

AUDITED CONDENSED FINANCIAL STATEMENTS

Year ended 31 December 2016



MAURITIUS UNION GROUP

The Mauritius Union Assurance Cy. Ltd

NOTES TO THE AUDITED CONDENSED FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2016

The Directors are pleased to present the audited condensed financial statements of the Group and the Company for the year ended 31 December 2016 as audited by Ernst & Young.

(a) Basis of Accounting

The audited financial statements for the year ended 31 December 2016 have been prepared on the same basis as the accounting policies set out in the statutory financial statements of the Group and the Company for the year ended 31 December 2015, except for the adoption of relevant amendments to existing standards, new published standards and interpretations issued which are now effective. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

(b) Review of results - Group

Group premium earned was up 7.5% in 2016, reaching a new threshold of Rs3.7bn. The Mauritian operations improved further despite soft market conditions. General and life business profits rose 29% and 10% respectively before exceptional items, with both lines of business improving their solvency margin.

Integration of the African operations has now reached an advanced stage, supported by reinforced capital and risk management frameworks at Group level. Directors agreed to derecognise Rs104M investment in Phoenix Transafrika Holdings Ltd as part of this streamlining process. It is worth noting that this decision had no impact on cash flow but contributed positively to solvency position.

Solvency margin of MUA, the Group Holding, hence improved to 220% in 2016.

By order of the Board
ECS Secretaries Ltd
Secretary
31 March 2017

AUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION - 31 DECEMBER 2016

	THE GROUP		THE COMPANY	
	2016 Rs' 000	2015 Rs' 000	2016 Rs' 000	2015 Rs' 000
ASSETS				
Non-current assets	9,417,780	10,118,095	2,501,916	2,799,329
Current assets	3,699,139	2,631,931	1,515,176	1,356,423
Total assets	13,116,919	12,750,026	4,017,092	4,155,752
EQUITY AND LIABILITIES				
Capital and reserves				
Owners of Parent	2,237,994	2,221,575	1,729,881	1,790,219
Non-controlling interests	568,565	633,084	-	-
Total equity	2,806,559	2,854,659	1,729,881	1,790,219
Insurance contract liabilities	2,598,332	2,533,380	1,766,243	1,799,391
Life Assurance Fund	6,051,588	5,716,232	-	-
Investment contract liabilities	663,777	577,745	-	-
Non-current liabilities	403,704	422,423	308,788	305,749
Current liabilities	592,959	645,587	212,180	260,393
Total equity and liabilities	13,116,919	12,750,026	4,017,092	4,155,752
Net assets per share (Rs)	49.63	49.27		
Number of ordinary shares in issue ('000)	45,090	45,090		

AUDITED CONDENSED STATEMENT OF PROFIT AND LOSS - YEAR ENDED 31 DECEMBER 2016

	THE GROUP		THE COMPANY	
	2016 Rs' 000	2015 Rs' 000	2016 Rs' 000	2015 Rs' 000
Gross premiums earned	3,651,893	3,395,555	1,899,718	1,759,161
Net earned premiums	2,718,636	2,487,701	1,519,086	1,381,918
Profit before tax	167,423	443,619	68,717	150,046
Income tax	(47,865)	(95,618)	(11,797)	(24,742)
Profit for the year	119,558	348,001	56,920	125,304
Profit attributable to:				
Owners of the parent	158,606	248,902	56,920	125,304
Non-controlling interests	(39,048)	99,099	-	-
	119,558	348,001	56,920	125,304
Basic earnings per share (Rs)	3.52	5.88		

AUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME - YEAR ENDED 31 DECEMBER 2016

	THE GROUP		THE COMPANY	
	2016 Rs' 000	2015 Rs' 000	2016 Rs' 000	2015 Rs' 000
Profit for the year	119,558	348,001	56,920	125,304
Other comprehensive expense	(54,544)	(112,131)	(4,533)	(39,979)
Total comprehensive income	65,014	235,870	52,387	85,325
Total comprehensive income attributable to:				
Owners of the parent	129,144	177,363	52,387	85,325
Non-controlling interests	(64,130)	58,507	-	-
	65,014	235,870	52,387	85,325

AUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED 31 DECEMBER 2016

	ATTRIBUTABLE TO OWNERS OF PARENT							
	Share Capital Rs'000	Share Premium Rs'000	Other Reserves Rs'000	Retained Earnings Rs'000	Total Reserve Rs'000	Non-distributable share of Life Surplus Rs'000	Non-controlling Interests Rs'000	Total Rs'000
THE GROUP								
Balance at 1 January 2016	450,900	273,068	30,173	1,460,631	1,490,804	6,803	633,084	2,854,659
Disposal of financial assets	-	-	(43,337)	43,337	-	-	-	-
Total comprehensive income	-	-	(26,901)	156,045	129,144	-	(64,130)	65,014
Movement in reserves	-	-	14,918	(14,918)	-	-	-	-
Transfer of distributable share of Life Surplus	-	-	-	607	607	(607)	-	-
Dividends	-	-	-	(112,725)	(112,725)	-	(389)	(113,114)
Balance at 31 December 2016	450,900	273,068	(25,147)	1,532,977	1,507,830	6,196	568,565	2,806,559
Balance at 1 January 2015	400,800	-	87,831	1,327,237	1,415,068	14,144	600,033	2,430,045
Disposal of financial assets	-	-	(855)	855	-	-	-	-
Total comprehensive income	-	-	(71,003)	248,366	177,363	-	58,507	235,870
Movement in reserves	-	-	14,200	(14,200)	-	-	-	-
Right issue of shares	50,100	275,550	-	-	-	-	-	325,650
Issue costs	-	(2,482)	-	-	-	-	-	(2,482)
Transfer of distributable share of Life Surplus	-	-	-	7,341	7,341	(7,341)	-	-
Dividends	-	-	-	(108,968)	(108,968)	-	(25,456)	(134,424)
Balance at 31 December 2015	450,900	273,068	30,173	1,460,631	1,490,804	6,803	633,084	2,854,659
THE COMPANY								
Balance at 1 January 2016	450,900	273,068	32,705	1,033,546	1,066,251			1,790,219
Disposal of financial assets	-	-	(16,492)	16,492	-			-
Total comprehensive income	-	-	(1,972)	54,359	52,387			52,387
Dividends	-	-	-	(112,725)	(112,725)			(112,725)
Balance at 31 December 2016	450,900	273,068	14,241	991,672	1,005,913			1,729,881
Balance at 1 January 2015	400,800	-	71,215	1,018,679	1,089,894			1,490,694
Disposal of financial assets	-	-	933	(933)	-			-
Total comprehensive income	-	-	(39,443)	124,768	85,325			85,325
Right issue of shares	50,100	275,550	-	-	-			325,650
Issue costs	-	(2,482)	-	-	-			(2,482)
Dividends	-	-	-	(108,968)	(108,968)			(108,968)
Balance at 31 December 2015	450,900	273,068	32,705	1,033,546	1,066,251			1,790,219

AUDITED CONDENSED SEGMENTAL REPORT

YEAR ENDED 31 DECEMBER 2016	THE GROUP						
	Casualty Rs' 000	Property Rs' 000	Total Rs' 000	Life Rs' 000	Other Rs' 000	Consolidated adjustments Rs' 000	Total Rs' 000
Segment income	1,959,715	506,747	2,466,462	1,126,916	48,986	(12,072)	3,630,292
Segment results	(49,911)	114,578	64,668	111,941	12,744	(21,930)	167,423
Taxation							(47,865)
Net profit for the year							119,558
YEAR ENDED 31 DECEMBER 2015	THE GROUP						
Casualty Rs' 000	Property Rs' 000	Total Rs' 000	Life Rs' 000	Other Rs' 000	Consolidated adjustments Rs' 000	Total Rs' 000	
Segment income	1,961,300	455,723	2,417,023	818,847	48,574	(47,954)	3,236,490
Segment results	270,915	114,132	385,047	101,553	14,590	(57,571)	443,619
Taxation							(95,618)
Net profit for the year							348,001
Total assets	THE GROUP						
Casualty Rs'000	Property Rs'000	Total Rs'000	Life Rs'000	Other Rs'000	Consolidated adjustments Rs'000	Total Rs'000	
31 December 2016	5,085,887	1,302,485	6,388,372	7,360,681	119,373	(751,507)	13,116,919
31 December 2015	5,599,696	979,857	6,579,553	6,824,725	75,613	(729,865)	12,750,026

AUDITED CONDENSED STATEMENTS OF CASH FLOWS - YEAR ENDED 31 DECEMBER 2016

	THE GROUP		THE COMPANY	
	2016 Rs' 000	2015 Rs' 000	2016 Rs' 000	2015 Rs' 000
Net cash generated from operating activities	663,688	589,680	198,179	215,991
Net cash used in investing activities	(546,542)	(1,621,892)	(102,022)	(562,267)
Net cash (used in)/generated from financing activities	(136,050)	167,702	(135,661)	193,158
Net decrease in cash and cash equivalents	(18,904)	(864,510)	(39,504)	(153,118)
Movement in cash and cash equivalents				
At 1 January,	560,562	1,332,450	156,546	303,174
Decrease in cash and cash equivalents	(18,904)	(864,510)	(39,504)	(153,118)
Exchange gains on cash and cash equivalents	20,015	92,622	4,486	6,490
At 31 December,	561,673	560,562	121,528	156,546

This Communiqué is issued pursuant to Listing Rule 12.14 and published as per the Securities Act 2005. Copies of the abridged interim report are available free of charge from the Company Secretary at the registered office of the Company or may be viewed on the Company's website: www.mauritiuniongroup.com.

The statement of direct and indirect interests of officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuer) 2007 are available free of charge upon request from the Company Secretary at the registered office of the Company.

The Board of Directors of The Mauritius Union Assurance Cy Ltd accepts full responsibility for the accuracy of the information contained in this report.

