would experience losses.

Claims handling is closely monitored so as to ensure that the loss reported is covered and properly assessed. Where legally justified, the Company may sue third parties for payment of some or all liabilities (subrogation). The Company ensures that claims provisions are determined using the best information available about claims settlement patterns, forecast inflation and settlement of claims. Estimation techniques also involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the best overall estimates.

7.8. Insurance risks

The main activity of the MUA group is the acceptance of risk under an insurance contract where in return for a consideration (the premium), a policyholder is compensated for pecuniary loss suffered as a result of a specified uncertain future event, or of a certain future event where the timing of the occurrence is uncertain.

i. Underwriting risk: Underwriting risk is defined as the risk of insured losses in our general insurance business being higher than our expectations. This may arise from the type of products, the inaccurate pricing of risks when underwritten or when assumptions made in product design differ from the actual experience. To mitigate such risks, underwriting guidelines are reviewed regularly. Also, the MUA group makes use of appropriate pricing tools and methodologies under the supervision of the Underwriting Unit.

ii. Claims risk: Claims risk arises due to failure to deliver acceptable claims service to customers while claim costs may exceed assumed pricing calculations.

7.9. Funds raised

The Rights Issue is conditional upon acceptance of 30% of the offer. If the minimum proceeds are not obtained, the Rights Issue will not go ahead and MUA will refund those shareholders who have subscribed to the New Ordinary Shares.

The Rights Issue will not be underwritten and if the amount raised is less than the targeted amount of MUR325,650,000, MUA will still use the funds obtained to strengthen its capital base.

8. SUMMARY OF CORPORATE INFORMATION

8.1. Company information

Name of company	The Mauritius Union Assurance Cy. Ltd
Date of incorporation	26 July 1948
Place of incorporation and registration	Mauritius
Business Registration Number	C07000714
Registered office	4 Leoville L'Homme Street Port Louis, Mauritius Tel: 207 5500

8.2. Third party information

Company Secretary	ECS Secretaries Ltd Represented by: Marie-Anne Adam, ACIS 3rd Floor, Labama House, Sir William Newton Street, Port-Louis, Mauritius
Share Registry	Abax Corporate Administrators Ltd 6th Floor, Tower A, 1 Cybercity, Ebène, Mauritius
Principal bankers	ABC Banking Corporation Ltd Duke of Edinburgh Avenue, Port Louis, Mauritius Afrasia Bank Limited Bowen Square 10, Dr Ferriere Street, Port Louis, Mauritius Bank One Limited 16 Sir William Newton Street, Port Louis, Mauritius Banque des Mascareignes Ltee 9th Floor, Cnr Silicon Ave. and Bank Street, Cybercity, Ebène, Mauritius Barclays Bank Mauritius Limited Barclays House, 68, Cybercity, Ebène, Mauritius HSBC Bank (Mauritius) Limited 18, HSBC Centre, Cybercity, Ebène, Mauritius Investec Bank (Mauritius) Ltd Floor 6, Dias Pier Building, Le Caudan Waterfront, Port Louis, Mauritius Mauritius Commercial Bank Ltd MCB Head Office, Sir William Street, Port Louis, Mauritius Standard Bank (Mauritius) Limited Level 9, Tower A, 1 Cybercity, Ebène, Mauritius SBM Bank (Mauritius) Ltd Queen Elizabeth II Avenue, Port Louis, Mauritius
Auditors	Ernst & Young Mauritius 9th Floor, NeXTeracom Tower 1, Ebène, Mauritius
Transaction Advisor	PricewaterhouseCoopers Ltd 18 CyberCity, Ebène, Mauritius
Legal Advisor	Benoit Chambers Level 9, Orange Tower, Ebène, Mauritius

9. DIRECTORS

9.1. Directors' profiles and bios

Name and nationality	Brief biography	Address
Dominique GALEA (Mauritian) Chairman	Holder of a Hautes Etudes Commerciales (HEC) degree, he has been appointed Chairman in 2010. *Other directorship in listed companies: Ascencia Ltd, United Docks Ltd, Forges Tardieu Ltd.*	16 De Chazal Street, Vacoas
Bertrand CASTERES (Mauritian) Chief Executive Officer	Holder of a Master's degree in applied mathematics, actuarial science and finance and an Executive MBA from HEC Paris, he joined the Company in 2012 as Head of Internal Audit and was appointed CEO Designate in January 2013 and CEO in January 2015. *Other directorship in listed companies: none*	Montagne Ory Road, Moka
Vincent AH CHUEN (Mauritian) Non-executive Director	He is the Managing Director of ABC Group and was appointed to the Board of MUA in 1992. He is a member of the corporate governance, nomination and remuneration committee. *Other directorship in listed companies: POLICY Ltd, Les Moulins de La Concorde Ltée, ABC Motors Co Ltd.*	17 King George Street, Floreal
Alfred Bouckaert (Belgian) Independent Non-executive Director	Holder of a bachelor degree from the University of Louvain in Belgium, he started his career at Arthur Andersen and has held various managerial positions in the banking and insurance sector in Belgium. He was appointed to the Board of MUA in 2013. *Other directorship in listed companies: none*	Avenue de Foestraets, 33 Bte A, 1180 Bruxelles, Belgium
Bertrand DE CHAZAL (Mauritian) Independent Non-executive Director	Fellow member of the Institute of Chartered Accountants of England and Wales, he served as a senior financial analyst with the World Bank from 1986 to 2003 and was a senior manager with Touche Ross in France and West Africa. He was appointed to the Board of MUA in 2012 and is the chairman of the audit and risk committee. *Other directorship in listed companies: Promotion and Development Ltd, Caudan Development Ltd.*	Coastal Road, Calodyne
Bruno DE FROBERVILLE (Mauritian) Non-executive Director	Holds an MBA from the University of Birmingham, a Bachelor in Science and a Major in Marketing from Louisiana State University. He is currently the general manager and owner of Square Lines Ltd, a property development company. He was appointed to the Board of MUA in 2010. *Other directorship in listed companies: MFD Group Limited*	Helvetia, St Pierre
Melanie FAUGIER (Mauritian) Non-executive Director	Holder of a DEUG in economics from University of Paris I – Panthéon Sorbonne and an Msc in Management from EM Lyon School of Management, she is the managing director of Cottons Trading Ltd and Senior Homes Ltd. She was appointed to the Board of the Company in 2010 and is a member of the audit and risk committee. *Other directorship in listed companies: none*	Lot 8, Gros Bois, L'Escalier

Angelo LETIMIER (Mauritian) Independent Non-executive Director	He is an experienced banking executive and is currently the managing director of International Card Processing Services Ltd, a company involved in all aspects of Card Processing for banks and financial institutions. He was appointed to the Board of MUA in 2014 and is a member of the audit committee. *Other directorship in listed companies: none*	Merville Lane, Grand Bay
Lakshmana (Kris) LUTCHMENARRAIDOO (Mauritian) Executive Director	Holder of a Banking Diploma from Finafrica Institute, he has held managerial positions at various financial institutions in Mauritius. He has been the Chief Executive Officer of MUA from 2011 to 2014. He is the managing director of Phoenix of East Africa Assurance Company Ltd since July 2014. *Other directorship in listed companies: none*	Royal Road, Gentilly, Moka
Arjoon SUDDHOO (Mauritian) Independent Non-executive Director	Holds a BSc in aeronautical engineering, a PhD in computational mathematics from the University of Manchester and an MBA from the University of Liverpool. He is currently the executive director of the Mauritius Research Council. He was appointed to the Board of MUA in 2010 and is a member of the corporate governance, nomination and remuneration committee. Mr Suddhoo was appointed chairman of Air Mauritius Ltd in March 2015. *Other directorship in listed companies: Air Mauritius Ltd.*	26 Avenue des Ibis, Morc. Sodnac, Quatre Bornes

9.2. Director's interest

The interests of the Directors in the stated capital of the Company as at 31 December 2014 are as follows:

	Direct interest		Indirect interest	
Directors	**No. of shares**	**% Held**	**No. of shares**	**% Held**
Vincent Ah Chuen	316,774	0.79%	297,294	0.74%
Alfred Bouckaert	1,000	0.00%	-	-
Bertrand Casteres	1,000	0.00%	-	-
Bertrand de Chazal	1,000	0.00%	-	-
Melanie Faugier	1,000	0.00%	2,175,660	5.43%
Bruno de Froberville	1,000	0.00%	717,718	1.79%
Dominique Galea	34,400	0.09%	4,312,332	10.76%
Angelo Létimier	1,000	0.00%	-	-
Lakshmana Lutchmenarraidoo	15,000	0.04%	-	-
Arjoon Suddhoo	1,000	0.00%	-	-

9.3. Directors' service contracts

Mr. Bertrand Casteres has an on-going service contract, without a definite term, with the Company as Chief Executive Officer. This contract may be terminated in accordance with local employment laws.

Mr. Lakshmana (Kris) Lutchmenarraidoo has a fixed term contract with Phoenix of East Africa Assurance Company Ltd, which will expire on the 31 December 2016 with the possibility of renewal for a further period to be determined upon mutual agreement.

The other Directors do not have any service contract with the Company or any of its subsidiaries.

As at the date of this document, there are no contracts of significance to which the Company, or one of its subsidiaries, was a party and in which a director was materially interested, either directly or indirectly.

9.4. Directors' remuneration and benefits

The total remuneration and benefits paid by the Company and its subsidiaries were as follows:

	From the Company			From subsidiaries		
MUR000s	**2015 Estimate**	**2014**	**2013**	**2015 Estimate**	**2014**	**2013**
Executive Directors (full time)	5,237	8,978	6,556	19,643	5,507	-
Non-Executive Directors	3,909	4,159	4,042	921	603	-
Total	**9,146**	**13,137**	**10,598**	**20,564**	**6,110**	-

As at the date of this document, there are no arrangements under which a Director has waived or agreed to waive future emoluments.

9.5. Outstanding loans

At 31 May 2015, the Company had outstanding loans of MUR17.3 million provided to Directors. There are no guarantees that have been provided to the Directors by the Company.

10. EXTRACTS OF CONSTITUTION

The clauses below relate to the relevant sections of the Company's Constitution in relation to the rights attached to the securities being listed.

Article 6: Duration

The duration of the Company is unlimited.

Article 7: Objects and powers

The Company has, both within and outside the Republic of Mauritius, full capacity to carry on and/or undertake any business or activities, to do any act or enter into any transaction, and, for those purposes, shall have full rights, powers and privileges.

Article 8: Issue of shares

Article 8.2: Board may issue shares

Subject to the Act, this Constitution and the terms of issue of any existing shares, the Board may issue shares (and rights or options to acquire shares) of any class at any time, to any person and in such numbers as the Board thinks fit.

Article 8.3: Consideration for issue of shares

a) Subject to clause 8.3 (b), before the Board issues shares (other than shares issued upon incorporation), it must:

i. determine the amount of the consideration for which the shares will be issued and the terms on which they will be issued;

ii. if the shares are to be issued for consideration other than cash, determine the reasonable present cash value of the consideration for the issue and ensure that the present cash value of that consideration is fair and reasonable to the Company and is not less than the amount to be credited in respect of the shares; and

iii. resolve that, in its opinion, the consideration for the shares and their terms of issue are fair and reasonable to the Company and to all existing shareholders.

b) Clause 8.3 (a) shall not apply to the issue of shares on the conversion of any convertible securities or the exercise of any option to acquire shares in the Company.

Article 8.7: Variation of rights

a) If, at any time, the share capital of the Company is divided into different classes of shares, the Company shall not take any action which varies the rights attached to a class of shares unless that variation is approved by a special resolution, or by consent in writing of the holders of seventy five per cent (75 %) of the shares of that class; All the provisions of the Constitution relating to meetings of shareholders shall apply "mutatis mutandis" to such a meeting provided however that the necessary quorum shall be the holders of at least one third of the issued shares of that class (but so that if, at any adjourned meeting of such holders, a quorum is not present, those shareholders who are present shall constitute a quorum).

Article 9: Purchase by Company of its shares

The Company may purchase or otherwise acquire its shares in accordance with, and subject to, sections 68 to 74, and 108 to 110 of the Act, and may hold the acquired shares in accordance with section 72 of the Act.

Article 10: Transfer of shares

Article 10.1: Shares to be freely transferable

There shall be no restrictions on the transfer of fully paid up shares and any document relating to or affecting the title to any shares shall be registered with the Company without payment of any fee.

Article 17: Distributions

Article 17.1: Solvency test

a) Notwithstanding section 61(1)(b) of the Act but subject to clause 17.2 of the Constitution, the Board may, if it is satisfied on reasonable grounds that the Company will satisfy the solvency test immediately after the distribution, authorise a distribution by the Company to shareholders of any amount and to any shareholders as it thinks fit.

b) The Directors who vote in favour of a distribution shall sign a certificate stating that, in their opinion, the Company will satisfy the solvency test immediately after the distribution.

Article 17.2: Dividends payable pari passu

The Board may not authorise a dividend in respect of some but not all the shares in a class, or of a greater amount in respect of some shares in a class than other shares in that class except where:

a) the amount of the dividend is reduced in proportion to any liability attached to the shares under this Constitution;

b) a shareholder has agreed in writing to receive no dividend, or a lesser dividend than would otherwise be payable;

and unless it is paid out of retained earnings, after having made good any accumulated losses at the beginning of the accounting period.

Article 17.3 : Unclaimed dividends

All dividends unclaimed for one year after having been authorised may be invested or otherwise made use of by the Board for the benefit of the Company until claimed, and all dividends unclaimed for five years after having been declared may be forfeited by the Board for the benefit of the Company. The Board may, however, annul any such forfeiture and agree to pay to a claimant who produces evidence of entitlement to the Board's satisfaction the amount of its dividends forfeited unless in the opinion of the Board such payment would embarrass the Company.

Article 19: Exercise of powers reserved to shareholders

Article 19.1: Powers reserved to shareholders

a) Powers reserved to shareholders of the Company by the Act or by this Constitution may be exercised:

i. at a general meeting; or

ii. by a resolution in lieu of a meeting pursuant to clause 20.3.

iii. by a unanimous resolution.

b) Unless otherwise specified in the Act or this Constitution, a power reserved to shareholders may be exercised by an ordinary resolution.

Article 19.2: Special resolution

When Shareholders exercise a power to approve any of the following, that power may only be exercised by a special resolution:

a) an alteration to or revocation of the Constitution or the adoption of a new Constitution;

b) a major transaction;

c) an amalgamation;

d) the liquidation of the Company; and

e) a reduction of the stated capital under section 62 of the Act.

Any decision made by special resolution pursuant to this clause may be rescinded only by a special resolution, provided that a resolution to put the Company into liquidation cannot be rescinded.

Article 21: Appointment and removal of Directors

Article 21.1: Number of Directors

The Board shall consist of not less than seven and not more than eleven directors.

Article 22: Powers and duties of the Board

Article 22.1: Powers of the Board

a) Subject to any restrictions in the Act or this Constitution, the business and affairs of the Company shall be managed by or under the direction or supervision of the Board.

b) The Board shall have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company except to the extent that this Constitution or the Act expressly requires those powers to be exercised by the shareholders or any other person.

c) The Board shall moreover have all the powers of the Company as expressed in section 27 of the Act and clause 7 of this Constitution, including, but not limited to, the power to purchase and sell property, to borrow money and to mortgage, pledge or create charges on its assets and to issue debentures and other securities, whether outright or as security for any debt, liability, or obligation of the Company or of any third party.

Article 23: Proceedings of the Board

Article 23.1: Chairperson

a) The directors shall elect one of their number as chairperson of the Board and determine the period for which he is to hold office.

b) Where no chairperson is elected, or where at a meeting of the Board the chairperson is not present within fifteen (15) minutes after the time appointed for the commencement of the meeting, the directors present shall choose one of their number to be chairperson of the meeting.

Article 23.5: Voting

a) Every director shall have one vote.
b) The chairperson shall have a casting vote.
c) A resolution of the Board shall be passed if it is agreed to by a majority of the directors present.

Article 24: Remuneration and other interests of Directors

Article 24.1: Authority to remunerate Directors

a) The shareholders by ordinary resolution, or the Board if it is satisfied that to do so is fair to the Company, shall approve:

i. the payment of remuneration (or the provision of other benefits) by the Company to a Director for his services as a Director, or the payment of compensation for loss of office; and

ii. the making of loans and the giving of guarantees by the Company to a Director in accordance with section 159 (6) of the Act.

b) The Board shall ensure that, forthwith after authorising any payment under clause 24.1(a), particulars of such payment are entered in the interests register.

c) Notwithstanding the provisions of this clause, the shareholders of the Company may, by unanimous resolution, approve any payment, provision, benefit, assistance or other distribution referred to in section 159 of the Act provided that there are reasonable grounds to believe that, after the distribution, the Company is likely to satisfy the solvency test.

Article 28: Winding up

Article 28.1: Distribution of surplus assets

Subject to the terms of issue of any shares, upon the liquidation of the Company, any assets of the Company remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be distributed among the holders of shares in proportion to their shareholding, provided however that a holder of shares not fully paid up shall receive only a proportionate share of his entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares.

11. OTHER CONSIDERATIONS

11.1. Legal and arbitration proceedings

During the last 12 months, MUA was not a party to any legal or arbitration proceedings, outside the normal course of business, which have had or may have a significant effect on MUA's consolidated financial position.

11.2. Analysis of consolidated borrowings at 31 May 2015

MUR000s	31-May-15	Security
Preference share capital	100,000	Unsecured
Interest free loan	22,936	Unsecured
Bank overdraft	-	-
Subordinated bonds	200,000	Unsecured
Total borrowings	**322,936**	

There has not been any significant change in the consolidated borrowings since 31 May 2015.

11.3. Mortgages and charges

As at 31 May 2015, the MUA group did not have any mortgages and charges.

11.4. Contingent liabilities and guarantees

As at 31 May 2015, the MUA group did not have any contingent liabilities and guarantees.

11.5. Remittance of profits and repatriation of capital

There are no restrictions affecting the remittance of profits or repatriation of capital from outside Mauritius into the country.

11.6. Number of people employed

Staff count as at 31 December 2014 was 434.

11.7. Material contracts entered into within the two years immediately preceding the publication of this document

There are no material contracts, other than contracts entered into in the normal course of business, entered into by any member of the MUA group within the two years immediately preceding the publication of these Listing Particulars.

There is no contract or arrangement subsisting at the date of these Listing Particulars in which a Director is materially interested either directly or indirectly and which is significant in relation to the business of the MUA group.

11.8. Statement of dependence

MUA is not dependent on any particular customer and supplier, patents or licences nor is there any particular material contract that is fundamental to the Company's business.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of MUA for at least 14 business days as from the date of this document, during normal working hours:

- This Prospectus, deemed to be Listing Particulars pursuant to the Listing Rules of the SEM;
- The Constitution;
- MUA's audited financial statements and annual reports for the years ended 31 December 2012, 2013 and 2014; and
- MUA's unaudited abridged financial statements for the quarter ended 31 March 2015 and 31 March 2014.

Ernst & Young (Mauritius), the independent auditors, have provided a report, dated 26 June 2015, for incorporation in the Prospectus. This report is set out in Section 13.1.

The auditors have given their written consent to include their report, in the form and context in which it appears, in the Prospectus, and have not withdrawn their consent as at the date of the Prospectus. Such consent has been filed with the FSC and the SEM.

The auditors have also confirmed that they do not hold shares nor do they have the right to subscribe for shares in the Company.

13. FINANCIAL INFORMATION

13.1. Auditor's report

Building a better working world

Ernst & Young Mauritius
9th Floor, NeXTeracom Tower I
Cybercity, Ebene
Mauritius

Tel: +230 403 4777
Fax: +230 403 4700
www.ey.com

LAD/PN/aj/ka/1035/15

26 June 2015

The Directors
The Mauritius Union Assurance Company Limited
4, Leoville L'Homme street
Port Louis
Mauritius

Dear Sirs,

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

The accompanying summary financial statements, which comprise the statement of financial position as at December 31, 2012, 2013 and 2014, as well as the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the years then ended, and accounting policies, are derived from the audited financial statements of The Mauritius Union Assurance Company Limited for the years ended December 31, 2012, 2013 and 2014.

We expressed an unmodified audit opinion on those financial statements in our previous reports. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our reports on those financial statements.

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards applied in the preparation of the audited financial statements of The Mauritius Union Assurance Company Limited. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Mauritius Union Assurance Company Limited.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of The Mauritius Union Assurance Company Limited for the years ended December 31, 2012, 2013 and 2014 are consistent, in all material respects, with those audited financial statements prepared in accordance the International Financial Reporting Standards

Ernst & Young
Ebene, Mauritius

A member firm of Ernst & Young Global Limited.

13.2. Statement of financial position

	THE GROUP			THE COMPANY		
	FY12	FY13	FY14	FY12	FY13	FY14
MUR000s	Audited	Audited	Audited	Audited	Audited	Audited
ASSETS						
Non-current assets:						
Property and equipment	294,817	307,079	347,358	219,207	227,219	251,880
Investment properties	196,578	184,578	514,752	74,000	74,000	79,000
Intangible assets	546,022	561,480	746,913	344,096	359,415	352,577
Investment in subsidiary companies	-	-	-	208,042	208,042	927,296
Investment in joint venture in Kenya Motor Insurance Pool	-	-	14,397	-	-	-
Financial assets at fair value through other comprehensive income	484,521	576,437	658,836	471,316	558,257	461,608
Financial assets at fair value through profit or loss	2,365,120	2,734,981	2,578,317	2,845	2,923	-
Financial assets at amortised cost	1,487,008	2,085,522	2,785,019	112,713	105,812	88,200
Loans and receivables at amortised cost	912,279	796,799	763,719	188,927	168,134	126,548
Deferred tax assets	104,165	72,988	72,380	104,165	72,963	45,079
	6,390,510	**7,319,864**	**8,481,691**	**1,725,311**	**1,776,765**	**2,332,188**
Current assets:						
Financial assets at amortised cost	44,935	19,940	396,935	19,998	6,980	17,663
Loans and receivables at amortised cost	99,526	161,816	154,204	47,038	60,638	101,258
Insurance and other receivables	456,684	593,364	800,775	372,056	481,140	472,019
Prepayments	2,748	4,658	4,528	2,584	4,658	3,016
Deferred acquisition costs receivable	55,791	58,369	95,767	55,791	58,369	58,587
Amount receivable from subsidiary	-	-	-	11,813	7,432	8,119
Reinsurance assets	414,910	450,465	788,783	414,910	450,465	440,506
Cash and short term deposits	1,175,410	1,093,347	1,332,450	612,357	615,964	303,174
	2,250,004	2,381,959	3,573,442	1,536,547	**1,685,646**	**1,404,342**
TOTAL ASSETS	**8,640,514**	**9,701,823**	**12,055,133**	**3,261,858**	**3,462,411**	**3,736,530**
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent:						
Issued share capital	200,400	200,400	400,800	200,400	200,400	400,800
Total reserves	1,238,159	1,504,038	1,415,068	1,047,884	1,222,187	1,089,894
Non-distributable share of Life surplus	9,615	18,075	14,144	-	-	-
Total ordinary shareholders' equity	**1,448,174**	**1,722,513**	**1,830,012**	**1,248,284**	**1,422,587**	**1,490,694**
Non-controlling interests	4,766	5,536	600,033	-	-	-
Total equity	**1,452,940**	**1,728,049**	**2,430,045**	**1,248,284**	**1,422,587**	**1,490,694**
Technical Provisions:						
Life assurance fund	5,111,815	5,841,981	6,151,442	-	-	-
Insurance contract liabilities	1,599,184	1,654,646	2,449,132	1,599,184	1,654,646	1,678,570
	6,710,999	**7,496,627**	**8,600,574**	**1,599,184**	**1,654,646**	**1,678,570**
Non-current liabilities:*						
Borrowings	163,282	143,978	322,936	163,282	143,978	322,936
Deferred tax liabilities	27,264	24,616	95,454	7,645	7,645	6,685
Employee benefit obligations	12,799	4,283	4,871	12,799	4,283	4,871
	203,345	**172,877**	**423,261**	**183,726**	**155,906**	**334,492**
Current liabilities:*						
Borrowings	18,056	20,668	21,042	17,711	19,304	21,042
Trade and other payables	212,515	240,141	541,512	170,720	167,357	164,612
Deferred acquisition costs payable	32,213	32,603	35,531	32,213	32,603	35,531
Current tax liabilities	10,446	10,858	3,168	10,020	10,008	11,589
	273,230	**304,270**	**601,253**	**230,664**	**229,272**	**232,774**
TOTAL EQUITY AND LIABILITIES	**8,640,514**	**9,701,823**	**12,055,133**	**3,261,858**	**3,462,411**	**3,736,530**

13.3. Statement of profit and loss

	THE GROUP			THE COMPANY		
	FY12	FY13	FY14	FY12	FY13	FY14
MUR000s	**Audited**	**Audited**	**Audited**	**Audited**	**Audited**	**Audited**
Gross premiums earned	2,129,259	2,270,132	2,659,949	1,493,868	1,609,060	1,641,883
Premiums ceded to reinsurers	(333,545)	(363,169)	(565,312)	(279,481)	(339,266)	(369,564)
Net earned premiums	1,795,714	1,906,963	2,094,637	1,214,387	1,269,794	1,272,319
Fees and commission income	99,581	104,098	157,528	81,905	90,019	92,726
Investment income	393,971	343,566	421,445	73,688	62,911	88,927
Realised gains	9,650	726	5,761	14,971	545	385
Unrealised gains/ (losses)	(184,770)	455,826	19,125	(433)	78	5,000
Other operating income	56,000	37,348	73,961	13,154	2,331	2,376
Total revenue	**2,170,146**	**2,848,527**	**2,772,457**	**1,397,672**	**1,425,678**	**1,461,733**
Gross claims paid	(1,042,021)	(1,323,270)	(1,645,095)	(659,299)	(877,334)	(954,763)
Claims ceded to reinsurers	47,680	166,994	324,636	35,577	165,540	242,980
Gross change in contract liabilities	(339,628)	(764,270)	(358,484)	(118,788)	(34,104)	(4,954)
Change in contract liabilities ceded to reinsurers	111,201	26,561	(3,148)	111,201	26,561	(23,617)
Net claims and benefits	**(1,222,768)**	**(1,893,985)**	**(1,682,091)**	**(631,309)**	**(719,337)**	**(740,354)**
Commission and brokerage fees paid	(170,718)	(159,046)	(207,283)	(148,537)	(134,202)	(145,326)
Other operating and administrative expenses	(487,951)	(478,903)	(652,054)	(329,465)	(353,009)	(377,972)
Total claims, benefits and other expenses	**(1,881,437)**	**(2,531,934)**	**(2,541,428)**	**(1,109,311)**	**(1,206,548)**	**(1,263,652)**
Profit from operations	**288,709**	**316,593**	**231,029**	**288,361**	**219,130**	**198,081**
Finance costs	(16,994)	(15,478)	(18,572)	(16,873)	(15,360)	(18,235)
Share of profit from a joint venture	-	-	1,697	-	-	-
Profit before tax	**271,715**	**301,115**	**214,154**	**271,488**	**203,770**	**179,846**
Income tax expense	(38,532)	(40,995)	(45,555)	(35,761)	(41,785)	(38,513)
Profit for the year	**233,183**	**260,120**	**168,599**	**235,727**	**161,985**	**141,333**

	FY12	FY13	FY14
Attributable to :			
Equity holders of the parent	233,209	259,490	148,552
Non-controlling interests	(26)	630	20,047
	233,183	**260,120**	**168,599**
Earnings per share (basic and diluted)			
Attributed to equity holders of the parent (Rs/cs)	11.64	6.47	3.71

13.4. Statement of comprehensive income

MUR000s	THE GROUP FY12 Audited	FY13 Audited	FY14 Audited	THE COMPANY FY12 Audited	FY13 Audited	FY14 Audited
Profit for the year	**233,183**	**260,120**	**168,599**	**235,727**	**161,985**	141,333
Other comprehensive Income						
Items to be reclassified to profit or loss in subsequent periods:						
Exchange difference on translating foreign operations	-	-	3,130	-	-	(815)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**-**	**-**	**3,130**	**-**	**-**	**(815)**
Items that will not be reclassified to profit or loss in subsequent periods:						
(Decrease)/Increase arising on revaluation of financial assets at fair value through other comprehensive income	(48,596)	115,898	37,769	(47,421)	112,954	542
Re-measurement of defined benefit obligations	(1,042)	(436)	(286)	(1,042)	(436)	(286)
Gain on revaluation of buildings	-	-	34,492	-	-	27,533
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**(49,638)**	**115,462**	**71,975**	**(48,463)**	**112,518**	**27,789**
Other comprehensive income for the year - net of tax	**(49,638)**	**115,462**	**75,105**	**(48,463)**	**112,518**	**26,974**
Total comprehensive income for the year	**183,545**	**375,582**	**243,704**	**187,264**	**274,503**	**168,307**
Attributable to :						
Equity holders of the parent	183,828	374,539	207,456	187,264	274,503	168,307
Non-controlling interests	(283)	1,043	36,248	-	-	-
	183,545	**375,582**	**243,704**	**187,264**	**274,503**	**168,307**

13.5. Statement of changes in equity

THE GROUP MUR000s	Share capital	Revaluation reserves	Currency translation reserves	Fair value reserve on available for sale financial assets	Investment revaluation reserve	Retained earnings	Contingency reserve	Non distributable reserves	Total reserves	Non distributable share of Life Surplus	Non-controlling interests	Total
Balance at January 1, 2012 (as previously stated)	**200,400**	**1,142**	**-**	**(47,359)**	**-**	**1,193,929**	**-**	**-**	**1,147,712**	**19,450**	**5,784**	**1,373,346**
Effect of adopting IAS 19	-	-	-	-	-	(652)	-	-	(652)	-	-	(652)
Balance at January 1, 2012 (restated)	**200,400**	**1,142**	**-**	**(47,359)**	**-**	**1,193,277**	**-**	**-**	**1,147,060**	**19,450**	**5,784**	**1,372,694**
Effect of change in accounting policy for classification and measurement of financial asets	-	-	-	47,359	(14,899)	(32,460)	-	-	-	-	-	-
Transfer of gains on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(18,615)	18,607	-	-	(8)	-	8	-
Release arising on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(2,366)	-	-	-	(2,366)	-	-	(2,366)
Profit for the year	-	-	-	-	-	233,209	-	-	233,209	-	(26)	233,183
Other comprehensive income	-	-	-	-	(48,339)	(1,042)	-	-	(49,381)	-	(257)	(49,638)
Total comprehensive income	-	-	-	-	(48,339)	232,167	-	-	183,828	-	(283)	183,545
Movement in reserves	-	-	-	-	10	-	-	-	10	-	3	13
Share buy back	-	-	-	-	-	-	-	-	-	-	(143)	(143)
Transfer of distributable share of Life Surplus	-	-	-	-	-	9,835	-	-	9,835	(9,835)	-	-
Dividends	-	-	-	-	-	(100,200)	-	-	(100,200)	-	(603)	(100,803)
Balance at December 31, 2012	**200,400**	**1,142**	**-**	**-**	**(84,209)**	**1,321,226**	**-**	**-**	**1,238,159**	**9,615**	**4,766**	**1,452,940**
Balance at January 1, 2013	200,400	1,142	-	-	(84,209)	1,321,226	-	-	1,238,159	9,615	4,766	1,452,940
Transfer of loss on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	10,418	(10,418)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	259,490	-	-	259,490	-	630	260,120
Other comprehensive income	-	-	-	-	115,485	(436)	-	-	115,049	-	413	115,462
Total comprehensive income	-	-	-	-	115,485	259,054	-	-	374,539	-	1,043	375,582
Transfer of distributable share of Life Surplus	-	-	-	-	-	(8,460)	-	-	(8,460)	8,460	-	-
Dividends	-	-	-	-	-	(100,200)	-	-	(100,200)	-	(273)	(100,473)
Balance at December 31, 2013	**200,400**	**1,142**	**-**	**-**	**41,694**	**1,461,202**	**-**	**-**	**1,504,038**	**18,075**	**5,536**	**1,728,049**
Balance at January 1, 2014	**200,400**	**1,142**	**-**	**-**	**41,694**	**1,461,202**	**-**	**-**	**1,504,038**	**18,075**	**5,536**	**1,728,049**
Movement	-	-	-	-	-	(10,056)	10,056	243	243	-	-	243
Transfer of gains on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(24,494)	24,494	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	148,552	-	-	148,552	-	20,047	168,599
Other comprehensive income	-	34,108	1,958	-	23,124	(286)	-	-	58,904	-	16,201	75,105
Total comprehensive income	-	34,108	1,958	-	23,124	148,266	-	-	207,456	-	36,248	243,704
Transfer of distributable share of Life Surplus	-	-	-	-	-	3,931	-	-	3,931	(3,931)	-	-
Additional non controlling interest arising on acquisition of African subsidiaries	-	-	-	-	-	-	-	-	-	-	586,935	586,935
Bonus issue of shares	200,400	-	-	-	-	(200,400)	-	-	(200,400)	-	-	-
Dividends	-	-	-	-	-	(100,200)	-	-	(100,200)	-	(28,686)	(128,886)
Balance at December 31, 2014	**400,800**	**35,250**	**1,958**	**-**	**40,324**	**1,327,237**	**10,056**	**243**	**1,415,068**	**14,144**	**600,033**	**2,430,045**

THE COMPANY

MUR000s	Issued share capital	Revaluation reserves	Fair value reserve on available for sale financial assets	Investment revaluation reserve	Retained earnings	Total reserves	Total
Balance at January 1, 2012 (as previously stated)	**200,400**	**2,460**	**(20,403)**	**-**	**983,355**	**965,412**	**1,165,812**
Effect of adopting IAS 19	-	-	-	-	(652)	(652)	(652)
Balance at January 1, 2012 (restated)	**200,400**	**2,460**	**(20,403)**	**-**	**982,703**	**964,760**	**1,165,160**
Effect of change in accounting policy for classification and measurement of financial assets	-	-	20,403	12,057	(32,460)	-	-
Transfer of gains on disposal of financial assets at fair value through other comprehensive income	-	-	-	(18,079)	18,079	-	-
Release arising on disposal of financial assets at fair value through other comprehensive income	-	-	-	(3,940)	-	(3,940)	(3,940)
Profit for the year	-	-		-	235,727	235,727	235,727
Other comprehensive income	-	-		(47,421)	(1,042)	(48,463)	(48,463)
Total comprehensive income	-	-		(47,421)	234,685	187,264	187,264
Dividends	-	-		-	(100,200)	(100,200)	(100,200)
Balance at December 31, 2012	**200,400**	**2,460**	**-**	**(57,383)**	**1,102,807**	**1,047,884**	**1,248,284**
Balance at January 1, 2013	**200,400**	**2,460**	**-**	**(57,383)**	**1,102,807**	1,047,884	1,248,284
Transfer of loss on disposal of financial assets at fair value through other comprehensive income	-	-	-	10,418	(10,418)	-	-
Profit for the year	-	-	-	-	161,985	161,985	161,985
Other comprehensive income	-	-	-	112,954	(436)	112,518	112,518
Total comprehensive income	-	-	-	112,954	161,549	274,503	274,503
Dividends	-	-	-	-	(100,200)	(100,200)	(100,200)
Balance at December 31, 2013	**200,400**	**2,460**	**-**	**65,989**	**1,153,738**	**1,222,187**	**1,422,587**
Balance at January 1, 2014	**200,400**	**2,460**	**-**	**65,989**	**1,153,738**	**1,222,187**	**1,422,587**
Transfer of gain on disposal of financial assets at fair value through other comprehensive income	-	-	-	(24,494)	24,494	-	-
Profit for the year	-	-	-	-	141,333	141,333	141,333
Other comprehensive income	-	27,533	(815)	542	(286)	26,974	26,974
Total comprehensive income	-	27,533	(815)	542	141,047	168,307	168,307
Bonus issue of shares	200,400	-	-	-	(200,400)	(200,400)	-
Dividends	-	-	-	-	(100,200)	(100,200)	(100,200)
Balance at December 31, 2014	**400,800**	**29,993**	**(815)**	**42,037**	**1,018,679**	**1,089,894**	**1,490,694**

13.6. Statement of cash flows

MUR000s	THE GROUP FY12 Audited	THE GROUP FY13 Audited	THE GROUP FY14 Audited	THE COMPANY FY12 Audited	THE COMPANY FY13 Audited	THE COMPANY FY14 Audited
Operating activities						
Net cash generated/(used in) from operations	476,967	228,447	(21,105)	319,356	104,167	225,216
Dividend received	168,921	78,363	47,855	28,685	15,876	21,579
Interest received	211,720	238,788	248,861	52,760	39,588	32,744
Interest paid	(18,319)	(15,478)	(12,738)	(17,752)	(15,360)	(12,401)
Income tax paid	(10,202)	(11,434)	(47,068)	(8,805)	(10,020)	(10,008)
Net cash generated from operating activities	**829,087**	**518,686**	**215,805**	**374,244**	**134,251**	**257,130**
Investing activities						
Proceeds on disposal of property and equipment	3,454	4,019	3,556	3,429	3,382	2,936
Proceeds on disposal/maturity of financial assets	1,171,709	316,857	1,661,524	280,897	60,847	123,325
Purchase of investment property	-	-	(28)	-	-	-
Purchase of property and equipment	(32,466)	(33,959)	(35,888)	(30,905)	(33,012)	(25,473)
Purchase of intangible assets	(8,240)	(44,115)	(17,549)	(7,497)	(33,756)	(15,107)
Purchase of financial assets	(1,017,172)	(776,877)	(1,257,098)	(34,925)	(14,623)	(15,993)
Loans and receivables recovered	216,919	224,558	194,710	65,398	82,750	72,209
Loans and receivables granted	(284,410)	(169,844)	(154,214)	(120,370)	(73,781)	(71,503)
Amount granted to subsidiary	-	-	-	(1,081)	-	-
Acquisition of subsidiary	-	-	-	-	-	(719,254)
Net cash outflow on acquisition of subsidiaries	-	-	(430,024)	-	-	-
Net cash generated/(used in) investing activities	**49,794**	**(479,361)**	**(35,011)**	**154,946**	**(8,193)**	**(648,860)**
Financing activities						
Issue of bonds	-	-	200,000	-	-	200,000
Borrowings paid	(16,248)	(17,711)	(19,305)	(16,248)	(17,711)	(19,305)
Dividends - Owners of the Parent	(100,200)	(100,200)	(100,200)	(100,200)	(100,200)	(100,200)
- Non-controlling interest	(603)	(273)	(28,686)	-	-	-
Proceeds on shares redemption	-	-	-	9,858	-	-
Redemption of shares	(143)	-	-	-	-	-
Cash from /(used in) financing activities	**(117,194)**	**(118,184)**	**51,809**	**(106,590)**	**(117,911)**	**80,495**
Net increase/(decrease) in cash and cash equivalents	**761,687**	**(78,859)**	**232,603**	**422,600**	**8,147**	**(311,235)**
Movement in cash and cash equivalents						
At January 1,	403,144	1,175,065	1,091,983	179,433	612,357	615,964
Net (decrease)/increase in cash and cash equivalents	761,687	(78,859)	232,603	422,600	8,147	(311,235)
Exchange (losses)/ gains on cash and cash equivalents	10,234	(4,223)	7,864	10,324	(4,540)	(1,555)
At December 31,	**1,175,065**	**1,091,983**	**1,332,450**	**612,357**	**615,964**	**303,174**

13.7. Principal accounting policies

CORPORATE INFORMATION AND ACTIVITIES

The Mauritius Union Assurance Cy. Ltd is a limited liability company incorporated and domiciled in Mauritius. These financial statements will be submitted for adoption at the forthcoming Annual Meeting of the Company. The address of the registered office is 4 Léoville l'Homme Street, Port Louis.

On May 31, 2014, The Mauritius Union Assurance Cy. Ltd acquired 100% of Phoenix TransAfrica Holdings Ltd, a company incorporated in the Republic of Kenya with subsidiaries in Kenya, Tanzania, Uganda and Rwanda duly licensed to carry out general insurance.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the group's primary or the Group's secondary reporting format determined in accordance with IFRS 8 Segment Reporting.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the group's entities are measured using Mauritian rupees, the currency of the primary economic environment in which the entities operate ("functional currency"). The consolidated financial statements are presented in Mauritian rupees.

Transactions and balances

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

INSURANCE CONTRACTS

(i) Classification of insurance contracts

The group issues contracts which transfer insurance risk. Insurance contracts are those contracts which transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired. Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

Insurance contracts issued by the group are classified within the following main categories:

Short-term insurance contracts

Short-term insurance contracts are mainly in respect of motor business but the group also sells fire and allied perils, health, marine, engineering and other miscellaneous insurance contracts. These contracts protect the group's customers from damage suffered to property or goods, value of property and equipment lost, losses and expenses incurred, sickness and loss of earnings resulting from the occurrence of the insured events.

Long-term insurance contracts with fixed and guaranteed terms

These contracts insure events associated with human life, i.e. death, disability or survival over a long term. A liability for contractual benefits that are expected to be incurred in future is recorded once the first premium under such a contract has been recognised. The liability is based on best estimates assumptions regarding future mortality, persistency, maintenance expenses and investment income that are determined at each valuation date based on an analysis of recent experience modified by expectation of future trends. The best estimate assumptions are adjusted to include a margin for prudence.

Long-term insurance contracts without fixed terms and with DPF
Some insurance contracts contain a Discretionary Participation Feature (DPF). 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% (2013: 93.5%, 2012: 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% (2013: 6.5%, 2012: 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 Life Assurance Fund, 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.

100% of all profits arising out of the non-profit annuity and unit-linked books of business are now allocated to shareholders.

Unit linked contracts
These are insurance contracts which include an embedded derivative linking payments on the contracts to units of an internal investment fund set up by the group with the consideration received from contract holders. This embedded derivative meets the definition of an insurance contract and has therefore not been accounted for separately from the host insurance contract. The liability of such contracts is adjusted for all changes in the fair value of underlying assets.

(ii) Reinsurance contracts
Contracts entered into by the group with reinsurers under which the group is compensated for losses on one or more contracts issued by the group are classified as reinsurance contracts held. Insurance contracts entered into by the group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Reinsurance contracts used by the group 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 and where the group can fix its retention limit. Non-proportional reinsurance is mainly 'excess-of-loss' type 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 insurance contracts generally relate to specific insured risks which are underwritten separately. Under treaty arrangements, risks underwritten by the group falling under the terms and limits of the treaties are reinsured automatically.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

(iii) Receivables and payables related to insurance contracts
Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

(iv) Impairment of reinsurance assets

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. If a reinsurance asset is impaired, the group reduces the carrying amount accordingly and recognizes that impairment in profit or loss. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of that asset, that the group may not recover all amounts due under the terms of the contract and that the event has a measurable impact on the amounts that the group will receive from the reinsurer.

(v) Claims expenses and outstanding claims provisions

Outstanding claims provisions are based on the ultimate costs of all claims incurred but not settled at the end of financial reporting period, whether reported or incurred but not reported (IBNR). Notified claims are only recognised when the Company considers that it has a contractual liability to settle the claims. IBNR has been provided for on an actuarial method which consists in the projection of incurred but not reported claims based on the claims reporting delay pattern for the Company over the last ten years. Claims expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties.

There are often delays between the occurrence of the insured event and the time it is actually reported to the Company, particularly in respect of liability business, the ultimate cost of which cannot be known with certainty at the end of the financial reporting period. Following the identification and notification of the insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. Outstanding claims provisions are not discounted and exclude any allowances for expected future recoveries. Recoveries represent claims recoverable from third party insurers. Recoveries are accounted for as and when received. However, non-insurance assets that have been acquired by exercising rights to sell, salvage or subrogate under the terms of the insurance contracts are included when providing for outstanding claims. The liability is not discounted due to the fact that the exact timing and actual amount to be paid cannot be determined.

(vi) Incurred but not reported claims (IBNR)

IBNR calculation is calculated on an actuarial method which consists in the projection of incurred but not reported claims based on the claims reporting delay pattern for the Company over the last ten years.

(vii) Salvage and subrogation reimbursements

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liabilities for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

(viii) Deferred acquisition costs

The liability for commissions' payable is recognised at the inception date of the insurance contract/endorsement.

Commissions payable and reinsurance commissions receivable relating to unexpired premiums are recognised and released to profit or loss as and when the premiums are earned.

(ix) Provision for unearned premiums

The provision for unearned premiums represents the portion of premiums written on short-term insurance contracts relating to periods of insurance risks subsequent to the reporting date. It is calculated on the inception basis (daily method). The movement on the provision is taken to profit or loss in order for revenue to be recognised over the period of the risk. The provision is derecognised when the contract expires, is discharged or cancelled.

(x) Liability adequacy test

Short-term insurance

At end of financial reporting period, a liability adequacy test is performed to ensure the adequacy of the contract liabilities. In performing the test, current best estimates of future contractual cash flows (including claims handling and administration expenses) and expected investment returns on assets backing such liabilities are used. Assets relate mainly to investment that is held by LPM, the subsidiary dealing in Life insurance. Any deficiency is immediately charged to profit or loss and a provision is established for losses arising from the liability adequacy test (the unexpired risk provision).

Long-term insurance

The group's independent actuaries review the adequacy of insurance liabilities for long term contracts on an annual basis and ensure that provisions made by the group are adequate.

FINANCIAL INSTRUMENTS

Financial assets

As from January 1, 2012, the group classifies its financial assets in the following measurement categories: those measured at fair value and those measured at amortised cost. This classification depends on whether the financial asset is a debt or equity investment.

Debt investments

(a) Financial assets at amortised cost

A debt investment is classified as 'amortised cost' only if both of the following criteria are met: the objective of the group's business model is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) Financial assets at fair value

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

The group has not designated any debt investment as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

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 is expensed in profit or loss.

Equity investments

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss. For all other equity investments, the group can make an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss.

A gain or loss on a debt investment that is subsequently measured at fair value is recognised in profit or loss and presented as part of 'realised gains/loss - net' in the period in which they arise.

A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the financial asset is derecognised or impaired and through the amortization process using the effective interest rate method.

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present unrealised and realised fair value gains and losses on equity investments in other comprehensive income, 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.

The group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

Impairment of financial assets

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the loss is recorded in profit or loss.

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. The impairment assessment is performed at each reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Loan receivables

Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that it will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or loans and borrowings 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 borrowings, directly attributable transaction costs.

The group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate "EIR" method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortsation process.

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 as finance costs in profit or loss.

Derecognition of Financial Instruments

Financial assets

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 has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, 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.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the consolidated 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 the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the group.

INVESTMENT IN SUBSIDIARY COMPANIES

Subsidiaries are all entities (including structured entities) over which the group has control. 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 subsidiaries in the separate financial statements of the Company 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 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 is similar to those necessary to determine control over subsidiaries.

The group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

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

The aggregate of the group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture. The financial statements of the joint venture are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control.

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.

EQUITY MOVEMENTS

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the group's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the reporting date are dealt with as a non-adjusting event after the reporting date.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost excludes the cost of day to day servicing. Replacement or major inspection cost are capitalized when incurred and if probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Land and buildings are subsequently shown at market value, based on valuations by external independent valuers, less subsequent depreciation for property. The valuation is performed every three years. All other property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment.

Revaluations are done with sufficient regularity to ensure that the carrying amount does not differ materially from that would be determined using fair value at the end of the reporting date. 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 other comprehensive income and accumulated in the asset 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 asset revaluation reserve. Increases and decreases in the carrying amounts arising on revaluation of land and buildings belonging to the life business are credited/debited to the Life Assurance Fund.

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	1% - 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 each financial reporting period end. The residual value of all property and equipment is nil.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

INVESTMENT PROPERTIES

Properties held to earn rentals or capital appreciation or both and not occupied by the group are classified as investment properties. Investment properties 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 of an investment property. 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 the profit or loss and the Life Assurance Fund in the period in which they arise. Fair values are determined based on the evaluation 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 its 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.

Transfers made to or from investment properties are only made when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under plant and equipment up to the date of the change in use.

When the group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

NON – CONTROLLING INTEREST

Non-controlling interest are present ownership interest and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at 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 measured at the proportionate share of the acquiree's identifiable net assets.

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 in the expense category that is consistent with the function of the intangible assets.

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 when the asset is derecognised.

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

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

Work-in-progress represents the implementation of a software system.

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 an asset's or cash-generating unit's 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.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. Cash and cash equivalents are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

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 as a borrowing cost.

TAXES

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date, in the countries where the group operates and generates taxable income. The income tax is recognised as a charge in profit or loss.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and deferred income tax liabilities are offset only where both criteria below are met:

(a) has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The group and the Company have disclosed deferred income tax assets and deferred income tax liabilities separately as it does not meet the above criteria.

Corporate Social Responsibility
In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the Statement of Comprehensive Income 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 reporting date.

Alternative Minimum Tax (AMT)
Alternative Minimum Tax (AMT) is provided for where the Company has a tax liability of less than 7.5% of its book profit and pays a dividend. AMT is calculated as the lower of 10% of the dividend declared and 7.5% of book profit.

REVENUE RECOGNITION

(i) Premiums earned
Premiums on short-term insurance contracts represent gross premiums net of premiums ceded to reinsurers and are recognised as revenue (net earned premiums) on an inception basis (daily method).

Premiums on long-term insurance contracts are recognised in the Life Assurance Fund when receivable, i.e. when payments are due.

(ii) Consideration for annuities
Consideration for annuities is recognised in the Life Assurance Fund when receivable.

(iii) Other revenues
Other revenues are recognised on the following bases:

- Fees and commission income - on the accrual basis in accordance with the substance of the relevant agreements.
- Interest income - it is recognised using the effective interest method as it accrues.
- Dividend income - when the shareholder's right to receive payment is established.

SHAREHOLDERS' SHARE OF THE SURPLUS GENERATED BY THE LIFE BUSINESS

The group recognizes the shareholders' share of the DPF eligible surplus on an annual basis and transfers this amount from/to the Life Assurance Fund to/from the shareholders' share of Life surplus in equity. The non-distributable share of the surplus is transferred annually from retained earnings to a non-distributable reserve in the equity. Whenever bonuses are paid/credited to policyholders, an amount representing 7% (2013: 7%) of these bonuses is transferred from the non-distributable reserve to retained earnings in the Statement of Changes in Equity.

LIFE ASSURANCE FUND

The increase in the Life Assurance Fund represents the increase in the value of policy liabilities. The adequacy of the liabilities is determined annually by actuarial valuation. At the end of every year, a valuation of the assets and liabilities, and therefore of the DPF eligible surplus, is performed. In the light of this valuation a final bonus is set for policyholders. The cost of this bonus is met in full at the end of every year. The amount of the DPF eligible surplus distributable to shareholders is limited to 7% (2013: 7%, 2012: 7%) of the cost to the final bonuses allocated to policyholders. The shareholders' share of the DPF eligible surplus is recognised annually and transferred from the Life Assurance Fund to the non-distributable share of Life surplus in equity when there is a surplus or from non-distributable share of Life Assurance Fund when there is a deficit. The non-distributable share of the surplus is transferred annually from the retained earnings to a non-distributable reserve in the Statement of Changes in Equity. Whenever bonuses are paid/credited to policyholders, an amount representing 7% (2013: 7%, 2012: 7%) of these bonuses is transferred from the non-distributable surplus to retained earnings in the Statement of Changes in Equity.

RETIREMENT BENEFIT OBLIGATIONS

(i) Defined Contribution Pension Scheme

Retirement benefits to employees of the group are provided by a Defined Contribution Pension Scheme, the Mauritius Union group Pension Scheme, which is funded by contributions from the group and the employees. Payments made by the group are charged to profit or loss/Life Assurance Fund in the year in which they are payable.

The foreign subsidiaries operate a defined contribution pension plan scheme for all eligible employees. The scheme is administered by Roberts Insurance Brokers Limited and is funded by contribution from both the Company and employees.

The foreign subsidiaries contribute to the statutory National Social Security Fund in the respective countries. Contributions to these schemes are determined by local statue. The obligations to retirement benefits are charged to the profit or loss in the year to which they relate.

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

(ii) 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.

(iii) Short term benefits

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

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 comprehensive income, and non-financial assets such as investment properties, land and building, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 31.

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 to by the group.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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 fair value 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. Management considers observable data to be that 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 valuation committee determines the policies and procedures for both recurring fair value measurement, such as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

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

At each reporting date, the valuation 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 valuation 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 valuation 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.

14. APPLICATION GUIDE

FORMS	OPTIONS	WHAT YOU SHOULD DO	DEADLINE DATE
A	Accept in full or partially accept the New Ordinary Shares Apply for excess New Ordinary Shares	Complete FORM A and return it to the Share Registry and Transfer Office together with the appropriate remittance to The Mauritius Union Assurance Cy. Ltd.	30 September 2015
B	Renunciate your rights to subscribe for the New Ordinary Shares and trade them on the Official Market	If you are a CDS Account holder remit FORM B to your investment dealer.	23 September 2015
		If you do not have a CDS Account, send your offer letter to your investment dealer.	15 September 2015
C	Transfer your rights to subscribe for the New Ordinary Shares to a related party	Complete FORM C and return it to the Share Registry and Transfer Office together with the appropriate remittance to The Mauritius Union Assurance Cy. Ltd.	30 September 2015
D	For those who have purchased the right to subscribe for New Ordinary Shares	Remit FORM D to the Share Registry and Transfer Office together with the appropriate remittance to The Mauritius Union Assurance Cy. Ltd. Form D will be made available to investment dealers.	30 September 2015

4,LEOVILLE L'HOMME STREET
PORT LOUIS, MAURITIUS

WWW.MAURITIUSUNIONGROUP.COM

TEL: 230 207 5500
FAX: 230 212 2962

FB.COM/MAURITIUSUNIONGROUP

BRN C07000714