

NOTES TO THE AUDITED CONDENSED FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009.

The Directors are pleased to present the condensed financial statements of the Group and the Company for the year ended December 31, 2009.

(a) Basis of Accounting

The condensed audited financial statements comply with the International Financial Reporting Standards (IFRS) and are prepared under the historical cost convention except that:

- land and buildings are stated at fair value;
- available-for-sale financial assets are stated at their fair values;
- investments in associated companies in the Group and the Life Business financial statements are accounted for under the equity method;
- investment properties are stated at fair value; and
- held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised costs.

(b) Review of results - Group

The Group has recorded better results than for the same period last year.

- Underwriting operations have generated a surplus of Rs 159m compared to Rs 86m last year.
- The Group's net profit has increased by 118% to reach Rs 316m.
- Earnings per share reached Rs 15.74, compared to Rs 7.21 last year.

- Net assets per share increased from Rs 51.71 at December 31, 2008 to Rs 61.39 at December 31, 2009.
- Life Assurance Business Fund also posted a surplus of Rs 576m, compared to a deficit of Rs 673m last year.

(c) Events after the reporting period

In line with its strategy to further develop the Group's activities and seize growth opportunities, the Board of MUA is considering the acquisition of the insurance activities of La Prudence (Mauricienne) Assurances Limitée. The Board believes that this will create synergies and value for MUA shareholders. This transaction will need to be approved by the appropriate authorities and shareholders of the Company.

By order of the Board
Gilbert Poisson
Secretary
March 30, 2010

AUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2009

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets	3,994,527	3,373,484	1,424,676	1,161,331
Current assets	1,219,539	1,009,137	763,281	598,259
Total assets	5,214,066	4,382,621	2,187,957	1,759,590
EQUITY AND LIABILITIES				
Capital and reserves				
Owners of Parent	1,230,251	1,036,211	1,222,660	860,443
Non-controlling interests	5,241	3,233	-	-
Total equity	1,235,492	1,039,444	1,222,660	860,443
Technical Provisions	839,909	767,919	839,909	767,919
Life Assurance Fund	2,971,331	2,412,918	-	-
Non-current liabilities	764	446	342	199
Current liabilities	166,570	161,894	125,046	131,029
Total equity and liabilities	5,214,066	4,382,621	2,187,957	1,759,590
Net assets per share (Rs)	Rs 61.39	Rs 51.71		
Number of ordinary shares in issue ('000)	20,040	20,040		

AUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2009

	LIFE	
	2009	2008
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,572,157	2,034,113
Current assets	429,555	405,845
Total assets	3,001,712	2,439,958
Less:		
Non-current liabilities	342	199
Current liabilities	30,039	26,841
Life Assurance Fund	2,971,331	2,412,918

AUDITED CONDENSED GENERAL BUSINESS REVENUE ACCOUNT - YEAR ENDED DECEMBER 31, 2009

	2009	2008
	Rs'000	Rs'000
Gross premiums	772,861	617,954
Net earned premiums	599,421	485,505
Net claims incurred	(398,057)	(371,582)
Net commissions	(41,877)	(27,979)
Underwriting surplus	159,487	85,944

AUDITED CONDENSED INCOME STATEMENTS - YEAR ENDED DECEMBER 31, 2009

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	772,861	617,954	772,861	617,954
Revenue	595,669	480,603	585,966	485,505
Underwriting surplus	159,487	85,944	159,487	85,944
Investment and other income	291,352	162,257	279,936	154,313
	450,839	248,201	439,423	240,257
Net profit for the year	316,988	145,532	313,312	150,226
Profit attributable to:				
Owners of Parent	315,524	144,447	313,312	150,226
Non-controlling interests	1,464	1,085	-	-
	316,988	145,532	313,312	150,226
Basic earnings per share (Rs)	15.74	7.21		
Number of ordinary shares ('000)	20,040	20,040		

AUDITED CONDENSED LIFE ASSURANCE FUND - YEAR ENDED DECEMBER 31, 2009

	2009	2008
	Rs'000	Rs'000
Premiums (Net of reinsurance and discount)	316,858	315,722
Considerations for annuities	806	9,468
Investment and other income	172,255	91,928
Increase/(decrease) in fair value of available-for-sale financial assets	385,584	(784,648)
	875,503	(367,530)
Surplus/(deficit) for the year	576,349	(673,010)
Fund at January 1,	2,412,918	3,046,106
Surplus/(deficit) for the year	576,349	(673,010)
Share of (surplus)/deficit to shareholders	(17,936)	39,822
Fund at December 31,	2,971,331	2,412,918

AUDITED CONDENSED CASH FLOW STATEMENTS - YEAR ENDED DECEMBER 31, 2009

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from operating activities	348,558	349,036	355,384	350,553
Net cash generated used in investing activities	(87,145)	(198,969)	(97,082)	(200,430)
Net cash used in financing activities	(189,067)	(78,847)	(188,376)	(78,156)
Net increase in cash and cash equivalents	72,346	71,220	69,926	71,967
Movement in cash and cash equivalents				
At January 1,	109,024	187,804	105,287	183,320
Net increase in cash and cash equivalents	72,346	71,220	69,926	71,967
Reallocation of deposits to Life business	-	(150,000)	-	(150,000)
At December 31,	181,370	109,024	175,213	105,287

AUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2009

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the year	316,988	145,532	313,312	150,226
Other comprehensive income	68,127	(511,572)	237,281	(411,880)
Total comprehensive income	385,115	(366,040)	550,593	(261,654)
Total comprehensive income attributable to:				
Owners of the parent	382,416	(366,649)	550,593	(261,654)
Non-controlling interests	2,699	609	-	-
	385,115	(366,040)	550,593	(261,654)

AUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2009

	Attributable to owners of parent					
	Share capital	Revaluation and other reserves	Non distributable share of Life Surplus	Retained earnings	Total	Minority interest
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP						
Balance at January 1, 2009	200,400	427,528	45,200	363,083	1,036,211	3,233
Total comprehensive income for the year	-	48,956	11,661	321,799	382,416	2,699
Dividends	-	-	-	(188,376)	(188,376)	(691)
Balance at December 31, 2009	200,400	476,484	56,861	496,506	1,230,251	5,241
Balance at January 1, 2008	200,400	898,205	92,328	290,083	1,481,016	3,315
Total comprehensive income for the year	-	(470,677)	(47,128)	151,156	(366,649)	609
Dividends	-	-	-	(78,156)	(78,156)	(691)
Balance at December 31, 2008	200,400	427,528	45,200	363,083	1,036,211	3,233

AUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2009

	Attributable to owners of parent				
	Share capital	Revaluation and other reserves	Non distributable share of Life Surplus	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY					
Balance at January 1, 2009	200,400	270,354	45,200	344,489	860,443
Total comprehensive income for the year	-	202,434	11,661	336,498	550,593
Dividends	-	-	-	(188,376)	(188,376)
Balance at December 31, 2009	200,400	472,788	56,861	492,611	1,222,660
Balance at January 1, 2008	200,400	642,412	92,328	265,113	1,200,253
Total comprehensive income for the year	-	(372,058)	(47,128)	157,532	(261,654)
Dividends	-	-	-	(78,156)	(78,156)
Balance at December 31, 2008	200,400	270,354	45,200	344,489	860,443

AUDITED CONDENSED CASH FLOW STATEMENTS - LIFE BUSINESS - YEAR ENDED DECEMBER 31, 2009

	2009	2008
	Rs'000	Rs'000
Net cash generated from operating activities	83,214	37,090
Net cash (used in)/generated from investing activities	(119,908)	24,731
Net (decrease)/increase in cash and cash equivalents	(36,694)	61,821
Movement in cash and cash equivalents		
At January 1,	270,159	58,338
Net (decrease)/increase in cash and cash equivalents	(36,694)	61,821
Reallocation of deposits from General Business	-	150,000
At December 31,	233,465	270,159

AUDITED CONDENSED SEGMENTAL REPORTING - YEAR ENDED DECEMBER 31, 2009

	THE GROUP				LIFE
	Casualty	Property	Other	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment income	791,260	117,610	14,173	923,043	498,076
Segment results					
Increase in fair value of available-for-sale financial assets				-	385,584
Share of results of associates				(885)	(819)
Profit/surplus before taxation				324,303	576,349
Taxation				(7,315)	-
Net profit/surplus for the year				316,988	576,349

AUDITED CONDENSED SEGMENTAL REPORTING - YEAR ENDED DECEMBER 31, 2008

	THE GROUP				LIFE
	Casualty	Property	Other	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment income	566,798	87,070	22,836	676,704	424,971
Segment results					
Decrease in fair value of available-for-sale financial assets				-	(784,648)
Share of results of associates				(6,886)	(6,404)
Profit/(deficit) before taxation				150,228	(673,010)
Taxation				(4,696)	-
Net profit/(deficit) for the year				145,532	(673,010)
Total assets					
December 31, 2009	4,196,913	920,028	97,125	5,214,066	3,001,712
December 31, 2008	3,341,673	754,452	286,496	4,382,621	2,439,958

DIVIDEND PER SHARE

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs	Rs	Rs	Rs
Dividend per share	9.4	3.9	9.4	3.9