The future *reimagined*

INTEGRATED REPORT 2024

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Play Smart,
Retire Strong:
Preparing Today for a Peaceful Tomorrow

About Our Report

Forward-Looking Statement

The Board of Directors of SICOM Group (SICOM) is proud to present its third Annual Integrated Report for the year ended 30 June 2024. This year, closes the last of a three-year integrated reporting transition journey, aligned with our 2022-2025 strategic plan, as SICOM heads towards its golden jubilee, celebrating 50 years of accompanying Mauritius as a financial partner. This document aims to share insights into SICOM's value-creation process for our stakeholders. Our theme for this trinary publication focuses on our achievements in the Sustainability field as a culmination of efforts over the last few years, also detailed in our first-time stand-alone Sustainability Report accompanying this Integrated report.

This third Integrated Report since 2022 encompasses the importance that SICOM places on its stakeholders – employees, customers, shareholders, suppliers, and society at large, by integrating them in all its decision-making. Through this important communication tool, we aim to expand on how SICOM creates value over time

Board Responsibility

The business and affairs of SICOM Group are managed and directed by, or are under, the direction of the Board of Directors, who acknowledge their responsibility to ensure the integrity of this report.

The preparation and presentation of information in this report are guided by the Integrated Reporting framework. Continuous efforts are made to improve the level of reporting, including an independent assessment of key aspects of sustainability reporting and disclosure.

Together with management, and reflecting on the operating context, strategy and value creation model, the Board of Directors believes that this Integrated Report fairly presents all material issues and the integrated performance of the organisation. The Board of Directors also confirms that the Group is in compliance with the provisions of the Companies Act relating to its incorporation and is operating in conformity with its Constitution.

Reporting Frameworks

- Companies Act 2001;
- Insurance Act 2005;
- Bank of Mauritius Act 2004;
- Banking Act 2004;
- Financial Services Act 2007;
- Regulations and Rules for the Financial Industry;
- Code of Corporate Governance 2016;
- International Financial Reporting Standards ("IFRS");
- Integrated Reporting ("IR") Framework; and
- Risk Management Framework

This is a non-exhaustive list.

This year, we have focused our report on the areas we consider most material and relevant to our stakeholders, notwithstanding Environmental, Social and Governance ("ESG") related matters.

As part of our ongoing commitment to reduce our carbon footprint, this Integrated Report is made available on SICOM Group's website: www.sicom.mu

Reporting Scope And Boundaries

This report covers the financial performance and activities of SICOM Group for the financial year from 1 July 2023 to 30 June 2024 and any material updates till the date of its issue. It provides an overview of our strategy, business model, operating context, approach to risk management, governance, and activities to create value for the Group.

Assurance

The Management has produced the information contained in this report and ensured the accuracy of the reporting, with the Board and its sub-committees providing an oversight role. This report has also been vetted by our External Auditors, Deloitte Mauritius, for which they have issued a clean audit opinion.

Materiality

We have determined the information to be included in this Integrated Report by applying the principle of materiality. The report addresses the opportunities and challenges that significantly affect SICOM Group's ability to deliver consistent and sustainable value to stakeholders.

This Report reflects our understanding of how the industry is expected to change and how SICOM Group intends to position itself in the market. Our future is closely integrated with our business operations, and we conduct quarterly reviews to maintain alignment with our business model and strategy. As a result, the Report includes forward-looking statements regarding SICOM Group's current objectives and expectations for its future financial performance and condition.

However, forward-looking statements are inherently subject to risk and uncertainty, as they rely on assumptions about future events and conditions beyond the Group's control. These risks include economic and market-related factors such as equity volatility, changes in interest rates, and inflation. External influences, such as competition, regulatory changes, legislation, and broader industry dynamics—including economic uncertainties or geopolitical conflicts—may also impact these assumptions.

List of Abbreviations

AML/CFT	Anti-Money Laundering/ Combating the Financing of Terrorism
ANFEN	Adolescent Non-Formal Education Network
CIS	Collective Investment Scheme
CSR	Corporate Social Responsibility
CAGR	Compound Annual Growth Rate
DMS	Document Management System
DXP	Digital Experience Platform
EoC	Employer of Choice
ERMF	Enterprise Risk Management Framework
ESG	Environmental, Social and Governance
EVP	Employer Value Proposition
FSC	Financial Services Commission
FVTPL	Fair Value Through Profit and Loss
FY	Financial Year
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
LED	Light Emitting Diode
MCR	Minimum Capital Requirement
MITD	Mauritius Institute of Training and Development
MQA	Mauritius Qualifications Authority
NGO	Non-Governmental Organisation
ORSA	Own Risk and Solvency Assessment
PIE	Public Interest Entity
RMP	Risk Management Process
ROE	Return on Equity
SFSL	SICOM Financial Services Ltd
SGIN	SICOM General Insurance Ltd
SGFL	SICOM Global Fund Limited
SICOM	State Insurance Company of Mauritius Ltd
SML	SICOM Management Limited
SPPPF	SICOM Pooled Private Pension Fund
UN SDG	United Nations Sustainable Development Goals
VPN	Virtual Private Network

Navigating our report

Material Matters

- Business Growth and Diversification
- Customer Experience and Digitalisation
- Employee Engagement and Development
- Governance and Risk
- ESG

Top Risks

- Market and Investment
- Counterparty Default
- Life Underwriting
- Operational
- Strategic
- Environmental

Six Capitals

- Natural Capital
- Human Capital
- Intellectual Capital
- Financial Capital
- Manufactured Capital
- Social Capital

Business Verticals

- Life Insurance
- General Insurance
- Pensions
- Investment
- Financial Services
- Actuarial
- Property

Our Stakeholders

- Customers
- Community
- Employees
- Government & Regulators
- Intermediaries
- Shareholders
- Business Partners
- Environment

Regulatory Changes

New Standards and Compliance Requirements

IFRS 17 Insurance Contracts, the new International Financial Reporting Standard (IFRS) for the insurance industry, is mandatory as from 1 January 2023. This change is applicable and reflected in SICOM Group's accounts for the reporting year 30 June 2024.

Superseding IFRS 4 Insurance Contracts, IFRS 17 represents a major transformation in the way that insurance contracts are accounted for. While IFRS 4 allowed insurers to use multiple accounting policies to measure similar insurance contracts, IFRS 17 brings alignment and has a profound impact on the recording of insurance data, processes, systems and reporting. At its foremost, it provides consistent principles for accounting for insurance contracts across different countries. Audited figures as per IFRS 17 are being presented from the financial year 2022 onwards.

Compliance with ISO 22301:2019 has been achieved by completing 16 initiatives, ensuring robust business continuity planning and resilience. SICOM Group is also on track to achieve 100% compliance with the Federal Financial Institutions Examination Council (FFIEC) guidelines by December 2024, reinforcing our commitment to information security and regulatory standards.

Additionally, first disclosures relating to the Guideline on Climate-Related and Environmental Financial Risk Management of the Bank of Mauritius ("BoM") has been made by SFSL in the financial statements for the reporting year.

Industry Trends

The insurance industry faces a dynamic landscape. Customer expectations are evolving with generational shifts, demanding seamless digital experiences and personalised products. Legacy infrastructure can be a hurdle, while pressure on pricing intensifies in a commoditised market. New risk assessment tools are crucial to navigate rising claim frequencies and severities. The interest rate environment adds another layer of complexity, and evolving regulatory regimes require more sophisticated models.

Local Insurance Industry Forecasts

- Over the medium term to 2028, the outlook forecasts strong but slowing growth in both the life and non-life insurance markets in Mauritius. This growth is supported by the country's growing role as a regional financial centre and its upper middle-income status.
- Despite robust growth measured in Mauritian rupees, the expected weakening of the Mauritian rupee is anticipated to cause premium growth in US dollar terms to be significantly slower over the coming years.
- The non-life sector is projected to remain larger than the life segment over the medium term, accounting for about 54% of total gross written premiums. This reflects the established nature of general insurance lines in Mauritius.
- Gross written life premiums are forecasted for solid growth of 6.7% to MUR14.58bn in 2024. Growth is expected to moderate over the medium term, reaching 5.0% by 2028, taking total life premiums to MUR18.21bn.
- Gross written non-life premiums are forecasted for strong growth of 9.2% to MUR17.31bn in 2024. Growth will remain strong but slow over the medium term, decreasing to 4.2% by 2028 when non-life premiums are projected to reach MUR21.12bn.
- Within the non-life market, Motor vehicle insurance is the largest line, accounting for a forecast 32.5% of gross written non-life premiums in 2024, a share expected to remain stable. The second largest line is Health and personal accidents, projected to retain a share of just over 30% of the non-life market.
- The insurance market in Mauritius is described as fairly mature, with a wide range of products available. Life insurance penetration is forecast at around 1.9% of GDP over the medium term, while non-life penetration is forecast at around 2.2% by 2028.
- The market is overseen by the Financial Services Commission (FSC) Mauritius. The implementation of International Financial Reporting Standards (IFRS) 17 (Insurance Contracts) and 9 (Financial Instruments), effective for financial years beginning on or after January 1, 2023, led several insurers to request delays in submitting financial statements to manage the transition.

Source: Mauritius Insurance Report by FitchSolutions 2024

Evolution of SICOM Group

1975
Establishment of State Insurance Corporation of Mauritius

1978
Introduction of General Insurance Fire, Marine & Non-Motor Insurance products

1979
Commencement of Life Insurance underwriting

1980
Introduction of Motor Insurance underwriting

1982
Launch of Housing Loan facilities

1988
Privatisation from State Insurance Corporation of Mauritius to SICOM Ltd

1989
Relocation to SICOM Building, one of the tallest buildings in Port Louis at the time

1999
Incorporation of SICOM Financial Services Ltd, SICOM Global Fund Limited and SICOM Management Limited

2000
Revamping of SICOM's 1st logo through a drawing contest

2008
Launch of Unit Trusts under SICOM Financial Services Ltd

2010
Incorporation of SICOM General Insurance Ltd

2012
Establishment of 5 Post-Assurance Hubs in Mauritius and 1 in Rodrigues

2013
Property acquisition; revamping of SICOM logo; and launch of SICOM Foundation

2014
First edition of SICOM Les Foulées de l'Espoir

2017
Opening of Customer Care Lounge at SICOM Tower, Ebene

2020
Launch of Customer Lounge at Port Louis and Trianon branches

2021
Introduction of Online Sales Platform for Life Insurance

2022
Launch of strategy plan 2022-2023; digital transformation projects initiated, including revamping and upgrading of SICOM website; new branches at Curepipe and Flacq; and increased presence of the SICOM brand

2023
UNGC and UNPRI signatory, Great Place To Work certification, CARE Rating AA+ and Investment Advisor Licence

Incorporation of SICOM Properties Ltd

2024
Centralised Customer Service platform, Launch of Loyalty Programme, IFRS 17 implementation, Great Place to Work (2nd year), Rating by CARE upgraded to AAA

Our Major Achievements

SICOM Group has been recertified for the second year in a row by Great Place To Work® ("GPTW") in May 2024. Such recognition reflects our deep commitment to cultivating a workplace environment that is both exceptional and inspiring. The GPTW certification for the period May 2025 to May 2026 is a testament to our continuous efforts to maintain the highest standards of workplace excellence.

We are proud to report an 71% overall employee satisfaction rate, reflecting the positive impact of our initiatives and culture. Additionally, our overall staff turnover rate stands at only 5.4%, highlighting our success in retaining key talent and fostering a stable, committed workforce.

In 2023, SICOM Group has been awarded an AA+ rating by Care Ratings (Africa) Private Ltd, a leading rating agency in the region known for assessing the majority of blue-chip companies in Mauritius. This rating score is a testament to SICOM Group's high degree of safety regarding the timely servicing of our financial obligations and the low credit risk we carry. A comprehensive review of the score was conducted in June 2024, based on the latest financial results and forecasts, whereby SICOM was upgraded to AAA rating, becoming the first insurance company to be awarded this distinctive grade and only the second local company to be triple A-rated.

SICOM Group distinguished itself as a top scorer in the 2023 Corporate Governance Scorecard assessment. Building on this achievement, we participated for the second time in the 2024 assessment conducted by the National Committee on Corporate Governance ("NCCG"), with a target of improving our score.

SICOM Group has earned second runner-up spot in the Environmental Awards 2024, organised by the Ministry of Environment, Solid Waste Management and Climate Change. These awards recognise local organisations committed to environmental sustainability, aligning with our ongoing efforts to implement impactful environmental initiatives and contribute to the national vision for a sustainable future.

Elevating Our ESG Efforts

Sustainability and ESG initiatives are paramount to SICOM's strategy. We are elevating our standards to promote socially conscious behaviours and align with leading ESG practices, supported by robust governance and oversight.

A key step towards achieving our ambition has been the development and roll-out of a comprehensive Sustainability Plan with the support of a consultant.

Additionally, SICOM's investment framework is being aligned with United Nations Principles of Responsible Investment ("UN PRI") standards. Our Communication on Progress (CoP) was submitted before 26 July 2024 and various initiatives have been taken, including the Responsible Investment Policy. We were the first insurance company to become a member of this global initiative in June 2023, demonstrating our commitment to ESG-aligned investment practices that promote sustainable and responsible financial outcomes.

In May 2023, SICOM became the first state-owned and insurance company to join the UN Global Compact ("UNGC"). Communication on Progress (CoP) was submitted before 31 July 2024 for this voluntary initiative, which propels us towards heightened social, environmental, and ethical responsibilities. It serves as a catalyst for businesses to embrace essential practices and principles to further their sustainability journey.

During the financial year, SICOM also held several engagement training sessions to raise employees' and Directors' awareness about sustainability.

Furthermore, external training on how to apply sustainability in our business was received from Business Mauritius as part of the upskilling initiative to enable SICOM to drive its sustainability agenda. This initiative focuses on five priority areas for a sustainable and inclusive Mauritius. Through our affiliation we are committed to aligning with these areas for fostering positive change and contributing to our countries progress and wellbeing.

The SDGs embody a global commitment to combat climate change, eliminate poverty and inequality and safeguard public health by 2030. This commitment is realised through 17 distinct objectives that hold universal recognition. Within this framework, we have pinpointed priority SDGs that resonate with our operational focus and local context, seamlessly aligning with the diverse pillars of our sustainability agenda.

We are the first state owned and insurance company to be a member of the UN Global Compact ("UNGC") as part of its initiative to progress in the sustainability journey, effective May 2023. This voluntary initiative serves as a catalyst for businesses and organisations to embrace sustainable practices and principles, propelling us towards heightened social, environmental, and ethical responsibilities. Our dedication lies in aligning with the UNGC Principles that resonate most profoundly with our mission and operations.

Signatory of:

Our commitment extends to the United Nations Principles of Responsible Investment ("UN PRI") as we assume the role of a signatory. This global initiative encourages investment practices aligned with ESG considerations to promote sustainable and responsible financial outcomes. Our firm dedication lies in upholding all six guiding principles, a testament to our resolute mission of aligning our investments with sustainable and ethical values.

We have joined SigneNatir, a dynamic community initiative led by Business Mauritius to strengthen our island's dedication to its people and the environment. In collaboration with SigneNatir, Business Mauritius has identified five priority areas, pivotal for the advancement of a sustainable and inclusive Mauritius.

FY 2024 in Retrospect

Business Growth

- Private Equity investments in Fintech in Africa and India
- New Partnerships with banks, health service providers, players in real estate
- New products: International Medical Insurance launched in April 2024, EcoPlus Green loan launched in November 2023

Property cluster

- Signed lease agreement for a plot of land at Cote D'Or Data Technology Park
- Incorporated SICOM Properties Ltd as a subsidiary of SICOM Group in December 2023

Customer Experience

- DXP- One-stop digital experience for Customer Experience
- Digital Payment Facilities
- Customer Service and Distribution platform for the Affluent, Mass & Corporate Client segments
- Customer Loyalty programme
- Salesmen Portal

Governance & Risk

- IT Security- IT measures to comply with FFIEC completed
- IT Audit on data privacy and information security
- New Cloud policy and Strategy as per FSC guidelines

People

- Great Place to Work Recertification
- Enhanced learning & development
- Enhanced talent acquisition and workforce planning

Sustainability

- 2nd Runner Up in the National Environmental Awards 2024
- Diabetic clinic Project at J.Nehru Hospital
- Set up of a rooftop garden at SICOM Building 1
- First reporting done for UN Principles of Responsible Investment and UN Global Compact

Shareholding

- The State Investment Corporation Limited **(12.5%)**
- Port Louis Fund Ltd **(12.5%)**
- National Investment Trust Ltd (12%)
- Sugar Insurance Fund Board **(20%)**
- SBM Holdings Ltd **(20%)**
- National Pensions Fund **(23%)**

Group Structure

STATE INSURANCE COMPANY OF MAURITIUS LTD

(Life/Group Life insurance, Pension, Loans, Investment Management, Property Management, Actuarial Services, Trustee Services)

- **SICOM General Insurance Ltd** (General Insurance Business) **(100%)**
- **SICOM Financial Services Ltd** (Deposit Taking, Leasing, Loans, CIS Management) **(99%)**
  - **SICOM General Fund (CIS)**
  - **SICOM Overseas Diversified Fund (CIS)**
- **SICOM Global Fund Limited** (Global Business Activity) **(100%)**
- **SICOM Management Limited** (Global Business Activity) **(100%)**
- **SICOM Properties Ltd** (Property investment) **(100%)**

SICOM Way

Synergy

We believe in the collective potential of everyone within the organisation to achieve exceptional results.
We actively pursue cooperative and innovative approaches to enhance value. We are a unified team that strives to consistently deliver high-level performance.

Inclusivity

We take pride in our talented people. We emphasise the power of working together to drive our success.
We embrace diversity and safeguard the values of the SICOM brand.

Customer-Centric

We owe our existence to our valued customers.
We are dedicated to exceeding customer satisfaction.
We place customers at the forefront of all our endeavours.

Opportunity-Driven

We believe in the capabilities of our people. We invest in the personal development of our team members.
We encourage our people to embrace new opportunities, take on challenges and explore different horizons.

Moral Responsibility

We uphold unwavering integrity and ethics. We operate in accordance with established standards and rules.
We cultivate a collaborative and professional ethos.

Corporate Information

REGISTERED OFFICE

State Insurance Company of Mauritius Ltd
SICOM Building 1
Sir Célicourt Antelme Street
Port Louis
Mauritius

Telephone: (230) 203 8400
Fax: (230) 208 7662
Email: email@sicom.mu
Website: www.sicom.mu

AUDITORS

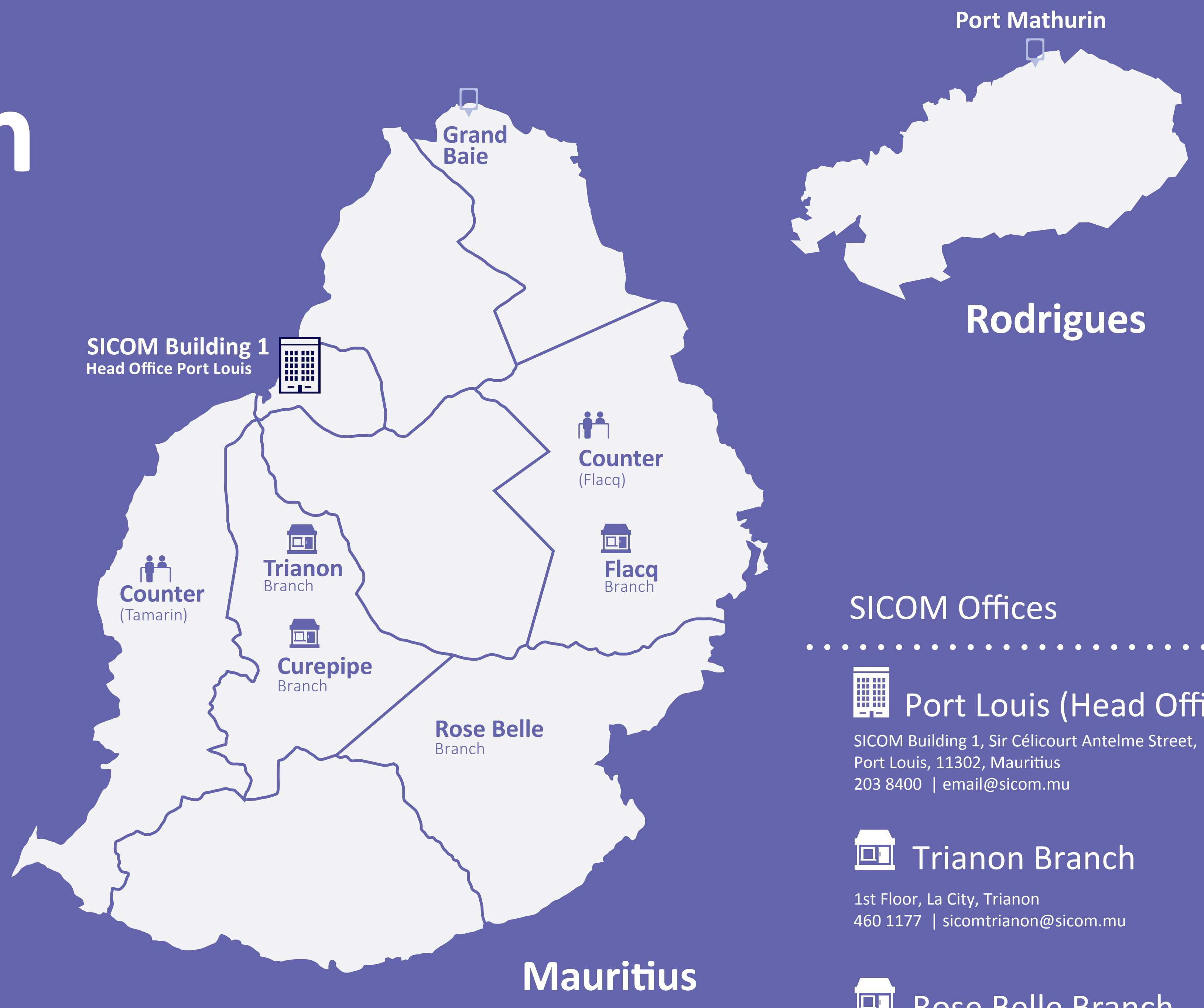
Deloitte Mauritius

CONSULTING ACTUARIES

QED Actuaries & Consultants (Pty)
QED Actuaries & Consultants (Mauritius) Ltd

MAIN BANKERS

Absa Bank (Mauritius) Limited
AfrAsia Bank Limited
Bank One Limited
HSBC (Mauritius) Ltd
MauBank Ltd
Mauritius Commercial Bank Ltd
SBI (Mauritius) Ltd
SBM Bank (Mauritius) Ltd



SICOM Offices

Port Louis (Head Office)
SICOM Building 1, Sir Célicourt Antelme Street,
Port Louis, 11302, Mauritius
203 8400 | email@sicom.mu

Trianon Branch
1st Floor, La City, Trianon
460 1177 | sicomtrianon@sicom.mu

Rose Belle Branch
Plaisance Family Shopping Village, Rose Belle
660 1746 | sicomrosebelle@sicom.mu

Curepipe Branch
Rue Chateauneuf, Curepipe
203 8540 / 203 8541 | sicom.curepipe@sicom.mu

Tamarin Counter
Coeur de Ville, Tamarin
sicom.tamarin@sicom.mu

Flacq Branch
La Source Commercial Centre, Flacq
203 8550 / 203 8551 | sicom.flacq@sicom.mu

Flacq Counter*
Flacq District Council Building, Central Flacq
203 8590 / 203 8591

*For Motor Insurance only

PostAssurance Hubs

Grand Baie
Grand Baie Post Office
Super U Grand Baie, La Salette Road, Grand Baie
268 0496 | sicom.grandbayhub@sicom.mu

Rodrigues
Port Mathurin Post Office
Port Mathurin, Rodrigues
831 2098 | sicomrod@yahoo.com

Profiles of Directors

Mrs Karuna G. Bhoojedhur-Obeegadoo (Up to 18 November 2024)

Chairperson

Qualifications

- Fellow of the Institute of Actuaries, UK
- BSc (Hons) in Actuarial Science, London School of Economics and Political Science
- Fellow of the Mauritius Institute of Directors

Background

Karuna Bhoojedhur-Obeegadoo was appointed Chairperson in December 2021 after serving on the SICOM Board since 1996. Previously Group Chief Executive Officer of the SICOM Group of Companies until September 2017, she also worked with M&G Reinsurance Company in London (now Swiss Re) and acted as Actuarial Adviser and member of the National Pensions Fund's Investment Committee.

Mrs Bhoojedhur-Obeegadoo is currently a member of the Boards of companies within the SICOM Group.

She serves on the Board of MCB Group Ltd and is a member of its Audit Committee, Remuneration, Corporate Governance, Ethics, and Sustainability Committee. Additionally, she is the Chairperson of the Board at MCB Equity Fund Ltd.

Her past directorships include State Bank of Mauritius Ltd, National Mutual Fund Ltd, First Republic Fund Ltd, Cyber Properties Investment Ltd, Mauritius Housing Company Ltd, National Housing Development Company Ltd, China Index Fund Ltd and China Actis Ltd. She was also a Founding Member of the National Committee on Corporate Governance and the Board of Investment.

Mr Anandsing Acharuz

Independent Director

Qualifications

- MSc in Financial Economics, University of London

Background

Mr Anandsing Acharuz is presently Acting Financial Secretary at the Ministry of Finance, Economic Planning and Development.

Mr Acharuz has held various responsibilities since joining the Ministry in 1996.

He has extensive experience in the formulation of economic and social policies as well as managing public finances. He has also been closely involved in the design and implementation of major reforms and strategies aimed at boosting economic growth, ensuring financial stability and enhancing social development.

Mr Acharuz constantly engages with international organisations on policy measures to address issues and challenges facing the Mauritian economy. He has a thorough understanding of the economic, financial, fiscal, monetary, social and human resource policies.

He also serves as Director on the Board of a number of public bodies, such as the Mauritius Institute of Biotechnology, the Projects Development Fund and Airports of Mauritius Co Ltd, and contributes to their effective financial management and good governance.

Mr. Acharuz holds a Master's degree in Financial Economics from the University of London.

Mr Chandradeo (Sanjeev) Dabeea (Up to 18 November 2024)

Independent Director

Qualifications

- BA (Hons) Business Accounting,University of Lincolnshire & Humberside (UK)
- MBA (Financial Management), University of Mauritius
- Fellow of the Association of Chartered Certified Accountants

Background

Sanjeev Dabeea has over 25 years of experience in the field of accounting/finance, auditing and procurement. He started his career in an accounting and auditing firm and has occupied management and Head of Department positions with various private, parastatal and public interest entities. He has been the Head of Commercial Department of the State Trading Corporation since August 2020 after serving as Manager/Head of Accounting and Finance of Airports of Mauritius Co. Ltd from June 2009 to August 2020.

Mr Dabeea is registered as a Professional Accountant with the Mauritius Institute of Professional Accountants since January 2007; he is also a member of the Mauritius Institute of Directors since 2010 and of the Institute of Internal Auditors since 2019. He is a past Director of State Property Development Company Limited.

Profiles of Directors (cont'd)

Mr Dev Kumar Gopy

Executive Director

Qualifications

- Diplôme d'Etudes Approfondies (DEA) in Finance from Institut d'Administration des Entreprises (IAE), University of Montpellier II, France
- Maîtrise in Financial Management from Institut d'Administration des Entreprises (IAE), University of Montpellier II, France
- Qualified Stockbroker

Background

Dev Gopy joined SICOM in 2001 after working for a leading local banking institution. He oversees investment management for the Group locally and overseas. He is also responsible for the loans, leasing, investment advisory and collective investment schemes businesses, as well as the operations of SICOM Global Fund Limited and SICOM Management Limited.

Mr Gopy currently serves as Executive Director on the Boards of SICOM Financial Services Ltd and SICOM Management Limited. He is also a Director of Cyber Properties Investment Ltd and is a past Director of the Stock Exchange of Mauritius Ltd and the Central Depository and Settlement Co. Ltd.

Mr Chaitanand (Rishi) Jheengun (up to 20 November 2024)

Non-Executive Director

Qualifications

- Fellow of the Chartered Governance Institute UK & Ireland (ICSA)
- Masters in Business Administration - Heriot Watt University, Edinburgh

Background

Chaitanand (Rishi) Jheengun started his career in the public service in 1982 as Customs & Excise Officer at the Customs & Excise Department, Ministry of Finance. He took employment in 1990 with KPMG Peat Marwick and in the same year, joined the Stock Exchange of Mauritius (SEM) as Administrative Officer/ Company Secretary. He was the Group Company Secretary of SEM until 2018. He was Head of the Trading & Market Information Department, Compliance Officer and Money Laundering Officer and member of the Listing Executive Committee of SEM until February 2022.

Retired, Mr Jheengun is presently the Company Secretary of Central Depository & Settlement Co Ltd, Chairman of the Sugar Insurance Fund Board and appointed Deputy Chairperson of the Operations Review Committee of the Financial Crime Commission. He is also a member of the ICSA – Mauritius Branch.

Ms Shakilla Bibi Jhungeer (Up to 18 November 2024)

Non-Executive Director

Qualifications

- LLM International Law and Criminal Justice from the University of East London

Background

Shakilla Jhungeer is a barrister. She attended the Bar Vocational Course (BVC) at the College of Law, London from 2009 to 2010 and was called to the Bar at Lincoln's Inn in 2010 and to the Mauritius Bar on 20 January 2012.

Ms Jhungeer currently serves as Director on the Boards of SBM Holdings Ltd, SBM (Bank) Holdings Ltd, SBM (NBFC) Holdings Ltd, SBM 3S Ltd, SBM Kenya Ltd, Rodrigues Duty Free Paradise Ltd and Stock Exchange of Mauritius Ltd. She was a Board Member of the Independent Commission Against Corruption (ICAC) from February 2015 to October 2019.

Profiles of Directors (cont'd)

Ms Maheswaree Naraini Madhub

Non-Executive Director

Qualifications

- Diploma in Public Administration and Management, University of Mauritius
- BSc Major in Biochemistry and Botany, Australian National University
- Certificate on "La Bonne Governance et Réforme de l'État",
- Institut d'Administration Publique/Ecole Nationale d'Administration, France

Background

Maheswaree Madhub is the Senior Chief Executive of the Ministry of Social Integration, Social Security and National Solidarity. She started her career in the public service in 1988 as Assistant Secretary. She has extensive experience in the field, having served in the Ministry of Agriculture and Natural Resources, the Office of the President, the Ministry of Finance and Economic Development, the Prime Minister's Office (External Communications Division and Cabinet Office), the Ministry of Industrial Development, SMEs and Cooperatives, and the Ministry of Housing and Land Use Planning.

Ms Madhub has been the Supervising Officer of the Ministry of Health and Wellness and Ministry of Agro-Industry and Food Security. She also served as Secretary to the Electoral Supervisory Commission and Electoral Boundaries Commission and has acted as Chairperson/ Director in a number of statutory bodies and government-owned organisations.

Mr Varun Krishn Munoosingh (Up to 30 December 2024)

Independent Director

Qualifications

- BSc (Hons) Economics and Finance, University of Mauritius
- MA Economics, University of Mauritius

Background

Varun Krishn Munoosingh is currently an Assistant Permanent Secretary at the Prime Minister's Office and is presently posted at the Private Office.

He joined the Public Service in 2015 as Civil Status Officer. He was appointed Assistant Permanent Secretary in 2017 and was previously posted at the Home Affairs Division of the Prime Minister's Office and the Ministry of Defence and Rodrigues.

Mr Munoosingh is also a past Board Member of SBM Holdings Ltd and the Road Development Authority.

Mrs Nandita Ramdewar

Group CEO

Qualifications

- Fellow of the Association of Chartered Certified Accountants
- Masters in Business Administration - specialisation in Finance, Manchester Business School
- Fellow of the Mauritius Institute of Directors
- Member of the International Fiscal Association (Mauritius)

Background

Nandita Ramdewar took up the position of Group CEO in May 2021 after acting as Officer-in-Charge since August 2019. She was appointed to the SICOM Board in 2013.

She worked for a leading audit firm prior to joining the Group as Manager (Finance) in 1992. She has since held senior management roles in various business units and has served as Company Secretary, Deputy Group CEO and Chief Finance Officer. During her career, she has gained broad experience in insurance, strategy, finance, investments, financial services, corporate matters and other fields.

Mrs Ramdewar currently serves on the Boards of Directors of SICOM Financial Services Ltd, SICOM General Insurance Ltd, SICOM Global Fund Limited, SICOM Management Limited and National Housing Development Co. Ltd. She is also a past Chairperson of the Private Secondary Schools Authority and has been a Director of the Stock Exchange of Mauritius Ltd and Central Depository and Settlement Co. Ltd.

Profiles of Directors (cont'd)

Mrs Ushalini Shewraj

Independent Director

Qualifications

- Master of Business Administration, University of Mauritius
- MSc in Information Technology, University of Mauritius

Background

Ushalini Shewraj started her career in the Public Service in 1999 as a Technical Officer at the Ministry of Agriculture. In 2002, she joined the Administrative Cadre and served as Assistant Permanent Secretary, mainly at the Ministry of Information and Communication Technology and the Prime Minister's Office.

She currently occupies the post of Deputy Permanent Secretary at the Ministry of Financial Services and Good Governance. She reckons more than 20 years of experience in Public Administration and Management. During her career, she has served on various Boards and Committees.Currently, she holds the position of Deputy Permanent Secretary at the Ministry of Financial Services and Good Governance, bringing with her over 20 years of experience in Public Administration and Management. Throughout her career, she has actively contributed to several Boards and Committees.

Mr Jairaj Sonoo (C.S.K) (up to 13 November 2024)

Non-executive Director

Qualifications

- Masters in Business Administration (MBA), University of Surrey, UK

Background

Jairaj Sonoo is the Chairman of the State Investment Corporation Limited (SIC), the investment arm of the Government of Mauritius. He is the Group CEO of the National Housing Development Co. Ltd and Executive Director of New Social Living Development Ltd which implements the Government's Vision to build 12,000 social housing units. Mr Sonoo holds directorships in various investee companies of the SIC. He is also the Chairman of the Industrial Finance Corporation of Mauritius (IFCM) Ltd, set up by Government to provide financial support to enterprises in main sectors of the economy to adopt the most appropriate technologies to modernize and transform their processes.

Mr Sonoo previously spent four decades in the banking sector at local and international level, including 38 years in various positions at State Bank of Mauritius Ltd. He served as CEO of SBM Bank (Mauritius) Ltd from September 2012 to August 2016 and Acting Group Chief Executive of SBM Holdings from November 2014 to September 2015. He was also Chief Executive - Overseas Expansion of SBM Holdings Ltd from August 2016 to September 2017. During his tenure of office within the SBM Group, Mr Sonoo was responsible for overseeing the development and execution of the Bank's international strategy through both organic growth, merger and acquisition. He also led the acquisition of a Kenyan bank, which marked the milestone for the Group's entry into East Africa.

Senior Management Team

Nandita Ramdewar
Group CEO

Dev K Gopy
Chief Investment Officer

Theresa M. Lee Shing Po
Chief Support Officer

Vanisha Pursun
Chief Actuarial Officer

Surendranath (Kiran) Ancharaz
Senior Executive Officer
General Insurance

Pritty Appadoo
Senior Executive Officer
Risk & Support Services

Cheman Baguant
Senior Executive Officer
IT

Atma Beeharry
Senior Executive Officer
CX

Mohammad Fayaz Budaly
Senior Executive Officer
Property, Facilities & Procurement

Moorganaden (Ruben) Chadien
Senior Executive Officer
SFSL & Loans

Lohit K. L. (Bobby) Cheeneebash
Senior Executive Officer Life

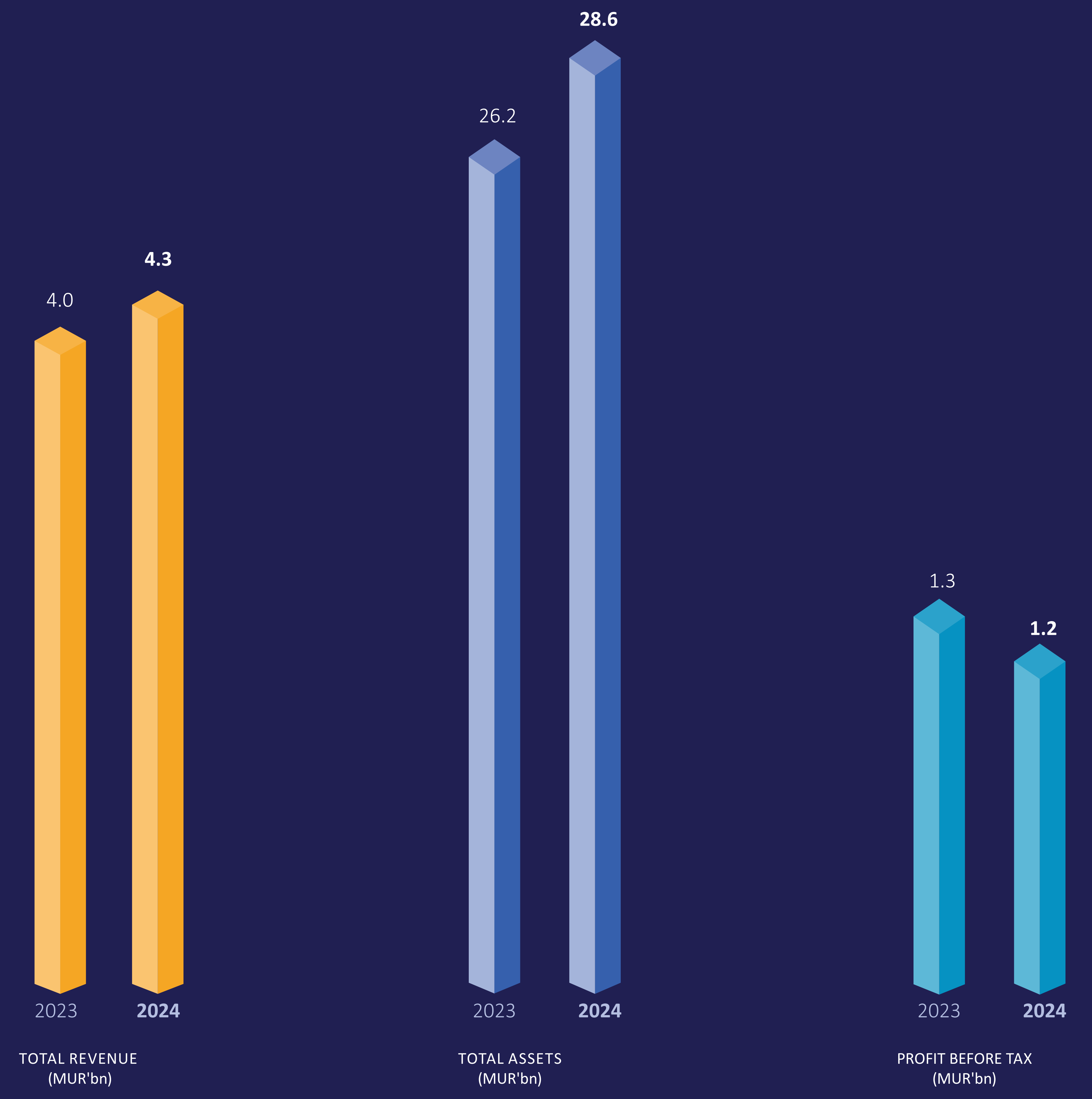
Vasoodevsing J. (Rajeev) Seeroo
Senior Executive Officer
Actuarial

Chandan (Ashwin) Prayag
Senior Executive Officer
Investment

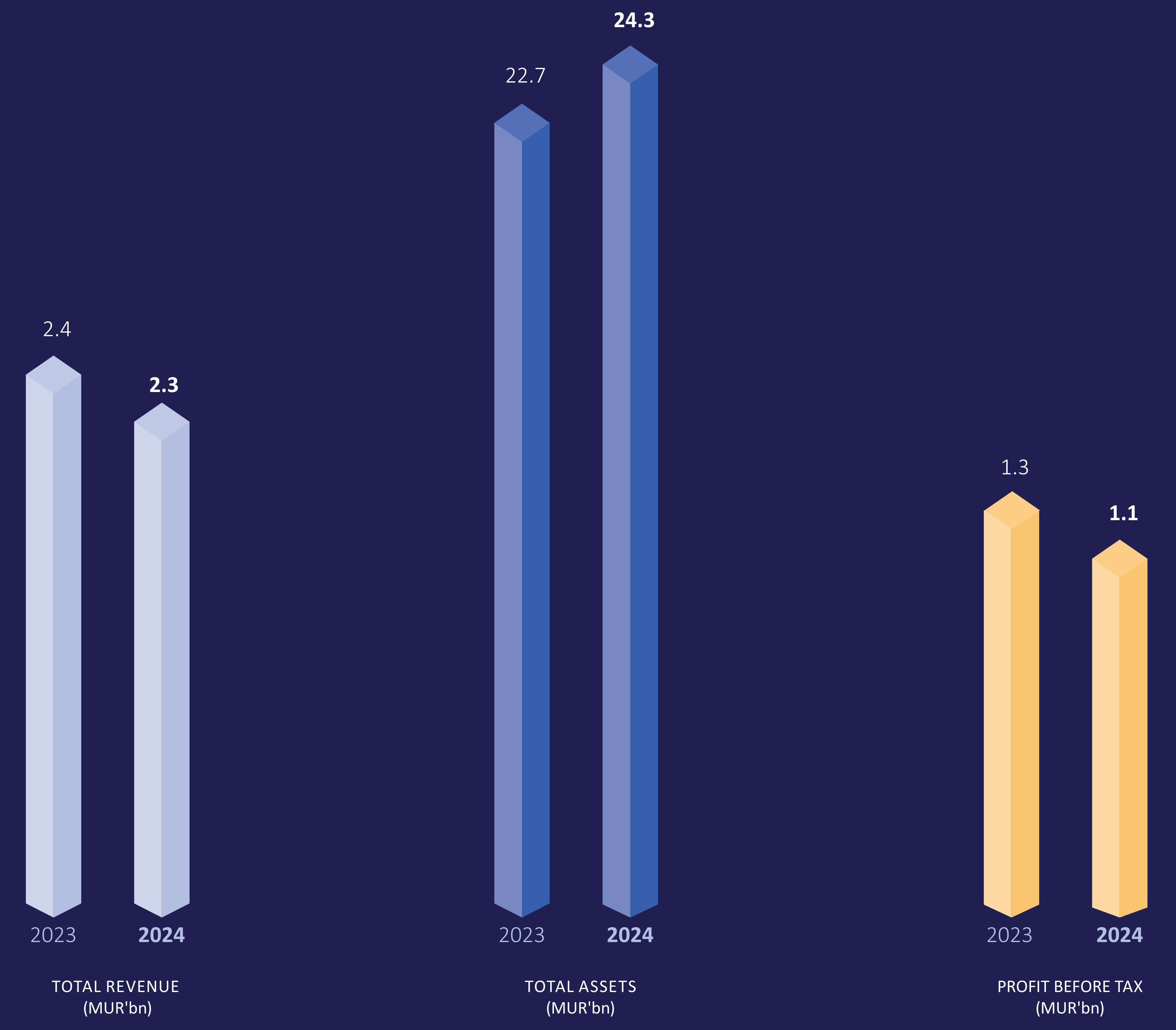
Hans Sooknah
Senior Executive Officer
Finance

Financial Highlights

Group.



Company.



Financial Highlights

Group.

(MUR)

Total Revenue
4.3 billion

Insurance Revenue
2.9 billion

Profit before Tax
1.2 billion

Total assets
28.6 billion

Financial Highlights

LIFE.

(MUR)

Insurance Revenue **1.0 billion**

Net Investment Income **1.4 billion**

Insurance Profit **220 million**

Insurance Contract Liabilities **15.2 billion**

SGIN.

(MUR)

Insurance Revenue **1.9 billion**

Net Investment Income **74 million**

Insurance Profit **84 million**

Insurance Contract Liabilities **1.0 billion**

SFSL.

(MUR)

Deposit taking **2.0 billion**

Profit before tax **28.9 million**

Net investment in finance lease **1.0 billion**

Investment in personal loans **701 million**

Others.

(MUR)

Gross Rental Income **93.2 million**

Secured Loans **2.5 billion**

Investment Property **2.2 billion**

Total Assets under Management **81.0 billion**

Value creation model

The value model of SICOM Group is one which considers all its various stakeholders. The Group is increasingly focusing on a broader view of performance. Value is created by the interaction of several elements of an organisation which includes financial, human, manufactured, intellectual, social and natural capitals. It is the combination of these capitals which delivers the value. Human capital particularly interacts with the others and creates the value by creating the synergies necessary to deliver the value.

These are enabled through the following elements which are commitment and support from leadership, automations and efficiencies from digital transformation, skilled and motivated employees who can drive and execute strategy, a supportive organizational culture that fosters innovation, collaboration, and commitment to strategic goals and the ability to adapt and respond to changes in the external environment or internal circumstances. SICOM Group operates through a series of processes to sell financial solutions to its customer bases. These are supported by a strong governance structure, technology, product development, sales and Distribution team and support departments.

Being a value centric organisation, SICOM Group performance measures are not solely financial in nature but also focused on non-financial aspects such as employee and customer satisfaction, risk management and sustainability matters. The shareholders, customers, employees, government, business partners, the community and the environment are the recipients of value from the company. As SICOM turn to consider its long-term sustainability, its range of stakeholders has broadened. Without creating the sustainable organisation as a combination of economic, environmental and social equity, the value of an organisation can diminish and hence there is a very strong causal link between value creation and strategy. As value is cyclical, the actions of the recipients return value to the enablers and so the process continues as depicted in SICOM's value creation model.

6 Capitals

Financial
Human
Manufactured
Intellectual
Social
Natural

our purpose

our vision

our values

Financial

- Strong financial stability (strong liquidity with a diversified portfolio, Assets under Management of MUR 81.0 bn)
- A diversified investment portfolio
- Upgraded rating by CareEdge Ratings to AAA

Human

- Employer of Choice (Recertification by Great Place to Work)
- Talented and committed team members
- 60% women in employment, including 23% in leadership position
- A human capital strategy focused on well-being and inclusivity
- Learning and development while recognising ability and merit are now enhanced through the newly established PMS

Manufactured

- Property valued at MUR 2.2 bn
- 6 branches
- Digital Experience Platform
- IT infrastructure worth MUR 123.6 m

Intellectual

- Unique industry (insurance and investment) expertise and knowledge
- Talent management and development
- Digital platform encompassing process optimisation
- Branding and marketing strategies
- Collaborative partnerships
- Data analytics and insights
- Robust governance and enterprise risk management framework

Social and Natural

- Training on sustainability, awareness about responsible farming
- Affiliation and first reporting to local and international frameworks to contribute to UN SDGs(SigneNatir, UN Global Compact, UN Principles of Responsible Investment)
- Sustainability projects (MUR 4.5 m sponsored)
- Green building initiatives such as inverter air conditioners and LED lights
- Other social and environmental projects
- Hospital renovation projects

SIX CAPITALS → **OUR AMBITIONS** → **OUR RESOURCES**

Value creation model (cont'd)

Enablers to deliver on Strategy

Leadership
Digital Transformation
Talent Management
Culture Change
Flexibility and Adaptability

Economic Value Created

Dividend paid to shareholders	Distributed to employees (through salaries, benefits & Incentives)	Expenditure on Social and Environmental projects	Taxes paid to Government
MUR 177.0 m	MUR 715.3 m	MUR 7.4 m	MUR 53.1 m

OUR BUSINESS ACTIVITIES

Financial

- Profit Before Tax (MUR 1.2 bn), Return to profitability and Market Growth
- Dividend to Shareholders and healthy ROI
- More visible as a strong brand and increased business opportunities

Human

- Engaged and satisfied workforce
- Improved organisational culture
- Work-life balance
- Improved technical, soft and digital skills of employees to embrace the future of work
- Innovation and creativity
- Better leaders and higher skilled employees

Intellectual

- Growing property business
- Increased reach to customers across the island
- Seamless service across distribution channels: 24/7 availability
- Increased customer satisfaction
- Productivity and cost savings

Manufactured

- Leveraging expertise to expand business overseas
- Cross-selling opportunities among different business lines
- Enhanced customer experience and business opportunities
- Incorporating business intelligence in decision-making
- Proactive governance and risk management

Social and Natural

- A sustainable corporate culture and sustainability awareness among employees, Culture change and Capacity building by Sustainability Consultant
- Group strategy aligned to leading ESG practices,
- Implementation of reporting framework and Governance structure for UN PRI and UN Global Compact
- Youth Empowerment by supporting NGOs involved in empowering vulnerable children and youths such as Ecole des Métiers, ANFEN, SAFIRE to support economic and social stability,
- Execute projects in collaboration with other partners and NGOs such as the Learning with Nature Project by Mauritius Wildlife Foundation, Agroforestry in Rodrigues by FORENA, Mission Verte, Mafta International Ltd and others
- Measure carbon footprint through a carbon emission assessment
- Recognition as a responsible corporate citizen

OUR OUTPUT

Stakeholders

Shareholders
Customers (Individual and Corporate)
Employees
Intermediaries
Business partners
Government and Regulators
Community
Environment

02

Your Passport to **Protected** Journeys - We've Got Your Back

Directors' Report

Welcome to the SICOM Integrated Report for the financial year ended 30 June 2024. On behalf of the Board, I acknowledge the delayed publication of this year's Integrated Report, which stems from the adoption of new accounting standards that have impacted the timely finalisation of financial statements across the industry.

"As we reflect on the financial year 2024, I take great pride in SICOM's commitment to a human-centric value proposition- creating lasting value for both our customers and our people."

As we reflect on the financial year 2024, I take great pride in SICOM's commitment to a human-centric value proposition - creating lasting value for both our customers and our people. This has been guided by our strong alignment with sustainability principles and our environmental, social, and governance (ESG) commitments. Throughout the year, we have focused on delivering meaningful experiences and engaging constructively with all our stakeholders. Our Group has been faced with both challenges and opportunities as we continue our transformational journey, solidifying our role as a leading and innovative financial services provider.

Navigating the Macroeconomic Landscape

As we navigate the complexities of the global market, the projection for economic growth in 2024 and 2025 is below the historical annual average at 3.2% and 2.8% respectively, with slight recoveries in advanced economies while emerging markets grapple with modest growth.

According to the IMF, global headline inflation is expected to decline from 5.9% in 2024 to 4.3% in 2025. In addition to geopolitical tensions, fluctuating oil prices and extreme climate events, the escalation of trade tensions and policy uncertainty from tariffs introduced by the new Trump administration in the US are expected to have a major impact on global economic activity.

In 2023, the Mauritian economy saw a moderation in growth, with GDP expanding by 7.0%, down from 8.9% in 2022. Key contributors like the financial and insurance sectors were forecasted to maintain steady momentum in 2024, with an expected economic growth of 4.7% fuelled by the services industry. A moderate growth rate of 3.2% is anticipated in 2025, influenced by increased US trade tariffs and measured public investment.

Inflation has gradually eased, falling from 10.8% in 2022 to 7.0% in 2023, with a further decline to 3.6% anticipated in 2024. Despite this positive trend, inflationary pressures, influenced by global geopolitical tensions, pose a risk, particularly to tourism and overall economic stability.

Following the November 2024 general elections, there has been a change in Government administration, with the presentation of the Government Programme for 2025-2029 in January 2025. Moody's Ratings has also affirmed the Government's long-term foreign and local currency issuer ratings at Baa3.

" We remain cautiously optimistic, recognising that external factors may create further challenges for our industry."

Trends Shaping the Insurance Industry

The global insurance landscape is transforming in response to the escalating frequency and severity of risks, including climate change and cyber threats. Insurers are increasingly recognised as society's "financial safety nets," prompting a shift towards proactive measures aimed at preventing losses rather than merely responding to them. This transition aligns with a growing emphasis on customer-centric business models, necessitating advancements in technology and a cultural evolution within organisations to enhance collaboration and data accessibility.

In this evolving environment, merger and acquisition activity is anticipated to rebound as macroeconomic conditions stabilise, particularly with interest rates and inflation easing. InsurTech companies continue to play a pivotal role in this resurgence, offering innovative solutions that support carriers in their transformation journeys.

Moreover, the insurance sector is embracing its role as a sustainability ambassador, driving purpose-driven strategies that contribute to a more resilient workplace and society. As generational shifts and rising customer expectations reshape our industry, it is imperative that we remain agile and committed to harnessing technology, fostering collaboration and prioritising sustainability to navigate the complexities of our changing world effectively.

Strategic Investments for Long-Term Value Creation

As we progress into the final year of our Strategy Plan 2022-2025, our focus remains resolute on the theme of "Consolidation, Execution & Sustainability."

The key pillars guiding our strategy – revenue growth, cost optimisation, digital transformation and a firm commitment to sustainability – are essential to delivering lasting value to our stakeholders.

In the report year, we continued to focus on product development, key partnerships and targeted investments. We made significant progress in expanding our loan partnerships and advancing property projects, reinforcing our commitment to growth and diversification.

Total Revenue
MUR
4.3bn
(2023: MUR 4.0 bn)

Profit Before Tax
MUR
1.2bn
(2023: MUR 1.3 billion)

Total Assets

MUR

28.6bn

(2023: MUR 26.2 billion)

Directors' Report (cont'd)

Customer experience remained at the forefront of our strategy, supported by the rollout of several digital enablers aimed at enhancing service delivery.

These initiatives were complemented by the development of a sustainable IT strategy, ensuring our technological infrastructure remains resilient and future-ready.

Our marketing and PR efforts have successfully strengthened our brand visibility, while positioning us to capture new opportunities in a dynamic marketplace. As we move forward, we remain dedicated to evolving our products and services, fostering strategic partnerships and investing in sectors that will drive long-term value for our stakeholders.

Elevating Customer Engagement

Our customer-centric approach remains the driving force behind our strategy. We have continued enhancing Customer Experience through process and technological improvements which align with business objectives. We gather feedback continuously via surveys and social media, ensuring continuous monitoring of our services for customer satisfaction. We track key metrics such as Net Promoter Score and Customer Satisfaction, while mystery shopping surveys help us address service gaps. Furthermore, we periodically assess satisfaction within key business segments, reinforcing our commitment to delivering a seamless, professional experience across all customer interactions.

For over a year now, we have enhanced our customer service and distribution model. We now have a revamped customer-centric structure separating sales and operations, empowering multidisciplinary teams to increase cross-selling and engagement. A lead management system also allows sales teams to efficiently manage prospects, supported by ongoing training.

We continuously optimise processes like lead management and claims handling, partnering with outsourcing experts to improve efficiency and response times. Through data-driven insights and customer feedback, we further refine our Customer Experience strategy to stay aligned with evolving customer expectations, consistently delivering exceptional service.

A Commitment to Employee Growth and Well-Being

At SICOM, our people are our most valuable asset and we remain steadfast in our commitment to fostering a workplace that inspires and empowers. In May 2024, we proudly received re-certification as a Great Place To Work®, a recognition that reflects our dedication to maintaining an exceptional work environment. This accolade not only validates our efforts but also encourages us to continually strive for excellence in employee engagement and development.

In the financial year, we implemented various initiatives to foster growth, recognition and well-being. With a focus on enhancing learning opportunities, we conducted 114 training sessions, benefiting 296 staff members and accumulating 3,162 manhours. Our talent management practices were strengthened, with 16 positions advertised and 160 interviews conducted to support internal growth and external recruitment.

Employee engagement remained a key priority, marked by a performance-based salary, performance bonuses and the appointment of an external HR consultant to conduct a comprehensive review encompassing our Employer Value Proposition, remuneration practices and performance measurement frameworks. Additionally, we celebrated our employees' contributions to the Company at the 2023 Staff Awards Ceremony, with 20 winners across six categories.

We remain committed to cultivating a supportive and rewarding work environment through wellness activities, including workshops and health talks, to promote employee welfare. Events such as the End of Year Party, Employee Fun Week and the 2024 Team Building fostered camaraderie and teamwork, contributing to a vibrant and engaged workforce.

Unlocking Potential Through Digitalisation

We also accelerated our digital transformation journey, prioritising the Customer Experience and operational efficiency. Going beyond adopting new tools, our digital transformation is about modernising our services to meet the evolving expectations of a tech-savvy clientele.

Our Digital Experience Platform is central to this strategy, driving key objectives such as reducing operational costs, enhancing user experiences, increasing conversion rates and fostering customer loyalty. The platform enables seamless engagement across all touchpoints, with self-service features accessible via our revamped website, customer portal and mobile app.

Aligned with our corporate strategy to invest in latest technology, we have introduced AI-driven chatbots, instant quotes, digital payments and policy management tools, ensuring consistent, convenient interactions throughout the customer journey. Our shift to digital also supports the Group's sustainability goals, promoting initiatives such as electronic receipts and paperless transactions to reinforce our commitment to an environmentally responsible future.

Group's Financial Performance

We are pleased to report a significant improvement in our financial performance for the year that elapsed. SICOM Group has recorded a 7.7% increase in revenue to reach MUR 4.3 billion from MUR 4.0 billion restated for the previous year, driven by our substantial increase in Insurance revenue of MUR 321 million from the General Insurance business.

Total assets of the Group increased from MUR 26.2 billion as at 30 June 2023 to reach MUR 28.6 billion as at 30 June 2024. At Group level, Profit before tax reached MUR 1.2 billion for the financial year ended 30 June 2024, and had a restated profit of MUR 1.3 billion last year under new IFRS 17 standards.

A Commitment to Ethical Leadership

At SICOM, we recognise that robust corporate governance is critical to our sustained success.

Directors' Report (cont'd)

Our commitment to transparency, ethical conduct and effective governance ensures that our strategic direction aligns with stakeholder interests while adhering to the highest standards of responsibility. This focus is reflected in the external validations we have achieved, including the achievement of our AAA rating from Care Ratings Africa Private Limited (CRAF) in August 2024.

SICOM was also a remarkable performer in the 2023 Corporate Governance Scorecard assessment and we aim to improve further in 2024. Our dedication to responsible business practices reinforces trust among shareholders and contributes to shared value creation.

Moreover, we have made substantial progress in governance and risk management. We have adopted and implemented IFRS 17 – which sparks a landmark shift in insurance reporting practices – in the preparation of our audited financial statements for the report year. SICOM also ensured compliance with international Information Security guidelines for financial institutions and is currently working towards a Business Continuity framework which is aligned with ISO standards.

Our Directors and Senior Management remain well-equipped through continuous training on key issues such as business continuity management, cybersecurity and evolving governance standards, fostering a culture of excellence across the organisation.

A Focus on Sustainability and ESG Initiatives

The presentation of our first-ever standalone Sustainability Report, with a summarised version in our Integrated Annual Report, is a milestone that marks our significant progress in embedding our core values into every facet of our business. Aligning our efforts with international frameworks such as the United Nations Principles for Responsible Investment (“UNPRI”) and the United Nations Global Compact (“UNGC”), our sustainability strategy is built on three pillars – Responsible and Sustainable Business, Adapting to Climate Change and Fostering Social Development.

Sustainability forms the foundation of our mission and vision. Over the past year, we have diligently crafted and implemented a comprehensive Sustainability Strategic Plan, anchored by a robust governance framework through the establishment of the SICOM Sustainability Committee and the Green Team. Our collaboration with a dedicated Sustainability Consultant has enabled us to implement impactful projects. We have conducted comprehensive training sessions aimed at capacity building and fostering a culture of sustainability within our workforce. Additionally, we are undertaking a carbon assessment and made our first submission of UN PRI and UN Global Compact reporting in June 2024 and July 2024 respectively.

We have initiated several projects, including our partnership with Fondation Ressources et Nature (“FORENA”) on plant nursery and mangrove plantation projects. Our Learning with Nature programme promotes environmental education, while our Diabetic Foot Care Clinic at Jawaharlal Nehru Hospital addresses critical healthcare needs. Our initiatives also promote bio farming through partnerships with the Food and Agricultural Research and Extension Institute (“FAREI”). Additionally, our Hands On Committee provided financial literacy training in April 2025 to the NGO, Lovebridge as part of our CSR efforts.

Aligning our efforts with international frameworks such as the United Nations Principles for Responsible Investment (“UNPRI”) and the United Nations Global Compact (“UNGC”), our sustainability strategy is built on three pillars – Responsible and Sustainable Business, Adapting to Climate Change and Fostering Social Development.

Highlights on Financial Performance

Investment

The different funds managed by SICOM benefitted from the positive performance of both their domestic and overseas investments over the financial year ended 30 June 2024. Total investments under management increased from MUR 72.1 billion in 2023 to MUR 81.0 billion.

With higher dividends from domestic equity investments and stable interest income from our fixed-income portfolio, total investment income increased from MUR 2.5 billion in the previous year to MUR 2.9 billion. New investments totalled MUR 19.2 billion compared to MUR 18.1 billion in the previous year.

Life Insurance business

We see a significant increase in Insurance service result for the year, MUR 396.6 million as at 30 June 2024 against MUR 178.3 million as at 30 June 2023, and also higher investment income for 2024 compared to 2023. However a lower insurance profit before tax of MUR 220.0 million as at 30 June 2024 was posted compared to MUR 569.5 million as at 30 June 2023, due mainly to the impact of a lower yield curve on the valuation of insurance liabilities with the introduction of IFRS 17.

There was an increase in the Life Fund surplus due to good investment performance and modelling changes. The Minimum Capital Requirement (MCR) cover stood at 283% as at 30 June 2024 (2023 – 243%) and is higher than the regulatory requirement of 100%. The bonus rates have increased from 2.5% in 2023 to 3.3% in 2024.

Group Pensions and Actuarial

The net assets of the Pension Funds reached MUR 51.6 billion as at 30 June 2024 (MUR 46.0 billion - 30 June 2023). The excess of income over outflows for the year under review was MUR 5.7 billion compared to MUR 4.0 billion last year due to better performance in both local and overseas financial markets. During the year under review, some 66,380 statements of benefits were issued to members of Group Pensions schemes under our administration. At the end of the financial year 30 June 2024 SICOM was paying annual pensions to some 13,600 pensioners amounting to MUR 3.5 billion.

General Insurance

The total assets, excluding reinsurance assets, stood at MUR 1.4 billion as at 30 June 2024, reflecting a continued build-up in the Company’s asset base (2023 – MUR 1.2 billion). The Gross Written Premium for FY2023/24 recorded a strong growth of 25% to reach MUR 2.0 billion (2023 – MUR 1.6 billion), with all key classes of insurance contributing to the increase. The Motor portfolio showed a solid growth of 27% to reach MUR 819.6 million, while the Medical portfolio experienced a remarkable surge of 84%, reaching MUR 380 million, largely attributable to the onboarding of new corporate clients and the positive impact of earlier remedial actions taken.

Profit before tax for the financial year amounted to MUR 84.0 million, a substantial improvement from MUR 7.7 million reported last year. The performance uplift was mainly driven by gains in the fair value of investments amounting to MUR 26.3 million, compared to a loss of MUR 40.5 million restated for the previous year, further enhanced by foreign exchange gains realised during the period.

Financial Services

Net investments in finance leases stood at MUR 1.0 billion for the financial year ended 30 June 2024, representing an increase of 33% from last year. The lease segment continued to perform well, driven by sustained marketing initiatives, strengthened partnerships with local car dealers, and the revamping of the operating lease business. Investments in personal loans stood at MUR 701 million for the year under review, marginally lower than the MUR 704 million recorded last year.

Profit before tax stood at MUR 28.9 million for the year ended 30 June 2024, compared to MUR 29.7 million the previous year, which included an exceptional gain on disposal of bonds and penalty of early termination of deposits from customers totaling MUR 21.1 million. This performance was underpinned by the resilience of the lease business, better cost management, and the restructuring of investment portfolios aimed at securing higher yields.

Property

The investment property of SICOM valued at MUR 2.2 billion generated a stable income of MUR 93.2 million for the financial year under review. Opportunities are actively searched for as this area of activity continues to grow in importance within the Group.

Directors' Report (cont'd)

We are proud to have been recognised as the 2nd Runner-Up in the National Environmental Awards 2024, highlighting our commitment to environmental stewardship. Our inaugural rooftop garden, launched on World Environment Day, exemplifies our efforts to create green spaces while contributing to local biodiversity.

Our initiatives also focus on empowering women through community projects like mangrove propagation and bio-farming sensitisation in partnership with local NGOs. By integrating eco-friendly procurement criteria and assessing our carbon emissions across Scopes 1, 2 and 3, we aim to align our operations with science-based targets.

Embracing sustainability and ESG principles is integral to our identity at SICOM. It shapes our decisions and drives us toward a brighter, more sustainable future for all stakeholders.

Our Path Forward

In 2025, our primary focus will be on driving revenue growth across all business lines. We aim to enhance our insurance, pensions, leasing, loans, property and investment advisory services while embedding sustainability into our operations.

The formation of strategic alliances – such as SICOM General Insurance's collaboration since August 2024 with innovative medical service providers to offer home doctor on-site assistance– directly support the advancement of the Group's overarching strategy for growth and customer-centricity. New bancassurance agreements will enhance our product offerings while collaborations with fintech and tech companies will be key to fostering innovation.

Moreover, cost optimisation will play a crucial role. By leveraging cloud solutions, subscription-based applications, and digital payment systems, we expect to reduce operational costs significantly. Upskilling our workforce to utilise AI solutions will further enhance efficiency. We will accelerate our digitalisation efforts by adopting cutting-edge technologies and developing APIs to provide seamless digital experiences.

Additionally, our new property project at Côte d'Or is a significant investment which the group is undertaking. We are poised for a transformative year, committed to delivering sustainable growth and value to our stakeholders.

Appreciation and Acknowledgements

It is with great pleasure that we welcome Mr Nureshkumar (Ashok) Prayag as Chairman of the Board, appointed in March 2025. A Fellow of the Faculty of Actuaries, Edinburgh, Scotland, UK and a former laureate, he brings with him over four decades of experience in the financial and insurance sectors. Mr Prayag's deep expertise and steady leadership will be invaluable as we navigate new frontiers. This operational continuity, backed by varied expertise in leadership, strategically positions SICOM for success both locally and internationally.

We extend a warm welcome to our newly appointed Board members, Ms Valérie Duval and Messrs Olivier Lew and Junaid Sairally, whose diverse backgrounds in ICT, legal affairs and strategic management will enrich the Group's governance and sharpen its vision for long-term value creation. I would also like to acknowledge the significant contributions of our outgoing Board members.

Furthermore, allow me to take this opportunity to express my sincere appreciation to everyone who has played a role in the success of SICOM Group over the past year. Their relentless efforts have been vital in advancing our strategic objectives.

Our achievements are the result of our loyal customers' continued business and support. I am equally thankful to the Government of Mauritius, the Financial Services Commission, the Bank of Mauritius, our Reinsurers, Insurance and Reinsurance Brokers, Investment Managers, Bankers, Insurance Agents and Sales Agents for their constructive engagement.

As we advance, SICOM Group is dedicated to our foundational principles and eagerly embraces the opportunities that lie ahead. Together, we will strive to make a lasting positive impact.

Thank you all for being integral to this rewarding journey.

Nandita Ramdewar
Group Chief Executive Officer

In 2025, our primary focus will be on driving revenue growth across all business lines.

Our Ambition & Strategic Intent

Insurance and Financial Services Industry Trends

The industry is undergoing rapid transformation, propelled by the demands for growth and innovation. Companies are increasingly moving away from traditional business models, with a greater focus on product enhancement and strategic partnerships within and outside the industry. As a data-intensive sector, it is primed for digital transformation, particularly through cloud-based solutions and advanced analytics. Artificial intelligence has become a pivotal element, driving data-led insights, innovation, and efficiency. Workforce transformation, focusing on talent development and optimization, is essential to success. Embedding sustainability within business models is now crucial for risk mitigation and for contributing positively to both the community and the environment. SICOM proactively addresses these industry trends with technology-driven enhancements, enhanced customer experiences, operational streamlining, and robust risk management.

Our Strategic Ambition

SICOM's objective is to foster sustainable growth grounded in core environmental, social, and governance (ESG) principles. These guiding principles are the foundation of our strategic pillars, positioning the Group as an industry leader in growth, stakeholder value creation, technological progress , and sustainability. .

Strategy

Our 2022-2025 Strategic Plan, themed 'Consolidation, Execution & Sustainability,' has catalyzed significant transformation. In its initial years, we concentrated on operational consolidation, executing key projects, and embedding sustainability into our core strategies. As we embark on the final year, our focus intensifies on value creation for shareholders, clients , employees , and partners. Core priorities include revenue growth, business development, cost optimisation, and acceleration of our digital transformation while advancing our sustainability goals.

Sustainability and ESG

Business Growth and Diversification

Customer Experience and Digitalisation

Governance and Risk

Employee Engagement Development

To navigate the complex business landscape, SICOM Group remains steadfast in its commitment to advancing initiatives across its key strategic pillars:

1. **Business Growth & Diversification**

   We are committed to expanding our market footprint and pursuing new business opportunities. This strategy encompasses product innovation, entry into new markets and sectors, consolidation of overseas investments, and strategic partnerships that foster growth and resilience in a dynamic industry landscape.

2. **Customer Experience & Digitalization**

   Our focus is on delivering unparalleled customer experience including leveraging digital technologies. As the first local insurance company to offer a seamless digital platform, we provide personalized services, streamlined digital onboarding, and secure digital payment facilities.

3. **Governance & Risk**

   Upholding strong governance and effective risk management practices is central to our operations. We are committed to transparency, compliance, and ethical conduct, ensuring the highest standards of integrity while managing risks and protecting stakeholder interests.

4. **Employee Engagement & Development**

   Recognizing that our employees are our most valuable asset, we are dedicated to fostering an empowering and supportive work environment. We invest in professional development, encourage active engagement, and provide growth opportunities, enhancing skills and contributing to shared success.

5. **ESG & Sustainability**

   We are committed to integrating environmental, social, and governance (ESG) criteria across operations. Our sustainability initiatives focus on reducing our environmental impact, promoting responsible practices, and positively contributing to society.

SICOM Group aims to achieve long-term success and create value for its stakeholders while contributing positively to the broader community through these strategic pillars.

SICOM Group's Achievements

Business Growth

Investments: Our strategic move into fintech across Africa and India align with our diversification goals, promoting innovation and establishing new revenue streams that support our long-term growth objectives.

Strategic Partnerships: By forging new alliances with banks, health service providers, and real estate players, we have strengthened our market position and expanded our service capabilities. These partnerships are designed to offer integrated solutions and enhance customer satisfaction.

SICOM Properties Ltd: The incorporation of SICOM Properties Ltd marks a strategic milestone, optimizing property management operations and focusing on developing and managing real estate assets to drive revenue growth. Our recent acquisition of land at Cote D'Or Technopole further strengthens our property sector investments.

Customer Experience

Digital Experience Platform (DXP): Our enhanced digital experience platform offers a comprehensive, user-friendly interface that integrates various touchpoints for a seamless and engaging customer journey. This platform is central to our efforts in enhancing customer interactions and satisfaction.

Digital Payment Facilities: The implementation of advanced digital payment systems has streamlined transactions, offering our clients greater convenience and security in managing their financial transactions.

Customer Service and Distribution Platform: We have developed a specialized platform to cater to diverse client needs, enhancing our ability to deliver efficient and personalized services, with our customers accessing information anywhere and anytime.

Our Ambition & Strategic Intent (cont'd)

Customer Loyalty Programme: Our newly introduced loyalty programme rewards customer engagement and loyalty, fostering long-term relationships and driving customer retention.

Salesmen Portal: The newly launched Salesmen Portal equips our sales team with robust tools and resources to serve clients more effectively, improving overall efficiency.

Governance & Risk

IT Security Compliance: We have successfully implemented comprehensive security measures aligned with FFIEC guidelines, reinforcing our commitment to safeguarding against both IT and cybersecurity threats. This initiative underscores our dedication to protecting our organisation from evolving risks in the digital landscape.

Data Privacy and Information Security: An independent IT audit on data privacy and information security for the Group, which has been entrusted to an external Consultant during the year, underscores our commitment to providing assurance on safeguarding client data and upholding high standards of information management. This rigorous approach ensures compliance with regulatory requirements and reinforces trust by prioritizing the integrity, confidentiality, and availability of our information assets.

Cloud Policy and Strategy: Our new cloud policy and strategy, developed in alignment with FSC guidelines, enhances our operational flexibility and strengthens our data management capabilities. This strategic approach supports our commitment to achieving digital transformation goals by ensuring scalability, resilience, and secure data handling across our operations.

Employment Engagement & Development

Great Place to Work Recertification: A Testament to Our Commitment

We are proud to announce that we have successfully achieved recertification as a Great Place to Work. This recognition reaffirms our unwavering dedication to fostering a workplace culture that prioritizes employee well-being, engagement, and inclusivity. Our commitment to providing a positive and supportive environment is reflected in the feedback and trust of our employees, who continue to be the driving force behind our success. As we move forward, we will continue to enhance our policies, initiatives, and workplace experiences to maintain and exceed these high standards.

Enhanced Learning & Development: Investing in Growth and Excellence

We believe that continuous learning is the cornerstone of personal and professional growth. This year, we have significantly enhanced our Learning & Development (L&D) programs, providing our employees with new and improved opportunities for skill enhancement, career progression, and leadership development. Our upgraded initiatives include training modules covering both technical skills and soft skills; proposals of learning paths tailored to individual career aspirations; providing access to digital learning platforms for flexible, on-the-go development; mentorship and leadership programs to nurture future leaders. At SICOM, we strive to empower our workforce with the tools and knowledge they need to excel in their roles and contribute meaningfully to our organization's growth.

Talent Acquisition & Workforce Planning: Building a Future-Ready Team

In an ever-evolving business landscape, attracting and retaining top talent is paramount. We have refined our talent acquisition and workforce planning strategies to ensure that we not only attract the best professionals but also cultivate a workforce that is aligned with our long-term strategic objectives. Our initiatives in this area include:

Proactive talent sourcing strategies, a-driven workforce planning to anticipate future talent needs and skill gaps, diversity and inclusion initiatives to create a balanced and innovative work environment, employee value proposition enhancements to retain high-performing team members. We aim to build a dynamic, resilient, and skilled workforce that will drive our organization toward sustained success.

Sustainability

Company level activities: This year, we launched our Green Team to drive eco-friendly initiatives across the organization. Among impactful initiatives, we replaced our lifts for more energy efficient ones and installed split-type air conditioning units using inverter technology. We celebrated International Environment Day with a series of events that raised awareness and reinforced our commitment to environmental stewardship, biodiversity and bio-farming. Through these efforts and ongoing initiatives, we are actively reducing our environmental footprint.

Community Health Projects: Renovations at the diabetic clinic at J. Nehru Hospital and the cardiac unit at Victoria Hospital reflect our ongoing commitment to public health and addressing critical community needs.

Rooftop Garden Initiative: The installation of a rooftop garden at SICOM Building 1 aligns with our sustainability efforts, enhancing green spaces and environmental quality.

UN Reporting: Our reporting for the UN Principles of Responsible Investment and the UN Global Compact underscores our adherence to global standards for responsible business practices and commitment to sustainable development goals.

Prospective Landscape

Our strategic focus for the future emphasizes transformative growth through partnerships, overseas expansion in high-potential sectors like fintech, renewable energy, Artificial Intelligence, healthcare, and education, as well as equity investments to drive inorganic growth. Our aim is to further diversify into high-growth areas, maximizing benefits for the company and stakeholders alike.

By embedding sustainability into our operations, we strive to impact positively to the environment and society. Our digital transformation strategy involves leveraging cutting-edge technologies, seamless digital payments and strategic partnerships to disrupt the market. Through cloud solutions, optimising cost allocation and workforce upskilling, we aim to achieve further cost efficiency and harness AI for enhanced operational effectiveness and innovation.

Connected to our Stakeholders

Customers (Individual and Corporate)

SICOM generates revenue by offering a range of products and services to our customers. We prioritize delivering high-quality service and competitively priced solutions to meet their financial needs and obligations. Our competitive edge lies in providing financial education and guidance, empowering customers to adopt sound financial practices while promoting savings, investment, responsible credit management, and retirement preparedness.

Channels used to engage with our stakeholders

- Traditional distribution channels (including branches and worksites)
- Mobile App
- Customer portal
- Customer satisfaction surveys
- Online Sales Platform
- Media channels
- Annual report
- Newsletters
- E-mails

What are their concerns/ interests?

- Omnichannel experience and ease of use
- Responsible and appropriate advice
- Fast and efficient customer service
- Innovative and flexible products and solutions tailored to individual needs
- Relief in times of difficulty
- Access to quality services
- How to make a complaint

How did we address their concerns/ interests?

- Launched new products and initiatives to enhance our customer proposition
- Established complaints management system
- Provided value for money financial solutions to our customers in a responsible way
- Used robotics, OCR and AI technology to simplify our processes, reducing our transaction time in servicing and processing client requests
- Call centre services for greater availability
- Enhanced our digital platform channels to drive digital engagement

How we measure our engagement

Measure customer satisfaction through pulse surveys'

Overall engagement of all communication on various platforms such as the MyLink app, SICOM Health app, Website, Portal and social media.

Leads management, latest products/services, web traffic, app downloads and usage

Shareholders

Our shareholders provide the financial capital that enables our business to compete effectively in its chosen markets and drive sustainable growth. Keeping them well-informed about our activities and developments is essential to fostering and maintaining trust. Our goal is to continually innovate and diversify our revenue streams, balancing risks to ensure long-term, sustainable growth.

Channels used to engage with our stakeholders

- Annual General Meeting
- Annual Report
- Website
- Customer Portal
- Digital Tools
- Media Channels

What are their concerns/ interests?

- Long-term sustainable financial returns and distributions
- Clear strategic direction and consistency in operational execution
- Experienced management team
- Strong governance, ethics and transparency
- Transparent reporting and disclosures
- Strong financial control environment including corporate governance and ethics frameworks
- Support country's economic development goals

How did we address their concerns/ interests?

- Strong delivery on our operational objectives
- Strategy validation exercise
- Maintained transparent reporting and disclosures in line with our reporting standards and internal policies and procedures
- Quarterly updates to the Board about major projects

How we measure our engagement

Payment of dividends every year

Presenting our financial performance on public platform

Sustained growth in the company performance

Connected to our Stakeholders (cont'd)

Employees

Our people are our most valuable assets, and their well-being is our top priority. They are the key to our success—driving innovation, fostering collaboration, and upholding the values and reputation that define SICOM. We depend on our highly motivated and engaged workforce to prioritize our customers in all they do, acting as brand ambassadors who enable SICOM to achieve its strategic goals and create lasting value for our investors

Channels used to engage with our stakeholders

- Communication via Intranet, Creation of a Learning Zone
- Internal communication
- Annual report
- Salary review
- Performance bonus
- Townhall meetings

What are their concerns/ interests?

- Competitive reward structures and benefits
- Career growth and development opportunities
- An inclusive culture that is safe and enabling
- Addressing health and overall wellness
- Flexibility – work/ life balance

How did we address their concerns/ interests?

- Benchmarked rewards to industry and linked to business performance and outcomes
- Learning culture and continued professional development are encouraged by way of various schemes to motivate employees to pursue their self-development
- Invested in various employee skills development and mentorship initiatives, including technical courses
- Various communication channels e.g. SMS and Intranet
- Conducted wellness initiatives
- Participated in Great Place To Work

How we measure our engagement

Annual engagement survey by GPTW	Low Attrition rate	Employee Participation at corporate events

Business Partners

Our business partners include Reinsurers, Valuers, Car Dealers, Consultants, Suppliers, and other collaborating organisations. They supply the essential goods and services that support our operations. Our strong relationships with these partners are built on shared ethical standards and codes of conduct, allowing us to create compelling value propositions for our clients.

Channels used to engage with our stakeholders

- Digital Tools
- Email, Phone communications, Letters
- Regular meetings
- Annual report

What are their concerns/ interests?

- Fair payment practices
- Comply to terms of Service Level Agreements
- Fair tender process
- Supplier relationship management
- Adapting to their needs and expectations

How did we address their concerns/ interests?

- Timely payment to suppliers and other business partners such as consultants
- Develop sustainable relationships
- Work as a team with a common goal
- Timely communication and consultation

How we measure our engagement

New Business	Collaboration period with partners	Brand visibility

Connected to our Stakeholders (cont'd)

Intermediaries

Intermediaries play a pivotal role in connecting us with our customers. They help build relationships with new clients, offer tailored advice based on individual needs, and deliver service through a blend of face-to-face and digital channels, enhancing the overall customer experience. Their contributions are essential in driving new business and ensuring the retention of existing customers

Channels used to engage with our stakeholders

- Branches and worksites
- Digital tools
- Annual report
- Salesmen Awards ceremony
- Portals

What are their concerns/ interests?

- Ease of doing business
- Digital capabilities that enable engagement sales, and servicing
- Product sales and regulatory training
- Fair incentives that reward efforts
- To be associated with a brand which delivers on its promises
- Innovative products that suits customer needs

How did we address their concerns/ interests?

- Improved our digital servicing capabilities, such as tracking tools, and sales and servicing platforms, to drive ease of use of our digital solutions
- Provided ongoing training to improve the experience of our intermediaries
- Set up training programmes on new products
- A dedicated salesmen unit to serve intermediaries
- Timely processing of commissions
- Developed sustainable relationships
- Digitalised service between SICOM and Intermediaries for General Insurance

How we measure our engagement

New Business | Refresher Training on products | Agents Awards

Government and Regulators

The Government sets policies and regulations that greatly impact our business operations. We maintain regular communication with regulatory bodies to collaboratively address major economic, environmental, and social challenges, fostering an environment that supports growth, innovation, and inclusivity.

Channels used to engage with our stakeholders

- Direct communication including submissions of required reports and returns, attendance to solicited meetings, and training updates on attending to complaints and queries.

What are their concerns/ interests?

- Good governance
- Compliance with regulations
- Proactively engage with regulators
- Responsible development of insurance sector
- The effectiveness of the control functions
- Social inclusion

How did we address their concerns/ interests?

- Monitoring of our solvency capital at levels above regulatory requirements
- Stringent risk management and controls system and regular self-assessment for Actuarial, Risk and the Compliance function
- Focused on dealing with future pandemics as part of business as usual, with management taking the requisite steps to risk-proof the business
- Compliance with new laws and create organisation wide awareness

How we measure our engagement

Compliance with legislations | Time taken to respond to requests from relevant institutions | Number of participations in consultations

Connected to our Stakeholders

Community

We acknowledge the mutual dependence between our organization and the communities we serve. As a responsible citizen, SICOM strives to meet the needs and expectations of the broader community. We extend our efforts beyond our core operations to contribute to impactful and sustainable socio-economic development, with the aim of uplifting and enhancing our communities.

Channels used to engage with our stakeholders

- Media channels
- Annual report
- Community projects and campaigns
- Fundings

What are their concerns/ interests?

- Financial education and inclusion
- Access to supplier development opportunities
- Skills development and employment opportunities
- Education support

How did we address their concerns/ interests?

- Supporting CSR projects
- Trainees periodically onboarded for short-term training within the organisation
- Supported the communities through various initiatives, such as sponsorships related to education, road safety, health, environment embellishment, skills development initiatives etc.

How we measure our engagement

Participation and funds invested in social and governance projects and activities	Partnerships with NGOs in relevant field	Number of beneficiaries and impact of the support provided

Environment

As a responsible corporate citizen, SICOM is dedicated to adhering to best practices to protect the environment and ensure sustainability in all our efforts. Consequently, the environment is poised to become one of our most significant stakeholders.

Channels used to engage with our stakeholders

- Meeting with relevant stakeholders to environmental projects
- Publish sustainability sections of annual report
- Social media channels

What are their concerns/ interests?

- Sustainable initiatives
- Engaging sustainability conscious partners
- Applying best ESG practices

How did we address their concerns/ interests?

- Signatory to UN-PRI, UN Global Compact and Signenatir
- Appointment of a Sustainability consultant to accompany SICOM in this journey

How we measure our engagement

Participation and funds invested in environmental projects and activities	Partnerships with NGOs in relevant field	Carbon Accounting

03
Care Beyond Coverage - Where ***Wellness Meets*** Security

Corporate Governance Report

The State Insurance Company of Mauritius Ltd (the Company or SICOM) was set up as a parastatal body in 1975 and was privatised in 1988. The Company is a Public Interest Entity as defined by the Financial Reporting Act 2004.

This Corporate Governance Report for the year ended 30 June 2024 (the Report) depicts how the Company's Board of Directors (the Board) remains committed to promoting effective and robust corporate governance at SICOM.

Our Corporate Governance Philosophy

SICOM and its subsidiaries (together referred to as the SICOM Group or the Group) are committed to creating long-term stakeholders' value by maintaining high standards of corporate governance and by their unwavering commitment in applying and implementing the eight (8) principles set out in the National Code for Corporate Governance for Mauritius (2016) (the Code), as explained in appropriate sections of the Report.

SICOM Group enjoys a solid reputation as a well-managed, well-structured, reputable and trusted organisation, with six (6) Companies and two (2) Unit Trusts. The Group Structure can be found on page 10 of this integrated report.

CARE Ratings Africa Private Limited (CRAF)

SICOM has been awarded with the highest credit rating of AAA by CRAF, which is an acknowledgement of the Company's financial strength, sound governance and, prudent risk management practices, and robust business model.

Corporate Governance Scorecard for Mauritius

To demonstrate its dedication towards transparency and good governance, SICOM participated in the second edition of the Corporate Governance Scorecard assessment (the Scorecard) organised by the National Committee on Corporate Governance (NCCG) in 2023. SICOM's compliance with governance was assessed based on three main aspects, being: (i) Board Effectiveness; (ii) Audit Oversight and Effectiveness and (iii) Relations with Stakeholders, Shareholders, Sustainability and Inclusiveness. Following an individual feedback report received from the NCCG, SICOM achieved a remarkable score for its first participation in the Scorecard. It is to be noted that the Company has addressed the Key Improvement Areas highlighted by the NCCG in its individual feedback report, including enhanced disclosures on the Group's corporate website (www.sicom.mu).

In view to further improve its governance practices, the Company is pleased to inform its Shareholders that it is currently participating in the third edition of the Scorecard.

SICOM Group Governance Framework, an evolution

SICOM Group has gained experience and adopted corporate governance practices in line with the provisions of the Code over the years. Essentially, the governance operating model adopted by the Group has the potential to increase its effectiveness by enhancing the Board's ability to exercise proper oversight and Management's ability to implement sound corporate governance practices.

The Report presents the details of how the SICOM Group:

- has the right governance infrastructure;
- actively monitors its business model;
- has increased oversight on strategic and governance matters; and
- ensures risk and culture are at the core of the business.

Corporate Governance Infrastructure

This sub-section of the Report explains how SICOM Group has developed an efficient and compliant governance infrastructure, which is reviewed regularly, to ensure that the Board and Management co-exist together in a harmonious manner for the progress of the organisation.

Board Operating Structure

Corporate Governance Report (cont'd)

SICOM Group Organisation Structure

- Board of Directors
- Group Chief Executive Officer
- Management
  - Life insurance
  - General insurance
  - Pensions
  - Actuarial
  - Financial Services
    - Loans, Leasing Deposit Taking & CIS
  - Investment
    - Investment Management Investment Advisory
  - Property
  - Support Functions
    - Finance, IT, HR, Legal, Facilities, CX & Marketing, Risk Management and Strategy

Our Governance Structure

SICOM Group's Corporate Governance structure has been established in accordance with the provisions of the Code, national and international best practices.

Statement of Accountabilities

SICOM is led by a committed and unitary Board of Directors, which possesses the appropriate skills, knowledge, experience and independence to enable them to discharge their duties and responsibilities in the most effective way. The Board is aware of its responsibility for the oversight, long-term success, reputation and high standard of governance of the organisation. As outlined in the above visuals, the Company operates within a well-structured and defined governance framework, with clearly articulated lines of responsibility. Where appropriate, the Board delegates that authority whilst retaining effective control over the affairs of the Company.

The Board assumes the responsibility for meeting relevant legal and regulatory requirements of the Company. It works towards the achievement of the Group's strategy by providing effective leadership and strategic guidance and ensures that robust risk management and sound internal controls are in place.

Board Committees have also been set-up in accordance with the Company's Constitution and recommendations of the Code to assist the Board in the discharge of its duties and responsibilities by providing in-depth focus on specific areas. In fulfilling their role of providing oversight and guidance, Chairpersons of Board Committees escalate all significant matters affecting the affairs and reputation of the Company to the Board.

The Chairperson

The Chairperson of the Board is a Non-Executive Director and is seconded in this pivotal role by Executive, Non-Executive, and Independent Directors. The Chairperson leads the Board, ensuring it is functioning properly and that each Director can make an effective contribution, while remaining the spokesperson for the Board.

The Chairperson also acts as Director on the Board of the subsidiaries of the Group. However, to ensure independence and objectivity, the chairperson does not participate in matters where there is an actual or potential conflict of interest. Strategic decisions are made by the Board and all operational decisions are made by Senior Management.

The Group CEO

The day-to-day operations are entrusted to Management under the responsibility of the Group Chief Executive Officer (the Group CEO). The Group CEO has the overall responsibility of managing the operations of the Group and implementing the strategies and policies as decided by the Board. Members of Senior Management have clearly defined job descriptions and report to the Group CEO.

The profile of the Senior Management team/Management team is on page 16 of the Integrated Report and on the Group's website.

The Company Secretary

The Company Secretary is responsible for the co-ordination of all Board related businesses, namely Board agendas, Board papers, minutes and all statutory filings. Appointment and removal of the Company Secretary shall be the subject of Board approval.

DTOS Ltd (DTOS) acts as the Company Secretary to the Board and all its underlying Committees. DTOS, founded in 1993, is a leading corporate service provider and is licensed by the Financial Services Commission.

The position statements of the Chairperson, the Group CEO and the Company Secretary, which have been approved by the Board and reviewed as required, are available on the Group's website.

Corporate Governance Report (cont'd)

SICOM's Board Members

Directors in Office

Members	Attendance
Nureshkumar Prayag (Chairperson) (Director as from 21 February 2025 and Chairperson as from 14 March 2025)	Independent Director
Karuna G Bhoojedhur-Obeegadoo (Chairperson) (up to 18 November 2024)	Non-Executive Director
Anandsing Acharuz (up to 14 February 2025; and as from 25 March 2025)	Independent Director
Isabelle Valerie Duval (as from 3 March 2025)	Independent Director
Dev Kumar Gopy	Executive Director
Sean Oliver Men Foong Lew Kew Lin (as from 3 March 2025)	Independent Director
Maheshwaree Naraini Madhub (up to 14 February 2025; and as from 25 March 2025)	Non-Executive Director
Nandita Ramdewar	Executive Director
Mohammad Junaid Sairally (as from 21 February 2025)	Independent Director
Ushalini Shewraj	Independent Director
Chandradeo Dabeea (up to 18 November 2024)	Independent Director
Chaitanand Jheengun (up to 20 November 2024)	Non-Executive Director
Shakilla Bibi Jhungeer (up to 18 November 2024)	Non-Executive Director
Varun Krishn Munoosingh (up to 30 December 2024)	Independent Director
Jairaj Sonoo (up to 13 November 2024)	Non-Executive Director

The profile of Directors who served on the Board during the financial year 2023/2024 can be found on pages 12 to 15 of the Integrated Report.

Directors of the Group's Subsidiaries

The Board composition of each subsidiary is shown below, together with the corresponding Chairpersons, sitting on the respective Boards being mentioned.

Entities	Business	Directors	Position
SICOM Financial Services Ltd	• Leasing • Deposit-Taking • Personal Loan • Investment	• Oomesh Sharma Mahadu (Chairperson and Director) (up to 15 Nov 2024)	• Independent Director
		• Karuna G. Bhoojedhur-Obeegadoo (up to 18 Nov 2024)	• Non-Executive Director
		• Nandita Ramdewar	• Executive Director
		• Dev Kumar Gopy	• Executive Director
		• Chelven Chengabroyan (up to 10 Nov 2024)	• Independent Director
		• Avinash Dreepaul (up to 31 Oct 2024)	• Non-Executive Director
		• Subashini Rama (from 19 March 2024 to 19 May 2025)	• Non-Executive Director
		• Subiraj Reedoy (up to 18 Nov 2024)	• Independent Director
		• Sarvesh Seeteejory (up to 15 Nov 2024)	• Independent Director
		• Ishwarlall Bonomaully (5 Dec 2023)	• Non-Executive Director
SICOM General Insurance Ltd	• General Insurance	• Nureshkumar Prayag (Director as from 16 May 2025 and Chairperson as from 23 May 2025)	• Non-Executive Director
		• Karuna G. Bhoojedhur-Obeegadoo (Chairperson and Director up to 18 Nov 2024)	• Non-Executive Director
		• Surendranath Ancharaz	• Executive Director
		• Mohammad Junaid Sairally (as from 16 May 2025)	• Non-Executive Director
		• Girshan Jheelan (as from 16 May 2025)	• Independent Director
		• Hansraj Panchoo (as from 16 May 2025)	• Independent Director
		• Nandita Ramdewar	• Executive Director
		• Yasheel Kumar Aukhojee (Dr) (up to 15 Nov 2024)	• Independent Director
		• Anandjaye Chummun (up to 22 Nov 2024)	• Independent Director
		• Chandradeo Dabeea (up to 18 Nov 2024)	• Non-Executive Director
		• Chandrek Dussoye (up to 30 Dec 2024)	• Independent Director
		• Vinod Kumar Koonjoo (up to 28 Oct 2024)	• Independent Director
		• José Moonien (up to 18 Nov 2024)	• Independent Director
		• Dharmanand Ramkallawon (up to 15 Nov 2024)	• Independent Director
SICOM Management Limited	• Investment Advisory • Investment Management	• Karuna G. Bhoojedhur-Obeegadoo (Chairperson and Director up to 18 Nov 2024)	• Non-Executive Director
		• Nandita Ramdewar	• Executive Director
		• Dev Kumar Gopy	• Executive Director

Corporate Governance Report (cont'd)

Entities	Business	Directors	Position
SICOM Global Fund Limited	• Investment	• Karuna G. Bhoojedhur-Obeegadoo (Chairperson and Director up to 18 Nov 2024) • Nandita Ramdewar	• Non-Executive Director • Executive Director
SICOM Properties Ltd	• Real Estate Development	• Karuna G. Bhoojedhur-Obeegadoo (Chairperson and Director up to 18 Nov 2024) • Nunramsing Baichoo (as from 13 May 2025 • Dev Kumar Gopy (as from 13 May 2025) • Nandita Ramdewar	• Non-Executive Director • Independent Director • Executive Director • Executive Director

Other Directorships held by Members of the Board who held office until 30 June 2024

Directors	Other Directorships	Additional Chair	Additional Committee Responsibilities
Karuna G. Bhoojedhur-Obeegadoo (Chairperson)	• SICOM General Insurance Ltd – Non-Executive Director • SICOM Financial Services Ltd – Non-Executive Director • SICOM Management Limited – Non- Executive Director • SICOM Global Fund Limited – Non-Executive Director • SICOM Properties Ltd – Non-Executive Director • MCB Group Limited (Listed) – Independent Non-Executive Director • MCB Equity Fund Ltd – Non-Executive Director	• SICOM General Insurance Ltd • SICOM Management Limited • SICOM Global Fund Limited • SICOM Properties Ltd • MCB Equity Fund Ltd	• MCB Group Ltd – Audit Committee (Member), Remuneration, Corporate Governance, Ethics and Sustainability Committee (Member)
Nandita Ramdewar	• SICOM General Insurance Ltd – Executive Director • SICOM Financial Services Ltd – Executive Director • SICOM Management Limited – Executive Director • SICOM Global Fund Limited – Executive Director • SICOM Properties Ltd – Executive Director • National Housing Development Co. Ltd – Non-Executive Director		• National Housing Development Co. Ltd – Risk and Audit Committee (Chairperson); and Corporate Governance Committee (Member)

Directors	Other Directorships	Additional Chair	Additional Committee Responsibilities
Anandsing Acharuz	• Mauritius Africa Fund • Central Electricity Board (CEB) • Airports of Mauritius Co. Ltd (AML) • Airport Terminal Operations Ltd (ATOL) • Côte d'Or International Racecourse and Entertainment Complex Ltd (COIREC) • Mauritius Telecom • Pointe Coton Resort Hotel Co. Ltd • Mauritius Institute of Biotechnology Ltd • Mauritius Housing Holding Ltd		
Chandradeo Dabeea	• SICOM General Insurance Ltd – Non-Executive Director		
Dev Kumar Gopy	• SICOM Financial Services Ltd – Executive Director • SICOM Management Limited – Executive Director • Cyber Properties Investments Ltd – Non-Executive Director		
Shakilla Bibi Jhungeer	• SBM (Holdings) Ltd – Independent Director • SBM (Bank Holdings) Ltd – Non-Executive Director • SBM 3S Ltd - Non-Executive Director • SBM NBFC (Holdings) Ltd - Non-Executive Director • SBM Kenya Ltd - Non-Executive Director • Rodrigues Duty Free Paradise Ltd – Independent Director		• SBM Holdings Ltd – Corporate Governance, Conduct Review & Sustainability Committee (Chairperson), Projects Assessment Committee (Chairperson), Audit Committee (Member), Nomination and Remuneration Committee (Member) and Business Review Committee (Member)
Maheswaree Naraini Madhub	• Omnicane Limited – Independent Director • Cyber Properties Investment Ltd – Non-Executive Director • Ascencia Ltd – Independent Director • Mauritius Housing Company Ltd		
Jairaj Sonoo, C.S.K.	• New Social Living Development – Executive Director • EREIT Management Ltd – Non-Executive Director • SIC Management Services Co. Ltd – Non-Executive Director • SBM (Mauritius) Infrastructure Development Company Ltd – Non-Executive Director • Le Val Development Co. Ltd – Non-Executive Director • The State Investment Corporation Limited – Non-Executive Director • Mauritius Africa Fund Ltd - Director • National Real Estate Ltd – Non-Executive Director • Industrial Finance Corporation of Mauritius (IFCM) Ltd – Non-Executive Director • National Housing Development Co. Ltd – Executive Director • National Real Estate Ltd – Non-Executive Director	• EREIT Management Ltd • SIC Management Services Co. Ltd • SBM (Mauritius) Infrastructure Development Company Ltd • Le Val Development Co. Ltd • The State Investment Corporation Limited • National Real Estate Ltd • Industrial Finance Corporation Mauritius (IFCM) Ltd	• Mauritius Africa Fund Ltd - Finance Committee (Chairperson)

Corporate Governance Report (cont'd)

The Structure of the Board and its Committees

Board Size and Composition

The Board of Directors is a unitary Board composed of eleven (11) Directors, out of which there are six (6) male representatives and five (5) female representatives. The Company has a judicious mix of Executive Directors, Non-Executive Directors, and Independent Directors. The Board is composed of two (2) Executive Directors, five (5) Non-Executive Directors and four (4) Independent Directors, who are all residents of Mauritius. There are no alternate directors on the Board of the Company. The average length of director tenure is 6.4 years. The Board has been reconstituted and is now composed of nine (9) Directors with five (5) male representatives and four (4) female representatives.

The Board composition for the year is shown hereafter.

36.3% Independent (4)

45.5% Female (5)

45.5% Non-Executive (5)

54.5% Male (6)

18.2% Executive (2)

100% Local Directors

The Board is broad-based and consists of individuals from different backgrounds with the right balance of skills, experience and diversity. The Company complies with the statutory number of directors and has a Board Charter which is reviewed by the Board as and when required.

Collectively, the Board is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the Company and the Group. Overall, the Board is of opinion that the current number of Directors with their mix of knowledge, skills and experience is adequate to effectively discharge its duties.

The functions and responsibilities of the Chairperson and the Group CEO are separate. The Chairperson is a Non-Executive Director and leads the Board, ensuring it is functioning properly and that each Director is able to make an effective contribution. The Chairperson discusses and sets the agenda with the Group CEO and the Company Secretary. The Group CEO has the overall responsibility of managing the operations of the Group and implementing the strategies and policies as decided by the Board.

The Independent and the Non-Executive Directors do not have any involvement in the operations of the Company, which could materially affect their ability to exercise independent judgment. Moreover, none of the appointed Independent Directors were employed by the Company or its subsidiaries during the past three (3) years.

Board Meetings

In accordance with best governance practices, the Board ensures that regular Board meetings and Committee meetings are held throughout the Group.

Board Meetings are set in advance according to the terms of the Company's Board Charter and its Constitution. Additional meetings may be convened to consider urgent matters. The Company held ten (10) Board meetings during this financial year.

Over and above meetings, some decisions are also taken by circularisation of written resolutions.

Board Meetings Process

Start of the Financial Year (FY)	Following consultation with the Chairperson and the Group CEO, a tentative calendar is prepared for Board Meetings for the coming FY.
Prior to Meetings	Together with the Chairperson and the Group CEO, the Company Secretary prepares the agendas. Final agendas are circulated to the Directors in advance of all meetings by the Company Secretary, together with the Board pack. Facilities are provided to Board Members for any group discussion prior to Board meetings. Also, for effective communication among Board Members, the contact details of each other are shared, which help build rapport via phone, email and other messaging system.
Board Meetings	Over and above the co-ordination of all Board meetings, the Company Secretary also takes and keeps minutes of all meetings.

Information Provided to Directors

The Chairperson, assisted by the Company Secretary, ensures that the Directors are provided with the necessary information and sufficiently in advance, at least five (5) working days as far as possible, in order to effectively carry out their responsibilities and adequately prepare for the meetings. The Company has a process in place whereby Board and Committee papers are shared via an online and secured portal.

Directors, in the performance of their duties, may seek, at the Company's expense, outside legal, financial or other professional advice on any matter within their terms of reference. Directors may also have access, at all reasonable times, to members of the Management team for any clarification on board matters.

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Total Number of Meetings in 2023/24

Corporate Governance Report (cont'd)

Board Oversight

SICOM's Board of Directors provides strategic oversight of the organisation's operations, ensuring that its activities align with long-term goals. They are instrumental in setting the overall direction, approving key decisions, and monitoring performance to keep the company aligned with its strategic objectives. For the 2023/2024 reporting year, the Group continued to focus on advancing initiatives under its key strategic pillars: Business Growth & Diversification, Customer Experience & Digitalisation, Governance & Risk, Employee Engagement & Development, and Environmental, Social, and Governance & Sustainability.

SICOM ensures that its subsidiaries comply with their obligations and requirements under the Code through its Corporate Governance, Sustainability and Nomination Committee.

The members of the Board and their attendance at Board meetings during this reporting period 2023/2024 are as follows:

Members	Attendance
Karuna G. Bhoojedhur-Obeegadoo (Chairperson)	10 of 10
Nandita Ramdewar	10 of 10
Anandsing Acharuz	9 of 10
Chandradeo Dabeea	10 of 10
Dev Kumar Gopy	10 of 10
Chaitanand Jheengun	10 of 10
Shakilla Bibi Jhungeer	8 of 10
Maheswaree Naraini Madhub	10 of 10
Varun Krishn Munoosingh	9 of 10
Ushalini Shewraj	9 of 10
Jairaj Sonoo, C.S.K	8 of 10

The members of the Board and their attendance at Board meetings as from 1 July 2024 to 19 May 2025 are as follows:

Members	Attendance
Nureshkumar Prayag (Chairperson as from 14 March 2025)	3 of 3
Karuna G Bhoojedhur-Obeegadoo (Chairperson up to 18 November 2024)	2 of 2
Mohammad Junaid Sairally	3 of 3
Sean Oliver Men Foong Lew Kew Lin	3 of 3
Isabelle Valerie Duval	3 of 3
Nandita Ramdewar	7 of 7
Dev Kumar Gopy	7 of 7
Chandradeo Dabeea	2 of 2
Anandsing Acharuz	2 of 2 (up to 14 February 2025 2 of 2 (as from 25 March 2025)
Varun Krishn Munoosingh	2 of 2
Ushalini Shewraj	7 of 7
Chaitanand Jheengun	2 of 2
Shakilla Bibi Jhungeer	2 of 2
Maheshwaree Naraini Madhub	2 of 2 (up to 12 February 2025) 2 of 2 (as from 25 March 2025)
Jairaj Sonoo	1 of 2

Key Focus Areas

During this reporting period, the Board of SICOM examined, discussed and resolved on the following matters:

- Corporate Governance Matters
- Review of Charters
- Request for Directorship on Board
- Report of Board Committees
- Actuarial Valuation Report
- Disposal of Shares
- Valuation of SICOM's Shares
- Re-appointment of External Auditors
- Approval of Annual Reports, including the Financial Statements
- Dividend Payment
- Approval of Annual Budget
- Overview of Strategy, Business and Financial Performance
- HR Matters
- Profitability and Performance Bonus
- Risk Management Framework and Own Risk and Solvency Assessment

Key Focus Areas

- Strategy Report
- Property Project
- Report from Care Ratings (Africa) Private Ltd
- Incorporation of New Company
- Sustainability Matters
- Procurement Matters and Policies
- Review of Compliance Framework

Board Committees

In accordance with the Company's Constitution and recommendations of the Code, several sub-committees have been set up to assist the Board in the effective performance of its duties. Each Committee comprises of members with a wealth of knowledge and experience in fields relevant to the operations of the Company, including insurance, pensions, actuarial science, finance, legal and business administration.

Each Board Committee has its own Charter, approved by the Board and published on the Group's website, and which is reviewed as and when required. The responsibilities of the Chairperson of the Board and the Chairperson of each sub-committee have been clearly defined in their respective position statements.

Attendance at Committee Meetings

The Directors who served on the Board Committees and their attendance at meetings during the financial year 2023/2024 are provided in the following table:

Members	AC	RC	S&IC	CGSNC	HRC
Number of Meeting held	5	4	6	5	4
Karuna G. Bhoojedhur-Obeegadoo		4 of 4	6 of 6	5 of 5	4 of 4
Nandita Ramdewar			6 of 6		4 of 4
Anandsing Acharuz	5 of 5		6 of 6		
Chandradeo Dabeea	5 of 5	4 of 4			
Chaitanand Jheengun	5 of 5	4 of 4			
Shakilla Bibi Jhungeer	5 of 5			4 of 5	
Maheswaree Naraini Madhub		4 of 4		4 of 5	
Varun Krishn Munoosingh	5 of 5			5 of 5	4 of 4
Ushalini Shewraj			6 of 6	5 of 5	4 of 4
Jairaj Sonoo, C.S.K		4 of 4	5 of 6		4 of 4

AC	Audit Committee
RC	Risk Committee
S&IC	Strategy and Investment Committee
CGSNC	Corporate Governance, Sustainability and Nomination Committee
HRC	Human Resource Committee

Corporate Governance Report (cont'd)

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities related to accounting, financial reporting practices, quality and integrity of financial reports, compliance, and internal controls.

The Audit Committee consists of three (3) Independent Directors and two (2) Non-Executive Directors. During the financial year 2023/2024, the Committee met five (5) times.

Key facts (FY 2023/24)

5
Members

5
Meetings

100%
Average meeting attendance

The members of the Committee were:

Members	Category
Anandsing Acharuz (Chairperson)	Independent Director
Chandradeo Dabeea	Independent Director
Chaitanand Jheengun	Non-Executive Director
Shakilla Bibi Jhungeer	Non-Executive Director
Varun Krishn Munoosingh	Independent Director

Key Focus Areas

During this reporting period, the Audit Committee discussed and considered the following key areas:

- Review of Annual Report including the financial statements
- Recommend dividend payment
- Re-appointment of External Auditors
- Audit Plan for External Audit
- Compliance Plan, MLRO and Compliance Reports
- Internal Audit Plan and Reports
- IFRS 17 Adoption and Implementation
- Adoption of Audit Analytics Software
- Consideration of Regulatory Reports

The Audit Committee has been reconstituted and is currently composed of the following members:

Members	Category
Anandsing Acharuz (Chairperson)	Independent Director
Isabelle Valerie Duval	Independent Director
Sean Oliver Men Foong Lew Kew Lin	Independent Director
Mohammad Junaid Sairally	Independent Director

No Audit Committee meetings have yet been held under the current composition.

Corporate Governance Report (cont'd)

Risk Committee

The Risk Committee assists the Board in fulfilling its oversight responsibilities related to risk management. The Committee provides support to the Board on risk management for the Group and identifies the risk areas of the Group's operations to be covered in the scope of the internal and external audits.

The Risk Committee consists of one (1) Independent Director and four (4) Non-Executive Directors. During the financial year 2023/2024, the Committee met four (4) times.

Key facts (FY 2023/24)

5 Members

4 Meetings

100% Average meeting attendance

The members of the Committee were:

Members	Category
Jairaj Sonoo, C.S.K (Chairperson)	Non-Executive Director
Karuna G. Bhoojedhur-Obeegadoo	Non-Executive Director
Chandradeo Dabeea	Independent Director
Chaitanand Jheengun	Non-Executive Director
Maheswaree Naraini Madhub	Non-Executive Director

Key Focus Areas

During this reporting period, the Risk Committee discussed and considered the following key areas:

- Risk Reports
- ALCO Report
- Business Continuity Management Framework implementation
- Risk Management Action Plan
- Policies
- Cyber Security Initiatives

The Risk Committee has been reconstituted and is currently composed of the following members:

Members	Category
Maheshwaree Naraini Madhub (Chairperson)	Non-Executive Director
Sean Oliver Men Foong Lew Kew Lin	Independent Director
Nureshkumar Prayag	Independent Director
Mohammad Junaid Sairally	Independent Director

No Risk Committee meetings have yet been held under the current composition.

Corporate Governance Report (cont'd)

Strategy and Investment Committee

The Strategy and Investment Committee assists the Board in:

(i) discharging its oversight duties with respect to the development of the Group's strategic objectives, identifying new business and overseas expansion opportunities; and
(ii) reviewing the investment strategy of the different Funds managed by the Company, selecting investments to achieve a reasonable rate of return, while taking into consideration associated risks, and monitoring and reviewing the performance of the different Funds under management.

The Strategy and Investment Committee consists of two (2) Independent Directors, two (2) Non-Executive Directors and one (1) Executive Director. During the financial year 2023/2024, the Committee met six (6) times.

Key facts (FY 2023/24)

5 Members

6 Meetings

97% Average meeting attendance

The members of the Committee were:

Members	Category
Karuna G. Bhoojedhur-Obeegadoo (Chairperson)	Non-Executive Director
Anandsing Acharuz	Independent Director
Nandita Ramdewar	Executive Director
Ushalini Shewrai	Independent Director
Jairaj Sonoo, C.S.K.	Non-Executive Director

Key Focus Areas

During this reporting period, the Strategy and Investment Committee discussed and considered the following key areas:

- Review of investments
- Review of Investment Guidelines
- Property Projects
- Rating from Care Ratings (Africa) Private Ltd
- Investment Opportunities

The Strategy and Investment Committee has been reconstituted and is currently composed of the following members:

Members	Category
Nureshkumar Prayag (Chairperson)	Independent Director
Anandsing Acharuz	Independent Director
Maheshwaree Naraini Madhub	Non-Executive Director
Ushalini Shewraj	Independent Director

No Strategy and Investment Committee meetings have yet been held under the current composition.

Corporate Governance Report (cont'd)

Corporate Governance, Sustainability and Nomination Committee

The Corporate Governance, Sustainability and Nomination Committee advises the Board on all matters related to corporate governance, sustainability and nomination. The Committee also recommends best practices, as applicable, for the Group.

The Corporate Governance, Sustainability and Nomination Committee consists of two (2) Independent Directors and three (3) Non-Executive Directors. During the financial year 2023/2024, the Committee met five (5) times.

Key facts (FY 2023/24)

5 Members

5 Meetings

92% Average meeting attendance

The members of the Committee were:

Members	Category
Karuna G. Bhoojedhur-Obeegadoo (Chairperson)	Non-Executive Director
Shakilla Bibi Jhungeer	Non-Executive Director
Maheswaree Naraini Madhub	Non-Executive Director
Varun Krishn Munoosingh	Independent Director
Ushalini Shewrai	Independent Director

Key Focus Areas

During this reporting period, the Corporate Governance, Sustainability and Nomination Committee discussed and considered the following key areas:

- Assessment of Fitness and Propriety of Director
- Re-appointment of Directors
- Evaluation of the Performance of the Board and its Committees
- Alignment with the NCCG Charter on Diversity, Equity and Inclusion (DEI) Charter and Guidance Note
- Review of Charters and Board Evaluation Process
- Review of Corporate Governance Report
- Sustainability Projects
- Complaints Coordinator's Report
- Board and Committees Calendar and Directors' Training
- Update on Corporate Governance Scorecard

The Corporate Governance, Sustainability and Nomination Committee has been reconstituted and is currently composed of the following members:

Members	Category
Nureshkumar Prayag (Chairperson)	Independent Director
Isabelle Valerie Duval	Independent Director
Mohammad Junaid Sairally	Independent Director
Ushalini Shewraj	Independent Director

No Corporate Governance, Sustainability and Nomination Committee meetings have yet been held under the current composition.

Corporate Governance Report (cont'd)

Human Resource Committee

The primary function of the Human Resource Committee consists in assisting the Board in overseeing the establishment of appropriate human resource strategies and policies within the Group. The Committee reviews the recruitment, selection, remuneration, confirmation and promotion processes.

The Human Resource Committee consists of two (2) Independent Directors, two (2) Non-Executive Directors and one (1) Executive Director. During the financial year 2023/2024, the Committee met four (4) times.

Key facts (FY 2023/24)

5
Members

4
Meetings

100%
Average meeting attendance

The members of the Committee were:

Members	Category
Jairaj Sonoo, C.S.K. (Chairperson)	Non-Executive Director
Karuna G. Bhoojedhur-Obeegadoo	Non-Executive Director
Nandita Ramdewar	Executive Director
Varun Krishn Munoosingh	Independent Director
Ushalini Shewrai	Independent Director

Key Focus Areas

During this reporting period, the Human Resource Committee discussed and considered the following key areas:

- Recruitments for the Group
- Performance Management Framework
- Appointment of HR Consultant
- Early Retirement
- Annual Increment
- Profitability and Performance Bonus
- Trade Union Matters
- Work Life Toolkit from Business Mauritius
- Supply of Uniforms

The Human Resource Committee has been reconstituted and is currently composed of the following members:

Members	Category
Isabelle Valerie Duval (Chairperson)	Independent Director
Sean Oliver Men Foong Lew Kew Lin	Independent Director
Maheshwaree Naraini Madhub	Non-Executive Director
Ushalini Shewraj	Independent Director

No Human Resource Committee meetings have yet been held under the current composition.

Corporate Governance Report (cont'd)

Active Monitoring

This section explains how the Board Members are provided with the necessary tools and training so that they can lead the organisation efficiently.

Appointment of Directors

As part of its mandate, the Board carefully considers the needs of the organisation and considers the following
objective criteria when appointing new Directors:

- Skills, knowledge and expertise;
- Previous experience;
- Balance/diversity required on the Board, including but not limited to gender and age;
- Time commitment to the Company;
- Independence (where required); and
- Any conflict of interest.

The Corporate Governance, Sustainability and Nomination Committee is the body responsible to review the profile of prospective Directors and to make recommendations to the Board for approval. Each Director is elected by a separate resolution at the Annual Meeting of Shareholders to hold office until the next Annual Meeting of Shareholders at which he/she may be eligible for re-election.

Under the Company's Constitution, the Board is allowed to appoint any person as a Director to fill a casual vacancy or Shareholders can make an addition to the existing Directors subject to the number thereof not exceeding eleven (11).

The Induction Process

The Company has an induction process for newly appointed Directors. The objective of that process is to ensure that the new directors are able to rapidly acquire sufficient knowledge of the Company and its internal corporate governance processes.
Upon their appointment, non-Executive Directors are given a letter of appointment, and all new Directors participate in an induction and orientation programme to enable them to acquire sufficient knowledge of the Company's business and familiarise themselves with its governance structure. To that end, all new Directors are provided with an induction pack.

Induction Pack
An overview of the Company
Company's Constitution
Board Charter
Charters of the Board's Sub-Committees
Code of Ethics for Directors
The Insurance Act 2005
The Financial Services Act 2007
Relevant extracts of the Companies Act 2001
The National Code of Corporate Governance for Mauritius
The latest Annual Report
AML/CFT Compliance Manual

The Group CEO and the Company Secretary are always available to provide any additional information that may be required by newly appointed Directors.

For this reporting period, all new Directors appointed were in compliance with the above process.

Directors' Professional Development

Directors are encouraged to remain updated with industry practices, trends and standards. They may also request for any specific training of interest to them for the fulfilment of their duties as directors.

During the financial year 2023/2024, the Directors received trainings and followed informational sessions. The main topics covered were Professional Risks, AML/CFT, Business Continuity Management, Business Ethics, Sustainability Strategy, Audit Analytics Software and Security Awareness which covered security and best practices.

The Company has already identified some areas and subjects in which the Directors have also shown an interest for the next financial year's training programme.

Succession Planning

The Board ensures the orderly succession of appointment to the Board and to Senior Executive positions so as to maintain an appropriate balance of knowledge, skills and experience on the Board and within the Company. The Corporate Governance, Sustainability and Nomination Committee has been delegated the task by the Board to consider succession planning for Directors and other Senior Executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed in the future. As part of the Company's succession plan, the situation at Board and Senior Management levels is regularly assessed, and appropriate action is taken to fill gaps where needed.

Given the complexity and scope of such an exercise, which requires an in-depth review and benchmarking of SICOM's current Employer Value Proposition, an HR Consultant has been appointed to advise and recommend appropriate actions.

Directors' Duties, Remuneration and Performance

Legal Duties

All Directors are aware of their legal duties and are required to act in good faith and in the best interests of the Company.

Access to Information

The Directors have access to the advice and services of the Company Secretary, as well as access to Senior Management for matters they wish to discuss at Board or Committee meetings or any other matter they consider to be appropriate. There are no restrictions placed over the right of access to information.

Information, Information Technology and Information Security Governance

The Group recognises the paramount importance of ensuring the confidentiality, integrity, and availability of information. In response to the escalating cyber security threats witnessed globally, we have made continuous investments in technology to enhance our operational resilience. Our commitment to upholding a robust security posture has driven us to actively seek and implement advanced security solutions to effectively counter evolving threats.

We have established comprehensive information policies that encompass various spheres associated with information security, including information systems, logical and physical access administration, and information transmission. These policies are regularly updated to reflect current requirements and best practices adopted by the Group. To ensure widespread accessibility, we have made these policies and related procedures readily available to all staff members through our intranet platform.

To further strengthen our security posture, we have undertaken a comprehensive cyber maturity reassessment. Through this assessment, we have reviewed and implemented additional controls to enhance our security readiness. By doing so, we have significantly fortified our ability to detect and mitigate potential security risks, thereby bolstering our overall security resilience. Furthermore, SICOM benchmarks itself against best practice frameworks to continuously improve its security posture.

As part of our ongoing efforts to maintain the highest standards of security, SICOM frequently undergoes audits to ensure compliance with regulatory requirements and industry standards.

In parallel, we have recognised the criticality of promoting a culture of cybersecurity awareness among our Board and staff members. To this end, we have organised dedicated awareness sessions that equip our Directors and employees with the necessary knowledge and vigilance to identify and address potential security threats. By fostering a security conscious environment, we enhance our collective ability to safeguard our information assets effectively.

The Board approves the budget of expenditure on information technology, among others. Investment in information technology and IT security is ongoing and the Group has a well-established and effective process in place for approval of all major investments.

Assessment and Evaluation of Board Members

The Group is committed to developing its corporate governance by adopting the best practices applicable to the industry. As was the case in previous years, an evaluation of the effectiveness of the Board and its Committees was conducted during this financial year. The Board assessed its functioning, quality and efficiency of its work and that of its Committees. The assessment exercise for individual Directors was led by the Chairperson. The evaluation was conducted through the completion of a comprehensive questionnaire.

Corporate Governance Report (cont'd)

During the assessment, the Directors showed satisfaction as regards the functioning and effectiveness of the Board and its Committees, as well as the role played by the Chairperson and the Group CEO. Necessary steps are being taken to tackle the main areas identified for improvement.

Remuneration

The Group's underlying remuneration philosophy is to provide competitive remuneration packages that align with industry practice to be able to attract, motivate and retain its personnel and Directors, giving due consideration, as applicable, to laws, guidelines, views of the Shareholders as well as the Group's strategies and long-term objectives.

As per the Board-approved Remuneration Policy for Directors and Senior Executives, which is referred to on page 256 of the Integrated Report, remuneration for Non-Executive Directors consists of fixed fees for acting as member of the Board and as member of the Board Committee(s) if applicable, and benefits and allowances as approved by the Shareholders. The Non-Executive Directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance.

The remuneration of Executive Directors and Employees is covered under the Salary Review exercise which is carried out every 3 years by an independent Salary Commissioner and consists of a fixed portion (salary and allowances) as well as a variable portion, which is based on a combination of the Group's profitability levels and the employee's individual performance.

The Company does not have any long-term incentive plans in place.

Details on Directors' remuneration are found on page 256 of the Integrated Report under Statutory Disclosures (Section 221 of the Companies Act 2001).

Reporting with Integrity

As the Board of SICOM, we acknowledge our responsibility for ensuring the integrity of our Integrated Report 2024. Together with management, we applied our collective minds to the preparation and presentation of information in this report in accordance with International Financial Reporting Standards, International Accounting Standards, the Integrated Reporting Framework and the Companies Act 2001. The Integrated Report presents a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook.

Our Integrated Report, can be accessed on our website at https://www.sicom.mu/en/about/about-sicom

SICOM is a reliable and well-diverse financial services group that is committed to facilitating the economic growth of Mauritius. It achieves this by advocating for its customers' interests while also recognising the importance of sustainability in its strategy and operations. The group invests customers' funds responsibly and focuses on continuous engagement with all stakeholders to achieve service excellence.

As a responsible financial services provider, SICOM acknowledges that its success is not only measured by its financial performance but also on the good functioning of the economic, social, and environmental systems it operates in. Therefore, the Group has taken initiatives in areas such as promotion of good health and wellbeing, youth empowerment and preservation of biodiversity to ensure that it transforms its growth path to be socially inclusive, low carbon, and resource-efficient.

This year, SICOM has further reinforced its commitment to sustainability by submitting progress reports on its developments in this area to UN Global Compact and UN Principles of Responsible Investment. A consultant is also accompanying the Company on this journey since February 2024. The projects and initiatives during the year ended 30 June 2024 can be further explored in the Sustainability Report found on pages 89 to 97 of the Integrated Report. They cover areas of good health and wellbeing (UNSDG 3), youth empowerment (UNSDG 4) and preservation of biodiversity (UNSDG 15). Additionally, the Group has an enhanced section on how it engages with stakeholders throughout the year.

The value creation model of the group is also outlined on pages 20 to 21 of the Integrated Report, depicting how it uses the six (6) capitals (financial, Human, Intellectual, manufactured, Social and Natural) to generate valuable outcomes for its shareholders and other stakeholders.

Health and Safety

SICOM places a strong emphasis on Health, and Safety and continuously strives to enhance its positive safety culture. The group's business plan includes mandatory safety objectives, which are integrated into the daily routine across all business locations. SICOM incorporates industry best practices to effectively control risks and prevent accidents in the workplace.

In 2023/2024, SICOM has taken several measures to encourage further health and safety implementation. These measures include ongoing enhancement of hygiene measures, regular workplace safety checks, training of first aiders over several sessions during the year and fire drills.

Human Rights

SICOM is committed to adhering to all applicable laws, rules and regulations. It is the personal responsibility of each employee to comply with these standards and restrictions.

The Group respects individual human rights and strictly prohibits any form of discrimination including race, religion, sex, age, amongst others. Furthermore, the Group is committed to preventing other violations of human rights. As such, since 2023, SICOM has signed up with UN Global Compact and has submitted its first progress reporting in July 2024. This will help the Group keep improving its compliance to Human Rights and Labour rights topics identified by the United Nations.

Environment

The Group strives to responsibly utilise natural resources essential for its operations while protecting the environment by implementing sustainable initiatives to prevent or mitigate negative environmental impacts. Being a member of the UN Global Compact, SICOM again has the opportunity to improve its policies and practices which impact environment and climate change related topics. More details are found in the Sustainability Report on pages 89 to 97 of the Integrated Report.

Donations

The Group did not make any political donation during the financial year 2023/2024 (2023 and 2022: Nil).

SICOM's Board Policies

Management is responsible for managing all of the Company's activities, including implementation of the strategies and policies adopted by the Board, and the operation of internal control systems. To ensure widespread accessibility and transparency, SICOM's main governance documents, that are summarised below, as well as other corporate governance information, are available for consultation on the Group's corporate website under the 'Codes & Policies' section.

These documents are reviewed on a regular basis. These not only evidence the Group's compliance with applicable local laws, but also demonstrate its intent to go beyond the adherence to recommendations, best practices, and trends in corporate governance, both at a national and international level. To that end, the Group has, during this financial year, updated some of its Charters and policies, and introduced new policies as follows:

(a) an Anti-Corruption Policy, which sets, among others, a zero-tolerance attitude towards corruption and highest standards of conduct from Board Members and employees of the Group; and
(b) a Records Retention and Disposal Policy, which is in line with legal and regulatory requirements, including but not limited to the protection of personal data under the Data Protection Act 2017.

Corporate Governance Report (cont'd)

Summary of the main Governance documents

Constitution	The Amended and Restated Constitution of the Company is dated 09 March 2005 (the Constitution); and was further amended on 08 November 2016. The Company's Constitution, adopted in conformity with the provisions of the Companies Act 2001, governs the general internal functioning of the Company including, amongst other matters, the rights and obligations of the shareholders.
Board's Charter	The Company's Board Charter sets out the objectives, roles and responsibilities and composition of the Board. The Board Charter is reviewed as and when required.
Corporate Governance Policy for the Group	The Group's Corporate Governance Policy establishes, along with the Company's Charters and other policies, a framework of good governance practices for the Group.
Remuneration Policy for Directors and Senior Executives	The Group's Remuneration Policy for Directors and Senior Executives provides a structured basis in determining the remuneration of Board members and Senior Executives of the Group.

The Company also has in place the following governance documents:

- Board Committees' Charters;
- Position Statements of the Chairperson of the Board and Board Committees, Group CEO and Company Secretary;
- Director's Orientation and Induction Process; and
- Privacy Policy.

Ethics Framework

SICOM Group is committed to ensure continuous integrity, transparency, and responsible business practices at all levels. The ethics culture within the Group is re-enforced through the following measures:

1. Leadership commitment

The Board of Directors and Senior Executives of the Group prioritise ethics as a core value of the organisation and hold themselves and others accountable for upholding ethical standards. To ensure strong commitment to ethics, an Ethics Officer was appointed by the Board in July 2023.

Ethics Organigram

2. Code of Ethics for Directors and Employees

The Group has established a Code of Ethics for Directors and a Code of Ethics and Business Conduct for Employees, both of which are in line with the National Code of Corporate Governance. The Code of Ethics for Directors was reviewed in April 2024, while the Code of Ethics and Business Conduct for Employees was approved by the Board of Directors in June 2023. Both Codes are published on the Group's website.

The procedures for the appointment of new directors are laid down in the 'Active Monitoring' section of this Report.

Upon appointment, new Directors receive an induction pack, which includes the Code of Ethics for Directors. Accordingly, the safeguards against overboarding mentioned therein are as follows:

- Directors must ensure that they devote sufficient time to enable them to diligently carry out their responsibilities and their duties to the Company.
- Directors must be judicious in the number of directorships they accept so that they can do full justice to their responsibilities as Board Members.

To ensure that Directors devote enough time and attention to the affairs of the Group, an executed declaration regarding their time commitments to effectively fulfil their duties as directors is mandatory upon appointment.

New employees are required to formally acknowledge that they have read, understood, and agreed to abide by the Code of Ethics and Business Conduct for Employees.

In addition to the Code of Ethics for Directors and a Code of Ethics and Business Conduct for Employees, the Group has in place several policies that are part of its ethical framework, including the Whistleblowing Policy, Equal Opportunity Policy, Complaints Handling Policy, Anti-Harassment and Non-Discriminatory Policy, and Conflicts of Interest and Related Party Transactions Policy.

3. Ethics training and education

Ethics training and surveys for Directors and Employees are conducted on a yearly basis. For the year under review, training on Business Ethics was delivered to all employees and Directors of the Group.

4. Reporting of ethical and other issues

Ethical issues can be reported directly to the Ethics Officer, while other issues are reported to the appropriate authority in accordance with the relevant policies or as stated in the Employee Handbook.

5. Conflicts of interest

The Board is responsible for overseeing conflicts of interest and transactions involving related parties.
Employees can seek the guidance of the Ethics Officer or Senior Management if there are any questions or doubts relating to any proposed transaction or situation.

In accordance with the Companies Act 2001, an interest register is maintained by the Company Secretary and is updated as and when required. Directors having any interest in the matter being discussed at the Board and/or Committee level, declare their interest and do not participate in the debate and decision making and same is reported in the Minutes of the respective Board and Committees. At the end of each financial year, Directors are requested to fill in a disclosure of interest form.

The interest register may be made available to the Shareholders of the Company upon request to the Company Secretary. For this reporting year, no conflict of interest has been reported in line with the provisions of the Company's Conflicts of Interest and Related Party Transactions Policy.

Details on related party transactions are found on pages 250 to 251 of the Integrated Report.

At the core: Risk and Culture

Board Opinion

The Board is of the opinion that the Company's risk management processes and internal control systems are effective.

Risk Management

Effective risk management is a vital component of sound corporate governance, enabling us to safeguard stakeholders' interests, protect assets, and ensure the long-term sustainability of the Company and the Group. The Board has the ultimate responsibility to maintain an effective risk management and internal control system including:

- Setting up a risk management framework;
- Overseeing the implementation and subsequent monitoring;
- Determining the risk culture;
- Providing Management with leadership and guidance;
- Ensuring that any person responsible for risk management has the appropriate skill, knowledge, independence and authority;
- Defining the roles and responsibilities of Management;
- Ensuring that the Risk Management function and the Risk Committee have the appropriate training and support to fulfil their responsibilities; and
- Having Crisis Management and Contingency Plans to respond quickly and effectively to unforeseen events.

Corporate Governance Report (cont'd)

The Risk Committee is mandated by the Board to oversee all risk management and internal control issues. The task of maintaining a sound risk management system has been delegated to Senior Management and the Risk Officer. Internal governance structures include a Risk Management function that complies with legislative requirements as specified by the Insurance (Risk Management) Rules 2016.

The Risk Officer has a duty to report to the Board. Independent reviews are also conducted by the External Auditor and the Statutory Actuary on compliance and effectiveness of the risk management framework, respectively. The Company has an obligation to report to the Regulator.

The comprehensive Risk Management Report can be found at pages 51 to 60 of the Integrated Report.

Internal Controls

The system of internal controls has been designed to prevent, detect and mitigate significant risks faced by the Company. Such a system provides reasonable assurance against material error, omission, misstatement or loss, and manages risks of failure in operational systems. The Company and the Group maintain proper records to ensure the effective operation of its business and compliance with laws and regulations.

Management is responsible for managing all of the Company's activities, including the implementation of the strategies and policies adopted by the Board, and the operation of the internal control system.

Internal control covers all material processes of the Company and the Group. Key areas of effective internal controls are as follows:

(a) A clear organisation structure, including the delegation of appropriate responsibilities to the Board Committees, the Group CEO, Senior Management and to Heads of Operating Units;

(b) Reports of the Manager - Internal Audit, Statutory Actuary and the External Auditor are considered when assessing the effectiveness of internal controls;

(c) A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;

(d) A Compliance function is in place under the leadership of the Compliance Officer/Money Laundering Reporting Officer, and compliance policies and procedures have been established to ensure compliance with applicable laws, regulations, codes and guidelines; and

(e) Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits.

Risks and controls are reviewed and monitored regularly for relevance and effectiveness. The Internal Audit function interacts with the Risk Management function on the main risks in the Risk Register and associated reviews are considered in its Audit Plan to assess the effectiveness of controls to mitigate the risks. The External Auditor also carries out a sample review of controls during the financial year-end audit exercise.

The Board, through the Audit Committee and Senior Management, is regularly apprised of such assessments. Deficiencies, if any, are promptly considered by Management, and remedial actions taken and/or action plans devised to address the weaknesses. Both the Internal and the External Auditors have access to the Audit Committee.

Audit

Directors' Responsibilities

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in compliance with the requirements of the Companies Act 2001, the Insurance Act 2005 and the Financial Reporting Act 2004, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Internal Audit

The Internal Audit function has the overall responsibility of providing independent and objective assurance and consulting activity designed to add value by improving the Group's operations and helping the Group to achieve its objectives. The scope of work of the Internal Audit function is to enable the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, control, information systems and governance processes.

The Internal Audit function is composed of four (4) members and is headed by the Manager - Internal Audit. It derives its authority from the Board and is responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal controls and risk management practices. The Manager - Internal Audit has direct access to the Chairperson of the Audit Committee and reports directly to and regularly to the Committee. As and when required, the Audit Committee meets solely with the Manager - Internal Audit to discuss important issues or matters of concern. The Manager - Internal Audit has unfettered access to all records, and to employees and Management of the SICOM Group.

The Internal Audit function is adequately staffed, and the members have the necessary qualifications, appropriate tools and experience to carry out their duties and responsibilities. The function is also committed to its continuous improvement by ensuring training in relevant fields and continuous professional development for its members. During the financial year ended 30 June 2024, members of the Internal Audit function have had the opportunity to attend several internal and external workshops including:

- The Future of Reporting Sustainability organised by ACCA (Mauritius);
- IIA Annual Conference 2023 - Elevating Impact organised by IIA (Mauritius);
- Business Continuity Management Training for SICOM organised by EY (Mauritius);
- Empathy and Emotional Intelligence at Work organised in-house;
- Impact of new International Financial Reporting Standards and new amendments 2024 organised by Deloitte (Mauritius);
- Overseas Conference on Insurance Fraud Prevention; and
- The Complete Data Analytics Course in Excel (Online).

Furthermore, as part of its continual improvement, the Internal Audit function has acquired an audit software tool to assist in data analysis and exceptions reporting. It allows scrutiny of the whole database in addition to relying on sample testing of cases. This is in turn contributing to greater efficiency in audit procedures, agile auditing and value-added recommendations for improvement in controls and risk management.

The profile of the Manager - Internal Audit is available on the Group's website. He is a Fellow Member of the Association of Chartered Certified Accountants.

The annual Internal Audit Plan, which is approved by the Audit Committee, is based on the principles of risk management and aims at ensuring that the scope of work is aligned with the degree of risks attributable to the areas to be audited. All significant areas are covered by the Internal Audit function. The internal audit approach and methodology are designed to provide reasonable assurance by focusing on:

- significant business risks, both internal and external, that can impact the Group's business processes;
- key controls and measures in place and that are aligned with customers' needs and key business objectives;
- continuous improvement of existing processes and information systems to bring performance closer to best practices; and
- regulatory and legal provisions (for e.g., AML/CFT framework, guidelines from regulators, amendments in Finance Act etc.).

Ad-hoc internal audit inspections are also conducted for the purpose of identifying areas for process improvement. Given that it is the first year's implementation of IFRS 17 accounting standard, an ad-hoc audit exercise was carried out by the Internal Audit Department during the financial year to conduct a review of the effectiveness of controls for data validation and reconciliation for the purpose of producing transitional IFRS 17 results for the Group.

Corporate Governance Report (cont'd)

During the financial year 2023/2024, thirteen (13) planned internal audit reviews together with twelve (12) ad-hoc audit inspections were carried out and covered the various operational and support functions of the Group as follows:

Planned Audit Reviews	Ad-hoc Audit Inspections
• AML / CFT compliance for SICOM and SICOM General Insurance Ltd • Business risk assessment on AML / CFT for Unit Trusts' activities • Critical infrastructure systems in SICOM Building • Institutional Risk Assessment on AML / CFT for Leasing and Personal Loans operations • Effectiveness of new Life application system for Individual life assurance businesses • Reinsurance Arrangements and Reinsurers' Credit Ratings in General Insurance business • Cashflow Management and Liquidity Monitoring • Administration of Leaves and Attendance • Submission of Periodic Regulatory Returns by SICOM Financial Services Ltd • Long outstanding bodily injury claims cases in SICOM General Insurance Ltd • Related Party Transactions in SICOM Financial Services Ltd • Administration of Private Pension Schemes • Conformance and monitoring over IT policies	• Flacq Counter operations • Motor Underwriting and claims operations • Life premium surplus and outstanding cheques • Long outstanding loan arrears cases • Monitoring over Reconciliation from Finance Units • Curepipe Branch operations • Stationery reconciliation records • Records of corporate giveaways • Data compilation and reconciliation for IFRS 17 figures • AML/CFT Procedures for SICOM Management Ltd • Tamarin Counter Operations • Court cases and legal advice requests

As included in the Internal Audit Plan 2023/2024, an IT audit on Data Security and Privacy was additionally carried out for the Group by an external Consultant. Subsequent to the findings of these audits, appropriate recommendations are made to the Audit Committee and Management to address the issues noted. The Audit Committee regularly monitors the achievements of the Internal Audit function and Management's responsiveness to the recommendations made by the Internal Audit function based on set target dates. The Audit Committee reviews the independence and effectiveness of the Company's Internal Audit function, in the context of the Company's overall risk management framework.

Moreover, during the year, the Audit Committee identified significant issues in relation to the financial statements which were mostly associated with the first-time adoption of IFRS 17 for the financial year ended 30 June 2024. Although a project spanning over more than two years, the Audit Committee was constantly apprised of the progress of the transition, given the pressures of complying with the stringent statutory deadlines associated with our industry.

The main challenges discussed revolved around time involved in compiling and populating large volumes of data, often manually and maintained in different levels of granularity that may not have been appropriate for IFRS 17. An iterative process of continuous reconciliation and correction between the two standards (IFRS 4 and IFRS 17) enabled progress and closing of knowledge gaps, all whilst working in close collaboration with the external auditors.

Although the Financial Services Commission has been accommodating by moving the statutory deadlines on several occasions upon feedback from the industry players, it is commendable to highlight that the SICOM Group has complied with a shorter statutory deadline for filing as compared to its main competitors.

The members of the Audit Committee have the necessary qualifications and experience to carry out their responsibilities.

External Audit

The Board had recommended the appointment of Deloitte as the External Auditor of the Group for the financial years 30 June 2021-2025 following a tender exercise. Section 200 of the Companies Act 2001 provides for the automatic re-appointment of auditors applicable for this financial year. Rotation of external auditors is done at least every five (5) years.

The roles and responsibilities of the Audit Committee in the external audit process are set out in the Audit Committee Charter, which is published on the Group's website. The Audit Committee meets with the External Auditor as and when required and at least once a year without management being present to discuss any issues arising from the audit including discussion about critical policies, judgements and estimates. The Audit Committee approves the External Audit Plan, evaluates the effectiveness of the external audit process and makes recommendations to the Board, to be approved at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the External Auditor.

All findings and significant issues raised by the External Auditor during their audits are discussed and submitted to the Audit Committee and to the Board, as part of their presentation on the year end audit. The implementation of the recommendations made by the External Auditor in their Management Letter are followed up by the Internal Audit function, as per set target dates and status reports, with updated management responses, are submitted on a timely basis to the Audit Committee for consideration and to the Board for information.

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

External Auditor's fees and fees for other services are as follows:

	GROUP		COMPANY	
	2024 MUR'000	2023 MUR'000	2024 MUR'000	2023 MUR'000
Statutory audit	5,458	5,198	2,709	2,580
Review of tax computation	421	401	129	123
Other services*	598	475	240	228

* Other services for 2023 and 2024 relate mainly to report as per the Insurance (Risk Management) Rules 2016.

Shareholders' Diary

Details	Date
Financial year-end	30 June 2024
Audited Financial Statements (year ended 30 June 2024)	May 2025
Statutory Returns to Financial Services Commission	May 2025
Special Meeting of Shareholders	June 2025
Dividend Payment	June 2025

Statement of Compliance

[Section 75(3) of the Financial Reporting Act 2004]

Name of Public Interest Entity ('PIE'): State Insurance Company of Mauritius Ltd

Reporting Period: Year ended 30 June 2024

On behalf of the Board of Directors of the State Insurance Company of Mauritius Ltd (the Company), we confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance for Mauritius.

A. ACHARUZ
Director

N. RAMDEWAR
Director

Date: 30 May 2025

Secretary's Certificate

We certify to the best of our knowledge and belief that for the year ended 30 June 2024, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001.

DTOS Ltd
Company Secretary
State Insurance Company of Mauritius Ltd

Date: 30 May 2025

Statement of Directors' Responsibilities

The Directors acknowledge responsibility for:

(i) adequate accounting records and maintenance of effective internal control systems,
(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year 2023/2024 and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards, and
(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgments.

The external auditors are responsible for reporting on whether the financial statements are fairly presented. The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained,
(ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently, and
(iii) International Financial Reporting Standards have been adhered to.

Signed on behalf of the Board of Directors

A. ACHARUZ
Director

N. RAMDEWAR
Director

Date: 30 May 2025

04
Forecast the Unseen. Fortify the ***Future***.

Risk Management

As 2023 unfolded, the global landscape grappled with a unique amalgamation of unprecedented challenges and residual impacts from earlier crises, including the pandemic, supply chain fragility and rising geopolitical tensions. Nevertheless, the resilience of the global system has been remarkable. Contrary to expectations, the anticipated recession did not materialise last year, and financial markets demonstrated notable stability. Despite this, the future holds a veil of uncertainty.

As we navigate through extreme climatic events since the start of 2024, our commitment to sustainability becomes even more crucial. At SICOM, we believe that fostering a sustainable world is crucial for long-term competitiveness, creating an optimal environment for teams to thrive and promoting the development of a corporate risk culture aligned with Sustainable Development Goals (SDGs). Furthermore, in line with its Sustainability Strategic Plan, the Group is proactively incorporating sustainable practices into its operations, products, and services to tackle climate change and address environmental issues. By integrating sustainability into our business practices, we contribute to a better future while enhancing our ability to navigate risks and seize opportunities. This approach also lays the groundwork for long-term rewards for our shareholders, as sustainable companies are more likely to attract investment and generate sustainable returns.

The recent adoption of IFRS 17 marks a significant stride towards enhanced financial transparency and accuracy, aligning with our core values. This new accounting standard is a pivotal milestone for the insurance industry, offering a more comprehensive and consistent approach to accounting for insurance contracts. To ensure the smooth adoption and implementation of IFRS 17, the Risk department has conducted a comprehensive risk assessment on key areas such as technical integration, model accuracy, compliance, business continuity and overreliance on key personnel. Despite the obvious challenges for IFRS 17 implementation such as complexity, system and process changes, data and information management, risk modelling, cost of implementation and shortfall of experienced technical resources, the new standard also presents opportunities. At SICOM, we have capitalised on this shift to improve our existing processes for data collection, analysis and reporting and have invested in automation tools to streamline our processes, thereby reinforcing our commitment to excellence and innovation in our financial practices.

Brain drain presents a significant challenge to employers in general in Mauritius, hindering talent retention and innovation. During the past decade, the island has seen a notable outflow of skilled professionals, including actuaries, underwriters, accountants and IT professionals, seeking better opportunities overseas. This phenomenon not only depletes the talent pool available to insurers but also hampers knowledge transfer and continuity within the industry. To counteract these effects, the Group has enacted talent retention strategies that emphasise upskilling and cultivate a supportive work environment. These initiatives are designed to nurture and retain top talent, thereby sustaining our competitive edge and fostering long-term organisational resilience.

Furthermore, traditional challenges like inflation, trade wars and geopolitical tensions have continued to shape the economic landscape throughout this financial year. Uncertainty in the interest rate and inflationary environment is expected to continue into 2024, impacting governments, industries and society at large, as well as stakeholders in the insurance chain such as insurance buyers, insurers, service providers and regulators and bringing with it challenges, opportunities and obligations. Although inflation is moderating in many parts of the world, it remains high and is always subject to volatility and changes in governmental economic policy. Amongst other impacts, shifts in inflation and interest rates is likely to affect insurer appetite and pricing. Such changes may be implemented hastily by insurers, leaving risk managers and their brokers, with very little time to respond in the face of compressed renewal periods. Sums insured and policy limits will need to respond to changes in the economic environment. These prevailing economic conditions have directly impacted customer spending patterns, with lower disposable incomes constraining the affordability of insurance and savings products. Consequently, reduced customer spending has emerged as a significant market factor, influencing purchasing behaviour and affecting demand for financial services. This shift underscores the need for adaptive strategies that address the evolving financial capabilities and needs of our clients.

Cyber threats continue to pose a direct risk to the capacity to deliver efficient stakeholder services, thereby posing a direct potential risk to operational effectiveness. Strengthening our cyber defences continues to be a key focus area for the Group. In line with the FSC guideline on cloud computing which focuses on risk management, cybersecurity and regulatory compliance, SICOM has taken significant steps to comply, ensuring a secure cloud environment. Additionally, SICOM has conducted assessments of cyber risks associated with its business initiatives, identifying specific threats and vulnerabilities for each project. By systematically assessing and documenting these risks, the company proactively mitigates threats and strengthens the overall cybersecurity of its business initiatives. However, despite these challenges, AI-driven technologies hold the promise of optimising operations and enhancing efficiency for SICOM. Amidst these adversities, we also identify substantial opportunities presented by technological advancements, particularly those driven by AI, which are pivotal to optimise our operations and enhance efficiency.

Our objective is to minimise risks across the Group, recognising that finding a balance between risk and reward is not a new concept. However, in today's complex and interconnected business landscape, companies can no longer afford to approach risk management in isolation. We view enterprise risk management from both a holistic, big-picture perspective and a detailed view of the Group. This allows us to identify and assess risks across various dimensions, including operational, financial, strategic and reputational risks.

Every employee bears the responsibility of identifying risks and contributing to the Risk Management Process (RMP). By fostering a culture of awareness and accountability, we empower our teams to proactively identify potential risks and implement appropriate mitigation measures. Adopting a comprehensive approach to risk management not only safeguards our business but also enhances the resilience and adaptability of our operations in the face of uncertainties and challenges. This heightened consciousness of risk permeates our business operations, ensuring that risk management becomes an integral part of our organisational DNA. Moreover, we maintain a vigilant stance against emerging threats, including cyber-attacks, natural disasters and supply chain disruptions.

Through a comprehensive risk management framework and a steadfast commitment to sustainability, we are committed to navigating uncertainties and seizing opportunities, driving long-term success for SICOM and its stakeholders.

Risk Management (cont'd)

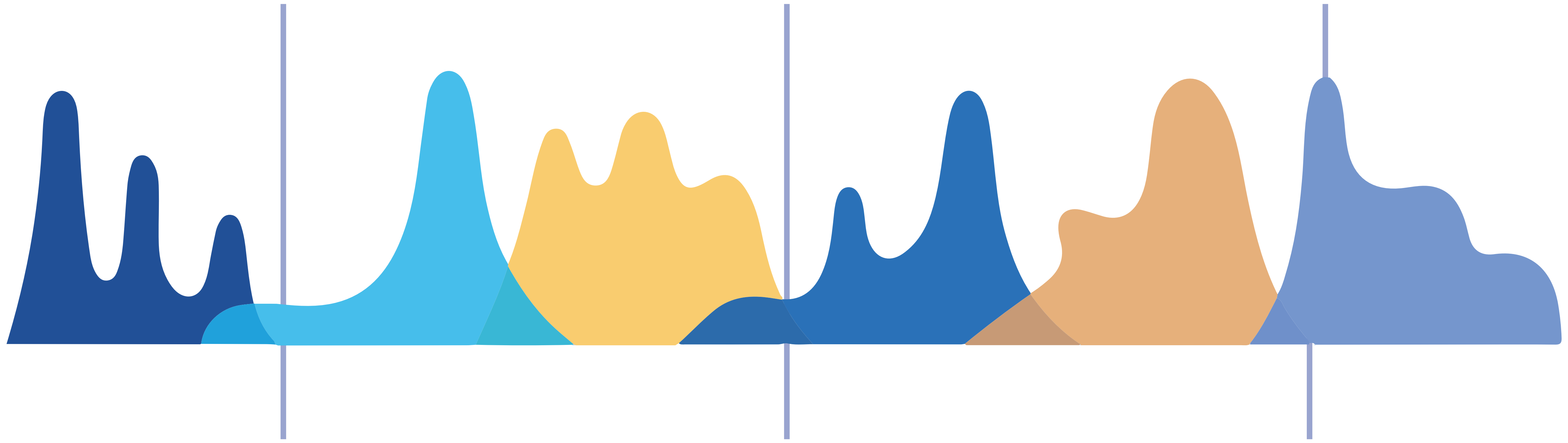
Achievements

In today's dynamic business environment, effective risk management has never been more crucial. Our commitment to identifying, assessing and mitigating risks is integral to our strategy for sustainable growth and resilience. This year, we have made significant strides in enhancing our risk management framework, ensuring robust protection against potential threats while fostering opportunities for innovation and value creation. Our risk management achievements reflect a proactive approach to navigating uncertainties and securing the company's long-term objectives. Key strategic enhancements implemented during the year include the following:

ANNUAL RISK MANAGMENT FRAMEWORK (RMF) SUBMISSION
Submission of key Risk Management deliverables in line with the Insurance (Risk Management) Rules 2016.

RISK REGISTER
Strengthening of RMF through structured and dynamic risk identification, measurement, control and monitoring to enhance decision-making, accountability, and transparency.

CONSULTANCY SERVICES
Provided assistance and support for the implementation of a comprehensive Enterprise Risk Management Framework.



BUSINESS CONTINUITY FRAMEWORK
Some initiatives have already been initiated to be in compliance with the requirements of ISO 22301:2019 and will be continued in the next financial year.

RISK REVIEWS
Carried out risk assessments on potential high-risk areas such as fraud, cyber threats and IFRS 17 implementation/risk control matrix.

RISK REPORT
Quarterly risk reporting to the Board for effective governance and promote risk-based decision-making

Reflecting on our Risk Management Strategy and Road Map

Reflecting on our risk management strategy provides us with the opportunity to evaluate the effectiveness of our initiatives and chart a forward-looking roadmap. As we navigate an increasingly risky and unpredictable business environment, the insights gained from our past experiences are invaluable in shaping our future direction. This reflection underscores our commitment to a robust, adaptive, and forward-thinking risk management framework that not only mitigates risks, but also leverages them as opportunities for growth and innovation.
For the forthcoming year, we will focus on the below areas:

Climate and Environmental Risks - Address climate change and environmental risks by assessing the carbon footprint, implement sustainable practices, and prepare for the financial and operational impacts of climate-related events.

Cybersecurity and Data Protection - Enhance defenses against cyber threats and securing sensitive data through robust cybersecurity measures, regular vulnerability assessments, and compliance with data protection regulations.

Induction of Risk Management - Develop awareness among employees to familiarise specific risks that could affect the Company.

Risk Assessment- Conduct more frequent and rigorous reviews on potential high-risk areas and fraud risks related activities in other departments.

Business Continuity Management Framework- Compliance with ISO 22301:2019 by June 2025.

Managing Risk in Line with our Strategy

Our Management team, under the oversight of the Board, is responsible for developing our strategy. Our strategic planning process aims to ensure we set clear objectives and targets and identify the actions needed to deliver them, including the management of risks arising from the strategic plan. A key aspect of any effective strategic planning process is to understand and manage those risks effectively. To achieve this, the Risk function works closely with the business units to help identify and assess risks through setting and achieving targets as well as reviewing and challenging business plans in the strategic planning process. The Group's risk strategy supports business decision-making through the proactive identification, assessment and management of risks, ensuring that potential threats are mitigated and opportunities are maximised.

Our Enterprise Risk Management (ERM) Framework

The ERM Framework sets out, at a high level, the Group's approach to setting the risk strategy and managing risks threatening the strategic objectives and day-to-day business operations. The ERM Framework is designed to manage the Group's risk proactively and enable dynamic risk-based decision-making. Aligned with the three lines of defence model, detailed in 'Our Risk Governance Framework', the ERM Framework articulates the high-level principles and practices needed to achieve appropriate risk management standards; it also demonstrates the inter-relationships between components of the risk management framework. Within this, the RMP is a key element in the development and ongoing maintenance of an accurate risk profile. The objective of the process is to identify, assess, manage, monitor and report on the risks to which the Group is exposed. This comprehensive approach ensures that potential threats are effectively mitigated and that we remain well-prepared to capitalise on emerging opportunities.

Risk Management (cont'd)

Our Risk Governance Framework

The Risk function has led to a significant cultural change to drive ownership of risks across the Group. SICOM has a strong risk culture, and a mature and embedded ERM Framework with clear accountabilities and risk ownership designed to ensure that we identify, manage, mitigate and report on all key risks and controls through the three lines of defence model:

Three Lines of Defence

1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Operations - *Management*	Risk Oversight - *Actuarial Function, Risk Management, Compliance and IT Security*	Independent Assurance - *Internal and External Audit*
Responsible for day-to-day risk and control management and decision making.	Responsible for developing, facilitating and monitoring an effective risk and control framework.	Responsible for providing independent assurance on the effectiveness of the overall control environment.

Regulatory Framework

The Insurance (Risk Management) Rules 2016 (the Rules) issued by the Financial Services Commission (FSC) require insurers registered under the Insurance Act 2005 to establish and maintain at all times a Risk Management Framework. The aim is to effectively develop and implement strategies, policies, procedures and controls to manage material risks. Insurers need to have in place a number of Board-approved elements as part of their ERM Framework:

REGULATORY REQUIREMENTS

Risk Appetite Statement – Provide a clear framework and guidance.

3-Year Business Plan – Provide structured framework for the Company to navigate the complex regulatory landscape, manage risks and ensure ongoing compliance.

Risk Management Strategy – Maintain the integrity, stability, and fairness of regulated industries.

Own Risk & Solvency Assessment – Ensure that insurers have a robust risk management framework in place, maintain appropriate capital levels, and have a deep understanding of their risk profile

Liquidity Policy – Promote the stability and resilience of financial institutions, protect investors and mitigate the risk of liquidity crises that could have systemic implications.

Designated Risk Management Function – Enhance risk governance, improve risk management practices, and strengthen the overall resilience.

Defined Roles & Reporting Lines – Define and document these roles and reporting lines to ensure effective governance, risk management, and compliance.

Risk Management (cont'd)

Our Risk Management Process

Our business thrives and creates long-term value for all stakeholders with the aid of a robust risk management system. Our ongoing RMP involves vigilant monitoring of both internal and external factors, enabling us to promptly identify and mitigate potential risks. By aligning with our risk appetite, we effectively achieve our business plans and accomplish our strategic objectives.

The RMP is the cornerstone of any ERM framework and is formalised in a Risk Register. Below is a depiction of the ERM processes embedded within day-to-day operations to manage the Group's risk exposure.

The risks are identified and classified in a consistent manner across the Company with reference to the Group's Risk Taxonomy. The inherent risks that are identified are then assessed in terms of their probability of occurrence, their financial, operational, regulatory as well as reputational impact. A corresponding rating is given for the residual risk along with a control description of how each risk is being mitigated, together with improvement plans. The monitoring frequency of risks differs and is stipulated in the risk registers.

SICOM has a list of key risks it is willing to take or tolerate in pursuing its strategic objectives and business plans. The Group regularly measures and quantifies material risks to which it is exposed, using financial and non-financial metrics ensuring that we maintain a balance between risk and opportunity, fostering sustainable growth and resilience.

Identify Risks

Identify a comprehensive list of risks that could affect the Group from achieiving its goals and objectives.

Assess Risks

Examine risks considering both the likelihood of the risk and the impact of the risk on the Group's mission.

Select Risk Response

Select the response, acceptance avoidance, share/transfer or maximise opportunity.

Monitor Risks

Monitor how risk are changing and if responses are successful.

Communicate and Report on Risks

Communicate relevant information properly and timely to identify, assess and respond to risks.

Our Risk Appetite

Our risk appetite statements define the opportunities and associated levels of risk the Group is prepared to accept to achieve its business objectives. The statements are used to drive risk-aware decision-making by key business stakeholders.

Our risk appetite statements are documented in our Policies and include:

- monitoring whether the business remains within its risk appetite, using key risk indicators;
- deriving the key risk indicators from the risk appetite statements to drive and monitor risk-aware decision-making; and
- both qualitative and quantitative risk statements which are both forward- and backward-looking.

We review our risk appetite statements and key risk indicators annually for submission to the FSC.

Overarching Risk Objectives

In today's rapidly evolving business environment, understanding and managing risk is critical to achieving our strategic goals and ensuring long-term sustainability. Our overarching risk objectives form the foundation of our ERM Framework, guiding our approach to identifying, assessing, and mitigating potential risks. These objectives are designed to align with our corporate strategy, promoting resilience, enhancing decision-making, and safeguarding our assets and reputation.

By establishing clear risk objectives, we ensure that risk management is integrated into every aspect of our operations, from day-to-day activities to long-term strategic planning. This proactive approach enables us to navigate uncertainties, capitalise on opportunities, and maintain a competitive edge. Our commitment to rigorous risk management underscores our dedication to creating value for our stakeholders while maintaining the highest standards of governance and ethical conduct.

Our strategic objectives are:

Maintain Capital Adequacy

The Group seeks to maintain its solvency margin above the Minimum Capital Requirement (MCR) in line with the Insurance Rules 2007.

Stable/efficient access to Funding & Liquidity

The Group aims to meet both planned & unexpected cash outflow requirements, including those requirements that arise following stress scenarios testing pertormed on events which could occur.

Maintain stakeholder confidence

The Group has no appetite for material risks resulting in reputational damage, regulatory or legal censure, poor customer outcomes, fines or prosecutions and other types of non-budgeted operational risk losses associated with the Group's conduct and activities. The Group will maintain a robust and proportionate internal control environment.

Risk Management (cont'd)

Our Risk Culture

SICOM has a robust and pervasive risk culture and its employees are trained to make appropriate risk-based decisions. SICOM's risk-intelligent culture is characterised as follows:

Commonality of Purpose, Values & Ethics — Employees' individual interests, values and ethics are aligned with those of the Company's risk strategy, appetite, tolerance, and approach.

Universal adoption & application — Risk is considered in all activities, from strategic planning to day-to-day operations, in every part of the Company.

A Learning Organisation — The collective ability of the Company to manage risk more effectively is continuously improving.

Understanding of the value of effective risk management — Employees understand, and enthusiastically articulate, the value that effective risk management brings to the Company.

Responsibility — For building and maintaining a resilient and sustainable Company that can navigate uncertainties and challenges while staying true to its values and purpose.

Risk Management Roles and Responsibilities

The diagram below illustrates SICOM's risk management structure and key responsibilities. The structure ensures that RMPs are effectively embedded across the Group.

Risk Committee

- Assists the Board in its oversight responsibilities.
- Reviews and recommends the ERM Policy, Own Risk Solvency Assessment, Risk Appetite and Risk Tolerance Level to the Board for approval.
- Reviews and ensures that Cyber Security risk is managed effectively.
- Considers stress testing and reverse stress testing scenarios and their impact on the Company.
- Reviews current and projected capital and liquidity position risk environment and risk profile relative to appetite.
- Reviews adequacy of insurance coverage, material outsourcing arrangements, the Disaster Recovery Plan and Business Continuity Plan.

Internal Risk Committee

- Reports to the Internal Risk Committee of the Board.
- Has an understanding of the key risks to which the Group is exposed and oversees the effective management of these risks.
- Reviews the ERM Framework including the Risk Management Strategy and Policies, Risk Appetite Statements and Risk Tolerance Levels.
- Ensures that the recommendations made by Internal and Exteral Auditors, Statutory Actuary, Regulator and other relevant agencies on matters pertaining to Risk Management are implemented.

Cyber Security Committee

- Oversees the Group's risk assessment and management processes with regards to Cyber Risks.
- Designs the cybersecurity strategy in line with expectations from key stakeholders.
- Participates in the design and review of security policies and procedures.
- Reviews threat intelligence outputs and makes recommendations to the IRC on the organisation's exposure to current and emerging information on security threats.

Crisis Committee

- Coordinates and ensures smooth intervention of any required action.
- Ensures that physical infrastructure are secured to ensure prompt intervention.
- Ensures that IT Infrastructure is secured to ensure prompt intervention wherever required.
- Communicate with staff of any decision taken.
- Provide regular updates to the Senior Management.
- Identify lessons learnt.
- Activate crisis management plan.

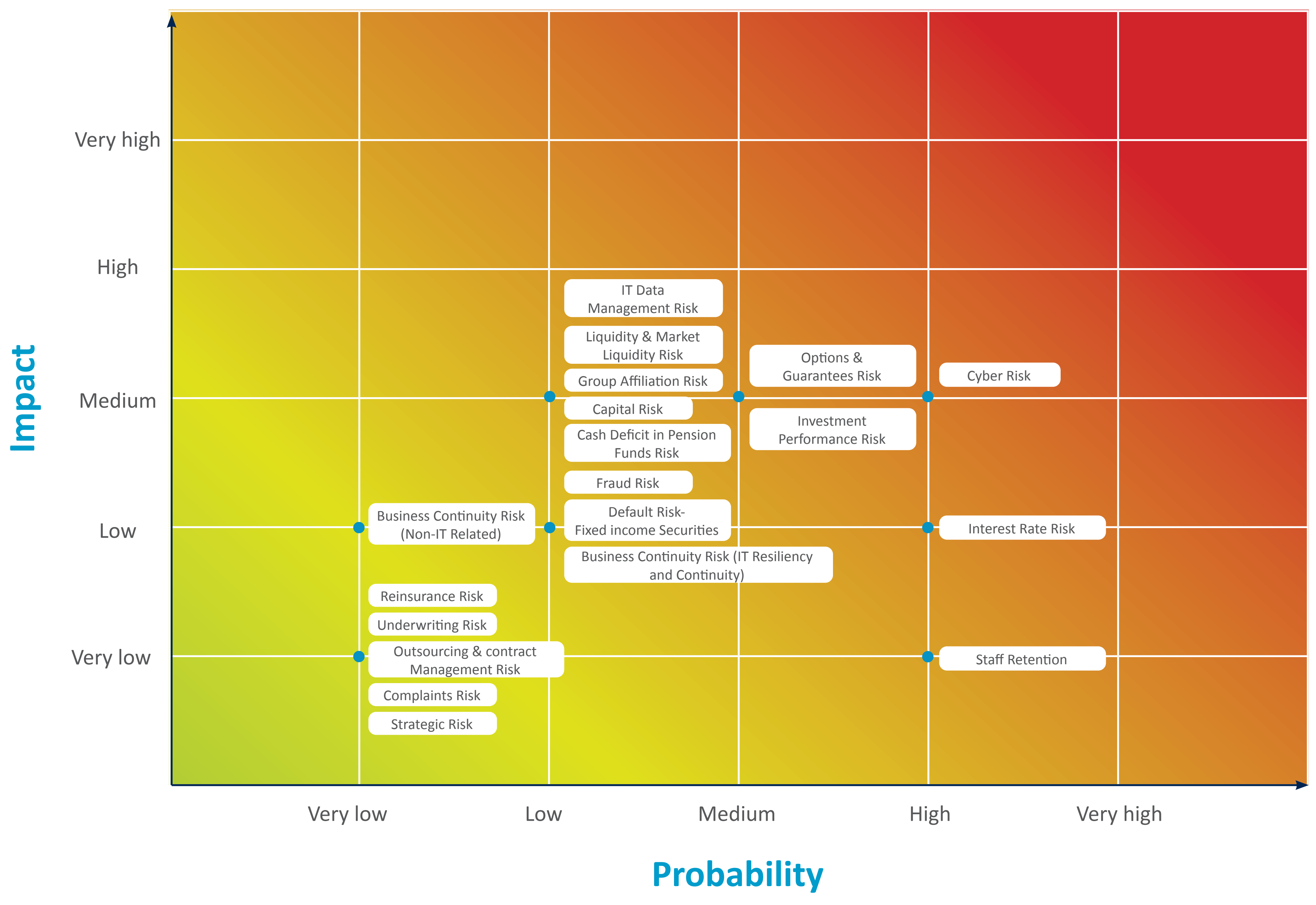
Risk Management (cont'd)

Management of Key Risks

A consolidated Risk Register is in place, listing all the risks pertaining to the Company. The risks are assessed on an inherent basis before any controls and on a residual basis after documenting the controls for each of these risks. Following the assessment, a list of main risks is derived and monitored on a quarterly basis. The list of main risks is reviewed on an annual basis and considered and approved by both the Risk Committee and Board before submission to the FSC.

The below heat map shows the residual rating for the list of key risks.

Residual Risk Heat Map for Key Risks



Very high High Medium Low Very Low → After Control Measure

Principal Risks

The symbols in the table below indicate the perceived change in risk profile of the main risks faced during FY 2023/24:

	KEY RISK AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Market & Investment Risk	**Investment Performance Risk** Due to market volatility, changes in economic conditions, misalignment of Fund's asset allocation relative its composite benchmark, excess cash holding, currency valuation fluctuations and unbalanced/undiversified portfolio. SICOM may be exposed to the risk that actual investment return for pension and life funds underperforms market indices/composite benchmarks stipulatetd in Investment Guidelines which could negatively affect shareholder confidence if injections are required into the Life Funds and could result in benefit pay-out's fluctuations, product guarantees to bite and higher withdrawals and adverse impact on new business expansion due to unstable fund performance.	• Managed through strategic asset allocation and active market oversight.		Financial
	Interest Rate Risk Due to poor economic conditions, SICOM may be exposed to interest rates fluctuations which could lead to an increase in liabilities which is not matched by a corresponding increase in asset value.	• Managed through ongoing monitoring of market conditions.		Financial
	Liquidity & Market Liquidity Risk Due to unexpected cash outflows or inadequate cash inflows, SICOM may lack sufficient funds to meet its financial obligations which could result in financial losses from selling assets at depressed market values to meet cash outflows.	• Addressed by regular liquidity assessments and maintaining sufficient liquid assets.		Financial

Risk Management (cont'd)

	KEY RISK AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Counterparty Default Risk	**Default Risk - Fixed Income Securities** As a result of reduced repayment capacity arising from economic instability, deteriorating economic/operating environment and poor assessment of issuer's financial health, SICOM may be exposed to the risk that issuers default on coupon payments and maturity proceeds which may lead to financial losses and cash flows disruption.	• Managed via thorough credit assessment and ongoing counterparty monitoring.		Financial
Life Underwriting Risk	**Underwriting Risk** Due to poor underwriting procedures, SICOM may be exposed to the risk of inappropriate selection/approval of a particular cohort of risks which could result in a financial strain and loss in reinsurer's confidence.	• Controlled by strict adherence to established underwriting standards.		Financial
	Reinsurance Risk Due to poor financial strength of reinsurer and difference in interpretation of reinsurance contract wordings, SICOM may be exposed to the risk that reinsurers are unable to pay valid claims which could lead to a financial strain including cash flow disruption.	• Mitigated through periodic treaty reviews and working with high rated reinsurers.		Financial
Life Underwriting Risk	**Options & Guarantees Risk** Because of changes in economic fundamentals, including lower than expected investment returns, SICOM may be exposed to the risk that options and guarantees on written policies bite and With-Profit Policyholders Reasonable Expectations are not met due to lower than expected bonus rates which could lead to a high withdrawal experience, decline in new business growth, shareholder injection to meet guarantees and higher capital requirement.	• Managed via regular product and pricing reviews.		Financial

	KEY RISK AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Operational Risk	**Operational Profit Volatility Risk** Due to adverse changes in market conditions such as changes in interest rates and monetary/fiscal policy, SICOM may be exposed to the risk that actual Operational Profit is subject to excessive volatility which could result in significant deviation from budgeted profit, long-term impact on reserves and a reduction in shareholder value and/or confidence.	• Controlled by monthly financial performance reviews.		Financial
	Outsourcing & Contract Management Risk Due to inadequate due diligence on potential service providers, poor contract terms drafting, non-compliance with contractual terms, disputes and absence of ongoing monitoring of service providers' performance, SICOM may be exposed to the risk of poor third-party contract management and non-performance or poor performance by service providers under outsourcing arrangements which could result in operational failures unforeseen and hidden costs, adverse legal, reputational and regulatory impacts and delay in project completion.	• Managed through regular monitoring of service providers.		Financial
	Staff Retention Risk Due to better conditions of employment offered by other institutions, SICOM may be exposed to the risk of failing to retain employees which could lead to loss of competency.	• Flexibility in reviewing conditions of service.		Financial

Very high High Medium Low Very Low

Risk Management (cont'd)

	KEY RISK AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Operational Risk	**Fraud Risk** As a result of employees with poor integrity and non-adherence to payment processing procedures, SICOM may be exposed to the risk of embezzlement and fraudulent claims including false billing by sourcing partners or other-third party which could lead to financial losses and adverse reputational, legal and regulatory impact.	• Controlled by comprehensive verification processes and integrity training.		Financial
Operational Risk	**Cyber Risk** Due to increased sophistication of cyber criminals, employee inattention/negligence, insufficient/outdated security measures and insufficient external activity monitoring, SICOM may be exposed to the risk of cyber-attacks on critical systems or related infrastructure including telecommunication systems which could lead to shutdown of IT systems, severe disruption of ICT services or loss of vital organisational records for a prolonged period of time, loss/corruption of data, stolen identities, loss of intellectual property or unavailability of critical systems/services, misuse of information assets to attack third party systems or to communicate inappropriate information and ransom demands.	• Managed through regular security assessments and cybersecurity frameworks.		Financial, Intellectual, Social & Reputational

	KEY RISK AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Operational Risk	**Business Continuity Risk (IT Resilience and Continuity)** As a result of computer or data system failure and security breaches, SICOM may be exposed to the possibility of critical business operation disruptions which could result in financial losses and reputational damage.	• Managed via comprehensive IT backup and disaster recovery solutions.		Financial, Intellectual, Social & Reputational
Operational Risk	**Business Continuity Risk (Non-IT-Related)** As a result of power failure, restricted/no access to work areas, damage to work equipment and loss of key staff arising from natural calamities or man-made disasters, SICOM may be exposed to the possibility of critical business operation disruptions which could result in financial losses and reputational damage.	• Addressed through business continuity and emergency response planning.		Financial, Intellectual, Social & Reputational
Operational Risk	**Complaints Risk** Due to poor product/service performance, SICOM may be exposed to the risk of receiving and poor handling of valid complaints from clients which could lead to regulatory queries, reputational damage and loss of business.	• Managed through established complaints procedures.		Financial, Intellectual, Social & Reputational
Operational Risk	**Cash Deficit in Pension Funds Risk** Due to poor investment returns, large and unexpected withdrawals such as Voluntary Retirement Scheme exercise, low fund balances and sponsoring employers not effecting payments in line with deficit funding plan, pension funds managed and administered by SICOM may be exposed to cash flow constraints to meet benefit pay-outs which could lead to mass complaints from beneficiaries and staff unions, negative reporting in print, social and official media as well as induce unexpected retirements that will further aggravate/negatively impact the fund cash deficit issue.	• Controlled via regular stakeholder communication and cash flow monitoring.		Financial

Very high High Medium Low Very Low

Risk Management (cont'd)

	KEY RISK AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION	CAPITAL IMPACTED
Strategic & Environmental Risk	**Capital Risk** Due to inaccurate model/assumption for business planning and solvency projections as well as stress testing scenario selection to assess resilience from a capital and liquidity perspective, SICOM may be exposed to the risk of insufficient capital to support new business plans, failure to meet regulatory solvency, stress tests and future capital requirements which could lead to financial, reputational and regulatory impacts.	• Managed through periodic actuarial valuations and capital adequacy reviews.		Financial
	Strategic Risk Due to deviation from strategic assumptions, unclear or poor strategic planning, change in senior management and leadership, failure to adapt to market/industry changes, financial challenges and reputational damage, SICOM may be exposed to the risk of failing to achieve strategic business objectives which could lead to financial, reputational and regulatory impacts.	• Addressed by consistent strategic project monitoring and Board reporting.		Financial, Intellectual,
	Group Affiliation Risk As of result of poor management practices, performance measures and risk evaluation by other subsidiaries of the Group, SICOM may be exposed to group affiliation risk which could lead to financial losses, business operation disruption, loss of vendors and clients, regulatory sanctions and negative brand image.	• Controlled through consolidated monitoring and regular evaluations of subsidiaries.		Financial, Intellectual, Reputational

Very high High Medium Low Very Low

Risk Mitigation Strategy Process

In today's dynamic business environment, mitigation strategies play a crucial role in risk management at SICOM, helping to assess the effectiveness of measures in place to reduce potential risks. Our rating process involves both qualitative assessments and quantitative analysis, which are tailored to the specific nature of the risks involved.

The risk register undergoes a comprehensive annual review serving as a central repository of identified risks for SICOM and captures relevant information about each risk such as its potential impact and likelihood. During the review process, the identified risks are evaluated on an inherent basis, meaning their potential impact and likelihood are assessed without considering any existing control measures.

Following the assessment of inherent risks, mitigation strategies are carefully evaluated and enhanced as necessary. Mitigation strategies involve a range of actions and controls that are implemented to reduce the likelihood or impact of risks. These strategies may include process improvements, additional security measures, training programmes or any other measures deemed effective in addressing the identified risks.

Once the mitigation strategies have been reviewed and updated, the risks in the risk register are then rated on a residual basis. The residual rating reflects the level of risk that remains after implementing the mitigation strategies. This rating enables stakeholders to gain insight into the effectiveness of the applied controls and the residual risk exposure.

To provide consistent and meaningful ratings, a rating scale consisting of very low, low, medium, high and very high is adopted. This scale allows for a relative comparison of risks based on their residual impact and likelihood. The ratings assigned to the risks provide a clear indication of their significance and enable prioritisation of resources and attention to the most critical areas.

Residual Risks

During the quarterly monitoring process, SICOM evaluates the residual risks by comparing them to the Risk Appetite Statements, monitoring the Key Risk Indicators, and assessing the risk levels against the defined Risk Tolerance Levels. Any breaches or deviations from the desired risk profile are highlighted to the Risk Committee and Board. In case of breaches, appropriate management actions are implemented to address the issues and bring the risks back within acceptable limits. These actions may include revising control measures, enhancing risk mitigation strategies or making necessary adjustments to operational processes.

Furthermore, quarterly risk reports are prepared to provide a comprehensive overview of the SICOM's risk landscape. These reports include a summary of the residual risks, updates on risk mitigation efforts, key findings from the monitoring process and insights into any emerging risks. These reports are tabled to the Risk Committee for consideration and discussion.

Strategies to address Key Risks

SICOM continues to prioritise effective risk management as a critical component of the strategic framework. Management plays a proactive role in identifying and implementing risk mitigation strategies that are fitted to the specific risks faced by the Group. These strategies are in line with the scale and nature of SICOM's business objectives and strategic priorities, as well as relevant legal and regulatory frameworks. Key Risk Indicators are utilised to measure the effectiveness of the strategies, and recommendations for improvements are identified to strengthen the mitigation measures. This comprehensive approach enables the Group to proactively manage risks and enhance its resilience in achieving its goals.

Business Planning and Own Risk and Solvency Assessment

Every year, the Board considers the Business Plan (the Plan) and an Own Risk and Solvency Assessment (ORSA) for the Company. The Plan makes certain assumptions regarding future market conditions in which the Company operates. A strategic plan inherently comprises a series of underlying assumptions which is uncertain in nature and rely on judgement. Each year, the Company's Risk function assesses the Plan and prepares the ORSA report to provide comfort to the Board

Risk Management (cont'd)

that the Plan will not jeopardise the sustainability and viability of the Company. The Board has assessed the principal risks to which SICOM is exposed throughout the planning cycle. The Company's principal risks, as presented above, were reviewed as part of the preparation of the ORSA and the outlook for those risks over the period covered by the Plan was considered to derive the risk profile of the Company. The Board recognises that, in a Business Plan, uncertainty increases over time and therefore, future outcomes cannot be guaranteed or accurately predicted. As the Plan and ORSA are used for planning over a timeframe of three years, currently to 30 June 2027, this has been selected as the most reasonable period for the Board to review the Company's viability.

The Company's Risk Function has carried out an assessment of the risks to the Plan and the dependencies for the latter's success. The ORSA also included the Company's solvency and liquidity position, projected over different stress scenarios over a period of three years.

Stress Testing and Scenario Analysis

As mentioned above, stress testing is a crucial component of the ORSA where risk assumptions are adjusted in SICOM's capital and balance sheet projection models to determine the impact of key risks and their interactions with SICOM's risk appetite measures. The purpose is to enhance understanding by the Board and Management of the Company's risk exposure, the interactions between these risks and the impact these risks could have on the ability to meet business objectives. The stress tests are determined based on the main risks that Management believes are relevant to maintaining the sustainability of the Group.

A reverse stress test is also performed to identify the most probable combination of stresses that would result in capital loss and thus threaten SICOM, i.e., a reduction of own funds to below the solvency capital requirement. The purpose of this reverse stress test is to assess the coverage and scope of the internal economic capital model.

Business Continuity

In an unpredictable and ever-evolving landscape, maintaining a robust and effective business continuity strategy is crucial for sustaining operations and driving success. The year 2023 brought significant challenges, from global economic uncertainties to unprecedented natural disasters and escalating cyber threats. As these disruptions continue to grow in scale and scope in 2024, it is imperative that financial institutions strengthen their risk management programs and resilience.

SICOM recognises the critical importance of business continuity as a key element of our comprehensive management framework. This is designed to ensure the ongoing viability of essential business functions in the event of disruptions or emergencies. With this goal in mind, SICOM is implementing a tailored approach to business continuity management that matches the nature and scale of our operations. Our strategy enhances our resilience against disruptions, from both internal and external events, potentially reducing the impact on our operations, reputation, profitability, policyholders and other stakeholders.

Climate Change

Climate change poses a direct threat to our daily lives and economic stability, and at SICOM Group, we are acutely aware of our vulnerability to its effects. Recognising the substantial impact on our financial health, operations, and offerings, it is critical to both adapt to these changes and aggressively pursue mitigation strategies. Transitioning to a low-carbon, ecologically diverse model is imperative and has become an integral part of our strategic and operational planning.

In response to increasing regulatory expectations, SICOM Group is proactively enhancing its frameworks to manage climate-related risks. Regulatory bodies are emphasizing the need for rigorous risk management processes that incorporate climate scenarios into long-term planning. Our commitment extends beyond compliance; we aim to set industry benchmarks for managing and reporting on climate risks.

Our strategies for addressing climate change include reducing our carbon footprint, increasing our use of renewable energy, improving energy efficiency, managing a sustainable supply chain, enhancing climate resilience, and engaging in transparent reporting and collaborative efforts. These measures are fully integrated into our risk management framework, ensuring that we not only meet regulatory requirements but also contribute positively to the global fight against climate change.

Moreover, SICOM's commitment to sustainable development is prominently featured in our Sustainability Report, which provides a comprehensive overview of our engagement and progress towards environmental stewardship, highlighting our strategic initiatives and their alignment with global sustainability goals. This report is a testament to our dedication to placing sustainability at the core of our decision-making processes.

Emerging Risks

The ongoing transformation of global operational landscapes offers a wide range of possibilities, risks or disturbances for businesses. Emerging risks are risks which may newly develop or which already exist and are continuously evolving. Some major threats include supply chain challenges, financial constraints, cyberattacks, ESG demands, workforce challenges, project risks and regulatory uncertainty. They are characterised by a high degree of unpredictability in terms of impacts and likelihood and have a substantial potential impact on Insurance business lines, investment classes and/or operations.

In order to effectively navigate this uncertain environment, SICOM is striving to develop the capacity and approach to systematically recognise, rank and address emerging risks and opportunities.

Our Areas of Focus

Our risk landscape keeps changing as both business and regulatory environments evolve. We continue to make good progress in becoming more proactive in the identification and management of our principal risks through a combination of best-in-class risk practices, greater engagement across the Three Lines of Defence and increased use of data and analytics. We continuously review our risk-related policies to ensure they are in line with current risk management expectations.

In addition to known principal risks, we undertake the identification and analysis of emerging ones, which we believe are:

- **Cyber Threats**
  Despite the numerous controls such as robust patch management process, endpoint detection and response, and Multifactor Authentication implemented to mitigate cyber-attacks, cyber threats continue to be one of the top risks on business leaders' minds. Many cyber-attacks observed in recent years, however, have sidestepped cyber controls as attackers leveraged basic and sophisticated attack methods to take control over systems and information, causing many business disruptions and brand damage. As companies adapt and explore AI and other emerging technologies, new challenges will emerge relating to cyber security, data privacy and governance. Investment in and commitment to risk management around new technologies will be critical to manage risk effectively.

- **Supply chain fragility**
  Disruptions are not only occurring with goods but also with services across the region and industries. Local businesses are feeling the reverberations of global events, with climate-related occurrences like floods and extreme temperatures, capable of disrupting entire food supply chains or the provision of services. Moreover, the anticipated rise in social and geopolitical risks adds another layer of threat to the already fragile supply chain.

- **Cloud Concentration Risk**
  This risk stems from excessive reliance on a single cloud service provider for critical business functions, which could lead to significant disruptions during provider outages. Key factors include increased regulatory scrutiny, limited vendor choices, and restricted access to essential microchips for GenAI and cloud services. Potential impacts include operational disruption arising from regulatory efforts to mitigate cloud concentration due to sudden changes in cloud service providers. Furthermore, greater dependency on a single provider increases the scope and severity of disruptions, heightening business continuity risks. Lastly, heavy reliance on a specific provider could restrict an organisation's technological flexibility and give significant control to the vendor.

- **Risk Culture**
  We are also working towards strengthening the Risk Culture across the Group by adopting a risk-aware culture throughout the entire organisation, with the aim of driving effective risk management practices.

05

Partners in Your Children's **Future-Pioneers** of Their Progress

Investment

About

Investment is a critical component of SICOM's business model, serving as a cornerstone for organisational success. It plays a pivotal role in defining, implementing and monitoring the goals and strategies of the Group's diverse funds, spanning both domestic and international markets.

SICOM Global Fund Limited and SICOM Management Limited were both incorporated in Mauritius on 30 June 1998 and commenced operations in December 1999. Regulated by the Financial Services Commission, SICOM Global Fund Limited operates as a Collective Investment Scheme and Expert Fund, while SICOM Management Limited provides investment management services.

Market Overview

Despite challenges such as high inflation, monetary tightening and potential recession risks, global equity indices experienced a sustained rally during the financial year ended 30 June 2024. This was driven by easing price pressures, a cooling labour market, and strong corporate earnings and consumer spending, especially in the US. Buoyed by sustained interest in artificial intelligence and generative technologies, the technology sector continued to drive performance. However, global yields remained volatile due to evolving prospects of central banks easing as market participants reacted to relevant economic data and reports.

Against such a backdrop, the global bond market experienced significant volatility due to changing central bank policies and economic conditions. While rising yields and widening credit spreads posed challenges, the anticipation of easing monetary policies and moderating inflation provided some relief and recovery.

Domestically, the equity market posted a strong performance, supported by robust corporate earnings and higher dividend announcements. While inflation declined, the Key Rate remained unchanged at 4.50% per annum. The Mauritian yield curve initially shifted upward but later declined due to increased market liquidity, leading to lower auctioned yields on medium to longer-term Government securities.

Value Creation

During the financial year, we consolidated our investment portfolios around high-conviction themes and expanded our exposure to alternative investments, such as private equity, private credit and infrastructure debt. These asset classes have contributed to portfolio diversification and risk reduction.

As we advance on our sustainability journey, we are proud to report our first submission to the United Nations Principles for Responsible Investment (UN PRI). By integrating ESG factors into our investment process, we aim to generate long-term value while contributing to a sustainable future.

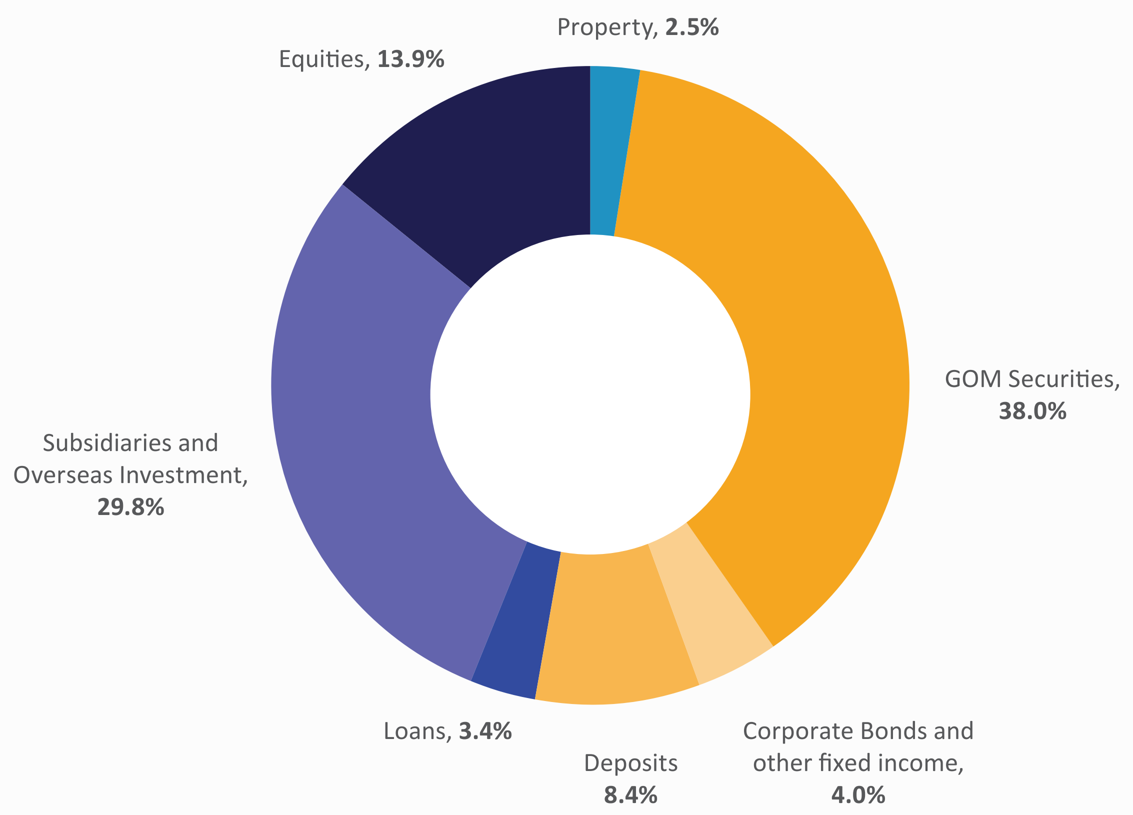
To enhance our investment decision-making, we adopted a cutting-edge data and information platform that has improved our ability to identify investment opportunities and assess risks. Additionally, an independent investment consultant has been engaged to review and benchmark our overseas portfolios' construction process and holdings.

Moreover, SICOM Management Limited initiated discretionary portfolio management services, successfully fulfilling initial mandates. Business development efforts included launching the "SICOM Investment Advisers" brand and issuing monthly newsletters and factsheets. A new advisory mandate was secured and a comprehensive business development plan implemented.

Performance

The different funds managed by SICOM benefitted from the positive performance of both their domestic and overseas investments over the financial year ended 30 June 2024. Total investments under management increased from MUR 72.1 billion in 2023 to MUR 81.0 billion.

With higher dividends from domestic equity investments and stable interest income from our fixed-income portfolio, total investment income increased from MUR 2.5 billion in the previous year to MUR 2.9 billion. New investments totalled MUR 19.2 billion compared to MUR 18.1 billion in the previous year.



SICOM Global Fund Limited's total assets grew by 13.2% to USD 448.4 million. However, total income declined to USD 39.3 million due to lower unrealised gains compared to the previous year's exceptional performance. Consequently, Profit Before Tax fell to USD 35.1 million. Despite this, the Funds investment portfolio delivered a positive investment return of 8.8% for the year.

SICOM Management Limited's total assets and investment income grew by 6.3% and 90.5% to USD 13.5 million and USD 0.6 million respectively. Higher management fee income, driven by increased assets under management, led to a 20.7% rise in total income to USD 4.7 million and a 20.9% increase in profit before tax to USD 4.7 million.

Investment (cont'd)

Outlook

The near-term economic landscape will be influenced by lower inflation, potentially lower interest rates and geopolitical factors. Global equity valuation remains stretched, having already factored in future positive earnings growth and lower interest rates. Any negative surprises could lead to market volatility.

We believe that global diversification and active management are crucial for capturing returns while managing risks. We will continue to review and rebalance our portfolio, focusing on core holdings and exploring new investment themes for the medium to long term.

Domestically, while attractive fixed-income opportunities remain scarce, the outlook for domestic equities remains positive. We will continue to add to our high-conviction ideas in equity and fixed income, considering market opportunities.

Inputs	Risk	Material Matters Impacted
Financial Capital • Investments under management MUR 81.0 billion • Investment income MUR 2.9 billion • New investments MUR 19.2 billion	Market and Investment	Business Growth and Diversification
Human Capital • Our 16 engaged employees, delivering on providing excellent service to clients • Capabilities and skills: DEA, CFA, ACCA, MSc, MBusSc and MBA	Operational	Customer Experience and Digitalisation
Manufactured Capital • Investment software • Robotic Process Automation	Market and Investment Strategic Operational	Business Growth and Diversification
Intellectual Capital • Investment Management • Collective Investment Scheme Management • Trustee Services • Investment Advisory Services • Market knowledge	Strategic	Business Growth and Diversification
Social Capital and Natural Capital • Investment in ESG and Impact Funds • Signatory to the UN Principles of Responsible Investment	Strategic	Customer Experience and Digitalisation

Life Insurance

About

The Life Insurance segment comprises 2 pillars, namely Individual and Group Life operations.

Since 1979, Sicom Individual Life operations have evolved to offer a variety of life assurance and personal pension plans for all customer segments. With a 23% market share, we offer flexible products ranging from pure protection to unit-linked policies to meet the aspirations of our customers.

The Group Life operation offers protection schemes to corporate clients, parastatal bodies, and the public sector. Since 1981, it has administered family protection schemes for parastatal employees, with local government and public sector staff joining in 2013. This segment has grown steadily and continues to present promising expansion opportunities.

Market Overview

The individual Life business operates within a highly competitive market environment with four main players vying for their respective shares. Life policies have a penetration rate of 2.0% of GDP, excluding pensions, and individual pensions stand at 0.5% of GDP.

The financial year 2023-2024 was again marked by significant inflationary pressures, which heavily impacted the disposable income of customers and high volatility in interest rates. These changing market dynamics contributed to a decline in the savings culture among consumers which means lower in demand for Life savings products.

The industry is currently facing significant challenges, including regulatory requirements (primarily IFRS 17 for insurance contracts accounting), economic pressures, changing customer demographics, competition from non-insurers and evolving customer expectations.

These market conditions have led some companies to offer unprofitable products in an effort to maintain their market share. This will inevitably lead to further complications in terms of solvency margins and will ultimately create an imbalance in the sector.

Furthermore, inflation is significantly increasing the per policy expense, thereby challenging the overall attractiveness of life policies. However, the interesting returns on investments in foreign currency, are favourable for unit-linked long-term life policies. This trend may potentially boost sales of such policies.

Value Creation

During the financial year, the Life Insurance business made significant strides in value creation across several key areas. One notable achievement was the successful launch of Maxinvest Plan, which is a Unit Linked policy offering investment opportunities in three distinct funds. A major milestone under the Group Life business is the reviewing of the Group Life protection plan to offer more competitive premiums to customers.

In the Individual Life segment, we consolidated our market share, thereby strengthening our position in this very challenging environment. Premium income in the Group Life segment increased significantly, showcasing the success of our marketing and operational strategies.

We have continued our digital transformation efforts to enhance the efficiency and simplicity of our customer interactions in terms of processes and turnaround time.

Customer onboarding has been simplified to allow customers to access our products and services easily.

All our services, ranging from online purchase to after sales service under Individual Life can be easily accessed through our Customer Portal.

Performance

In the Individual Life sector, the premium on new business saw a substantial decrease of 32.8%, from MUR 1.9 million to MUR 1.3 million. This was primarily due to the discontinuation of sale of Fidelity policies. In contrast, the Group Life segment exhibited robust growth, with premiums increasing by 27%, from MUR 689 million to MUR 875 million. Despite this growth, the overall Life Premium witnessed an 8% decrease, from MUR 2.4 billion MUR 2.2 billion.

The reinsurance premium paid dropped by 12.5%, from MUR 228.4 million to MUR 199.9 million, attributed to recent changes in treaty conditions. Consequently, the net premium experienced a 7.5% decline from MUR 2.12 billion to MUR 1.96 billion. However, the proactive arrears monitoring system contributed to a 10% decrease in the surrender value paid, from MUR 58.7 million to MUR 52.7 million.

Life Insurance (cont'd)

Outlook

Volatility in interest rates poses a challenge, affecting our investment strategies and financial planning. Elevated interest rates on loans will further dampen demand, indirectly impacting the sales of new life policies. Additionally, persistent high inflation further strained the disposable income of our customers and prospects, making it difficult for them to invest in life policies.

The industry-wide challenge of attracting and retaining skilled employees and intermediaries continued to be a source of concern.

The outlook for the coming year is focused on strategic initiatives to re-align our existing structure to adapt to these new market dynamics.

We shall also review our distribution model in order to enhance its capabilities. This expansion in distribution channels is anticipated to drive growth and solidify our market presence.

Expanding our market reach by exploring new markets or demographics to drive growth is another important milestone set.

On a micro level, aggressive campaigns are planned to boost sales of the MaxInvest Plan and individual pension products while new products will shortly be launched to reinforce our value proposition to customers.

We are also leveraging our existing group life membership base by cross-selling individual policies. This strategy aims to provide comprehensive coverage to our clients, enhancing their overall insurance portfolio and ensuring their diverse needs are met.

Our commitment to improving operational efficiency for better cost management and accountability remains a key focus. We will enhance customer service further by deploying automated notifications and improving accessibility of information via the SICOM MyLink app, among other initiatives. These initiatives aim to increase customer satisfaction and engagement.

Inputs	Risk	Material Matters Impacted
Financial Capital • Insurance Revenue MUR 1.0 billion • Insurance Contract Liabilities MUR 15.2 billion • Insurance Profit before Tax MUR 220.0 million	Market and Investment Life Underwriting Counterparty Default	Business Growth and Diversification
Human Capital • Our 79 engaged employees, delivering on providing excellent service to customers • Our salespersons are also a critical resource to service and maintain customer relationships • Capabilities and skills: Chartered Insurer, actuarial pricing, operations management, reinsurance and business development	Life Underwriting Operational	Customer Experience and Digitalisation
Manufactured Capital • Deployment of Life System • Computerisation of Group Life System • Online Sales platforms • Robotic Process Automation • Agents network • Alliance with banks • Reinsurance partners	Market and Investment Strategic Operational	Business Growth and Diversification Customer Experience and Digitalisation
Intellectual Capital • Number of years in existence - 44 • Brand and know-how of the business • Unique product offerings	Operational	Business Growth and Diversification
Social Capital and Natural Capital • Initiatives to eliminate paper transactions and facilitate access to information digitally • Digital Life Policy • Project to provide online access of statements to Group Life members in the pipeline	Operational	Customer Experience and Digitalisation ESG

Pensions

About

The State Insurance Company of Mauritius Ltd (SICOM) was established in 1975 with a primary objective of offering assistance and advice in the formation, administration, valuation and winding up of pension schemes for the Government, para-statal organisations and any other public or private company or association.

SICOM is a leader in the managed pensions business in Mauritius in terms of net assets under administration. As per legal requirements, all statutory bodies listed under the Statutory Bodies Pension Funds Act must entrust us with their pension fund administration. Furthermore, all new recruits in the public service from 1 January 2013 must join the Public Pensions Defined Contribution Pension Scheme (PPDCPS), which is also administered by SICOM. We also manage pension funds for many private organisations.

Market Overview

The pension market is characterised by a competitive landscape, particularly in the private sector where many large companies already have established pension plans. While the process of switching pension administrators is complex, SICOM has positioned itself as a leading provider with active market engagement primarily through our sales agents and brokers, and a dedicated business development team.

Our focus on both the public and private sectors offers a diversified approach. The public sector, with its consistent influx of new recruits, represents a significant growth opportunity. However, acquiring new private pension business is challenging due to factors such as existing pension schemes, the attractiveness of the Portable Retirement Gratuity Fund (PRGF), complex regulatory requirements and fierce competition. Additionally, the investment landscape is volatile and pensions legislation is dynamic.

Value Creation

Pensions administration has been a major value-added business activity for SICOM, aligning with the Group's objectives of customer focus, innovation and technology, sustainability and ESG initiatives.

The Pensions Department's value creation is driven by its strong financial capital, boasting net assets under administration of MUR 51.6 billion and successfully disbursing retirement benefits amounting to MUR 4.7 billion. During the year ended June 2024, human capital played a vital role, with a team of around 33 professionals equipped with expertise in Pension Administration, Finance and IT.

Manufactured capital includes customer portal services, a document management system, and a customer service charter, all contributing to seamless client experiences. Intellectual capital encompasses Group Pensions Administration, representing SICOM's extensive technical knowledge and experience in the field.

In terms of social and natural capital, the focus is on enhancing pensioners' convenience by sending payment advice via email and fostering stronger relationships with sponsors and participants through regular information sharing.
Our unique expertise in managing public sector pension funds, competitive administration fees and superior investment returns set us apart from peers. We have achieved an increase in the success rate for acquiring new businesses in the year under review. Additionally, benefit statements are now available on the Government portal, MoKloud.

Performance

SICOM's pension fund business experienced significant growth during the financial year ended June 2024. Net assets under administration surged to MUR 51.6 billion, a substantial increase from the previous year's MUR 45.9 billion. This growth was primarily driven by increased membership and higher contributions.

The number of members rose notably due to the influx of new recruits in the public sector while the pensioner population expanded from 13,155 in 2023 to 13,689 by June 2024. Annual contributions by funds amounted to MUR 4.8 billion, reflecting an increase from the previous year's MUR 4.2 billion.

The excess of income over outflows for the year under review was MUR 5.7 billion compared to MUR 4.0 billion last year due to better performance of both local and overseas financial markets.

Pensions (cont'd)

Outlook

SICOM is committed to continuous improvement in pension administration. We are enhancing our pension software to streamline processes and improve service delivery for both staff and clients. Additionally, we are exploring cost-effective transaction options to optimise operational efficiency and competitiveness.

To enhance accessibility, members and pensioners' information will soon be available on the SICOM Group Portal, complementing the existing MoKloud platform. An advertising campaign for our group pension business will also be launched across social media and other channels to expand our market reach.

Looking ahead, we aim to sustain our 20% success rate in acquiring new private pension businesses.

Inputs	Risk	Material Matters Impacted
Financial Capital • Net assets under administration MUR 51.6 billion • Retirement benefits paid MUR 4.7 billion	Market and Investment	Business Growth and Diversification
Human Capital • Our 33 engaged employees, delivering on providing excellent service to our stakeholders • Capabilities and skills: Pension Administration	Operational	Customer Experience and Digitalisation
Manufactured Capital • Customer portal service to provide convenient online services to our clients • Customer service charter	Strategic	Customer Experience and Digitalisation
Intellectual Capital • Group Pensions Administration • Technical knowledge and experience	Strategic	Employee Engagement and Development
Social Capital and Natural Capital • Pensioners Payslips sent by email • engage more often with sponsors and participants for sharing of information	Strategic Operational	Customer Experience and Digitalisation ESG

Actuarial

About

Established in 1975, SICOM's Actuarial Services Department initially focused on managed pension schemes for Government and parastatal institutions. Over the years, it has evolved into a leading provider of actuarial services, offering a comprehensive suite of solutions, including pension fund valuations, pension consultancy, life fund valuations and product pricing. The department plays a pivotal role in advising pension clients and holds the authority to sign off on pension valuation reports and IAS 19 – Employee Benefits disclosures.

Market Overview

The actuarial services landscape in Mauritius is dynamic, with players differentiating themselves through expertise, technology and the breadth of services offered. The market features a mix of in-house capabilities and external consultancies. Most large insurance companies maintain in-house actuarial teams to support core business functions such as group pensions and life assurance.

The increasing complexity of the insurance landscape, particularly with the implementation of IFRS 17 – Insurance Contracts, has required significant investment in actuarial expertise and resources across the industry. In addition to in-house functions, several actuarial consultancy firms have established a presence in Mauritius, catering to both domestic and regional clients with specialised actuarial services.

Value Creation

The Actuarial Services function is a strategic asset for SICOM, contributing significantly to value creation. Through pension consultancy services, the department generates fee income, enhancing overall revenue. By strategically insourcing actuarial assignments, the function optimises resource allocation, leading to cost savings and improved operational efficiency.

Beyond financial performance, the Actuarial Services team supports other business units by providing expert technical guidance. This collaborative approach strengthens the Group's overall capabilities and risk management framework.

Performance

During the financial year 2023-2024, the department continued to deliver good performance. Revenue from pension-related actuarial services increased from MUR 11.9 million in 2022-2023 to MUR 14.3 million, reflecting growing demand for our expertise. The number of actuarial exercises completed rose from 186 to 210, including the valuation of a significant local pension fund. Additionally, the Actuarial Services function contributed to the Asset Liability Modelling Exercise and Actuarial Valuation of the Public Pension Defined Contribution Scheme.

In the life insurance domain, the interim life valuation and associated solvency capital calculation were conducted in-house. Furthermore, the department played a pivotal role in preparing the opening balance sheet and income statement for the transition year prior to implementation of IFRS 17.

The team also continued to insource actuarial work for the General Insurance business, undertaking the 2023 year-end valuation and contributing significantly to the IFRS 17 implementation process.

Actuarial (cont'd)

Outlook

The Actuarial Services Department is focused on enhancing its capabilities and capacity to meet evolving business needs. This includes expanding in-house expertise, particularly in areas such as IFRS 17 and life actuarial valuations. To optimise efficiency, the department will continue to automate routine tasks, allowing for greater focus on complex and strategic initiatives.

Strengthened collaboration with other departments, including Finance, IT, Life and General Insurance, will facilitate the implementation of IFRS 17. Moreover, the department is exploring opportunities to offer actuarial services to external clients, leveraging its expertise and contributing to overall business growth.

Inputs	Risk	Material Matters Impacted
Financial Capital • Generated actuarial fees MUR 14.3 million	Operational Counterparty Default	Business Growth and Diversification
Human Capital • Our 10 engaged employees, delivering on providing excellent service to customers • Capabilities and skills: Actuarial science, Actuarial valuation, Pension valuation. IAS 19	Operational Strategic	Customer Experience and Digitalisation
Intellectual Capital • Actuarial valuation techniques • Implementation of IFRS 17	Life Underwriting Operational Counterparty Default	Business Growth and Diversification
Social Capital and Natural Capital • Actuarial valuation for Pension funds of Statutory Bodies and corporate clients • Embedding ESG in Risk When doing valuations	Life Underwriting Operational Counterparty Default	Business Growth and Diversification ESG

General Insurance

About

SICOM General Insurance Ltd (SGIN), established in 2010, continues a legacy dating back to 1975. Since its inception, the General Insurance business has been providing essential protection for individuals and businesses.

We offer a diverse range of insurance products, catering to evolving market needs. Our commitment to customer satisfaction, innovation and financial stability has solidified our position as a leading player in the Mauritian insurance landscape.

SGIN focuses on prudent underwriting practices to ensure long-term sustainability. Our diversified product offerings and robust reinsurance programme further contribute to our resilience and ability to weather economic fluctuations.

Market Overview

The global insurance landscape has experienced remarkable growth in recent years, fuelled by economic resilience and favourable market conditions. The industry is poised to maintain a steady growth trajectory of 5.5% annually over the next decade, mirroring the expansion of global GDP.

The escalating frequency and severity of global risks have intensified scrutiny on the industry's capacity to serve as society's financial safety net. While cyber threats continue to evolve, climate change has led to a surge in natural disasters, including flash floods, rainfall variability and intense tropical cyclones.

The insurance sector in Mauritius has witnessed steady growth, driven by increasing demand for motor and property insurance, as well as a surge in healthcare insurance due to rising costs and an ageing population.

The Mauritian insurance market is undergoing significant transformation, influenced by technological advancements, new market entrants, heightened regulatory oversight and evolving customer expectations. Artificial Intelligence is poised to revolutionise various aspects of the industry, from risk assessment and claims processing to marketing and sales.

Value Creation

SGIN demonstrates a sound financial foundation with solid Gross Written Premium (GWP) and a healthy Profit Before Tax (PBT), underpinned by a robust solvency ratio.

Human capital is a cornerstone of SGIN's success. Our dedicated team of 89 engaged employees, including skilled salespersons, plays a crucial role in delivering exceptional customer service. Their expertise, ranging from Chartered Insurer certification to underwriting, claims management, reinsurance and business development, contributes significantly to the Company's performance. Our commitment to employee development ensures our team is well-equipped to meet the evolving demands of the insurance industry.

SGIN's commitment to innovation is demonstrated by its investment in manufactured capital. We leverage technology to enhance the customer experience, offering online sales platforms, a Surveyor Portal and Robotic Process Automation. These initiatives streamline processes and improve efficiency.

Intellectual capital is nurtured through employee development, industry expertise, and strategic partnerships. SGIN prioritises social and natural capital by embracing digital solutions, such as the SICOM MyLink mobile application and paperless initiatives. The successful launch of the International Health cover and collaborations with renowned healthcare providers in India have expanded SGIN's product offerings and customer reach.

SGIN also plays a vital role in addressing the challenges posed by climate change. We promptly pay out claims when customers suffer losses due to natural disasters, showing our commitment to supporting them during times of crisis and contributing to the resilience of the Mauritian community.

Performance

SGIN has demonstrated an exceptional financial performance in the financial year despite a challenging market environment. GWP and PBT have experienced significant growth, reflecting our ability to adapt and thrive.

In its first full year of adopting IFRS-17 accounting standards, SGIN achieved remarkable results, with insurance revenue reaching MUR 1.9 billion and pre-tax profit of MUR 84.0 million.

SGIN's GWP has consistently grown over the past five years to surpass the MUR 2.0 billion mark, underscoring an expanding market presence. Despite industry challenges, we have maintained a strong profitability profile, reflected in our 21% increase in insurance revenue.

General Insurance (cont'd)

Outlook

As we move forward, our focus will remain on sustaining our growth trajectory and strengthening our market position. We are confident in our ability to achieve these objectives, leveraging our strong brand presence, deep customer focus and proven claims expertise.

We anticipate another year of progress and success, driven by our commitment to innovation, excellence and customer satisfaction.

Inputs	Risk	Material Matters Impacted
Financial Capital • Insurance Revenue MUR 1.9 billion • Insurance profit MUR 84.0 million • Solvency ratio	Market and Investment Counterparty Default	Business Growth and Diversification
Human Capital • Our 89 engaged employees, delivering on providing excellent service to customer • Our salespersons are also a critical resource to service and maintain customer relationships • Capabilites and skills: chartered insurer (CI), underwriting, claims and other operations management, reinsurance and business development	Operational Strategic	Customer Experience and Digitalisation
Manufactured Capital • Online sales platforms for home, medical and travel insurance • Surveyor Portal • Robotic Process Automation • Partnership with dealers • Agents network • Business Growth and Diversification • Customer Experience and Digitalisation • Reinsurance partners	Operational Strategic	Business Growth and Diversification Customer Experience and Digitalisation
Intellectual Capital • Employees know-now • Employees expertise of the business • Networking in the industry	Operational Strategic	Business Growth and Diversification Customer Experience and Digitalisation
Social Capital and Natural Capital • Onboarding, request for quotes and information can now be done digitally • Mobile app • Paperless initiatives	Operational	Customer Experience and Digitalisation ESG

Financial Services

About

SICOM Financial Services Ltd (SFSL) is a public company licensed by the Financial Services Commission for lease finance and collective investment scheme management, and by the Bank of Mauritius to conduct deposit-taking and loan businesses. This subsidiary of the Group was incorporated in December 1999 and is operational since April 2000.

SFSL benefits from several competitive advantages, including attractive fixed interest rates, a strong interest margin and comprehensive leasing services. Key achievements over the past year include the launch of the SICOM My SpeedyLoan online platform, the implementation of robotics for interest payments, the introduction of Eco-Lease packages for hybrid and electric cars and successful partnerships with car dealers.

Market Overview

SFSL operates in a highly competitive market, contending with banking institutions that also offer attractive interest rates on leasing and fixed deposits.

Despite this, the Company has achieved robust growth in its leasing segment, largely due to the Eco-Lease package and the revamping of its operating lease business.

SFSL's performance is influenced by fluctuations in the Key Rate and inflation, which impact customers' debt-to-income (DTI) ratios and consequently, the sales of leasing and personal loan products. The rise in the Key Rate has created new investment opportunities, allowing SFSL to restructure investments for higher yields.

Banks' aggressive advertising campaigns and competitive rates provide them with significant market visibility. Nonetheless, SFSL continues to adapt and thrive in this competitive environment.

Inflation remains a critical macroeconomic indicator and the rising demand for electric and hybrid cars presents further opportunities for the Eco-Lease package. Digitalisation is a key focus for enhancing client interactions and maintaining market competitiveness.

Value Creation

SFSL is committed to value creation through various initiatives. The implementation of a seamless online service for client onboarding has streamlined the process for new customers, enhancing accessibility and efficiency. Maintaining fixed interest rates on all products provides stability and predictability, while our one-stop shop approach for insurance and leasing facilities meets diverse customer needs.

Over the past year, we have achieved substantial growth in the leasing sector, driven by strategic initiatives and market demand. The introduction of variable rates for fixed deposits has offered clients greater investment flexibility. The revamp of our operating lease business and our strategic partnership with prominent car dealers have strengthened our market position and expanded our customer base.

Challenges include fierce competition from banks and an increasingly saturated market for personal loans, compounded by inflationary pressures and fluctuations in the Key Rate.

Performance

For the financial year, Profit before Tax (PBT) reached MUR 28.9 million, consistent with budgeted expectations. This performance is primarily driven by strong results in the leasing segment, which have significantly contributed to our financial outcomes.

Interest income has been a crucial factor in supporting our financial performance, reflecting the benefits of both fixed and variable rate products. The interest margin remains robust, highlighting effective cost management and profitability. Sales across various product lines have positively impacted overall performance, with particularly strong growth in the leasing segment.

Financial Services (cont'd)

Outlook

SFSL's future prospects are encouraging. We will continue to focus on expanding our lease business and capitalising on increasing demand for leasing solutions. Plans include introducing variable rates on leasing and speedy loans, extending loans as well as deposit-taking terms, and increase our focus on the operating lease business.

The Eco-Lease product will continue to cater to the growing interest in environmentally friendly vehicles, reinforcing our position in the green leasing market.

The adoption of the Avanteam tool will enhance process efficiency, while strategic partnerships with fleet management companies, will support the growth of our operating lease business.

We also plan to increase sales of electric cars and explore the financing of solar panels, aligning with global sustainability trends. Additionally, extending loan repayment terms will offer clients more flexibility.

Inputs	Risk	Material Matters Impacted
Financial Capital • Total deposits MUR 2.0 million • Investments in finance lease MUR 1.0 billion • Investment in loans MUR 701 million • Profit before tax MUR 28.9 million	Market and Investment	Business Growth and Diversification
Human Capital • Our 14 engaged employees, delivering on providing excellent service to customers • Capabilities and skills: Accounting. Loans Management, Leasing, and Collective investment Scheme (CIS)	Operational Strategic	Customer Experience and Digitalisation
Manufactured Capital • Online platforms for Instant quote, Eligibility, E-proposal and onboarding new client • Loan management software developed inhouse	Operational Strategic	Business Growth and Diversification
Intellectual Capital • Employees know-how. and expertise of the business and networking in the industry • Products and services	Strategic	Business Growth and Diversification Employee Engagement and Development
Social Capital and Natural Capital • Promoting eco lease package- Greener solutions • Support SME market	Market and Investment Strategic	Customer Experience and Digitalisation ESG

Secured Loans

About

SICOM began offering Housing Loans to its life assurance policyholders in late 1982. Over the years, we have broadened our portfolio to include Commercial Loans, Multi-Purpose Loans, Educational Loans and Fixed Deposit Loans. These additions reflect our commitment to meeting market demands and supporting our business growth objectives.

The secured loans portfolio contribute to manage a portion of the investments for our life, pension and other funds. These investments are strategically managed to generate satisfactory returns, ensuring the payment of benefits to our life assurance policyholders, pensioners and other stakeholders, thereby directly contributing to the Group's overall profitability.

Market Overview

The commercial banking sector in Mauritius currently dominates the lending landscape, holding over 70% of the market share. The increasing number of lending institutions, coupled with a limited and ageing working population, has intensified competition in the loan business. Rising levels of consumer indebtedness further complicate the landscape, making the current operating environment particularly challenging compared to previous decades.

Commercial banks have ramped up their efforts to attract clients by offering discounts on handling and documentation fees. These aggressive tactics have heightened the competition among financial institutions.

In the insurance sector, SICOM holds the second position in the loan market. Housing loans remain the most sought-after product, supported by Government incentives such as income tax interest relief for residential properties and refunds under the Home Loan Ownership Scheme.

The Government's encouragement of green projects, including financing for electric and hybrid vehicles, photovoltaic systems and rainwater harvesting, presents significant growth perspectives. SICOM is well-positioned to tap into these opportunities by offering competitive interest rates through our Eco-Loan product.

However, challenges remain, including an ageing population, over-indebtedness and fluctuations in the Key Rate, all of which complicate strategic planning for the future.

Value Creation

The core activities of the Secured Loans business are fundamental to our financial sustainability, driving revenue and profit generation, which are essential for sustaining operations, reinvesting in growth and ensuring financial stability. This foundation allows SICOM to expand its services and deliver consistent stakeholder returns.

Socially, the Company plays a vital role in helping eligible income earners acquire and construct homes, thereby enhancing their quality of life. We are committed to ethical practices, diversity and inclusion, contributing positively to society. In the intellectual sphere, SICOM offers Educational Loans with moratoriums, enabling eligible applicants to access world-class education and thus fostering human capital development.

Environmentally, SICOM supports green projects by providing affordable interest rates on loans aimed at preserving nature and reducing carbon emissions. This commitment to sustainability is reflected in our efforts to contribute positively to the environment through our financial products.

Key achievements this year include a significant increase in the loans portfolio, a targeted reduction in total arrears and a decrease in non-performing loans. The implementation of the second phase of the workflow solution has enhanced tracking processes and reduced paper usage, aligning with our environmental goals.

Challenges include fierce competition from the banking sector, inflationary pressures and the general over-indebtedness of the working population. Additionally, updating our loan system, presents operational challenges that will be addressed to maintain our competitive edge.

Performance

For the financial year ending 30 June 2024, the Secured Loans vertical demonstrated robust growth and resilience. The total loans portfolio expanded by 12%, reaching MUR 2.5 billion, up from MUR 2.2 billion in the previous year. This growth was driven by a strategic focus on client retention, new customer acquisition and the enhancement of loan products to meet diverse financial needs.

Interest income from loans saw a notable increase of 18%, totalling MUR 132.2 million compared to MUR 112.3 million in the previous year. This rise can be attributed to an improved interest rate environment and effective risk management practices ensuring a high-quality loan portfolio. Fee income and commission has remained stable at MUR 2.7 million.

New loan disbursements were significant, amounting to MUR 526.4 million, a 15.23% increase from MUR 456.7 million in the prior year. This growth underscores our commitment to supporting clients' financial aspirations and the continued trust placed in our secured lending solutions.

Secured Loans (cont'd)

Outlook

As technology continues to evolve, SICOM remains committed to leveraging these advancements for the benefit of our customers. The recent implementation of cutting-edge software, various mobile applications and customer portals underscores our dedication to enhancing the customer experience. These tools enable seamless access to customer records and streamline our business processes.

The transition from paper-based and spreadsheet-driven processes to smart applications has revolutionised how we manage business operations and customer interactions. Enhancing digital transformation has allowed us to rethink and refine our internal workflows and customer service approaches. Additionally, integrating social media into our service offerings has expanded our ability to engage with customers on their preferred platforms.

We plan to further strengthen our IT systems with innovative tools, including the introduction of the Eco-Loan product, which offers competitive interest rates and emphasises sustainable financing.

Inputs	Risk	Material Matters Impacted
Financial Capital • Total loan book of MUR 2.5 billion • Hich quality loan book with low provision ratio	Market and Investment	Business Growth and Diversification
Human Capital • 14 engaged staff having served for many years	Operational	Customer Experience and Digitalisation
Manufactured Capital • Seamless loan application process • Loan management software and tools • Cross selling opportunities within the group	Market and Investment Strategic Operational	Business Growth and Diversification
Intellectual Capital • Employee know-how and experience flexible and adapted products and services	Strategic	Business Growth and Diversification
Social Capital and Natural Capital • Promoting Eco-loans	Strategic	Customer Experience and Digitalisation ESG

Facilities

About

The Facilities Department ensures a safe and healthy work environment for all SICOM staff by offering building services maintenance and other support services that promote operational excellence, cost control and risk mitigation.

Market Overview

The market has faced frequent shortages of spare parts and a lack of specialist technicians for complex issues. With most installations nearing the end of their life cycle, maintenance costs are rising and limited liability coverage exacerbates this challenge. Additionally, the increasing risks associated with climate change require precautionary measures to protect installations from cyclones and floods, further straining the department's resources.

Value Creation

The Facilities Department contributes to value creation for the organisation and other stakeholders by ensuring a secure and safe work environment for staff and visitors. This enhances financial capital by reducing potential losses due to accidents. Additionally, the department provides reception and registry services, which support human capital by facilitating efficient communication and collaboration.

The department also plays a key role in implementing risk-mitigating measures for disaster recovery and security measures to protect intellectual capital by safeguarding critical data and infrastructure. Efficient resource use, including electricity consumption and monitoring of operational costs contribute to environmental capital by reducing waste and promoting sustainability.

Our business strength lies in our in-house technical expertise. The challenge remains in striking the right balance between insourcing and outsourcing to minimise costs and improve output. We are also addressing issues related to ageing infrastructure, increased material and labour costs, and difficulties in sourcing spare parts locally.

Major achievements in the financial year include expanding canteen space and upgrading the chiller and CCTV systems. The Facilities Department has also adopted a paperless approach to reduce costs and carbon emissions related to our activities.

Performance

For the financial year 2023-2024, rising inflation and increasing costs of materials and labour have significantly impacted our budget.

The department has earmarked MUR 36.1 million as capital expenditure for SICOM Building 1, compared to MUR 26.4 million spent in 2022-2023. Major projects include the installation of split-type air conditioning units using inverter technology and associated renovation works on levels 4 and 5 of the building. This project improved the resilience of the air conditioning system and enhanced the working environment for staff with an open-floor design to encourage collaboration and teamwork.

Funds amounting to MUR 36.7 million were earmarked as operational expenditure for SICOM Building 1 for the financial year 2023-2024, compared to MUR 32.3 million in 2022-2023. This is mainly due to the rise in security and cleaning contract costs, a direct consequence of the increase in the minimum wage in Mauritius.

Outlook

Our innovation efforts include managing departmental and tenant requests through a more efficient, quick and safe online helpdesk system for more interactive monitoring.

Moreover, we intend to implement similar systems to the GSM technology used for online monitoring of the fire alarm system at SICOM Tower for other building services equipment in other buildings. Fire alarm fault tracking is undertaken via mobile, allowing remote specialist technicians to intervene rapidly.

Research and development activities involve an in-depth exploration of applications for supplier payments. Another future area of improvement is the management of spare parts. The team is actively working to automate this process to implement Just-In-Time management for required spare parts.

Future prospects also involve the use of AI integration tools, energy efficiency measures, targeted training and cost reduction through automation.

Property

About

SICOM's Property function focuses on maximising the value of our real estate portfolio through strategic asset management. The department conducts market research, feasibility studies, lease management and tenant relationship management to optimise property performance. With a portfolio of six properties valued at MUR 2.2 billion, the Group has consistently generated attractive returns.

Recognising the sector's growth potential, SICOM has expanded its footprint through a lease agreement with Côte d'Or Data Technology Park Ltd (CDDPL) for a 4.86-arpent plot at Côte d'Or Technopole and the establishment of SICOM Properties Ltd in November 2023.

Market Overview

The Mauritian real estate market is characterised by evolving trends influenced by economic conditions and changing tenant preferences. A notable shift towards flexible office spaces with sustainability certifications and smart city developments and healthcare facilities is apparent in the commercial sector. The emergence of the Côte d'Or Data Technology Park presents a significant opportunity for growth and investment.

However, the increasing prevalence of remote work has impacted demand for traditional office spaces, particularly in established business hubs. Coupled with rising costs, intense competition and evolving government regulations, the sector faces a complex operating environment. Adaptability and strategic planning are crucial to navigate these challenges and capitalise on emerging opportunities.

Despite challenges such as adapting to climate-related risks, high inflation rate, a rise in minimum wage, skilled manpower shortages and competition in the office space rental business, we remain focused on enhancing property value and tenant satisfaction.

Value Creation

The Property Department contributes to SICOM's overall value creation in various ways. Optimised property utilisation and stable rental income have led to enhanced financial performance. A skilled workforce, coupled with a focus on professional development, has strengthened our capabilities.

The department has invested in intellectual capital by building a robust property management framework, incorporating sustainability principles and fostering a culture of innovation. A strong emphasis on community engagement has been instrumental in building positive relationships.

Through initiatives such as energy audits, photovoltaic panel installations and waste segregation, the Property Department has demonstrated a commitment to environmental sustainability. These efforts contribute to SICOM's overall sustainability goals and enhance our reputation as a responsible corporate citizen.

Financial Performance

The department generated rental income of MUR 93.2 million during the financial year 2023-2024 compared to MUR 90.6 million the previous year. This growth was primarily attributable to indexation adjustments.

Capital expenditure on investment properties totalled MUR 17.2 million, a significant increase from the prior year's allocation of MUR 9.3 million. Key projects included the refurbishment of SICOM Tower's main entrance and level 12, as well as the upgrading of the fire alarm system. Additionally, SICOM Building 2 underwent renovations to accommodate a new server room and IT staff.

Operational expenditure on investment properties rose from MUR 20.7 million in 2022-2023 to MUR 25.0 million, primarily driven by increased costs for security, cleaning, maintenance and utilities, largely due to the upward adjustment of the minimum wage. These expenditures were necessary to maintain the optimal condition of our properties and ensure tenant satisfaction.

Property (cont'd)

Outlook

We are poised for significant growth in the upcoming year. Strategic property development, including the construction of a new head office and another rental building at Côte d'Or Technopole, will drive revenue expansion. A strong focus on tenant satisfaction, coupled with robust disaster recovery planning, will ensure business continuity and resilience.

To enhance operational efficiency, the department is leveraging technology through the integration of AI tools into internal research processes. Sustainability remains a key priority, with efforts centred on achieving sustainability certifications for new properties and implementing energy-saving measures. A successful rainwater harvesting system at SICOM Tower exemplifies our commitment to environmental stewardship.

Inputs	Risk	Material Matters Impacted
Financial Capital • Property worth MUR 2.2 billion owned by SICOM and yielding rental income	Market and Investment Counterparty Default	Business Growth and Diversification
Human Capital • Our 44 engaged employees, delivering on providing excellent service to tenants, for maintenance and for evaluating property opportunities • Capabilities and skills: Engineering, Procurement, Property Management, Property Development and Administration		Employee Engagement and Development
Manufactured Capital • SICOM currently owns the following: 1. SICOM Building 1 2. SICOM Building 2 3. SICOM Tower 4. SICOM General Insurance Building 5. St James Court (Level 8) 6. Property at Edith Cavell Street	Market and Investment Strategic	Business Growth and Diversification
Intellectual Capital • The know-how, expertise and experience of managing properties • ESG implementation capabilities		Employee Engagement and Development
Social Capital • Health and safety of employees, tenants, clients and any other stakeholders using our buildings	Operational	ESG
Natural Capital • Eco-friendly building initiatives undertaken to abide to ESG principles • Energy audit completed		ESG

06

Safeguarding Wealth - ***Achieving More*** Together

Human Capital

Cultivating Talent and Embracing Change

Aligned with our 3-year strategic plan launched in 2022, we have continued our commitment to building an inclusive, dynamic and supportive workplace, guided by our MANGO ("Maximizing Achievement, Nurturing Growth and Opportunity") mantra. We have made significant strides through tailored learning and development initiatives, personalised mentoring, a strong focus on employee well-being and a comprehensive performance management and talent development framework. Earning our second consecutive Great Place To Work certification reflects our commitment to becoming an Employer of Choice.

Amid a year of record-low local unemployment, top-talent acquisition has become increasingly challenging. Often competing against other financial services like banking, the insurance industry is undergoing rapid transformation, driven by technological advancements and changing consumer expectations. We seek not just traditional insurance expertise, but also skills in Data Analytics, Cybersecurity, Artificial Intelligence and Digital Marketing. Additionally, competition for these new skill sets extends beyond the insurance sector to finance, banking and tech industries, further raising the stakes. Millennials, now the largest workforce segment, prioritise work-life balance, purpose-driven roles and continuous learning opportunities. Their tech-savvy, innovative approach is crucial to driving the insurance sector's digital transformation. At SICOM, we recognise the importance of engaging this vital talent pool to fuel our innovation and growth. We have therefore refined our Employer Value Proposition to align with their expectations, focusing on flexibility, eco-friendliness and sustainability.

Strategies Adopted to Address Challenges

- **Navigating a Scarcity of Talent:** To attract and retain talent, SICOM has implemented targeted strategies, including participation in industry conferences, job fairs and active engagement on digital platforms. By showcasing our vibrant culture, core values, and career opportunities, we have strengthened our employer brand and visibility, reinforcing our position as an Employer of Choice.
- **Strengthening Educational Partnerships:** Our collaborations with local universities and educational institutions have enabled us to create programmes aligned with industry needs, ensuring a steady pipeline of qualified graduates. We have particularly built a strong reputation among top students in the Actuarial field at the University of Mauritius, successfully integrating many into our teams.
- **Capacity Building:** Reflecting an 85% increase in training expenditure, every employee participated in at least one learning and development initiative. Our strategy, aligned with MANGO, emphasises continuous growth and adaptability, supported by our transition to flexible online learning platforms. We conducted over 150 training programmes, including in-house sessions, webinars and external courses, totalling more than 5,000 man-hours of personal and professional development. Our Advance for Studies scheme, which covers tuition and exam fees and offers special leave for exam preparation, supported 15 employees pursuing further education. Job rotations are also encouraged, offering employees opportunities to expand their knowledge and skills.

Category	Subcategory	Details
Training Programmes	Internal Training	15
	External Training	140
Training type	Technical	122
	Non-Technical	31
	Ethics/AML/CFT	2
Employee Development		1.71 days per employees
Leadership Development		20 employees
Partnership with NIA (Pune)	Diploma in Reinsurance	2 employees

We are also proud of our intellectual powerhouse, comprising 163 undergraduates, 78 postgraduates and 46 seasoned professionals. Their expertise and diverse perspectives inspire their peers, with some 20 more employees currently advancing their education to join their ranks.

Offering Competitive Compensation

SICOM attracts top talent by offering competitive salary packages that exceed market medians. Salaries surpass the national minimum wage, and working hours range from 36 to 40 hours. Every three years, a Salary Commissioner reviews the structure. Performance-based bonuses, aligned with the Group's financial results, further enhance employee motivation and retention.

Fostering a Positive Work Environment

In response to the 2023 Great Place To Work survey, SICOM implemented initiatives like stress management workshops, health check-ups, and gym facilities. A successful 'phygital' team-building treasure hunt boosted camaraderie. Regular dialogue with the SICOM Employee Union addresses employee concerns, ensuring a professional and supportive work environment that promotes work-life balance and engagement

Performance Management

SICOM's Performance Management System (PMS) encourages employee growth through regular evaluations, self-appraisals, and feedback discussions. Performance bonuses are awarded to employees meeting or exceeding targets, with a focus on both deliverables and company values. The system includes a calibration exercise and an appeal process, allowing transparency and addressing concerns related to performance reviews.

Leveraging Technology

SICOM's HR strategy integrates IT and data analytics to improve efficiency. The HRMS Employee Self-Service portal allows staff to access personal data, payslips, and leaves balance online, giving employees greater control over their information. Management benefits from these insights, making informed HR decisions, thus improving operational efficiency and overall employee satisfaction.

Translating Words into Action

Our People, Our Vector reflects the Group's core belief that our strength and success are driven by those who make it thrive. At the heart of our strategy, our employees are not merely contributors but they are the driving force behind every achievement and milestone. We view our workforce as the essential vector that propels the Group forward, aligning their talents, passions, and innovations with our mission and objectives. By prioritizing the growth, well-being, and development of our people, we ensure that they are empowered to take the company to new heights. This commitment to nurturing and valuing our team fosters a culture of engagement, collaboration, and shared purpose, making our people the true catalyst for long-term success.

Monthly Healthy Eating Habits

To promote healthy eating habits, we distribute nutritious snacks, fruit and whole-grain sandwiches to employees every month, accompanied by educational content on the Hub. Last year, a nutritionist was invited to offer guidance on balanced diets and address specific health concerns like diabetes and high blood pressure. We continue to raise awareness about the benefits of organic foods and the risks associated with synthetic chemicals used in food production.

Employee Pulse

At the core of our MANGO philosophy is the belief that the collective emotional pulse of our employees mirrors our own. Our success is intrinsically linked to the well-being of our people, making it essential to understand and value their sentiments. Developing a culture of closeness and connection is vital to fostering this bond. Beyond the formal Comité d'Entreprise meetings held every two months, we actively seek continuous feedback through an open-door policy embraced by most of our managers. This approach ensures our employees' voices are heard and promotes a dynamic, responsive work environment where everyone feels valued and engaged.

Green Team

The SICOM Green Team, which began with a few volunteers, was established to advance the Group's Environmental, Social and Governance (ESG) agenda. Now comprising over 25 enthusiastic participants, the team's growth is driven by successful initiatives that promote sustainable practices within the Group. This bottom-up approach fosters a culture of ownership and responsibility for sustainability outcomes. One notable project is the Book Club, which encourages reading within a sharing economy, allowing employees to donate and share reading materials.

Commitment to Youth Engagement/Empowerment

SICOM is deeply committed to youth engagement and empowerment through its Internship Programme and Young Graduate Scheme, offering young individuals opportunities to gain practical experience, develop skills and build industry connections.

Internship Programmes

In the year ending June 2024, over 90 youths participated in internships across various business units for 3 to 6 months. This programme bridges the gap between academic learning and real-world application, enhancing interns' employability and confidence. Mentorship and guidance are also provided to help interns explore career paths, identify strengths and make informed decisions about their future.

Graduate Scheme

Our flagship Graduate Scheme targets inquisitive minds eager to excel in the financial services sector. It offers individuals from diverse academic backgrounds the chance to gain hands-on experience

Human Capital (cont'd)

and industry insights, supported by personalised coaching. Since its inception in 2019, a total of 32 graduates have joined the scheme in fields ranging from Actuarial Science to Finance and Risk Management.

Workforce Diversity and Inclusion

Fostering a diverse and inclusive workforce is both a moral imperative and business necessity. We believe that an environment where all individuals feel respected and valued – regardless of age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex, or sexual orientation – is essential for progress and success. Our commitment goes beyond compliance, it reflects our dedication to building a fair and prosperous workplace. Diversity in thought and background is a cornerstone of human progress and we are proud to have a workforce that brings unique perspectives and talents. Employment, training and promotion opportunities are based solely on merit, ensuring equal treatment for all employees.
As part of our social commitment, we have a long-standing partnership with the Training and Employment of Disabled Persons Board (TEDPB). Over the past year, we contacted not less than 100 candidates to explore opportunities to integrate them into our workforce, demonstrating our commitment to inclusivity and support for individuals with diverse abilities.

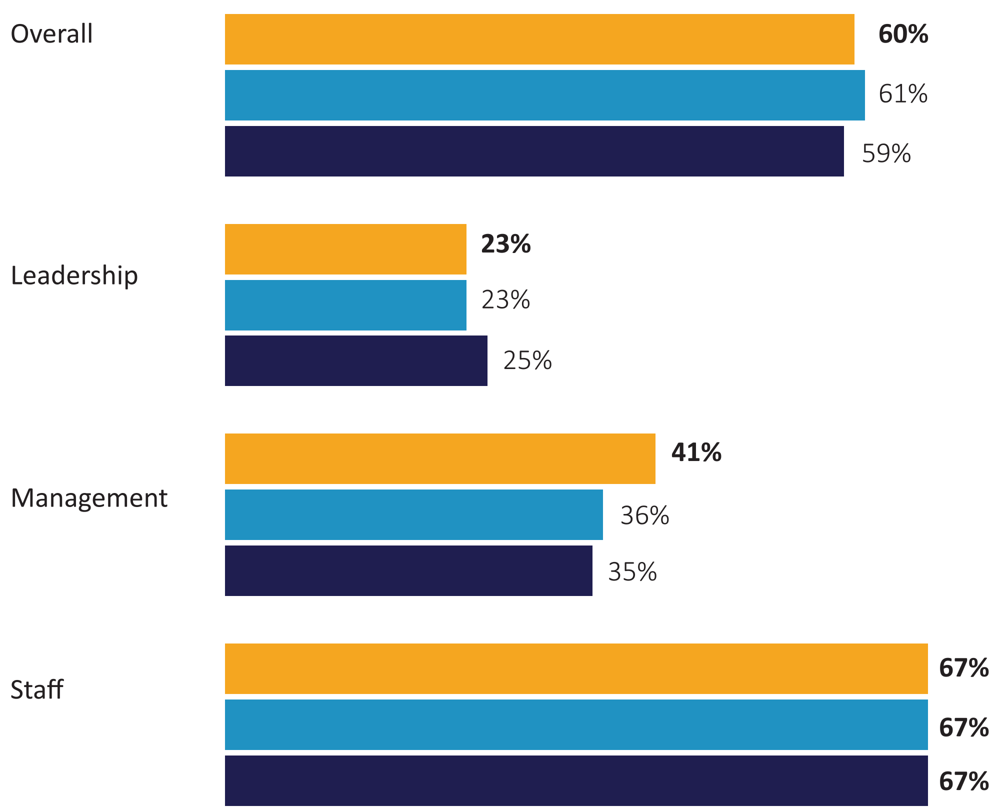
Other Ratios

- **Gender Diversity**

Our commitment to recruiting women goes beyond meeting Diversity, Equity and Inclusion (DEI) metrics; it reflects our deep belief in valuing the unique perspectives and skills that women bring to our workforce. Women's insights enrich SICOM's collective intelligence, fostering innovation and holistic problem-solving. We take pride in having more than two-third of our workforce composed of women. At various hierarchical levels, it is evident that the glass ceiling is non-existent, as 23% of our Leadership team consists of highly capable women, guided by our Group Chief Executive Officer.

Women Across Hierarchical Levels

	June 22	June 23	June 2024
% of Female at Leadership (SEO and Chief)	25%	23%	23%
% of Female at Management (TL-Chief Officers)	35%	36%	41%
% Female at Staff Grade	67%	67%	67%
% Female Overall	59%	61%	60%

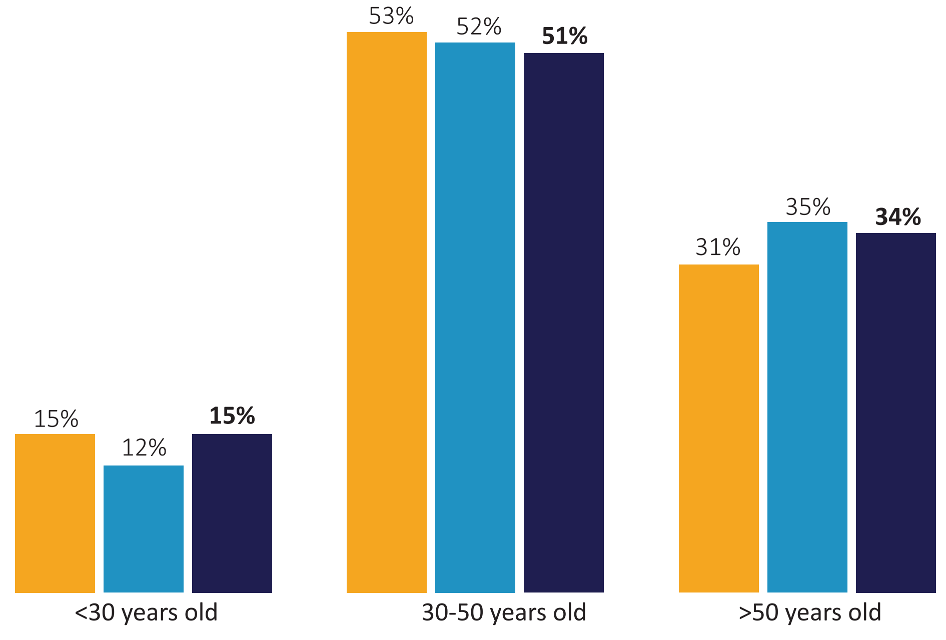


% of Women Across Hierarchical Levels

Jun-24 Jun-23 Jun-22

- **Age Diversity**

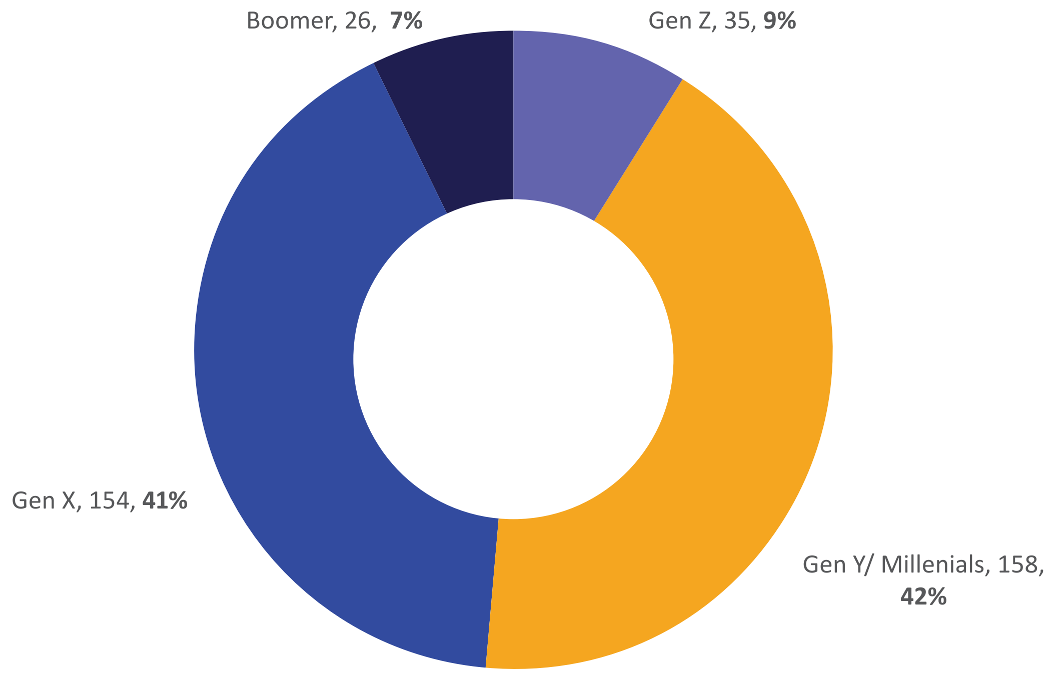
Our workforce's generational mix is a key pillar of our success. With 15% of employees under 30, 51% aged 30-50 and 34% over 50, we harness a blend of fresh ideas, digital fluency and seasoned expertise. Younger employees bring innovation and adaptability, those in their career prime balance experience, energy and leadership, and our seniors provide depth of industry knowledge, stability and seasoned problem-solving skills, ensuring continuity and wisdom in decision-making.



Employees by age group (%)

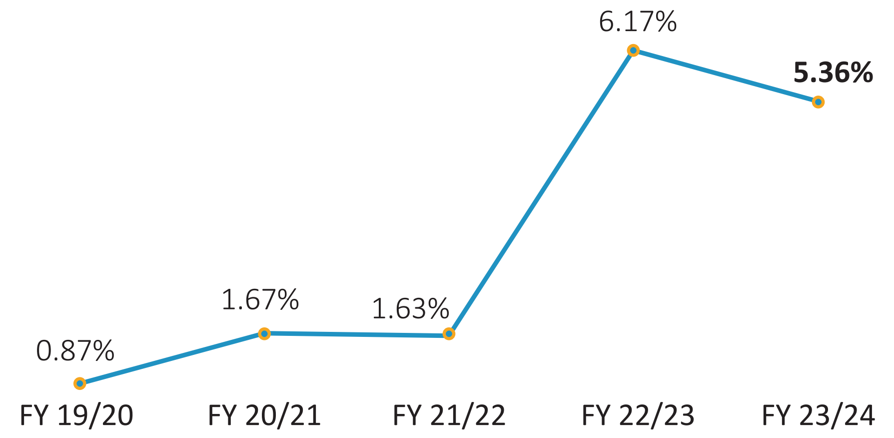
- **Generational Distribution**

Our diverse generational split, from Boomers to Generations X-Z, creates a dynamic environment. Younger employees drive innovation and adaptability, while Generation X staff provide strategic thinking stability. Our Baby Boomers bring mentorship, deep expertise and a strong work ethic, fostering a culture of dedication and knowledge sharing. This unique generational mix is crucial to our success and resilience.



- **Joiners and Leavers**

In today's dynamic job market, staff turnover is a common trend, as confirmed by our own observations over the past few years:
We recognise our employees' desire for quick career progression and strive to provide clear pathways for advancement. Over the past five years, our attrition rate has grown from 1% to 5%, still well below the industry or sector average. We are proud to have equipped our people with the skills and experiences that prepare them for higher responsibilities, even if it leads them to opportunities outside of SICOM.



Staff Turnover rate

- **Building a Stronger Industry**

To address common industry challenges, a forum comprising HR representatives from various local insurance companies has been established. Quarterly meetings are held to facilitate knowledge sharing on training, best HR practices and strategic collaboration for the betterment of the sector. Guest speakers and Subject Matter Experts (SMEs) are frequently invited to engage with members, contributing to initiatives that elevate the industry's overall competency and resilience.

Human Capital (cont'd)

Agents Award

Human Capital (cont'd)

Corporate Citizenship

Victoria Hospital Renal Dept Refurbishment

Forena

Christmas at Bruno Cheong Hospital

Human Capital (cont'd)

Staff welfare

EOY2023

SICOM Awards 2023

SICOM Book Club

Internal Games Competition

Domino Tournament

Fun Week

Human Capital (cont'd)

Festivals

Christmas Treats Distribution

Christmas Deco

Independence Day

Chinese New Year Treats

Chinese New Year Deco

Divali Deco

Eid Deco

Divali Treats Distribution

Eid Treats Distribution

Human Capital (cont'd)

Fun Week & Wellness

Blood Donation

Fruit Distribution

World Environment Day

NCD Screening

Rooftop Garden

Valentines Day

Human Capital (cont'd)

Team Building

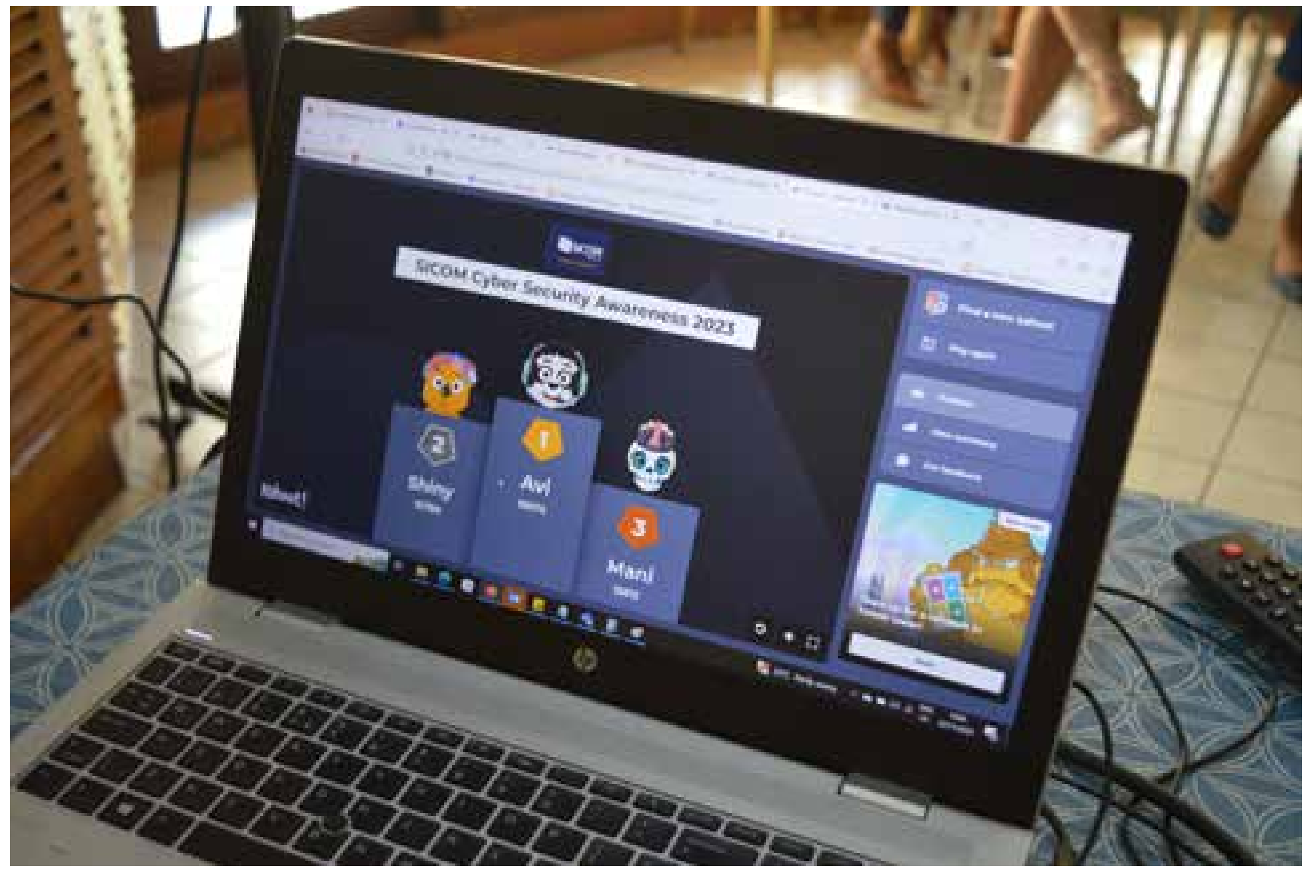
Human Capital (cont'd)

Training & Talks

Breathe Workshop

Dynamia Associates

World Environment Day



Cyber Security Awareness

Fire Drill

07
Crafting a Future with Sustainability at its Heart

Sustainability Overview

Introduction

As a leading financial services organisation in Mauritius, the SICOM Group continues to prioritise sustainability, focusing on the well-being of present and future generations. Our commitment to sustainable practices is integral to reducing our environmental footprint, while simultaneously creating lasting value for our stakeholders. The publishing of our first Sustainability Report 2024 reflects our efforts during the financial year 2023-2024, highlighting key initiatives aimed at fostering positive economic, social and environmental impacts.

Guided by our three core pillars – responsible and sustainable business, climate action and fostering social development, we have aligned our sustainability strategy with international standards, including the Global Reporting Initiative (GRI). Our adherence to these frameworks demonstrates SICOM's dedication to responsible investing, climate resilience and social equity.

This section overview on sustainability complements our Integrated Report, providing transparency and comparability across financial, social and environmental metrics. As we pursue responsible finance, we remain resolute in our commitment to addressing climate change risks and advancing social development within the communities we serve.

By following guidelines including the United Nations Sustainable Development Goals (SDGs), Bank of Mauritius (BoM) Guideline on Climate-Related and Environmental Financial Risk Management, , the UN Global Compact (UNGC) and UN Principles for Responsible Investment (UN PRI), we aim to drive sustainable growth while fostering resilience and adaptability in an ever-changing global landscape.

Appointing a Sustainability Consultant reflects our proactive approach to addressing environmental challenges. By partnering with NGOs and government bodies, we have initiated impactful projects aimed at reducing our carbon footprint. Additionally, the Group's recent rating upgrade from AA+ to AAA by CARE Ratings (Africa) Private Ltd demonstrates our commitment to financial responsibility and sustainability excellence.

Our Sustainability Strategy

Step 01 2016

- Application of National Code Corporate Governance

Step 02 2021

- Energy Audits for SICOM Buildings
- Adption of Inverter control Air Conditioning technology
- Replacement of conventional light by LEDs

Step 03 2022

- Photovoltaic system at SICOM Tower
- Waste collection & recycling of papers/plastic
- Purchase of hybrid car

Step 04 2023

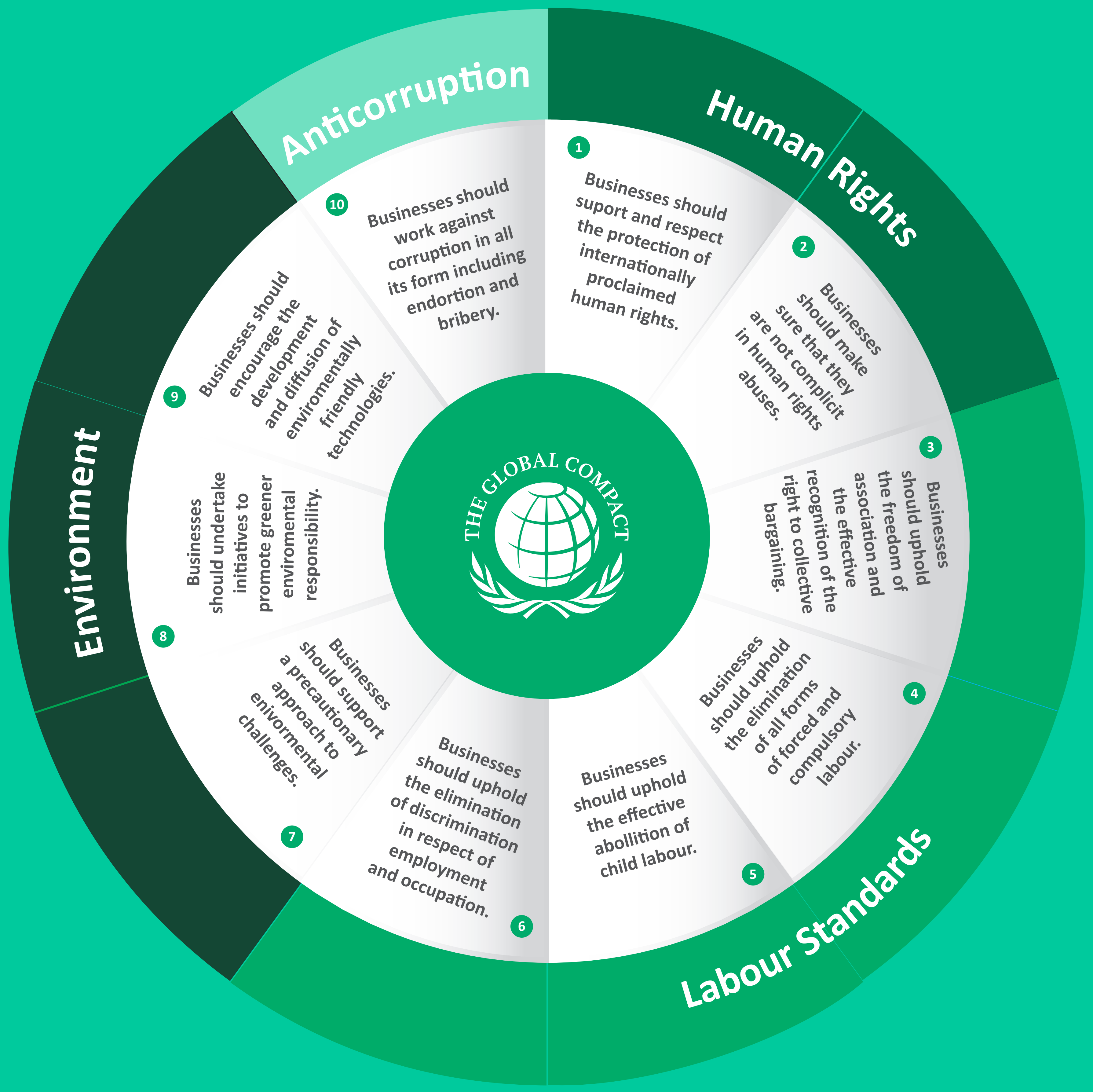
- Signature of Reporting Frameworks:
  - UNPRI
  - UN Global Compact
  - SigneNatir
- New Renal Outpatient Unit at Victoria Hospital
- Youth empowerment (College Techniques St Joseph, ANFEN & SAFIRE)
- Plant nurseries in women prisons with FORENA

Step 05 2024

- Execution of Strategic Sustainability Plan

Sustainability Overview (cont'd)

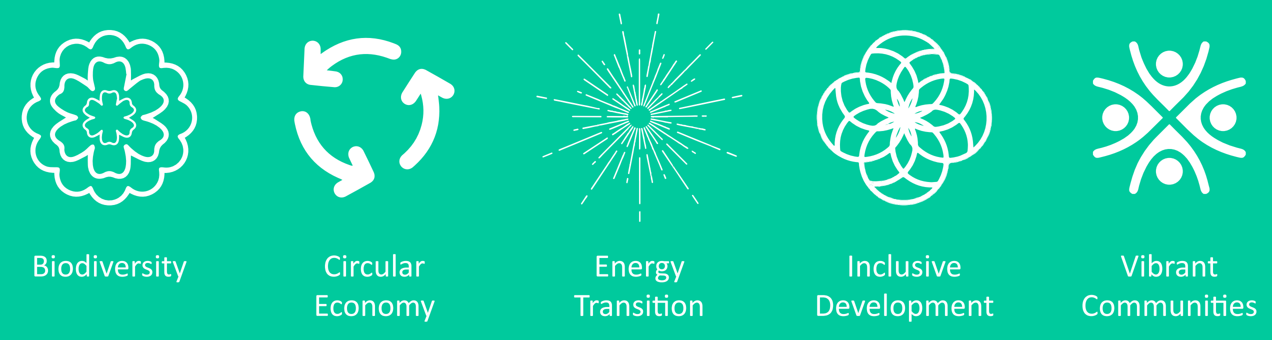
SICOM's commitment to sustainable development is underpinned by alignment with the principles of both global and local frameworks. As a responsible corporate citizen, we prioritise sustainability practices that foster social responsibility, environmental stewardship and long-term economic growth.



PRI Principles for Responsible Investment

Principle 1	Incorporate ESG Issues Into Investment Analysis and Decision-Making Process
Principle 2	Incorporate ESG Issues Into Ownership Policies and Practices
Principle 3	Seek Appropriate Disclosure On ESG Issues
Principle 4	Promote Acceptance and Implementaion of the Principles
Principle 5	Work Together To Enhance Effective Implementation
Principle 6	Report on Implementation Activities and Progress

Signe Natir
FOR A SUSTAINABLE & INCLUSIVE MAURITIUS



Sustainability Overview (cont'd)

Our Strategic Sustainability Plan (SSP), developed in collaboration with internal stakeholders and external consultants, embodies our mission to build a resilient and future-ready organisation. Approved by our Board of Directors on 4 October 2023, following review by the Corporate Governance, Sustainability and Nomination Committee (CGSNC), the SSP integrates environmental, social and governance (ESG) principles into every facet of our operations. It serves as a roadmap for addressing critical challenges such as climate change, responsible consumption and community well-being.

Responsible & Sustainable Business

Climate Action

Fostering Social Development

Guided by the three core pillars of responsible and sustainable business, adapting to climate change and fostering social development, the SSP reflects SICOM's holistic approach to sustainability. Key enablers such as culture change, risk management, data-driven performance measurement and operational integration are at the heart of our strategy, ensuring that sustainability becomes an intrinsic part of our corporate ethos.

Pillars	Sustainable and Responsible Business	Climate Action	Fostering Social Development
Key Areas	Promote Sustainable Investment	Adapt to Climate change	Promote Good Health & Well-Being
	Develop Sustainable Offerings	Preserve Biodiversity	Commit to Youth Empowerment
	Ensure Regulatory Reporting	Promote Circular Economy	Engage Women Empowerment

Key Enablers
Culture Change, Risk Management, Data Capture & Measurement, Operations

Reporting Frameworks
International Financial Reporting Standards IFRS S1 & S2 United Nations Principles for Responsible Investment (UN PRI) United Nations Global Compact (UN GC) Local regulatory and voluntary reporting such as BOM & SigneNatir

Strategic Initiatives

To foster a culture of sustainability and align with both local and international frameworks, SICOM has implemented a multi-tiered sustainability strategy.

In the immediate term, we have aligned our Senior Management team with the Group's sustainability vision, holding them accountable for measurable outcomes. Our efforts also include enhancing the visibility of our sustainability progress within the marketplace and internally, ensuring that our employees have access to relevant skills. Moreover, adapting to changes in technology and processes is central to integrating sustainability into our operations.

With regard to our medium-term objectives, in addition to launching the Green Team initiative to foster collaboration with all stakeholders to achieve our sustainability goals, we are revising work processes to enhance environmental sustainability and promote employee well-being. We have also evolved our compensation system to reflect these sustainability commitments. Employee health and safety remain priorities as we integrate these practices into our business culture.

Our long-term vision focuses on workforce planning to adapt to the evolving skills required for sustainability. By considering the wide-reaching impacts of our decisions on the workforce, community and society, we are creating sustainable growth. Independent evaluations of our performance further guide these improvements, boosting customer retention and fostering innovation.

Communication and Stakeholder Engagement

SICOM has implemented a robust communication programme aligned with our core sustainability objectives. This strategy is critical in ensuring stakeholder engagement and the smooth execution of our initiatives. Key elements of our communication strategy include aligning messages with sustainability priorities, defining audience-specific objectives and selecting the most effective channels and frequencies. Interactive workshops, digital platforms and team-building exercises have highlighted the importance of teamwork in achieving our sustainability goals.

Our intranet platform plays a vital role in disseminating sustainability updates, promoting transparency, and gathering feedback from employees, encouraging their active involvement. In addition, engagement with suppliers is integral to building a resilient supply chain, where clear communication of sustainability standards ensures accountability and collaboration.

SICOM's efforts extend to customers, with innovative products incentivising sustainable choices. Partnerships with NGOs further support our commitment to reducing environmental impact and achieving sustainability targets.

Our Governance Approach

At SICOM, governance forms the foundation of our sustainability efforts, ensuring that we meet the needs of our stakeholders while integrating sustainability across the organisation. We recognise that sound corporate governance is essential for driving our sustainability initiatives forward. This year, we have made considerable progress, as demonstrated by our participation in the National Committee on Corporate Governance (NCCG) Corporate Governance Scorecard, where we achieved a notable score, reflecting our commitment to transparency, ethics and accountability.

Sustainability, inclusiveness and collaboration are deeply intertwined. We engage with a wide array of stakeholders, including employees, customers, suppliers, communities and key partners to ensure that our strategies reflect the needs, expectations and values of those we serve. By actively seeking input from our stakeholders, we can develop initiatives that contribute to a sustainable and inclusive future.

Board of Directors and Committees

Our Board of Directors, comprising 11 members, oversees the governance of the Group. With distinct responsibilities between the Chairperson and the Group CEO, the Board ensures that our sustainability strategies are integrated into our broader business objectives. The Corporate Governance, Sustainability and Nomination Committee (CGSNC) supports the Board by advising on governance matters and ensuring accountability in sustainability.

Sustainability Overview (cont'd)

Another key structure in our governance framework is the SICOM Sustainability Committee (SSC). This cross-functional committee, composed of members from various business units, plays a pivotal role in guiding our sustainability agenda. The Committee meets regularly to monitor progress, address challenges and ensure that our strategies align with our broader goals of resilience, autonomy and harmony.

Green Team and Employee Engagement

Our sustainability efforts extend beyond governance structures. The SICOM Green Team, initially a small group of passionate employees, has grown into a 25-member strong team dedicated to driving sustainability across the Group. This initiative has played a key role in embedding sustainability into our corporate culture, fostering a sense of ownership and responsibility among employees. The Green Team has championed initiatives like our Book Club, which encourages resource-sharing through a circular economy approach.

To ensure that our employees are well-equipped to tackle sustainability challenges, we have invested in extensive training and workshops focused on ethical decision-making, empathy and sustainability practices. Through these initiatives, we aim to build a skilled workforce that is also committed to our long-term sustainability goals.

Appointment of a Sustainability Consultant

In 2023, we appointed a Sustainability Consultant to assist with change management and capacity building. The consultant has been instrumental in embedding sustainability into our organisational culture, providing the expertise and guidance required to make it an integral part of our decision-making processes.

Workshops with top management and staff have facilitated a cultural shift towards greater awareness and commitment to sustainability. By empowering employees with the tools and knowledge needed to identify opportunities and overcome challenges, we are building an organisation with the resilience required to meet the demands of a sustainable future.

Through robust governance, active stakeholder engagement, and a dedicated focus on embedding sustainability into every level of our organisation, SICOM is taking decisive steps towards a more sustainable future. By aligning our operations with international best practices, we continue to strengthen our ability to drive positive change for our stakeholders and the environment.

Progress achieved by Pillar

SICOM's sustainability strategy is structured around three core pillars: Responsible and Sustainable Business, Adapting to Climate Change and Fostering Social Development. This section outlines the key progress made during the year across these pillars, highlighting our commitment to long-term value creation and the integration of sustainability into our operations.

Pillar 1 Responsible and Sustainable Business

SICOM's commitment to responsible business practices was demonstrated by our landmark achievement of becoming the first Mauritian insurance company and Asset Owner to sign the UN PRI. This reflects our dedication to aligning our financial objectives with broader societal and environmental goals. Throughout the year, we focused on promoting sustainable investments that contribute to long-term economic stability while mitigating risks associated with ESG factors.

Promoting Sustainable Investment

A major milestone during the reporting year was the alignment of our key domestic investee companies with the Stock Exchange of Mauritius Sustainability Index (SEMSI). The SEMSI tracks companies that meet stringent ESG criteria, and by supporting businesses that prioritise sustainability, SICOM reinforces its commitment to responsible governance. Additionally, we continued our long-standing practice of investing in Mauritian Government bonds and leading local industries, ensuring liquidity and stability for our pension and insurance operations while simultaneously contributing to national development projects.

Overall Approach and Commitments to Responsible Investment

SICOM's responsible investment approach is also guided by a firm ethical framework. Our portfolio avoids investments in companies engaged in unethical activities, reinforcing our commitment to supporting sustainable and responsible growth. We have also begun working with external managers known for their strong ESG practices, broadening our global investments with a clear focus on sustainability.

Responsible Finance Supporting Economic Growth and Development

The Group is dedicated to supporting economic growth and development through responsible finance, guided by the UN PRI, which aims to foster a sustainable global financial system by promoting good governance, integrity and accountability while addressing challenges within market practices, structures and regulation.

By adopting the UN PRI, we commit to integrating ESG issues into our investment analysis and decision-making processes. We act as responsible owners, ensuring such considerations are embedded in our ownership policies and practices, and we seek appropriate disclosure on ESG issues from our investment entities. Additionally, we advocate for the principles within the investment industry and collaborate to enhance their implementation.

Our investment framework is aligned with UN PRI principles, supported by an external consultant to complement our team's expertise. Key initiatives include conducting a gap analysis to assess our sustainability readiness, developing an Internal Framework for UN PRI reporting, and formulating a Responsible Investment Policy. These efforts are designed to advance our objectives and drive meaningful progress.

SICOM's Commitment to Responsible Investment: Future Outlook

As we progress on our sustainability journey, we remain steadfast in promoting responsible investment practices that align with our core values and strategic objectives. Over the coming years, SICOM will enhance its responsible investment agenda, guided by our Responsible Investment Policy and strategic sustainability priorities. This includes implementing a structured scoring system to assess potential investments based on ESG metrics, ensuring adherence to international standards. We will prioritise investments contributing to sustainable development while avoiding those with high ESG risks.

Developing Sustainable Offerings

SICOM's approach to sustainable action combines economic success with societal value creation. Our focus on responsible products and services reflects our strong client-centric philosophy. We have integrated ESG factors into our insurance business and underwriting guidelines, with a particular emphasis on supporting climate-friendly technologies in line with the Paris Agreement targets.

Our Approach to Responsible Product Development

In February 2022, SICOM Financial Services Ltd launched EcoLease, a financing package for hybrid and electric vehicles. By offering competitive interest rates, this product promotes greener transportation solutions and encourages SMEs to contribute to inclusive growth. In 2023, we also introduced the ECOPlus Green Loan, a product designed to support environmentally friendly investments in areas such as solar energy, rainwater harvesting and charging stations for electric vehicles, further aligning with the Government's green agenda.

Ensuring Regulatory Reporting

SICOM is committed to aligning with international sustainability frameworks, ensuring that our operations and reporting reflect global best practices.

United Nations Global Compact (UNGC)

In May 2023, we became the first Mauritian insurance company to join the UNGC, reaffirming our commitment to responsible corporate behaviour in human rights, labour, environmental stewardship and anti-corruption.

United Nations Principles for Responsible Investment (UN PRI)

In June 2023, SICOM signed the UN PRI, solidifying our role as a leader in promoting sustainable investment practices. This milestone places the Group at the forefront of global efforts to integrate ESG considerations into investment strategies, contributing to a more sustainable and inclusive financial landscape.

Sustainability Overview (cont'd)

BoM Guideline on Climate-Related and Environmental Financial Risk Management

Since the introduction of the BoM Guideline on Climate-Related and Environmental Financial Risk Management on 1 April 2022, financial institutions are mandated to enhance their risk policies to address emerging environmental and climate-related challenges. In compliance, we have developed and submitted a comprehensive roadmap to refine our internal climate-related and environmental risk management framework. This roadmap includes improvements in governance and the enhancement of risk management practices. We have also initiated climate change awareness programmes for our Management and Board, ensuring that our practices are aligned with evolving regulatory requirements.

SICOM has integrated climate-related and environmental risks into its risk management policies and procedures, aligning them with the BoM's stipulations. This approach ensures that such risks are evaluated alongside traditional prudential risks. Updated policies now explicitly address the identification and management of material climate-related risks.

Our subsidiary, SICOM Financial Services Limited (SFSL) adheres to the BoM Guideline by evaluating climate-related risks, aligning with the Nationally Determined Contributions (NDCs) of Mauritius and integrating these considerations into our operations, strategies and risk mitigation plans.

We uphold a robust risk management framework across three lines of defence, ensuring the thorough identification, measurement and management of material climate-related financial risks. We provide comprehensive half-yearly climate-related and environmental risk reports to the Board and Senior Management, covering key risks and opportunities. In alignment with the BoM Guideline, we conduct scenario analysis and stress testing to evaluate the financial implications of climate change and environmental degradation, enhancing our risk identification and business model resilience.

Disclosure Practices

SICOM is committed to annual disclosures on climate-related and environmental financial risks, detailing the potential impacts of material risks and our management approach. This disclosure requirement, effective for the financial year ending 31 December 2023, will be informed by frameworks such as the Financial Stability Board's Task Force on Climate-Related Financial Disclosures. We will continuously review and enhance our disclosures to align with stakeholder expectations and reflect our evolving understanding of these risks.

Partnership with SigneNatir

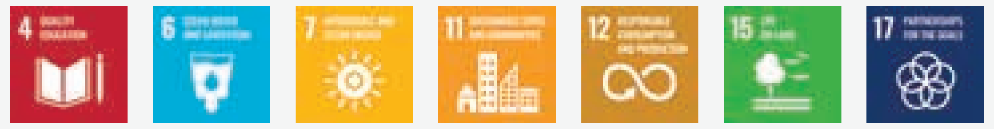
In our pursuit of sustainability, we have partnered with SigneNatir, an initiative led by Business Mauritius. This collaboration focuses on five strategic areas: energy transition, circular economy, biodiversity conservation, cultural heritage preservation and inclusive development. Through this partnership, SICOM is dedicated to supporting these priorities and integrating environmental considerations into all aspects of decision-making. Our commitment to these strategies underlines our ambition to embed sustainability into our core operations and contribute to a more sustainable and inclusive Mauritius.

Pillar 2 Climate Action

As a nation highly vulnerable to the impacts of climate change, Mauritius faces significant challenges that threaten its environment, economy and society. Rising sea levels, exacerbated by melting polar ice caps and glaciers, pose direct threats to agriculture and human settlements on our island. Furthermore, increased frequency and intensity of extreme weather events such as cyclones and heavy rainfall can cause widespread damage, disrupt livelihoods and deepen poverty and food insecurity. The loss of biodiversity also undermines ecosystem health and resilience, compounding these challenges.

In response, SICOM has made substantial progress in climate action over the past year, reflecting our commitment to adapting to and mitigating climate change impacts. Our approach aligns with national policies and international frameworks such as the UN PRI and UNGC. We are dedicated to promoting net zero emissions, preserving biodiversity and fostering a circular economy.

Adapting to Climate Change Goals 7, 11, 12, 13



Our Carbon Footprint

A key milestone in our climate strategy has been assessing our carbon footprint. We are conducting a comprehensive carbon assessment across all operations, establishing a baseline and setting science-based targets for emission reductions. We have engaged a Sustainability Consultant to guide this process, including the development of a carbon management plan and identification of feasible carbon offset projects to achieve neutrality.

Carbon Analytics

To enhance transparency and track our progress, we are implementing Carbon Analytics, a self-assessment platform to measure our carbon footprint and align with emerging reporting standards like IFRS S1 and S2. These standards will further require us to monitor and disclose our environmental impact, reinforcing our commitment to effective climate action.

Our Operational Footprint

SICOM has undertaken several initiatives to reduce its environmental impact, focusing on energy efficiency, water usage, paper consumption, and waste management.

We have installed a 10kW solar panel system at SICOM Tower, leading to a 1% reduction in electricity consumption.

Month	FY 2022-2023 (kWh)	FY 2023-2024 (kWh)
July	69,529	67,379
August	73,774	71,915
September	74,266	68,442
October	77,125	88,747
November	89,125	93,665
December	100,797	106,970
January	99,196	106,793
February	101,080	111,742
March	114,142	103,051
April	105,392	93,928
May	94,783	79,470
June	77,491	68,780
TOTAL	1,076,700	1,060,882

Additionally, regenerative power passenger lifts and inverter-type air conditioning units have been introduced to conserve energy. Floor-level meters and timers on the chilled water system have further optimised energy use. Flood barriers have also been procured for SICOM Buildings 1 and 2 to prevent damage to building infrastructure caused by flooding.

Water Efficiency

At SICOM, we have implemented a range of water efficiency measures across our facilities. A notable achievement is the establishment of a sustainable drainage system at SICOM Tower through rainwater harvesting. Over the past year, we collected approximately 7,700 m^3 of rainwater, which is used for irrigation and cleaning purposes. Similar systems are already in place at SICOM Buildings 1 and 2, contributing significantly to our water conservation efforts.

Month – SICOM Tower	FY 2021-2022 (m^3)	FY 2022-2023 (m^3)	FY 2023-2024 (m^3)
July	853	724	442
August	747	278	424
September	1,056	299	310
October		244	386
November	1,029	198	458
December	1,012	303	515
January	786	326	352
February	1,219	274	382
March	1,297	358	387
April	1,336	352	350
May	1,396	459	411
June	1,059	499	382
TOTAL	11,790	4,314	4799

We have also introduced water-efficient flushing mechanisms in toilets at SICOM Tower, resulting in a reduction of over 25% in water consumption. Additionally, isolation valves have been installed on each floor at SICOM Tower to minimise unnecessary water use during maintenance and emergencies, further promoting efficient water management.

Our efforts to monitor and reduce water consumption are evidenced by a decrease in total water usage. This significant reduction reflects the effectiveness of our water management strategies and our commitment to sustainable practices.

Sustainability Overview (cont'd)

Responsible Consumption

To further support our sustainability goals, we have taken steps to reduce paper use within our operations. By deploying centralised printers and developing a document management system, we have achieved a 14% reduction in stationery expenses compared to the previous year. This effort not only minimises paper waste but also contributes to our overall resource efficiency.

Preserving Biodiversity Goals 4, 11, 12, 13, 15, 17

Setting Up Endemic and Useful Plant Nurseries

In our pursuit of biodiversity conservation, SICOM has collaborated with Fondation Ressources et Nature (FORENA) on two impactful projects. The first one involves funding the establishment of endemic and useful plant nurseries at the Beau Bassin women's prison and Pointe La Gueule Prison in Rodrigues. This initiative, in partnership with the United Nations Development Programme Global Environment Facility (UNDP GEF) Small Grants Programme, aims to address environmental degradation and provide prisoners with skills in plant propagation. By August 2023, the project had established a 100m² nursery at Beau Bassin, producing approximately 2,200 endemic and fruit trees. This effort empowers marginalised groups while addressing the adverse effects of deforestation and global warming.

Additionally, our partnership with FORENA extends to mangrove and useful plant propagation at Ferney. This project, developed in response to the MV Wakashio oil spill and the challenges of the COVID-19 pandemic, focuses on training women in plant propagation and nursery management. The initiative has successfully established a nursery with a composting facility and provided training to 15 women, equipping them with the skills needed to become entrepreneurs or secure employment.

Food & Agriculture Research & Extension Institute (FAREI)

In alignment with our commitment to sustainability and national food security, we have actively engaged with the Food & Agriculture Research & Extension Institute (FAREI) and other key partners to advance organic farming and environmental stewardship.

Significant achievements in this area include sponsoring the production of a video titled "Benefits of Bio Products" to educate stakeholders on the advantages of bio-based agricultural practices. We organised an Expo Sales event at SICOM Building 1 to promote organic farming among our staff. SICOM also funded the establishment of a model Bio Farm at FAREI's Farmers Training School in Wooton and is partnering with Autism Mauritius to develop a similar facility.

On World Environment Day, 5 June 2024, we hosted interactive sessions to promote bio farming, including the inauguration of a Rooftop Garden adjacent to our Cafeteria. To motivate employees to embrace sustainable living, our HR Department distributed seeds for home cultivation, along with training sessions on bio farming and a presentation by an officer of Ministry of the Agro-Industry and Food Security on Biodiversity and Climate Change,

Mauritian Wildlife Foundation (MWF)

SICOM has partnered with the Mauritian Wildlife Foundation (MWF) on the Learning with Nature project (2023-2026). This initiative developed in collaboration with the Ministry of Education, seeks to teach Mauritian and Rodriguan children the importance of environmental conservation through visits to Ile aux Aigrettes Nature Reserve to engage with nature and learn about ecosystems and biodiversity. The programme fosters environmental consciousness, equipping future generations with the knowledge and values required to preserve our unique natural heritage, while promoting long-term support for conservation efforts.

Promoting Circular Economy

SICOM has embraced the principles of a circular economy, shifting from a linear 'take-make-dispose' model to one focused on minimising waste and maximising resource value through recycling, reuse and remanufacturing.

In various renovation projects, used materials such as damaged window glazing have been recycled, reducing the environmental impact of our fit-out activities. Additionally, glass bottles have replaced plastic bottles in our offices.

Waste Management

Effective waste management remains a cornerstone of our sustainability strategy. We collaborate with NGOs and recycling companies such as MTREC Ltd, La Déchetèque Ltd and BEM Enterprises Ltd for various waste streams, including tyres, granite tiles and toners. Used lift parts have been donated to the Mauritius Institute of Training and Development for student use and waste collection, segregation and recycling bins is facilited through partnerships with Mafta International Ltd, Mission Verte and Mauritius Glass Gallery Ltd. We have also recycled a safe, a data cabinet and several switch panels with the support of Recycling Valorisation Environment Ltd.

Our efforts in waste management are evidenced by our comprehensive recycling data, demonstrating significant reductions in paper and bottle waste over the past year.

Sustainable Procurement

We prioritise sustainable procurement practices by using diverse methods, introducing sustainability criteria in bidding documents, and applying Life Cycle Costing Analysis. SICOM has also adopted diverse methods such as Open Advertised Bidding to support local businesses and Restricted Bidding to favour Small and Medium Enterprises as well as disqualification of suppliers in case of breach of contract management or failing to support sustainable criteria. This approach not only ensures value for money but also minimises environmental damage.

Through these initiatives, SICOM continues to drive forward its sustainability agenda, fostering environmental stewardship and promoting a circular economy. Our commitment to these practices supports both our organisational goals and broader societal benefits.

Pillar 3 Fostering Social Development

SICOM recognises that fostering social development is integral to building a more equitable and prosperous society. By addressing disparities and enhancing human capital, our initiatives are aimed at creating inclusive communities, improving health and well-being and strengthening resilience.

Promoting Good Health and Well-Being

Monthly Healthy Eating Habits

Our commitment to employee health and well-being is demonstrated through a range of proactive measures. We distribute nutritious food items such as fruits and wholegrain snacks to our workforce every month, coupled with educational online posts highlighting the benefits of these choices. Furthermore, we invited a nutritionist to provide tailored talks for employees with chronic conditions like diabetes and high blood pressure, reinforcing our dedication to comprehensive well-being.

Diabetic Foot Care Clinic

In response to the high prevalence of diabetes in Mauritius, which affects approximately 30% of the population, SICOM has collaborated with the Ministry of Health and Wellness to enhance the Diabetic Foot Care Clinic at Jawaharlal Nehru Hospital, Rose Belle. The project included the installation of a galvanised metallic platform with safety features and appropriate flooring, significantly improving the clinic's capacity and accessibility for patients.

Outpatient Section for the Cardiology Department at Victoria Hospital

Additionally, we are supporting the establishment of an Outpatient Section for the Cardiology Department at Victoria Hospital. This initiative aims to repurpose space to diagnose and treat heart-related diseases, thereby benefiting the public and advancing healthcare infrastructure.

Supporting the Haemophilia Association of Mauritius

SICOM also contributes to national health initiatives through partnerships with organisations like the Haemophilia Association of Mauritius. We have funded activities including the Light It Up Red campaign at Victoria Urban Terminal, to support ongoing advocacy, diagnosis and care for those affected by haemophilia and other bleeding disorders.

Sustainability Overview (cont'd)

Committing to Youth Engagement

Internship Programme and Young Graduate Scheme

SICOM's Internship Programme and Young Graduate Scheme have made significant strides in youth engagement over the past year. More than 90 youths participated in our Internship Programme, gaining hands-on experience and essential skills across various business areas for periods of 3 to 6 months. This initiative bridges the gap between academic learning and real-world application, providing mentorship and helping interns explore career paths, build confidence and enhance their employability.

Our Young Graduate Scheme, launched in 2019, supports ambitious young professionals entering the financial services sector. This year, 32 graduates from diverse academic backgrounds joined the scheme, which offers personalised coaching and industry insights. Participants acquire foundational skills necessary for a successful career in fields such as Actuarial Science, Finance and Risk Management.

Lovebridge Ltd

We also support external youth-focused NGOs. Lovebridge Ltd empowers children from economically disadvantaged families, with SICOM assisting 100 families through psychosocial support.

Adolescent Non-Formal Education Network (ANFEN)

The Adolescent Non-Formal Education Network (ANFEN) provides holistic education to school dropouts, with our three-year sponsorship supporting over 900 adolescents aged 11 to 19 years old through its culinary school.

Ecole Technique Saint Joseph of Beau Bassin/Rose Hill

Ecole Technique Saint Joseph of Beau Bassin/Rose Hill benefited from our sponsorship of laptops for computer training, aiding students in their integration into the workforce.

Empowering Women

Fondation Ressources et Nature (FORENA)

SICOM's collaboration with Fondation Ressources et Nature (FORENA) has led to impactful projects. We have supported the empowerment of inmates through plant nurseries at the Beau Bassin women's prison and Pointe la Gueule Prison. Practical skills and state-recognised certificates were provided to foster personal growth and improve post-release employment prospects. Furthermore, our support for FORENA's mangrove and plant propagation training at Ferney has equipped women with certified competencies, enhancing their job prospects and contributing to gender equality and sustainable development.

Shelter for Women and Children in Distress Trust Fund

Our partnership with the Shelter for Women and Children in Distress Trust Fund has improved safety for women and children in need. SICOM sponsored the replacement of damaged cupboards and the installation of a security system.

Supporting Our Employees

Great Place To Work. Certified MAY 2024-MAY 2025 MU

Our People, Our Vector

In line with our three-year strategy plan initiated in 2022, we have furthered our commitment to building an inclusive, dynamic and supportive workplace through our MANGO (Maximising Achievement, Nurturing Growth and Opportunity) mantra. This year, we have made significant progress by implementing tailored learning and development initiatives, providing personalised mentoring and focusing on employee well-being. Our efforts have been recognised with our second consecutive Great Place To Work certification, reflecting our success as an Employer of Choice.

Fostering a Positive Work Environment

To enhance the work environment, we established a steering committee dedicated to improving work-life balance and employee engagement. Our strategy includes stress management workshops, regular health check-ups and access to gym facilities. The introduction of working from home arrangements has been well-received, showcasing our adaptability. A highlight of the year was our 'phygital' (physical and digital) treasure hunt at Casela, which provided a unique team-building experience that strengthened camaraderie and teamwork.

Workforce Diversity and Inclusion

As detailed under our Human Capital Section of this Integrated Report (pg 80), we are committed to creating an environment where everyone feels respected and valued, regardless of age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation. This year, we continued to ensure equitable treatment in employment, training and promotions based on merit. Our collaboration with the Training and Employment of Disabled Persons Board (TEDPB) enabled us to integrate over 100 candidates into our workforce.

Our commitment to gender diversity is evident in our workforce composition. Women make up over two-thirds of our staff, with 23% of our Leadership Team and 75% of our Top Management team being female. This inclusive approach has contributed to our strong performance and demonstrates that there is no glass ceiling within our organisation. Gender ratios at various levels have remained consistent, reflecting our ongoing commitment to gender equality.

Our workforce spans a range of ages, with 15% under 30, 51% between 30 and 50, and 34% over 50. This generational mix fosters a diverse range of perspectives and skills. Younger employees bring innovation and digital expertise, while those aged 30-50 offer experience and leadership. Our senior employees provide industry knowledge and stability, contributing to a balanced and resilient work environment.

Employee Pulse

At the heart of our MANGO approach is the belief that employee well-being directly influences organisational health. We promote a culture of openness and actively seek employee feedback through formal Comité d'Entreprise meetings and an open-door policy. This dynamic and responsive approach ensures that our employees feel valued, engaged and integral to our success.

Conclusion

At SICOM, we are resolutely committed to embedding sustainability at the core of our operations. The establishment of the SSC marks a pivotal step in this commitment, providing crucial guidance and expertise to inform our responsible decision-making processes.

The Group's SSP has been crafted through robust discussions and collaborative efforts, serving as a comprehensive roadmap for our sustainability initiatives. This plan outlines actionable steps, clear targets and KPIs designed to guide us towards a greener, more inclusive and prosperous future.

The SSP reflects our dedication to reducing our ecological footprint, promoting responsible business practices, adapting to climate change and fostering social development. As we embark on this transformative journey, we anticipate achieving responsible growth, making a meaningful impact and leaving a lasting legacy for future generations.

Sustainability Overview (cont'd)

Our sustainability consultant will play a vital role for steering SICOM through the various phases of the plan, ensuring that our sustainability goals are met efficiently and effectively. This appointment highlights our commitment to integrating sustainable practices into our operations, with a focus on long-term environmental, social and economic benefits.

We extend our sincere gratitude to our partners, customers and stakeholders for their support throughout our sustainability journey. We particularly appreciate the significant contributions and dedication of our employees, who are central to our success. We look forward to continued collaboration as we strive towards a future where success is measured not only in financial terms but also by the positive impact we achieve.

Overview of SICOM's Sustainability Initiatives

Responsible and Sustainable Business

Key Progress made during Financial Year 2023-2024	
Promoting Sustainable Investment	• Became a signatory of UN PRI • Appointed a Sustainability Consultant to guide the implementation of UN PRI • Performed a gap analysis to determine SICOM's readiness for responsible investment • Developed a Responsible Investment Policy • Created an internal framework integrating SICOM's ESG position • Trained 4 staff members from the Investment Department on implementing UN PRI • Prepared the first reporting on the UN PRI platform with submission targeted for July 2024
Developing Sustainable Offerings	• Launched the SICOM ECOPlus Green Loan product in July 2023, offering tax deduction for investments in solar energy, rainwater harvesting and fast chargers for electric cars • Continued offering the EcoLease product, launched in 2022, for leasing hybrid and electric cars at a reduced interest rate • Designed a new Wellness Plan life insurance product including free medical tests/screening for selected existing customers over 40 as a preventive measure for cardiovascular diseases and cancer
Ensuring Regulatory Reporting	• Submitted the following reports to the FSC: (a) Insurance Quarterly Returns Survey (b) IMF Monetary and Financial Statistics Quarterly Survey (c) Employment Survey • Completed statutory filing under the National Code of Corporate Governance • Submitted Foreign Assets and Liability Survey to BoM • Participated in the Corporate Governance Assessment by the NCCG, achieving a notable score • Reported on National Sanctions Secretariat • 1st progress reporting on for UNGC submitted 23 employees registered for training on the UNGC Academy Platform and two mid-management employees were also trained under the UNGC SDG Accelerator Programme

Climate Action

Key Progress made during Financial Year 2023-2024	
Adapting to Climate Change	• Conducted an Energy Audit at SICOM Building 1, SICOM Building 2 and SICOM Tower • Developed a three-year Energy Transition Plan • Installed regenerative power passenger lifts to reduce energy consumption • Replaced window glazing to enhance daylight penetration in office spaces • Installed timers to control air conditioning and provided staff training on efficient usage • Partnered with Landscope Mauritius for the Ebene Connect electric shuttle service, benefiting over 110,000 passengers, including SICOM Tower tenants between December 2023 and May 2024 • Identified tools to carry out a carbon audit for Scopes 1, 2 and 3 to determine the Group's current carbon footprint in line with the Greenhouse Gas Protocol (GHG) Corporate Standard, with deployment from July 2024
Preserving Biodiversity	• Educated 400-500 students from primary/ secondary schools and NGOs through the Learning by Nature project by the MWF • Established a 100 sqm plant nursery at the Beau Bassin women's prison and in Rodrigues • Produced 2,200 endemic and fruit trees through prison-based plant propagation and nursery operations • Partnered with Food and Agricultural Research and Extension Institute (FAREI) for: (a) participation in the production of a video clip on the "Benefits of Bio Products", which will be used during training with small planters; (b) bio product expo sales by local producers along the pedestrian walkway between Courts Mammouth and SICOM Building 1; (c) creation of a model Bio Farm for the FAREI Wooton Farmer Training School; and (d) setting up a small Bio Farm for Autisme Maurice, dealing with autistic children
Promoting Circular Economy	• Formed active partnership with the following NGOs: (e) Mission Verte for waste collection: 1 kg of paper and 2 kg of plastic at SICOM Tower (f) Mafta International Ltd for the collection of 3,412 kg of paper and 22 kg of plastic bottles at SICOM Building 1 (g) BEM Enterprises Ltd for the collection of 175 toners for recycling (h) Recycling Valorisation Environment Ltd for recycling of 1 safe, 1 data cabinet and several switch panels (i) Mauritius Glass Gallery for recycling of 4 glass panes (j) MTREC Ltd for recycling of 4 used tyres • Performed a life cycle cost-benefit analysis for the purchase of a hybrid vehicle

Sustainability Report (cont'd)

Fostering Social Development

Key Progress made during Financial Year 2023-2024	
Promoting Good Health and Well-Being	• Extended the Diabetic Foot Care Clinic at J. Nehru Hospital to improve patient services • Encouraged adoption of physical activities and promotion of healthy eating habits by distributing fruits to employees monthly • Supported the Haemophilia Association of Mauritius in training medical professionals, participating in World Haemophilia Day, Light It Up Red campaign at Victoria Urban Terminal and outreach to families affected by bleeding disorders
Committing to Youth Empowerment	• Engaged 76 youths as interns across various business units • Supported 100 disadvantaged families through funding to Lovebridge Ltd • Sponsored the Adolescent Non-Formal Education Network (ANFEN) Psychosocial Programme to enhance youths' learning capacities through a psychosocial support for technical human resources, specialised materials and tools, and consumable costs • Funded the purchase of two laptops for computer training at Ecole Technique Saint Joseph de Beau Bassin/Rose Hill
Empowering Women	• Provided training to 15 women in horticultural practices and nursery management for mangrove plantations through FORENA • Empowered 20 prisoners and wardens through endemic and useful plants nurseries at Beau Bassin women's prison and Rodrigues Pointe La Gueule prison by FORENA • Enhanced security measures at the Shelter for Women and Children in Distress Trust with new camera and alarm systems

08

Assurance for What Matters Most - your ***family***, your ***future***, and your ***freedom***

Independent auditor's report to the shareholders of

State Insurance Company of Mauritius Ltd

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **State Insurance Company of Mauritius Ltd** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 107 to 256, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2024, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and comply with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

<table>
<tr><th>KEY AUDIT MATTER</th><th>HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER</th></tr>
<tr><td colspan="2">Transition from IFRS 4 - Insurance contracts ('IFRS 4') to IFRS 17 - Insurance contracts ('IFRS 17')</td></tr>
<tr><td>The Group has applied IFRS 17 Insurance Contracts (effective 1 July 2023 with a transition date of 1 July 2022) to insurance and reinsurance contracts it holds, which has resulted in significant changes to its reporting processes and to the financial statements.

All contracts were accounted under the fair value approach for long term insurance business and modified retrospective approach for general insurance business at transition date.

Note 2.2 and 40 to the financial statements provide qualitative and quantitative information on the impact of the adoption of IFRS 17 and critical accounting policies chosen, and judgement made.

Given the complexity of implementing IFRS 17, particularly in relation to the determination and application of accounting policies, we have identified the initial application of IFRS 17 as a key audit matter. Key areas of judgement included the assessment of insurance risk significance, determination of contract boundaries, identification of portfolios, level of aggregation for risk adjustment, allocation methodology for coverage units, and other critical estimates as detailed in Note 2.2 to the financial statements.</td><td>We evaluated the IFRS 17 key design decisions and implementation and tested the operating effectiveness of management's controls over the transition to IFRS 17, including approval of the IFRS 17 accounting policies and design decisions their application by the Group.

With the support of our internal IFRS 17 and actuarial specialists, our audit procedures comprise the following:
• We assessed whether the Group's chosen accounting policies, IFRS 17 key design decisions and valuation methodologies were in compliance with IFRS 17 and that the nature and substance of the policies issued by the Company supported the policy elections made on transition;
• We assessed the appropriateness of the methods and judgments made by management and their compliance with IFRS 17 at transition;
• With respect to the application of the fair value approach, we have examined the reasonableness of the key assumptions and where relevant, compared them against observable market transactions;
• For a sample of key products, we compared management's policy application decisions with underlying product features and supporting documentation;
• We assessed the transition models adopted, checking on a sample basis, the appropriateness of methodologies and the reasonableness of assumptions, of the input data and parameters used to determine insurance contract assets and liabilities, at the transition date;
• For a sample of models used to calculate the Best Estimate Liabilities (BEL) at transition, we compared management's model validation results with the terms and conditions of the related insurance contracts and the Group's IFRS 17 valuation policies;
• For a selection of models, we performed an independent recalculation of the BEL for a sample of Insurance Contract Groups (ICGs) and compared the results to the output of the cashflow model used by management;
• We assessed the appropriateness of the key assumptions applied to determine the contractual service margin at transition. For a sample of ICGs, we tested the valuation of the Contractual Service Margin (CSM) at transition under each approach. For a sample of ICGs under modified retrospective approach, we compared the modifications applied to the requirements of the standard. For a sample of ICGs under fair value approach, we compared the fair value assumptions and calculations to the requirements of IFRS 13, Fair Value Measurement;
• We assessed the appropriateness of management's data and assumptions applied in valuing insurance contract liability balances as at the transition date and related opening adjustment in retained earnings for groups of contracts;
• We implemented procedures to test on a sample basis the reliability of the data used as the basis for making estimates;
• We examined the information underlying the main assumptions made by management and the sensitivity of the models to these assumptions; and
• We reviewed the adequacy of the transition-related disclosures in the financial statements to ensure compliance with the disclosure requirements of IFRS 17.</td></tr>
</table>

Independent auditor's report to the shareholders of

State Insurance Company of Mauritius Ltd

Key audit matters (continued)

<table>
<tr><th>KEY AUDIT MATTER</th><th>HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER</th></tr>
<tr><td colspan="2">Transition from IFRS 4 - Insurance contracts (‘IFRS 4’) to IFRS 17 - Insurance contracts (‘IFRS 17’) (continued)</td></tr>
<tr><td colspan="2">Valuation of insurance contract liability balances</td></tr>
<tr><td>As at 30 June 2024, the value of insurance contract liabilities balances was Rs 16,305m (2023: Rs 15,352m) for the Group and Rs 15,258m (2023: Rs 14,512m) for the Company.

The insurance contract liability balance reflects, within the liability for remaining coverage component the present value of future cash flows, the adjustment for non-financial risks (RA), and the contractual service margin (CSM).

It also includes a liability for incurred claims element, which represents the estimate of unsettled claims for which the insured event has occurred plus a risk adjustment for non-financial risk.

In valuing the insurance contract liability balances, management applied significant judgment. Various assumptions are made including best estimate assumptions regarding the expected claims on insurance contracts, expected expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.

The most significant assumptions made in the valuation of insurance contract liability balances arising from the Company’s insurance contracts relate to:
• Best Estimate Liabilities
• Discount rates.
• Confidence levels applied in determining the risk adjustment for non-financial risk.

We considered the valuation of insurance contract liability balances (including the transition from IFRS 4 to IFRS 17) to be a key audit matter in our audit of the financial statements because of the following: profit or loss and other comprehensive income for the year ended 30 June 2024;
• The judgment applied in determining the transition approach and balances as a consequence of the transition from IFRS 4 to IFRS 17;
• The significant judgments and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; and

The material nature of the insurance contract liability balances on the Company’s statement of financial position and resultant impact on the statement of profit or loss and other comprehensive income for the year ended 30 June 2024.</td>
<td>We tailored our testing of the insurance contract liability balances with reference to the various portfolios of contracts and the various measurement models applied, as audited during transition. With the assistance of our IFRS 17 and actuarial specialists, the procedures comprise the following:
• We assessed the compliance of the methodology applied to estimate the cash flows, Risk Adjustment (RA) and Contractual Service Margin (CSM) related to these contracts with the current accounting standards;
• We assessed the valuation methodology and assumptions for compliance against the generally accepted actuarial principles, applicable legislation and approved Group policies;
• We assessed the design and tested the operating effectiveness of the controls we deemed key to our audit. In particular, we have focused on:
– controls related to the validation of cash flows projection model, including governance regarding model changes;
– the documentation and controls related to judgments and key assumptions made by management;
• We applied procedures to test on a sample basis the reliability of the underlying data used in estimates;
• We assessed reasonability of key financial and demographic assumptions and the valuation methodologies applied in determining the BEL, RA and CSM liabilities;
• We tested on a sample basis and based on our risk assessment, the calculation models used to estimate future cash flows, nonfinancial risk adjustment, and the CSM, as well as any significant change to the calculation models;
• We assessed the appropriateness of management’s allocation of groups of contracts into the various measurement buckets and compliance of these groups with the eligibility criteria as required by IFRS 17. We also assessed the profitability criteria applied in determining the grouping of contracts based on their onerostiy characteristics.
• We reviewed the reasonability of the build-up and changes in BEL, RA and CSM for a sample of products for life insurance business by performing independent recalculations.
• We analysed the significant changes in “Insurance contracts that are liabilities” compared to the previous year’s figures and discussing the results with the relevant internal departments
• We evaluated the reasonability of the risk adjustment calculation, and its related release by performing independent recalculations for sampled products;
• We evaluated the reasonability of the CSM build-up, and the related coverage units for its release by performing independent recalculations for sampled products;
• For the valuation of insurance contract liabilities across the Group, we assessed management’s valuation models. For long-term portfolios, we assessed the reasonableness of the assumptions applied by management, including financial and demographic assumptions. For short-term portfolios, we have assessed the reasonableness of the assumptions including claims ratio, development triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with amongst others reference to prior years and key ratios;
• We performed analytical procedures to identify and analyse any material unusual and/or unexpected variation; and
• We assessed the adequacy of the IFRS 17 disclosures in the notes to the financial statements.</td></tr>
</table>

Independent auditor's report to the shareholders of

State Insurance Company of Mauritius Ltd

Key audit matters (continued)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment of loans and advances to customers and investment in finance leases	
As at 30 June 2024, the Group and the Company reported total gross loans and advances of Rs 2,265m and Rs 1,550m and expected credit loss (ECL) provisions of Rs 19.5m and Rs 18.6m respectively. At 30 June 2024, the Group reported total gross finance lease of Rs 1,031m and Rs 8.6m of expected credit loss provisions. Further details of the loans and advances are set out in Note 12 to the financial statements. Estimating ECL includes the following; • determination of expected losses (including Probability of Default (PD), Loss Given Default LGD) and Exposure At Default (EAD)); • determination of the criteria for Significant Increase in Credit Risk (SICR); • classification of the loans and advances in stages 1.2 and 3 based on the policy adopted by the Group and aligned with the requirements of IFRS 9; • relevance of macro-economic factors; • inputs and assumptions used to estimate the recoverable amount of the loans and leases; We have identified the estimation of ECL on loans and advances and investment in finance leases as a key audit matter due to the materiality of the balances and the associated subjective nature of the management's impairment estimation.	Our procedures included the following: • We observed the oversight and approval of ECL policies by management. • We evaluated the design and implementation of controls over management's processes to calculate the ECL for loans and advances and finance leases. This included the definition of credit stages, the allocation of assets into these stages, data accuracy and completeness and credit monitoring. With the assistance of our internal specialist, we: • tested the accuracy and completeness of ECL by reperformance. • tested the classification of the loans and advances in stages 1, 2 and 3 and the application of 12 months ECL for stage 1 and lifetime ECL for stage 2 and stage 3. • tested the key inputs and assumptions used in the ECL model. This included assessing the probability of default, loss given default and exposure at default; and • assessed the appropriateness of the macro-economic factors used. For loans and advances and leases to customers that were individually assessed for impairment (Stage 3): • Where impairment indicators existed, we evaluated the reasonableness of management's estimated future recoveries in the valuation of collateral held. • We also compared the actual recoveries against previously estimated amounts of future recoveries.

Other information

The directors are responsible for the other information. The other information comprises the Integrated Report, the Corporate Governance Report, the Secretary's Certificate, Statement of Compliance, Statement of Directors' Responsibilities and Statutory Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Insurance Act 2005 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

Independent auditor's report to the shareholders of

State Insurance Company of Mauritius Ltd

Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor and tax advisor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Insurance Act 2005

The consolidated and separate financial statements have been prepared in the manner and meet the requirements specified in the FSC Rules and Guidelines of the Financial Services Commission.

Financial Reporting Act 2004

Corporate Governance Report

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

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opiwnions we have formed.

Deloitte

Deloitte
Chartered Accountants

R. Srinivasa

R, Srinivasa Sankar, FCA
Licensed by FRC

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Numbers that
Build ***Trust.***
Strength that
Sustains.

Statements of Financial Position

AT 30 JUNE 2024

	Notes	GROUP 2024 Rs'000	GROUP Restated 2023 Rs'000	GROUP Restated 2022 Rs'000	COMPANY 2024 Rs'000	COMPANY Restated 2023 Rs'000	COMPANY Restated 2022 Rs'000
NON-CURRENT ASSETS							
Property, plant and equipment	7	484,165	362,500	323,584	316,180	288,171	277,851
Investment properties	8	1,577,210	1,590,291	1,577,028	1,691,548	1,702,266	1,685,203
Intangible assets	9	91,864	85,446	80,185	57,585	48,877	45,017
Investments in subsidiaries	10	-	-	-	565,628	565,628	565,628
Financial investments:							
- Measured at fair value through other comprehensive income	11(a)	27,076	21,094	21,345	-	-	-
- Measured at fair value through profit or loss	11(b)	19,939,501	18,439,822	17,104,646	19,053,505	17,608,819	16,241,277
Debt instruments at amortised cost	11(c)	579,102	620,252	810,493	-	-	-
Loans and advances:							
- Net investment in finance leases	12(a)	755,956	552,797	511,751	-	-	-
- Mortgage and other loans	12(b)	2,025,543	1,906,643	1,712,415	1,464,469	1,319,133	1,220,927
Right-of-use assets	13(a)	74,818	82,205	82,375	7,982	13,893	12,586
Deferred tax assets	14	35,867	41,024	33,992	-	-	-
Insurance contract assets	25	30,668	24,559	311,576	30,668	24,559	311,576
Reinsurance contract assets	25	1,227	-	-	1,227	-	-
		25,622,997	23,726,633	22,569,390	23,188,792	21,571,346	20,360,065
CURRENT ASSETS							
Debt Instruments at amortised cost	11(c)	564,490	519,583	420,601	-	-	-
Loans and advances:							
- Net investment in finance leases	12(a)	266,307	202,419	185,352	-	-	-
- Mortgage and other loans	12(b)	220,776	209,196	161,581	67,774	79,595	71,399
Other receivables	15	492,440	328,494	249,918	629,210	447,344	422,656
Current tax assets	16(a)	2,183	980	3,290	-	-	-
Bank and cash balances	17	782,925	696,955	1,585,385	407,511	510,565	985,042
Insurance contract assets	25	38,821	95,518	127,181	22,318	83,734	127,054
Reinsurance contract assets	25	557,143	432,046	481,556	201	1,837	1,358
		2,925,085	2,485,191	3,214,864	1,127,014	1,123,075	1,607,509
Assets held for sale	18	6,353	12,488	15,103	6,353	6,353	6,353
		2,931,438	2,497,679	3,229,967	1,133,367	1,129,428	1,613,862

	Notes	GROUP 2024 Rs'000	GROUP Restated 2023 Rs'000	GROUP Restated 2022 Rs'000	COMPANY 2024 Rs'000	COMPANY Restated 2023 Rs'000	COMPANY Restated 2022 Rs'000
CURRENT LIABILITIES							
Borrowings	19	22,200	22,903	23,846	22,200	22,903	23,846
Lease liabilities	13(b)	10,076	9,595	8,513	10,076	9,595	8,513
Trade and other payables	20	239,980	165,201	264,977	161,432	119,104	211,071
Current tax liabilities	16(a)	13,397	55,635	37,034	5,657	50,579	30,272
Deposits from customers	21	302,475	212,246	458,867	-	-	-
Insurance contract liabilities	25	2,110,380	1,809,341	1,566,085	1,063,201	969,387	731,837
Reinsurance contract liabilities	25	129,894	127,410	19,261	107,783	115,535	9,910
		2,828,402	2,402,331	2,378,583	1,370,349	1,287,103	1,015,449
NET CURRENT ASSETS		103,036	95,348	851,384	(236,982)	(157,675)	598,413
		25,726,033	23,821,981	23,420,774	22,951,810	21,413,671	20,958,478
CAPITAL AND RESERVES							
Stated capital	22	70,000	70,000	70,000	70,000	70,000	70,000
Reserves	23	8,276,031	7,247,027	6,367,375	7,436,709	6,489,459	5,579,047
Equity attributable to equity holders of the parent		8,346,031	7,317,027	6,437,375	7,506,709	6,559,459	5,649,047
Non-controlling interests		4,685	4,634	4,623	-	-	-
TOTAL EQUITY		8,350,716	7,321,661	6,441,998	7,506,709	6,559,459	5,649,047
NON-CURRENT LIABILITIES							
Borrowings	19	35,784	36,047	36,020	35,784	36,047	36,020
Lease liabilities	13(b)	52,243	58,292	57,142	52,243	58,292	57,142
Deposits from customers	21	1,689,460	1,389,268	1,453,958	-	-	-
Deferred tax liabilities	14	64,136	42,592	33,559	62,620	41,076	32,043
Employee benefit obligations	24	915,841	1,024,287	900,199	676,600	768,964	686,329
Insurance contract liabilities	25	14,194,996	13,543,315	13,863,455	14,194,996	13,543,314	13,863,455
Reinsurance contract liabilities	25	422,857	406,519	634,443	422,858	406,519	634,442
		17,375,317	16,500,320	16,978,776	15,445,101	14,854,212	15,309,431
		25,726,033	23,821,981	23,420,774	22,951,810	21,413,671	20,958,478

These financial statements have been approved and authorised for issue by the Board of Directors on 30 May 2025.

A ACHARUZ
Director

N RAMDEWAR
Director

The notes on pages 114 to 256 form an integral part of these financial statements.

Auditor's report on pages 101 to 106

Statements of Profit or Loss

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	GROUP 2024 Rs'000	GROUP 2023 Rs'000 Restated	COMPANY 2024 Rs'000	COMPANY 2023 Rs'000 Restated
Insurance revenue	26(a)	2,898,887	2,430,663	1,018,285	870,364
Insurance service expenses	26(b)	(2,137,395)	(1,706,853)	(600,144)	(676,521)
Net expenses from reinsurance contracts	26(c)	(313,128)	(509,274)	(21,538)	(15,584)
Total insurance service result		448,364	214,536	396,603	178,259
Net investment income	27	1,939,281	947,399	2,070,209	1,085,174
Finance expenses from insurance contracts	27	(1,436,491)	(291,915)	(1,414,839)	(292,179)
Finance (expenses)/income from reinsurance contracts	27	(47,510)	37,207	(61,123)	38,148
Net investment result		455,280	692,691	594,247	831,143
Revenue from contracts with customers	28	717,270	660,733	573,544	540,247
Other income	29	246,811	227,196	155,906	174,643
Non Insurance income		964,081	887,929	729,450	714,890
Other operating and administrative costs	30	(662,993)	(489,304)	(583,372)	(430,667)
Non insurance expenses		(662,993)	(489,304)	(583,372)	(430,667)
Profit Before Tax		1,204,732	1,305,852	1,136,928	1,293,625
Taxation	16	(81,424)	(70,601)	(54,432)	(52,804)
PROFIT AFTER TAX		1,123,308	1,235,251	1,082,496	1,240,821
Profit for year attributable to:					
Equity holders of the Parent		1,123,051	1,225,435	1,082,496	1,231,256
Restricted reserves	23	-	9,565	-	9,565
Non-controlling interests		257	251	-	-
		1,123,308	1,235,251	1,082,496	1,240,821

The notes on pages 114 to 256 form an integral part of these financial statements.

Auditor's report on pages 101 to 106

Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Stated Capital	Retained Earnings	Restricted Reserve	Properties Revaluation Reserve	Investments Revaluation Reserve	Actuarial Losses	Other Reserve	General Banking Reserve	Translation Reserve	Attributable to Equity Holders Of Parent	Non-Controlling Interests	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
GROUP													
Balance at 1 July 2023 - as previously stated		70,000	8,060,926	-	164,095	(53,318)	(743,061)	64,997	6,929	207,476	7,778,044	4,634	7,782,678
Prior year adjustments	40	-	(262,144)	9,565	-	(208,438)	-	-	-	-	(461,017)	-	(461,017)
Balance at 1 July 2023 - As restated		70,000	7,798,782	9,565	164,095	(261,756)	(743,061)	64,997	6,929	207,476	7,317,027	4,634	7,321,661
Profit for the year		-	1,132,616	(9,565)	-	-	-	-	-	-	1,123,051	257	1,123,308
Other comprehensive income for the year		-	-		-	(925)	52,213	-	-	31,374	82,662	13	82,675
Total comprehensive income for the year		-	1,132,616	-	-	(925)	52,213	-	-	31,374	1,205,713	270	1,205,983
Transfer from/(to) reserve	23(f) & (g)	-	(34,711)		-	-	-	3,859	30,852	-	-	-	-
Dividend	32	-	(176,709)	-	-	-	-	-	-	-	(176,709)	(219)	(176,928)
Balance at 30 June 2024		70,000	8,719,978	-	164,095	(262,681)	(690,848)	68,856	37,781	238,850	8,346,031	4,685	8,350,716
Balance at 1 July 2022 - as previously stated		70,000	7,499,025	-	164,095	(18,872)	(588,355)	61,239	6,573	191,056	7,384,761	4,623	7,389,384
Prior year adjustments	40	-	(704,753)	-	-	(242,633)	-	-	-	-	(947,386)	-	(947,386)
		-	-	-	-	-	-	-	-	-	-	-	-
Balance at 1 July 2022 - as restated		70,000	6,794,272	-	164,095	(261,505)	(588,355)	61,239	6,573	191,056	6,437,375	4,623	6,441,998
Profit for the year		-	1,235,000	-	-	-	-	-	-	-	1,235,000	251	1,235,251
Transfer to restricted reserves			(9,565)	9,565	-	-	-	-	-	-	-	-	-
Transfer of reserves from Life Business			(14,405)								(14,405)		(14,405)
Adjustment (Retained earnings)						34,191					34,191		34,191
Other comprehensive income for the year - restated		-	-		-	(34,442)	(154,706)	-	-	16,420	(172,728)	(27)	(172,755)
Total comprehensive income for the year		-	1,211,030	9,565	-	(251)	(154,706)	-	-	16,420	1,082,058	224	1,082,282
Adjustment (ROU)	23(a)	-	(44,510)	-	-	-	-	-	-	-	(44,510)	-	(44,510)
Transfer from/(to) reserve	23(f) & (g)	-	(4,114)		-	-	-	3,758	356	-	-	-	-
Dividend	32	-	(157,896)		-	-	-	-	-	-	(157,896)	(213)	(158,109)
Balance at 30 June 2023 - as restated		70,000	7,798,782	9,565	164,095	(261,756)	(743,061)	64,997	6,929	207,476	7,317,027	4,634	7,321,661

The notes on pages 114 to 256 form an integral part of these financial statements.

Auditor's report on pages 101 to 106

Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Stated Capital	Retained Earnings	Restricted Reserve	Properties Revaluation Reserve	Investments Revaluation Reservee	Actuarial Losses	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COMPANY								
Balance at 1 July 2023 - as previously stated		70,000	7,132,169	-	154,537	212,033	(566,588)	7,002,151
Prior year adjustments	40	-	(240,224)	9,565	-	(212,033)	-	(442,692)
Balance at 1 July 2023 - As restated		70,000	6,891,945	9,565	154,537	-	(566,588)	6,559,459
Profit for the year		-	1,092,061	(9,565)	-	-	-	1,082,496
Other comprehensive income for the year		-	-	-	-	-	41,463	41,463
Total comprehensive income for the year		-	1,092,061	-	-	-	41,463	1,123,959
Dividend	32	-	(176,709)	-	-	-	-	(176,709)
Balance at 30 June 2024		70,000	7,807,297	-	154,537	-	(525,125)	7,506,709
Balance at 1 July 2022 - as previously stated		70,000	6,582,545	-	154,537	242,950	(452,990)	6,597,042
Prior year adjustments	40	-	(705,045)	-	-	(242,950)	-	(947,995)
Balance at 1 July 2022 - as restated		70,000	5,877,500	-	154,537	-	(452,990)	5,649,047
Adjustment (ROU)		-	(44,510)	-	-	-	-	(44,510)
Transfer of reserves from Life Business		-	(14,405)	-	-	-	-	(14,405)
Profit for the year		-	1,240,821	-	-	-	-	1,240,821
Transfer to restricted reserves		-	(9,565)	9,565	-	-	-	-
Other comprehensive income for the year		-	-	-	-		(113,598)	(113,598)
Total comprehensive income for the year		-	1,231,256	9,565	-	-	(113,598)	1,127,223
Dividend	32	-	(157,896)		-	-	-	(157,896)
Balance at 30 June 2023		70,000	6,891,945	9,565	154,537	-	(566,588)	6,559,459

The notes on pages 114 to 256 form an integral part of these financial statements.

Auditor's report on pages 101 to 106

Statements of Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
		Rs'000	Rs'000	Rs'000	Rs'000
			Restated		Restated
PROFIT AFTER TAX		1,123,308	1,235,251	1,082,496	1,240,821
Other comprehensive income (OCI):					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	23(e & h)	31,374	16,420	-	-
Net OCI to be reclassified to profit or loss in subsequent periods		31,374	16,420	-	-
Items that will be not be reclassified subsequently to profit or loss					
Revaluation losses on equity instruments at fair value through OCI	23(i)	(925)	(255)	-	-
Remeasurement of defined benefit obligations, net of deferred tax	23(i)	52,226	(154,733)	41,463	(113,598)
Net OCI not to be reclassified to profit or loss in subsequent periods		51,301	(154,988)	41,463	(113,598)
Other comprehensive income for the year, net of tax		82,675	(138,568)	41,463	(113,598)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP AND COMPANY FOR THE YEAR		1,205,983	1,096,683	1,123,959	1,127,223

	2024	2023
	Rs'000	Rs'000
		Restated
Total comprehensive income for the year attributable to:-		
Owners of the parent	1,205,713	1,086,894
Restricted reserves	-	9,565
Non-controlling interests	270	224
	1,205,983	1,096,683

The notes on pages 114 to 256 form an integral part of these financial statements.

Auditor's report on pages 101 to 106

Statements of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
		Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	35	190,010	505,178	(106,516)	344,367
Interest received		600,425	548,040	423,832	380,463
Dividend received		327,938	131,044	325,712	125,600
Interest paid		(31,430)	(58,838)	(1,559)	(6,168)
Income tax paid		(108,858)	(16,002)	(86,302)	(197)
Contributions paid		(144,375)	(144,726)	(116,665)	(117,094)
NET CASH GENERATED FROM OPERATING ACTIVITIES		833,710	964,696	438,502	726,971
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of intangible assets	9	(25,117)	(19,147)	(21,535)	(14,650)
Purchase of property, plant and equipment	7	(182,040)	(79,876)	(69,690)	(43,316)
Purchase of financial assets measured at FVOCI, FVTPL and at amortised cost	11 (a)-(c)	(6,436,248)	(23,824,228)	(4,347,561)	(21,715,339)
Proceeds from disposal or maturity of financial assets measured at FVOCI, FVTPL and at amortised cost	11 (a)-(c)	6,143,528	22,854,133	4,048,451	20,624,037
Proceeds from disposal of repossessed leased assets		-	744	-	-
Proceeds from sale of of assets held under operating lease		-	927	-	-
Disposal of right of use assets		(3,472)	-	-	-
Mortgage and other loans granted during the year		(478,081)	(570,750)	(312,800)	(306,091)
Mortgage and other loans repayment received during the year		346,511	334,543	178,204	206,136
Additions to investment properties	8	(16,845)	(9,187)	(17,155)	(9,301)
Leases granted during the year		(534,164)	(309,433)	-	-
Leases repayment received during the year		270,494	246,753	-	-
Dividend received from subsidiaries		-	-	188,281	225,483
NET CASH USED IN INVESTING ACTIVITIES		(915,434)	(1,375,521)	(353,805)	(1,033,041)
CASH FLOWS FROM FINANCING ACTIVITIES					
Borrowings taken during the year	19	23,330	23,560	23,330	23,560
Borrowings repaid during the year	19	(24,296)	(24,476)	(24,296)	(24,476)
Dividend paid	32	(176,928)	(158,109)	(176,709)	(157,896)
Deposits from customers - net		355,664	(308,985)	-	-
Payment of lease liability		(10,076)	(9,595)	(10,076)	(9,595)
NET CASH GENERATED/(USED IN) FROM FINANCING ACTIVITIES		167,694	(477,605)	(187,751)	(168,407)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		85,970	(888,430)	(103,054)	(474,477)
CASH AND CASH EQUIVALENTS AT 1 JULY		696,955	1,585,385	510,565	985,042
CASH AND CASH EQUIVALENTS AT 30 JUNE		782,925	696,955	407,511	510,565
CASH AND CASH EQUIVALENTS					
Bank and cash balances		782,925	696,955	407,511	510,565
		782,925	696,955	407,511	510,565

The notes on pages 114 to 256 form an integral part of these financial statements.

Auditor's report on pages 101 to 106

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

1 GENERAL INFORMATION

State Insurance Company of Mauritius Ltd (the "Company") is a public company incorporated in Mauritius. Its registered office is situated at Sir Célicourt Antelme Street, Port-Louis, Mauritius. The Company is mainly engaged in long term insurance business whilst its subsidiaries carry out general insurance business, depository, investment and management activities.

2 MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for the following:

(i) Land and buildings are measured at fair value,

(ii) investment properties are measured at fair value,

(iii) financial assets at fair value through profit or loss (FVTPL),

(iv) financial assets at fair value through other comprehensive income (FVOCI) and

(v) non-current assets held-for-sale are measured at the lower of carrying amount and fair value less cost to sell.

The financial statements are presented in Mauritian Rupees (Rs) which is the functional and presentation currency, and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

The Group and Company have presented the statement of profit or loss and other comprehensive income and statement of financial position following adoption of IFRS 17, Insurance Contracts such that it will help the users of the financial statements to understand the amounts disclosed in the financial statements that arises from insurance contracts.

The Group has adopted IFRS 9 to all types of financial instruments except for rights and obligations arising under a contract within the scope of IFRS 17 Insurance Contracts.

Statement of compliance

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board (IASB) and comply with the Companies Act 2001, Financial Reporting Act 2004 and Insurance Act 2005.

2.2 Application of new and revised standards

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except for IFRS 17 -Insurance Contracts.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whilst changes in accounting policies are generally applied retrospectively to past transactions and other past events.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

IFRS 17 – Insurance Contracts

IFRS 17 - Insurance Contracts replaces IFRS 4 Insurance Contracts and is effective as from 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objectives of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The requirements of IFRS 17 has led to significant changes in the accounting for insurance contracts for the Group and Company. The Group and Company have restated the comparatives on initial application of IFRS 17 on 1 July 2023 and details of the transitional disclosures are provided in the financial statement. Changes in prior years have been recognized in equity. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. For details of prior year adjustments, refer to note 40.

The Group and Company adopted IFRS 9 on 01 July 2018 and measured its financial assets at fair value through profit or loss, amortised cost, or fair value through OCI. As permitted by IFRS 17, the Company has reassessed/revoked the previous designation of a financial assets and reclassified them under fair value through profit or loss with a view to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The impact of initial application of IFRS 17 and re-remeasurement of financial assets under IFRS 9 on the Company financial statements as from 01 July 2022 is detailed in note 40. The impact on equity as a result of transition to IFRS 17 arises because of the different requirements of IFRS 17 compared to the accounting policies and actuarial methodologies used under IFRS 4.

The Group and Company have also provided the restated comparative information for 2022 and 2023.

Contracts existing at transition date

Long term insurance contracts

The Company concluded that reasonable and supportable information for application of the fully retrospective approach was not available as well as the modified retrospective approach was not feasible for long term insurance contracts issued prior to the date of transition and therefore applied the fair value approach for those contracts. Under the fair value approach, the CSM at the transition date is calculated as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Group followed the requirements of IFRS 13 Fair Value Measurement, except for that standard's requirement in relation to demand features (that fair value cannot be less than the amount repayable on demand). This is because it would contradict the IFRS 17 requirement to incorporate cash flows on a probability-weighted basis.

The Group uses reasonable and supportable information available at the transition date to:

- Identify groups of insurance contracts
- Determine whether an insurance contract meets the definition of an insurance contract with direct participation features
- Identify discretionary cash flows for insurance contracts without direct participation features
- Determine whether an investment contract meets the definition of an investment contract with discretionary participation features within the scope of IFRS 17

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Application of new and revised standards (Continued)

New and amended IFRS Accounting Standards that are effective for the current year (continued)

Contracts existing at transition date (continued)

Measurement at the transition date

In applying the fair value approach at the transition date, the CSM or loss component of the LRC was estimated as the difference between the fair value and the fulfilment cash flows of the group of contracts as of that date. In determining fair value, the Group followed the requirements of IFRS 13 Fair Value Measurement, except for that standard's requirement in relation to demand features (that fair value cannot be less than the amount repayable on demand), This is because it would contradict the IFRS 17 requirement to incorporate cash flows on a probability-weighted basis.

Discount rates

The Group used discount rates as at the date of transition, instead of discount rates as at the date of initial recognition.

General insurance business

As regards to the General Insurance Business, a modified Retrospective approach has been applied due to impracticability reason.

PAA eligibility assessment has also been undertaken and confirmed successful for both insurance and reinsurance contracts having a coverage period of more than one year.

Detailed accounting policies on insurance contracts are included in note 2.27

Financial investments

The Group and Company adopted IFRS9 on 01 July 2018 and measured its financial assets at fair value through profit or loss, amortised cost, or fair value through OCI. As permitted by IFRS 17, the Company and its Subsidiary SICOM General Insurance Ltd (SGIN) has reassessed/revoked the previous designation of a financial assets and reclassified them under fair value through profit or loss with a view to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Detailed accounting policies are included in note 2.11

Impact of adoption of IFRS 17 and remeasurement under IFRS 9

The Group and Company have restated comparatives for 2022 and 2023 on initial application of IFRS 17 on 01 July 2023 and remeasurement of financial assets under IFRS 9 and details of the transitional disclosures are provided in the financial statements, Changes in prior years have been recognised in equity. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position. Financial performance and cash flows. For details of prior year adjustments, refer to note 41.

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- IFRS 7 - Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)
- IFRS 9 – Financial Instruments - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)
- IFRS 18 - Presentation and Disclosures in Financial Statements - Original issue (Effective 1 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures- Original Issue (Effective 1 January 2027)
- IFRS 16 - Lease Liability in Sale and Leaseback (Effective 1 January 2024)

None of these Standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below:

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-Current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

The directors are still assessing the impact on the Group's and Company's financial statements in future periods.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The directors are still assessing the impact on the Group's and Company's financial statements in future periods.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Application of new and revised standards (Continued)

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The directors are still assessing the impact on the Group's and Company's financial statements in future periods.

2.3 Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries collectively referred to as the "Group". The Group controls an investee if and only if the Group has:

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

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

2.4 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investment in subsidiaries in the separate financial statements of the Company are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquirer, net of any impairment. Acquisition-related costs are generally recognised in profit or loss as incurred. 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 impairment loss is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and carrying amount is recognised in profit or loss.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those return through its power over the entity.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Investment in subsidiaries (continued)

Consolidated financial statements (continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.5 Foreign currencies

The individual financial statements of each group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the functional currency of the Company, and the presentation currency for the group financial statements. The results of subsidiaries whose functional currency is in a currency other than Mauritian Rupee are retranslated to Mauritian Rupee using the average exchange rates and balances at the reporting date are retranslated using the closing exchange rate.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at that date. Profits and losses arising on exchange are included in the profit or loss for the year. Translation of non-monetary items, such as equities classified as fair value through other comprehensive income are included in the investment revaluation reserve in equity. For the purpose of presenting consolidated financial statements, the assets and liabilities of subsidiaries denominated in foreign currencies are translated into Mauritian rupees at closing rate of exchange. Income and expense items are translated at the average rates of exchange for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any cumulative impairment loss. Land and buildings are stated at revalued amounts less accumulated depreciation and any impairment loss. Freehold land is not depreciated.

It is the Group's policy to revalue its buildings at least every five years by independent valuers. Any revaluation surplus is credited to the property revaluation reserve, net of tax. Any revaluation decrease is first charged directly against the property revaluation reserve held in respect of the respective asset, and then to the Statements of profit or loss. The directors do not currently intend to make any distribution from the properties revaluation reserve.

Work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other tangible fixed assets, commences when the assets are ready for their intended use.

Depreciation is calculated to write off the cost or revalued amounts of property, plant and equipment over their estimated useful lives on a straight-line basis.

Depreciation is calculated from the month the asset is capitalised.

Depreciation is calculated to write off the cost or revalued amount of the assets on a straight-line basis over their estimated useful lives at the following rates: -

Buildings on leasehold and freehold land	-1% - 50%
Furniture and fittings	-9% - 50%
Office equipment	-13% - 50%
Computer equipment	-13% - 50%
Motor vehicles - owned	-20%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset. These are included within Other operating income in the Statements of profit or loss.

2.7 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 under Other income (Note 29). Fair values are determined based on the valuation performed by an accredited external, independent valuer.

Investment properties are derecognized when either these 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 under Other income (Note 29) 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 property, plant and equipment up to the date of the change in use.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Intangible Assets - Computer Software

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization 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 derecognized.

Computer software

Computer software is initially recorded at cost and amortized using the straight-line method over the estimated useful life of 3 to 10 years.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.9 Impairment of non-financial assets

The carrying amounts of assets are assessed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated, being the higher of the asset's net selling price and its value in use, to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense immediately, unless the asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.10 Investments in subsidiaries

Financial statements of the Company

Investment in subsidiary companies is carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to Statement of profit or loss.

2.11 Financial Investments

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in the Statements of profit or loss.

Initial recognition, classification and measurement

The Group and Company adopted IFRS9 on 01 July 2018 and the financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially 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. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

As permitted by IFRS 17, the Company and its Subsidiary SICOM General Insurance Ltd (SGIN) has reassessed/revoked the previous designation of a financial assets under FVOCI and amortised costs and reclassified them under fair value through profit or loss with a view to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The net gains and losses for these financial assets are recognised as part of investment income in the Income Statement.

In order for a debt instrument to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Debt instruments at fair value through OCI with recycling
- Equity instruments at fair value through OCI with no recycling
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired

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

This category has two sub-categories: 'financial assets held for trading and those that are mandatorily classified and measured at fair value through profit or loss'. A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management.

Financial assets measured at fair value through profit or loss at inception are those that are:

- Held in internal funds to match insurance liabilities that are linked to the changes in fair value of these assets. The classification of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Financial Investments (continued)

Financial assets measured at fair value through profit or loss at inception are those that are: (continued)

- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. The Group's investment strategy is to invest in mutual funds and collective investment schemes and to evaluate them with reference to their fair values. Assets that are part of these portfolios are classified upon initial recognition at fair value through profit or loss. This category includes those financial instruments which are classified as FVTPL because they do not meet SPPI tests.

These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value. Changes in fair value are recorded in net gain/ (loss) on financial assets at fair value through profit or loss.

Equity instruments at fair value through OCI (FVOCI)

Upon initial recognition, the Group elects to classify irrevocably its investments in equity securities as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case such gains are recorded in OCI. Dividend distribution in kind would fall in that category. Equity instrument at FVOCI are not subject to impairment.

2.12 Loans and Advances

The Group only measures loans and advances to customers at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group has established a policy to perform an assessment at the end of each reporting period of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process the Group groups its loans and other debt instruments into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When debt instruments are first recognised, the Group recognises an allowance based on 12m ECLs. Stage 1 instruments also include facilities where the credit risk has improved and the instrument has been reclassified from Stage 2. The loans characterised as high grade investment are classified in stage 1.
- Stage 2: When an instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 instruments also include facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The loans characterised as standard grade investment are classified in stage 2.
- Stage 3: Debt instruments considered credit-impaired and non performing. The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs

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

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

- **The Probability of Default (PD)**

The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- **The Exposure at Default (EAD)**

The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- **The Loss Given Default (LGD)**

The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method are summarised below:

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

Overview of the ECL principles

Forward looking information

In its ECL models, the Group relies on forward looking information as economic inputs which are GDP growth, unemployment rate and inflation rate. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Loans and Advances (continued)

Collateral valuation

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

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

The Group applied a simplified approach in calculating ECLs on its investments in finance leases. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience.

2.13 Net investment in finance leases

Amounts due from lessees under finance leases are recorded as investment in finance lease at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

The Group applies a simplified approach to measure the lifetime ECLs on its lease receivables and recognised the ECLs at each reporting date, from the initial recognition. To measure the ECLs, the Group has grouped its lease receivables based on shared credit risk characteristics (e.g by sectors) and days past due. The Group determines the default rate based on the provision matrix, which uses the free-flow rate method based on historical default rates. The calculation reflects the probability weighted outcome, the time value of money, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. The Group further calibrates the provision matrix to adjust the historical credit loss experience with forward looking information.

2.14 Leases

Group and Company as Lessee

The Group's leasing activities and how these are accounted for are described below.

The Group leases office premises and leasehold rights on land and the rental contract is for fixed periods of 5 years and 30 years respectively but may have renewal option as described below. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

However, for leases of office premises for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Under IFRS 16, assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

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

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

Group as a lessee

Right-of-Use assets

The Group recognises Right-of-Use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Rights-of-Use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of Rights-of-Use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised Rights-of-Use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Rights-of-Use assets are subject to impairment.

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

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

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

Short-term leases and low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Leases (continued)

Lease liabilities (continued)

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2.15 Deferred Taxation

Deferred tax is provided 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 and associates, 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 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 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 and associates, deferred 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 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 tax asset to be utilised.

Unrecognised deferred 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 in 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.

Current and deferred tax relating to items recognised outside profit or loss are 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 tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In accounting for the deferred tax relating to the lease, the Group considers both the lease asset and liability separately. The Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition, are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

Deferred income taxes are calculated on all temporary differences under the liability method.

2.16 Other receivables

Other assets and other receivables are those that have fixed or determinable payments and that are not quoted in an active market and classified as financial assets at amortised cost. They are measured at amortised cost, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

2.17 Equity instruments issued by the Group and Company

Classification

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement.

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 Group and Company are recorded at the proceeds received, net of direct issue costs.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdrafts and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown in current liabilities in the statements of financial position. The Carrying amount of these assets is approximately equal to their fair value. Cash and Cash Equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position.

2.19 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

2.20 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in case of financial liabilities at amortised cost, directly attributable transaction costs.

The Group's financial liabilities include borrowings, trade and other payables, deposits from customers and bank overdrafts.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Financial Liabilities (continued)

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

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

2.21 Taxation

Income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Corporate social responsibility (CSR)

Corporate social responsibility (CSR) was legislated by the Government of Mauritius in July 2009. In terms of the legislation, the Group is required for all its companies domiciled in Mauritius to allocate 2% of its chargeable income of the preceding financial year to government approved CSR NGOs. As from July 2017, following amendments to the Finance Act 2017, the Group is now required as from 01 January 2017 to 31 December 2018 to remit to the Director General at least 50% of the CSR contribution. After 01 January 2019, the Group is required to remit to the Director General at least 75% of the CSR contribution. This is recorded as part of income tax expense.

The applicable income tax rate in Mauritius is 15% (2023:15%). An additional charge of 2% (2023 :2%) is applicable in respect of Corporate Social Responsibility.

2.22 Deposits from Customers

Deposits from customers are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or expired.

2.23 Stated Capital

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 Group and Company are recorded at the proceeds received, net of direct issue costs.

2.24 Employee Benefit Obligations

(i) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(ii) Defined Benefit Plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(iii) Unfunded benefits

In addition to the Defined Benefit (DB) Plan SICOM also provides benefits outside the pension funds to members of the DB funds.

The liability recognised in the statement of financial position in respect of unfunded benefits is the present value of the unfunded obligation at the end of the reporting period. The unfunded obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net unfunded liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the interest expense on the unfunded liability for the period by applying the discount rate used to measure the unfunded obligation at the beginning of the annual period to the unfunded liability, taking into account any changes in the unfunded liability during the period as a result of benefit payments. Interest expense is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements, are recognised immediately in profit or loss.

(iv) State plan

Contributions to the National Pension Scheme plan are expensed to the profit or loss in the period in which they fall due.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Assets Held for Sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Foreclosed properties represent seized assets acquired through auction at the Master's Bar as a result of default by client. The loan is derecognised at the value the properties acquired by the Company and the foreclosed properties are initially recognised at the consideration paid. Intention of management is to sell those assets once required conditions relating to the sale have been completed.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. An exception to the one-year requirement is applied in the situation where at the date an entity commits itself to a plan to sell a non-current asset it reasonably expects that others (not a buyer) will impose conditions on the transfer of the asset that will extend the period required to complete the sale, and:

(i) Actions necessary to respond to those conditions cannot be initiated until after a firm purchase commitment is obtained, and

(ii) A firm purchase commitment is highly probable within one year.

The assets are not depreciated or amortised once classified as held for sale.

Assets classified as held for sale are presented separately as current items in the statements of financial position.

2.26 Interest Expenses on Financial Liabilities not measured at FVTPL

Finance costs represent interests on borrowings and are accrued using the EIR method.

2.27 Insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts.

The following established policies and methodologies are set out below

1) Key types of insurance contracts issued, and reinsurance contracts held

The Group issues the following types of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

Life business

- non-participating contracts including:
  - Term life insurance contracts providing level or decreasing sum assured coverage for a limited period of time in exchange for renewable fixed premiums.
  - Fixed annuity contracts providing the annuitant with a guaranteed income payout for life.
  - Other life insurance savings contracts which also provide policyholders with risk benefits.

The Group accounts for these policies applying the General Model.

- direct participating contracts including:
  - Investment-linked insurance policies which include life insurance coverage and an investment component.
  - investment contracts with discretionary participation features, payments that vary based on the returns on underlying items and resulting from any embedded guarantees

The Group has an obligation to pay policyholders an amount equal to the value of the specified underlyingitems, minus a variable fee for service

The Group accounts for these policies applying the Variable Fee Approach (VFA).

Group Term Insurance with a coverage period of one year is eligible for Premium Allocation Approach (PAA).

General insurance policies:

Except for the contracts such as Inherent Defects Insurance (IDI) policy, Single project professional Indemnity (SPPI) Insurance, Contractors All Risks (CAR) Insurance, Security Bonds and contingency – Kidnap and Ransom (K&R) Insurance, all other insurance contracts held by SGIN are annual in nature (with provision for extention of odd period not exceeding 15 months). IFRS 17 allows for the choice of simplifying the Liability for Remaining Coverage ('LFRC') calculation using PAA for such contracts.

The Company accounts for these contracts applying the Premium Allocation Approach (PAA) as they have passed the PAA eligibility testing.

The Group also holds the following types of reinsurance contracts to mitigate risk exposure.

- For term life, savings policies, investment-linked insurance policies, the Group holds quota share and risk premium reinsurance treaties and accounts for these treaties applying the General Model. The PAA is applied for Group term Assurance. Treaty.
- For general insurance business, the Company reinsures either on a treaty basis (proportional or non- proportional) or on a facultative basis, both accounted for applying the PAA.
- Proportional reinsurance may be either in the form of a quota share whereby the proportion of each risk reinsured is fixed, or in the form of surplus whereby the Company can retain a part of a risk within a fixed limit, and the reinsurer accepts part of the risk as a multiple of the Company's retention.
- Under the non-proportional type of reinsurance, the Company uses the Excess of Loss treaty whereby in consideration for a premium, the reinsurer agrees to pay claims in excess of a specified amount (the retention), up to a specified maximum amount.
- Under facultative reinsurance, risks are offered to the reinsurer on an individual basis and can be accepted or rejected by the reinsurer.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2.27 Insurance contracts (continued)

Definitions and classifications

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Group issues certain insurance contracts that allow policyholders to participate in investment returns with the Group, in addition to compensation for losses from insured risk. Participating contracts meet the definition of insurance contracts with direct participating features if the following three criteria are met:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items
- A substantial proportion of the cash flows that the Group expects to pay to the policyholder is expected to vary with the change in the fair value of the underlying items

The Group assesses whether the above conditions and criteria are met using its expectations at the issue date of the contracts.

2) Separating components from Insurance and Reinsurance

An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. For example, an insurance contract may include a distinct investment component or a service component.

Life business

There are no distinct investment components since the investment component cannot lapse without the insurance component and vice versa.

General Insurance Business

Towing services

The travel (road) assistance service provided to all comprehensive private motor vehicles and commercial comprehensive vehicles (less than 2.5 tons) forms part of the claim handling. Therefore, the cash flows and risks are highly interrelated with those of the insurance benefits and the company is providing a significant service in integrating the assistance with the insurance benefits.

Towing services are not distinct and will be accounted as per IFRS 17

Investment components

The Company has neither distinct nor non-distinct investment components for the underlying insurance contracts.

The non-proportional reinsurance treaties and/ or other reinsurance contracts do not have either distinct or non-distinct investment components

3) Level of aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts. entities.

The Group may acquire insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Group segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Company applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually.

The composition of groups established at initial recognition is not subsequently reassessed. For contracts that existed as at the transition date to IFRS 17, all policies were classified in one group.

SICOM General Insurance Ltd has considered existing loss ratios, historical data and performance analysis to assess profitability of contracts and has also considered the effect under IFRS 17 arising from a more accurate allocation of expenses.

For general insurance contracts accounted for applying the PAA, the Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Group performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

4) Recognition

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group of contracts becomes onerous

5) Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk.

In estimating expected future cash flows of a group of contracts, the Group applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

The Group assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

6) Measurement of insurance contracts issued

Measurement on initial recognition for contracts other than PAA

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

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

- Premiums and any additional cash flows resulting from those premiums
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
- for investment-linked insurance policies and investment contracts with discretionary participation features, payments that vary based on the returns on underlying items and resulting from any embedded guarantees
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs
- Claim handling costs
- Costs of providing contractual benefits in kind, such as repairs
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)
- Transaction-based taxes
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Group issues investment-linked insurance policies that result in policyholders in different groups sharing the returns on the same pool of underlying items. The Group determines each group's share of the returns from the underlying items by first determining the overall return at a higher level of aggregation than the groups, and then making an allocation to each group on a systematic and rational basis.

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Group has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

6) Measurement of insurance contracts issued (continued)

The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk).

Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability.

The Group will not split estimated cash flows between those varying and those not varying with the underlying item.

The Group will use a risk-neutral approach when determining the yield curve to be used for discounting. For cash flows that do not vary with the underlying item, the risk-free rate will be used to project and discount cash flows, as per paragraph B80. For cash flows that vary with the underlying item, a risk-free rate will also be used to project and discount cash flows.

Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. The Group uses the VaR approach at the 80% Confidence Interval. The chosen confidence level is expected to be influenced by the following:

- The risk appetite of the various business units;
- The expected emergence of profit over time; and
- Evolving market practice (for example the confidence level disclosed by market participants could converge over time).

Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of the group
- The amount of any derecognised asset for insurance acquisition cash flows allocated to the group
- Any other asset or liability previously recognised for cash flows related to the group
- Any cash flows that have already arisen on the contracts as of that date

If a group of contracts is onerous, the Group recognises a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts.

The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

The Group allocates contracts acquired with claims in the settlement phase into annual groups based on the expected profitability of the contracts at the date of acquisition. The Group uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition. When, on initial recognition, contracts acquired in a portfolio transfer are determined to be onerous, the excess of the fulfilment cash flows over the consideration received is recognised in profit or loss.

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group identifies at a portfolio level, insurance acquisition cash flows which are allocated to the group of insurance contracts. The remaining expenses are classified between Attributable maintenance expenses, claims handling expenses and non-attributable expenses.

All acquisition expenses are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Subsequent measurement under the General Model

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service.

At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

6) Measurement of insurance contracts issued (continued)

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

For insurance contracts without direct participating features, the following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised.
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised. All financial variables are locked in at initial recognition.
- Changes in the risk adjustment for non-financial risk relating to future service. The Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between (i) a change related to non-financial risk and (ii) the effect of the time value of money and changes in the time value of money
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof
- Changes in the fulfilment cash flows relating to the LIC
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

Any further increases in fulfilment cash flows relating to future coverage are recognised in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition
- The changes in fulfilment cash flows related to future service, except:
  - Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous
  - Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events. By determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviour to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods (e.g. policyholder exercising an option and adding an additional for a previously guaranteed price) and the 'quantity of benefits' provided under a contract.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

6) Measurement of insurance contracts issued (continued)

Contracts with cash flows not dependent on underlying items

The coverage units are determined on an undiscounted basis and have been defined as follows for Life business:

- Conventional Products and Term Assurances: Basic Sum Assured, including vested bonuses for With Profits
- Annuities: Annuity payments
- Linked Products: Based on unit fund, except for Group Life savings where we use Sum Assured as SA is sometimes higher than unit fund
- General insurance contracts are accounted for using the PAA.
- For facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.
- For term life quota share reinsurance contracts held, a method based on the expected duration and maximum contractual cover expected to be in force in each period is applied.

The amount of CSM allocated to each coverage unit changes over time, as the amount of CSM changes. The allocation of the CSM to coverage units is done at the end of the period, after reflecting all other CSM adjustments (the accretion of interest and the effect of change in assumptions relating to future coverage), but before any of it is released to profit or loss. The amount of CSM remaining at the end of the reporting period is allocated equally to the coverage units provided in the period and the remaining coverage units relating to future periods.

Insurance contracts measured under the premium allocation approach

In determining the number of coverage units, the Group and Company applies the following method:

• The general insurance contracts and the Group Term Assurance contracts for Life business are accounted for using the PAA.

• For facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.

On initial recognition, the Company measures the LFRC at the amount of premiums received in cash and the acquisition costs. Contracts of terms greater than one year have been tested for PAA eligibility and passed the test. Accordingly all contracts are measured under PAA.

Commission payable to intermediaries, receivable from reinsurers and acquisition management expenses are deferred as per coverage period of the contract.

Premiums due to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received, the acquisition costs in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Group has determined that there is no significant financing component in general insurance contracts and does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Group also applies the PAA to the general insurance reinsurance contracts held. The coverage period of such reinsurance contracts held is usually one year or less. For contracts where coverage period exceeds one year, the Group at initial recognition assesses whether the PAA is a reasonable approximation of the General Model.

For General insurance contracts issued and reinsurance contracts held, the carrying amount of the LIC is measured applying the PAA. The Company adjust its future cash flows for the time value of money and the effects of financial risks on all outstanding claim reserves.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time. The Group applies judgement in determining the basis of allocation.

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

Subsequent measurement for direct participating contracts (accounted for under the VFA)

The Group issues insurance contracts with substantial investment-related services. When assessing whether a contract meets the definition of a direct participating contract, the Group applies the definition of IFRS 17.

In applying the definition of a direct participating contract, the Group considers the legal enforceability of the contractual link with the participating policyholder to a share of returns from a clearly defined pool of underlying items.

The Group's obligation to the policyholders consists of the obligation to pay policyholders the fair value of the underlying items less a variable fee for future service provided under the insurance contract.

In determining the policyholder's share of returns from the underlying items and how substantial the degree of variability in total payments to the policyholder is due to returns from underlying items, the Group makes the assessment:

• Over the duration of the insurance contract.

• On a present value probability-weighted average basis

When calculating the probability-weighted average of multiple scenarios where some of those scenarios result in the payments to the policyholder not equalling a substantial share of the fair value of the underlying items, the Group applies judgement as to whether a contract meets the definition of a direct participating contract.

The carrying amount of the CSM for direct participating contracts at the end of the reporting period is the carrying amount at the beginning of reporting period adjusted for:

• The effect of any new contracts added to the group

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

6) Measurement of insurance contracts issued (continued)

Subsequent measurement for direct participating contracts (accounted for under the VFA) (continued)

- The change in the amount of the Group's share of the fair value of the underlying items except for:
  - The amount of CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments
  - The decrease in the amount of the Group's share of the fair value of the underlying items that exceeds the carrying amount of the CSM giving rise to a loss that makes the associated group of contracts onerous, or that results in a loss for an existing onerous group becoming more onerous
  - The increase in the amount of Group's share of the fair value of the underlying items that reverses a previously recognised loss on an onerous group of contracts
- The changes in fulfilment cash flows relating to future service, except:
  - The amount of the CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments.
  - Such increases in the fulfilment cash flows that exceed the carrying amount of CSM and the group of contracts becomes onerous or more onerous
  - Such decreases in the fulfilment cash flows that reverse a previously recognised loss on an onerous group of contracts
- The effect of any currency exchange differences arising on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period.

This amount is determined by the allocation of the CSM remaining at the end of the reporting period (after all other adjustments but before any allocation) over the current and remaining coverage period based on the amount of coverage units provided in the period when determining the number of coverage units for contracts accounted for under VFA, the Group applies the following methods:

- For investment-linked insurance policies, the Group weights the benefits from investment-related services and insurance coverage services to calculate the total coverage units of the group based on the relative weight that the fulfilment cash flows associated with these two services have in the determination of the CSM balance. This calculation is updated at each reporting date, taking into account the experience to date and the current estimate of future cash flows at the reporting date. The total quantity of coverage units is then allocated based on the expected duration of the contracts.

All CSM adjustments are measured considering a current measure of the time value of money with full allowance of its dependency on the financial variables affecting the fair value returns of the underlying items.

Applying the VFA, the changes in fulfilment cash flows that adjust the CSM are changes in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that do not vary based on the returns of the underlying items. The changes in fulfilment cash flows that do not vary based on the returns of the underlying items are:

- Changes in the effect of the time value of money and financial risks not arising from the underlying items, for example the impact of financial guarantees
- Experience adjustments arising from premiums received in the period related to future service
- Changes in the estimate of future expected cash flows of the liability for remaining coverage
- Differences arising from timing of payment of investment components
- Changes in the risk adjustment for non-financial risk related to future service

Onerous contracts

The Group considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

The General insurance business has considered existing loss ratios, historical data and performance analysis to assess profitability of contracts and has also considered the effect under IFRS 17 arising from a more accurate allocation of expenses.

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for nonfinancial risk, excluding any investment component amount.

The Group does not disaggregate the total finance income or expenses between profit or loss or OCI.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

6) Measurement of insurance contracts issued (continued)

Any subsequent decreases in fulfilment cash flows relating to future service allocated to the group (arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk) are allocated first to the loss component only. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service results in the establishment of the group's CSM.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component)
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component)
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The group recognises amounts in insurance service expenses related to the loss component arising from:

- changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted
- For direct participating contracts only, subsequent decreases in the entity's share of the fair value of the underlying items, that result in or further increase the loss component
- For direct participating contracts only, subsequent increases in the entity's share of the fair value of the underlying items that reduce the loss component until it is exhausted
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

7) Reinsurance contracts held

Recognition

The Group uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Group determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Group considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Group disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- Contracts that on initial recognition have a net gain
- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently
- Any remaining reinsurance contracts held in the portfolio

For general quota share reinsurance contracts held accounted for applying the PAA, the Group assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

In determining the timing of initial recognition of a reinsurance contract held, the Group assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Group recognises a group of reinsurance contract held that provides proportionate coverage:

- At the start of the coverage period of that Group of reinsurance contracts held
- At the initial recognition of any of the underlying insurance contracts, whichever is later

The Group recognises all reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Group in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

Reinsurance contracts held measured under the General Model

The Group's proportional reinsurance treaties and the catastrophe excess of loss treaty held are accounted for applying the measurement requirements of the General Model for estimates of cash flows and discount rates. The Group measures the reinsurance contracts held and the underlying insurance contracts issued using consistent assumptions. The Group includes in the estimates of the present value of expected future cash flows for a group of reinsurance contracts held the effect of any risk of non-performance by the reinsurer, including the effects of any collateral and losses from disputes. The effect of non-performance risk of the reinsurer is assessed at each reporting date.

In determining the asset representing the risk adjustment for non-financial risk transferred to the reinsurer, the Group assesses the amount of risk transferred by the Group to the reinsurer by calculating the risk adjustment of the underlying contracts before and after the effect of the reinsurance contracts held. The difference is recognised as the asset representing the risk adjustment reinsured.

On initial recognition, the Group recognises any net cost or net gain on purchasing the group of reinsurance contracts held as a reinsurance CSM, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, where the Group recognises such a cost immediately in profit or loss as an expense as part of insurance service result.

For a group of reinsurance contracts held, on initial recognition of an underlying onerous group of insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group establishes a loss recovery component and, as a result, recognises a gain in profit or loss. The amount of the loss recovery component adjusts the CSM of a group of reinsurance contracts held. It is calculated at an amount equal to the loss recognised on the underlying insurance contracts multiplied by the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. After initial recognition, the carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held. Reversal of the loss recovery component adjusts the CSM and the risk adjustment of the group of reinsurance contracts held. After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying groups, its amount is adjusted for:

- Changes in fulfilment cash flows of underlying insurance contracts related to future service and do not adjust the CSM of their respective groups
- Loss recovery component reversals to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held

These adjustments are calculated and presented in profit or loss.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

7) Reinsurance contracts held (continued)

The Group adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfilment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfilment cash flows for underlying insurance contracts is recognised in profit or loss by adjusting the loss component. The respective changes in reinsurance contracts held is also recognised in profit or loss (adjusting the loss recovery component).

Reinsurance contracts held measured under the PAA

The Group measures quota share, surplus and facultative General insurance reinsurance contracts by applying the PAA.

Under the PAA, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid.

The Group measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

8) Modification and derecognition

The Group derecognises the original contract and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

- If the modified terms were included at contract inception and the Group would have concluded that the modified contract:
  - Is outside of the scope of IFRS 17
  - Results in a different insurance contract due to separating components from the host contract
  - Results in a substantially different contract boundary
  - Would be included in a different group of contracts
- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying either the VFA or the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period.

This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the Group adjusts insurance revenue prospectively from the time of the contract modification.

The Group derecognises an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met

When the Group derecognises an insurance contract from within a group of contracts, it:

- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group
- Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component)
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognised from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number

When the Group transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group caused by the derecognised fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognises an insurance contract due to modification, it derecognises the original insurance contract and recognises a new one. The Group adjusts the CSM of the group from which the modified contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

9) Presentation

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

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another subtotal: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

The Group includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and nonfinancial portion. It includes the entire change as part of the insurance service result.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

10) Insurance revenue

As the Group provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model and VFA, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

– Amounts allocated to the loss component

– Repayments of investment components

– Amounts that relate to transaction-based taxes collected on behalf of third parties

– Insurance acquisition expenses

– Amounts relating to risk adjustment for non-financial risk

- The change in the risk adjustment for non-financial risk, excluding:
    - – Changes that relate to future service that adjust the CSM
    - – Amounts allocated to the loss component
- The amount of CSM for the services provided in the period
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any.

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Group recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

At the end of each reporting period, the Group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

11) Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts

12) Income or expenses from reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately.

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers.

Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Group establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to.
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses

13) Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

The Group has an accounting policy choice to present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, the Group examines the assets held for that portfolio and how they are accounted for. The accounting policy choice not to disaggregate insurance finance income or expenses so that part is recognised in profit or loss and part in OCI is applied on a portfolio-by-portfolio basis.

The Group chose not to disaggregate the presentation of insurance finance income or expenses and determined the cumulative amount recognised in OCI as Nil for all contracts

For PAA contracts

When applying the PAA, the Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for general insurance policies. However claims payable are discounted applying the discount rate at the time the incurred claim is initially recognised.

For non-participating contracts

For non-participating contracts whose cash flows are not affected by underlying items, the Group has elected to present all insurance finance income or expenses in profit or loss.

For indirect participating contracts

For indirect participating contracts where the entity holds the underlying items, the Group does not disaggregate the presentation of total insurance finance income or expenses.

For direct participating contracts where the underlying items are held

For direct participating contracts, for which the Group holds the underlying items, the Group does not disaggregate the total insurance finance income or expenses.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.27 Insurance contracts (continued)

13) Insurance finance income and expenses (continued)

For reinsurance contracts held

For all reinsurance contracts held measured applying the General Model, and reinsurance contracts held measured applying the PAA, the Group does not disaggregate total insurance finance income or expenses. The amount presented in profit or loss is based on a systematic allocation of the expected total insurance finance income or expenses over the duration of the contracts in the group.

Exchange differences

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held are recognised in profit or loss in the period in which they arise. Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held included in other comprehensive income, if any, are recognised in other comprehensive income.

The group of insurance contracts with cash flows in different foreign currencies is assessed to be denominated in a single currency. Accordingly, the risk adjustment for non-financial risks and the CSM of the group of insurance contracts are determined in the currency of the group of contracts.

At the end of each reporting period, the carrying amount of the group of insurance contracts denominated in a foreign currency is translated into the functional currency.

The amounts arising from changes in exchange rates between the currency of the cash flows and the currency of the group of contracts are considered as changes in financial risk and are accounted for as insurance finance income or expenses.

The amounts arising from changes in exchange rates between the currency of the group of contracts and the functional currency are considered as exchange differences and are recognised in profit or loss in the period in which they arise.

2.28 Liability adequacy test

Long-term insurance

The Group's Actuary reviews the adequacy of insurance liabilities for long term contracts on an annual basis and ensures that provisions made by the Group are adequate.

2.29 Investment and other income

Investment and other income

Investment income comprises of dividend, interest and net fair value gains for the year. Dividend income is accounted when the right for payment is established. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. The net fair value gains is recognised for debt instruments and equity measured at fair value through profit or loss.

Other income

Other income comprises mainly of rental income and revaluation of investment property and finance lease income.

2.30 Revenue from Contracts with Customers

The Company provides actuarial services, management services, administration and investment management services to entities within the group and pension funds under administration. Revenue from contract with customers is recognised when control of the services are transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

Services transferred over time

The Company recognises revenue from these services over-time because customer simultaneously receives and consumes the benefits provided by the Group.

Services transferred at a point in time

Revenue from such services is recognised at a point in time, generally upon delivery of the service.

2.31 Dividend Paid

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared. The liability is extinguished when actual payments are made to the shareholders.

2.32 Related Party Disclosures

Parties are considered to be related if one party has control, joint control or exercise significant influence over the other party or is a member of the key management personnel of the other party.

3 MANAGEMENT OF FINANCIAL AND INSURANCE RISKS

The primary objective of the Company's Enterprise Risk Management Framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Company has set up an Enterprise Risk Management Framework required under the Insurance (Risk Management) Rules 2016 made by the Financial Services Commission under section 130 of the Insurance Act and section 93 of the Financial Services Act 2007.

The Enterprise Risk Management Framework includes the following components:

a) A Risk Appetite Statement;

b) A Risk Management Strategy;

c) A three-year rolling business plan;

d) An Own Risk Solvency Assessment (ORSA) Framework;

e) The liquidity policy;

f) A designated risk management function; and

g) Description of the responsibilities, roles and reporting lines within the insurer for the management of material risks.

A detailed description of the Enterprise Risk Management Framework is disclosed hereunder and in the Integrated Report.

The Group has established a risk management function with clear terms of reference from the board of directors and the Risk and Audit Committee. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors in line with the Three Lines of Defence Model. Lastly, an Enterprise Risk Management Framework and Policy which sets out the risk profiles for the Company, risk management, control and business conduct standards for the Company's operations has been put in place.

The board of directors approves the Company's risk management policies and meets as and when required to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

3 MANAGEMENT OF FINANCIAL AND INSURANCE RISKS (CONTINUED)

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern and also comply with applicable laws and regulations.

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 30 June 2024 and 2023.

The operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for the statement of financial position as per Rule 6, capital required for investment above concentration limit as per Rule 7, capital required for policy liabilities as per Rule 8, capital required for catastrophes as per Rule 9 and capital required for reinsurance ceded under Rule 10.

Under the Insurance (Long-Term Insurance Business Solvency) Rules 2007, the minimum capital requirement for long-term business is determined by the actuary, which is the higher of:

(a) a stress test requirement determined in accordance with guidelines issued by the Financial Services Commission to ensure that the company remains solvent; or

(b) the higher of:

- an amount of Rs 25 million; or
- an amount representing 13 weeks' operating financial services, with operating expenses as defined and reported in the annual statutory return submitted to the Financial Services Commission.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Financial Services Commission (FSC). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Group's capital management policy for its insurance is to hold sufficient capital to cover the statutory requirements based on the FSC directives, including any additional amounts required by the regulator.

For the years ended 30 June 2024 and 30 June 2023, the Group and Company have satisfied the minimum capital requirements.

The capital structure of the subsidiary (SICOM Financial Services Ltd) consists of stated capital, reserves and retained earnings. The subsidiary has to comply with the Banking Act 2004 in respect of both its stated capital and reserves. As at 30 June 2024 and 30 June 2023, the legislative requirement has been met for both stated capital and reserves. The subsidiary manages its capital with an aim to maximise return to its shareholders.

Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

4 INSURANCE RISKS

Insurance risk is transferred when an insurer agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, the risk is random and therefore unpredictable.

The main risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Also, the Group makes use of reinsurance arrangements to reduce exposure to risk.

The Group purchases reinsurance as part of its risk mitigation programme, Reinsurance ceded is placed on both a treaty and facultative basis. Amount recoverable from reinsurers are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligation to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

A key risk for the Group is that the proceeds from its assets will not be sufficient to fund the obligations arising from its insurance. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (i.e., subrogation).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

4 INSURANCE RISKS (CONTINUED)

(a) *Short-term insurance*

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

The Group's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Group has in place underwriting criteria to ensure that the risks accepted are as per acceptance guidelines. Where relevant, the Group may pursue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are closely monitored.

Reinsurance arrangements under treaties and facultative basis to mitigate the severity of claims as risk retained is predetermined.

(b) *Long-term insurance*

For long-term insurance contracts, where the insured event is death, the most significant factors that could impact on insurance claims are diseases like heart problems, diabetes, high blood pressures or changes in lifestyle, resulting in higher and earlier claims being submitted to the Group. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. The liabilities in terms of insurance contracts are based on recommendations of the Group's Actuary.

For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating items and conditions that reduce the insurance risk accepted.

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The Group manages these risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. For example, the Group balances death risk and survival risk across its portfolio. Medical selection is also included in the Group's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants.

The Group has defined retention limits on all lives insured and reinsures the excess of the insured benefit over its retention limit.

The tables below present the concentration of insured benefits across bands of insured benefits per individual life assured. Management have assessed that the sum assured is an appropriate measure of concentration of insurance risk as the Company is exposed to an obligation representing the sum assured should an insured event occurs.

	GROUP AND COMPANY			
	Total Benefits Insured			
Benefits assured per life assured as at 30 June 2024	Before Reinsurance		After Reinsurance (Retained)	
Rs'000	Rs'000	%	Rs'000	%
0 –100	528,403	2	528,403	3
100 – 200	1,794,071	7	1,655,039	10
200 – 300	2,028,488	8	1,915,233	12
300 – 400	1,606,934	6	1,423,185	9
400 +	20,988,237	77	10,382,728	66
TOTAL	26,946,133	100	15,904,588	100

	GROUP AND COMPANY			
	Total Benefits Insured			
Benefits assured per life assured as at 30 June 2023	Before Reinsurance		After Reinsurance (Retained)	
Rs'000	Rs'000	%	Rs'000	%
0 –100	557,172	2	557,172	3
100 – 200	1,875,094	7	1,875,094	11
200 – 300	2,113,536	8	2,113,536	12
300 – 400	1,557,410	6	1,557,410	9
400 +	20,640,002	77	11,220,802	65
TOTAL	26,743,214	100	17,324,014	100

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

4 INSURANCE RISKS (CONTINUED)

The following table for annuity insurance contracts illustrates the concentration of risk based on bands that group these contracts in relation to the amount payable per annum as if the annuity were in payment as at financial years ended 30 June 2024 and 30 June 2023. The Group does not hold any reinsurance contracts against the liabilities carried for these contracts.

	GROUP AND COMPANY	
Annuity payable per annum per life assured as at 30 June 2024	Total annuities payable per annum	
Rs'000	Rs'000	%
0 – 10	1,057	0.33
10 – 20	3,188	1
20 – 50	29,074	9
50 – 100	72,248	22.36
100 – 150	50,708	15.7
More than 150	166,770	51.61
Total	323,045	100
Annuity payable per annum per life assured as at 30 June 2023	Total annuities payable per annum	
Rs'000	Rs'000	%
0 – 10	1,014	0.3
10 – 20	3,328	1
20 – 50	30,061	8.98
50 – 100	73,858	22.07
100 – 150	52,684	15.75
More than 150	173,641	51.9
Total	334,586	100

With regards to Group Assurances the Total Sum Assured is Rs'000 81,004,503 (2023: Rs'000 64,637,900) and the Sum Assured retained is Rs'000 65,704,169 (2023: Rs'000 31,156,770).

4.1.2 Sources of uncertainty

(a) *Short–term insurance*

Most claims on short term insurance contracts are payable on a claims-occurrence basis. Under claims occurrence basis, the Group is liable for insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims may be settled over a long period of time and a significant element of the claims provision relates to incurred but not reported claims (IBNR).

The estimated costs of claims include direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries. The Group ensures that claims provisions are determined using the best information available of claims settlement patterns, court awards and forecast inflation. However, given the uncertainty in determining claims provision, it is likely that the final claim settlement will differ from the original liability estimate.

The Group has ensured that liabilities as stated in the statements of financial position are adequate.

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims.

GROUP					
2024	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before tax	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
Average claim cost	10%	78,659	45,960	32,699	27,140
2023	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before tax	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
Average claim cost	10%	72,546	42,810	29,736	24,681

(b) *Long-term insurance*

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holders' behaviour.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

4 INSURANCE RISKS (CONTINUED)

4.1.2 Sources of uncertainty

The Group uses appropriate base tables of standard mortality according to the type of contract being written and statistical data are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. When data is not sufficient to be statistically credible, the best estimate of future mortality is based on standard industry tables adjusted for the Group's experience.

The Group manages long term insurance risks through its underwriting strategy and reinsurance arrangements. Management ensures that risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is included in the Group's underwriting procedures, with premiums, varied to reflect the health condition and family medical history of the applicant. Insurance risk may also be affected by the contract holder's behaviour whereby he/she may decide to amend terms or terminate the contract or exercise a guaranteed annuity option.

The Group has a predetermined retention limit on any single life insured and the Group reinsures the excess of the insured benefit above the retention limit.

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

(b) *Long-term insurance (Continued)*

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

Mortality and morbidity rates

Assumptions are based on standard industry and mortality tables adjusted for the Mauritius context, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

Lapse and surrender rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure. A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross figures. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

4 INSURANCE RISKS (CONTINUED)

4.1.2 Sources of uncertainty

(b) Long-term insurance (Continued)

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

The following table presents the sensitivity of the value of insurance liabilities disclosed to movements in assumptions used in the estimation of insurance liabilities.

The table below indicated the level of the respective variables that will trigger an adjustment and then indicates the liability adjustment required as a result of a further deterioration of the variable.

Year ended 30 June 2024

Sensitivity run	Change in assumptions	Insurance Liabilities * (Rs 000)	% change relative to main basis	Reinsurance Liabilities * (Rs'000)	% Change Relative to Main Basis
Main Basis		9,515,841		527,633	
Renewal expense	10%	9,687,254	101.80%	527,633	100.00%
Withdrawals	10%	9,574,050	100.60%	518,683	98.30%
Inflation	1%	9,891,988	104.00%	527,633	100.00%
Investment return	-1%	12,235,997	128.60%	576,022	109.20%
Mortality and other claims	10%	10,014,658	105.20%	461,747	87.50%

Year ended 30 June 2023

Sensitivity run	Change in assumptions	Insurance Liabilities* (Rs 000)	% change relative to main basis	Reinsurance Liabilities * (Rs'000)	% Change Relative to Main Basis
Main Basis		11,171,197		363,868	
Renewal expense	10%	11,375,705	102%	363,868	100.00%
Withdrawals	10%	10,929,886	98%	357,593	98.30%
Inflation	1%	11,398,615	102%	363,868	100.00%
Investment return	-1%	13,534,942	121%	403,748	111.00%
Mortality and other claims	10%	11,383,796	102%	282,517	77.60%

*Liabilities include best estimate liability and risk adjustment

Short term insurance

Interest rate sensitivity on liabilities disclosed in table below:

Changes in discount rates	2024 Impact on contract assets and liabilities	2023 Impact on contract assets and liabilities
	Rs' 000	Rs'000
+%	3,055	1,565
-1%	(3,226)	(1,578)

4.1.3 Reinsurance strategy

Reinsurance purchases are reviewed annually to verify that the levels of protection being bought reflect any development in exposure and risk appetite of the Group. The Group is exposed to risks of default by reinsurers in respect of their share of reinsurance liabilities and there may be disputes in contract workings, especially on facultative reinsurance placements. To minimise the reinsurance credit exposure, reinsurance is placed with top-rated and/or credit-worthy Reinsurers who meet the Group's counterparty security requirements and the Group regularly monitors its exposure.

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FOR THE YEAR ENDED 30 JUNE 2024

4 INSURANCE RISK (CONTINUED)

4.1.3 Claims development table

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

4.1.4 Gross Claims development table

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on gross of reinsurance basis as at 30 June 2024.

	Accident year						
	2019	2020	2021	2022	2023	2024	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)							
At end of accident year	641,955	634,974	682,316	810,246	856,850	1,224,443	4,850,784
1 year later	529,973	546,404	626,041	819,043	841,132	-	3,362,593
2 years later	476,195	538,921	640,567	815,388	-	-	2,471,071
3 years later	451,775	524,038	654,089	-	-	-	1,629,902
4 years later	450,510	521,613	-	-	-	-	972,123
5 years later	488,213	-	-	-	-	-	488,213
Cumulative gross claims and other directly attributable expenses paid	(440,182)	(504,065)	(535,003)	(785,568)	(851,852)	(906,367)	(4,023,037)
Gross cumulative claims liabilities - accident years from 2019 to 2024	48,031	17,548	119,086	29,820	-10,720	318,076	521,841
Gross cumulative claims liability - prior accident years							60,290
Effect of discounting							(16,814)
Effect of risk adjustment margin for non-financial risk							54,460
Gross LIC for the contracts originated							619,777

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on net basis as at 30 June 2024.

	Accident year						
	2019	2020	2021	2022	2023	2024	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)							
At end of accident year	315,009	341,381	411,520	559,671	713,870	823,453	3,164,904
1 year later	306,700	320,690	381,543	595,279	717,101	-	2,321,313
2 years later	308,389	324,490	386,762	606,839	-	-	1,626,480
3 years later	314,562	317,032	391,542	-	-	-	1,023,136
4 years later	312,260	316,765	-	-	-	-	629,025
5 years later	319,705	-	-	-	-	-	319,705
Cumulative gross claims and other directly attributable expenses paid	(305,985)	(300,511)	(372,180)	(599,377)	(748,873)	(717,481)	(3,044,407)
Gross cumulative claims liabilities - accident years from 2019 to 2024	13,720	16,254	19,362	7,462	-31,772	105,972	130,998
Gross cumulative claims liability - prior accident years							10,323
Effect of discounting							(5,895)
Reinsurer's Risk of Non-Performance							4,114
Effect of risk adjustment margin for non-financial risk							31,504
NET LIC for the contracts originated							171,044

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS

The Group is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts. The most important components of this financial risk are market risks (including foreign currency risk, interest rate risk, equity price risk), credit risk and liquidity risk.

The main risks to which the Group is exposed are as follows:

5.1 Market risks

Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are foreign currency risk, interest rate risk and equity price risk.

The Group manages these positions within an asset liability management framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts.

The principal technique of the Group's assets and liabilities management is to match assets to liabilities arising from insurance by reference to the type of benefits payable to policyholders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

(i) Foreign currency risk

The Group's financial instruments which are exposed to foreign currency risks consist mainly of deposits, insurance and other receivables and overseas investments. Management monitors the Group's currency position on a regular basis. The carrying amounts of the Group's financial assets and liabilities at the reporting date are as follows:

Other financial assets, Fixed Deposits & Cash Deposits (Short-term & Long Term)

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
USD	7,749,435	6,327,494	6,863,880	5,911,852
GBP	387	274,484	-	-
EUR	38,341	44,561	-	-
MUR	17,757,587	16,802,850	14,659,775	14,011,541
	25,545,750	23,449,389	21,523,655	19,923,393

Short-term and long-term financial liabilities including payables, loans and borrowings

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
USD	209,866	172,155	-	-
MUR	2,080,033	1,652,990	219,416	177,534
	2,289,899	1,825,145	219,416	177,534

(i) Foreign currency risk (Continued)

Net exposure

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
USD	7,539,569	6,155,339	6,863,880	5,911,852
GBP	387	274,484	-	-
EUR	38,341	44,561	-	-
MUR	15,677,554	15,149,860	14,440,359	13,834,007
	23,255,851	21,624,244	21,304,239	19,745,859

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.1 Market risks (Continued)

(i) Foreign currency risk (Continued)

Consequently, the Group and Company are exposed to risks that the exchange rate relative to these currencies may change in a manner which has an effect on the reported value of that portion of the Group and Company's assets which are denominated in currencies other than the Mauritian Rupee. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at year end for a 5% change in foreign currency rates. The following table details the sensitivity to a 5% increase or decrease of the USD, GBP and EUR against the Rupee.

		GROUP			
		2024		2023	
	Changes in variables	Impact on profit before tax Rs' 000	Impact on equity Rs' 000	Impact on profit before tax Rs' 000	Impact on equity Rs' 000
USD	5%	376,978	376,978	307,767	307,767
	-5%	(376,978)	(376,978)	(307,767)	(307,767)
GBP	5%	19	19	13,724	13,724
	-5%	19	19	(13,724)	(13,724)
EUR	5%	1,917	1,917	2,228	2,228
	-5%	(1,917)	(1,917)	(2,228)	(2,228)

		COMPANY			
		2024		2023	
	Changes in variables	Impact on profit before tax Rs' 000	Impact on equity Rs' 000	Impact on profit before tax Rs' 000	Impact on equity Rs' 000
USD	5%	343,194	343,194	295,593	295,593
	-5%	(343,194)	(343,194)	(295,593)	(295,593)

2024	GROUP			
	Insurance Contracts		Reinsurance Contracts	
	In asset position Rs'000	In Liability position Rs'000	In asset position Rs'000	In Liability position Rs'000
USD	2,576	70,280	18,672	6,441
GBP	-	13	56	-
EUR	4,234	27,686	21,966	4,381
MUR	62,679	16,207,397	517,676	541,929
	69,489	16,305,376	558,370	552,751

2023	GROUP			
	Insurance Contracts		Reinsurance Contracts	
	In asset position Rs'000	In Liability position Rs'000	In asset position Rs'000	In Liability position Rs'000
USD	10,234	86,682	60,484	5,648
GBP	48	-	-	-
EUR	1,041	26,481	23,160	953
AUD	-	1	1	-
MUR	108,754	15,239,492	348,401	527,328
	120,077	15,352,656	432,046	533,929

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FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.1 Market risks (Continued)

(i) Interest rate risk

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

The interest rate profile was:

	GROUP		COMPANY	
	2024	2023	2024	2023
Financial assets	% p.a	% p.a	% p.a	% p.a
Treasury Notes	2.02 – 4.82	1.60 – 2.02	2.02 – 4.82	1.60 – 2.02
Treasury Bills	3.21 – 4.11	4.45 – 4.73	3.21 – 4.11	4.45 – 4.73
Government Bonds	3.77 – 11.75	3.77 – 13.61	3.77 – 11.75	3.77 – 13.61
Mortgage & other loans	2.00 – 8.70	2.00 – 14.00	2.00 – 6.25	2.00 – 14.00
Net Investment in finance leases	5.75 – 9.50	4.95 – 12.50	-	-
Term deposits (excluding foreign currency deposits)	3.40 – 5.40	2.48 – 5.40	4.90 – 5.40	2.48 – 5.40
Corporate Bond - Local				
MUR – Fixed	3.20 - 6.40	2.70 - 6.00	3.20 - 6.40	2.70 - 6.00
MUR - Floating	Key rate + (0.35 – 2.05)	Key rate + (0.95 – 2.05)	Key rate + (0.35 – 2.05)	Key rate + (0.95 – 2.05)
Foreign currency term deposits				
USD	4.65 – 5.70	4.10 – 5.45	4.65 – 5.60	4.55 – 5.45
Foreign currency call deposits				
USD	0.00 – 0.50	0.00 – 0.50	-	-
GBP	0.00 – 0.50	0.00 – 0.50	-	-
EUR	0.00 - 0.25	0.00 - 0.50	-	-
Local Call deposits	0.00 – 3.60	0.00 – 3.60	0.00 - 3.60	0.00 - 3.60
Financial liabilities				
At amortised cost				
Deposit	0.70 – 5.20	0.70 – 5.20	-	-
Borrowings	1.85 – 4.50	1.85 – 4.50	1.85 – 4.50	1.85 – 4.50
Insurance contract liabilities	3.13 – 5.64	3.13 – 5.64	3.13 – 5.64	3.13 – 5.64
Reinsurance contract liabilities	3.13 – 5.64	3.13 – 5.64	3.13 – 5.64	3.13 – 5.64

The Group is exposed to interest rate fluctuations on the international and domestic markets. The Group monitors closely interest rate trends and related impact on investment income for performance evaluation and better management.

	GROUP	COMPANY
	30-Jun-24 Interest receivable Rs'000	30-Jun-24 Interest receivable Rs'000
MUR (Call deposits)	27,151	23,195
USD (Call deposits)	26	-
MUR (Floating rate BOM Certificate)	4,928	4,446
MUR (Floating rate Government Bonds)	35,136	35,136
MUR (Floating rate Corporate Bonds)	19,002	15,881
	86,243	78,658

	GROUP	COMPANY
	30-Jun-23 Interest receivable Rs'000	30-Jun-23 Interest receivable Rs'000
MUR (Call deposits)	17,811	15,627
USD (Call deposits)	21	-
MUR (Floating rate BOM Certificate)	1,207	1,089
MUR (Floating rate Government Bonds)	49,885	49,885
MUR (Floating rate Corporate Bonds)	14,260	11,319
	83,184	77,920

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.1 Market risks (Continued)

(i) Interest rate risk (continued)

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

	GROUP			
	2024		2023	
Changes in interest rate	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
+ 50 basis points	4,312	4,312	4,159	4,159
- 50 basis points	(4,312)	(4,312)	(4,159)	(4,159)

	COMPANY			
	2024		2023	
Changes in interest rate	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
+ 50 basis points	3,933	3,933	3,896	3,896
- 50 basis points	(3,933)	(3,933)	(3,896)	(3,896)

The increase or decrease in the interest rate sensitivity is due to fluctuations in the interest rates of foreign and local currency.

Government securities, foreign currency term deposits, local currency fixed deposits and local corporate bonds which have fixed interest rates and thus will not be affected by fluctuations in the level of interest rates, have not been considered.

The following table details the Group's and Company's sensitivity to a 50 basis points increase/decrease of the rate of interest on mortgage loans which are subject to floating rate of interest.

	GROUP AND COMPANY			
	2024		2023	
Changes in interest rate	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
+ 50 basis points	7,988	7,988	3,717	3,717
- 50 basis points	(7,988)	(7,988)	(3,717)	(3,717)

(ii) Price risk

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

The price risk arises on the financial instruments held at fair value through other comprehensive income and at fair value through profit or loss.

The maximum risk resulting from securities investments is determined by the fair value of the financial instruments. The Group's overall market positions are monitored on a regular basis.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Quoted		Restated		Restated
Financial Investments - FVTPL	2,960,991	2,463,832	2,869,228	2,358,925
Financial Investments - FVOCI	27,076	21,094	-	-
Total	2,988,067	2,484,926	2,869,228	2,358,925

The following table details the Group's and Company's sensitivity to a 5% increase/decrease in the prices of securities investments.

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FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

(ii) Price risk (continued)

	GROUP		COMPANY	
	2024 Rs'000	2023 Rs'000 Restated	2024 Rs'000	2023 Rs'000 Restated
Increase/decrease of 5% in prices of securities				
Increase/decrease in other comprehensive income and equity	1,354	1,055	-	-
Increase/decrease in profit or loss	148,050	123,192	143,461	117,946

5.2 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when due. The Group's credit risk is primarily attributable to its reinsurance assets, mortgage and other loans, finance lease receivables, insurance and other receivables, fixed deposits, cash and short term deposits and investment in debt securities. The amounts presented in the statements of financial position are net of allowances for credit losses, estimated by management based on prior experience and the current economic environment.

The Group provides secured advances to clients and there is credit risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group's policy is to deal with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Appraisals are systematically carried out for any application and we also have a credit committee which continuously monitors and controls the Group's exposure to credit risk.

The carrying amount of mortgage loans recorded in the financial statements, which is net of expected credit losses, represents the Group's maximum exposure to credit risk taking account of the value of collateral obtained.

When financial assets are impaired by credit losses, the Group records the impairment in a separate account rather than directly reducing the carrying amount of the assets.

Probability of Default – PD estimation process

The PD estimation depends on the type of instruments the Group has in its portfolio. These are discussed below:

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

The Group's government bonds, corporate bonds, treasury bills and short & long-term deposits comprise of instruments issued by the Bank of Mauritius, financial and non-financial institutions. For these relationships, the Group's credit risk/investment department analyses publicly available information such as financial information and other external data, e.g., the rating of Moody's and S&P. The PD is derived using a transition matrix to convert the ratings into PDs.

- Mortgage and Other Loans

For mortgage and other loans, the borrowers are assessed by specialised credit risk employees of the Group. The PD estimation on the Group's mortgage and other loans are based using a transition matrix in assessing the Group exposure to default from customers based on the age profile of its customer base.

Exposure at Default

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

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

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Group's model.

Loss Given Default

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

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial statements. The forward-looking information has not provided any correlation with the Group's situation and thus not taken into account. However, the Group built a refined model for the forward-looking information and incorporated same in the current models.

Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk when the IFRS 9 lifetime PD has doubled since initial recognition and has increased by more than 20 bps a year. When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Since last year, the Group had reassessed the key economic factors used in its ECL model, the PD and LGD were revised to reflect the current customer behaviour.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.2 Credit risk (continued)

Grouping financial assets measured on an individual or collective basis

The Group measures the ECL on an individual assets basis for all its financial assets subject to ECL.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are for mortgage, other loans and leases. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In its normal course of business, the Group can physically repossess properties or other assets in its portfolio, but undertakes to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

Net investment in finance leases

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e by sectors). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward looking information. For instance, if forecast economic conditions (e.g gross domestic product, inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in any particular sector, the historical observed default rates are updated and changes in the forward looking estimates are analysed, the assessment of correlation between historical observed default rates, forecast economic conditions. The Group's historical loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. For all finance leases, the Group retains ownership of the leased assets. The concentration of its lease portfolio is as disclosed in note 13(a).

The table below shows the maximum exposure to credit risk.

	GROUP		COMPANY	
Financial assets	2024 Rs'000	2023 Rs'000 Restated	2024 Rs'000	2023 Rs'000 Restated
Measured at FVTPL	19,939,501	18,439,822	19,053,505	17,608,819
Measured at FVOCI	27,076	21,094	-	-
Financial assets at amortised cost:				
Debt instruments at amortised cost	1,143,592	1,139,835	-	-
Finance Lease receivables	1,022,263	755,216	-	-
Mortgage and other Loans	2,246,319	2,115,839	1,532,243	1,398,728
Other receivables*	384,074	280,628	530,396	405,281
Bank and cash balances	782,925	696,955	407,511	510,565
Insurance contract assets	69,489	120,077	52,986	108,293
Reinsurance contract assets	558,370	432,046	1,428	1,837
	26,173,609	24,001,512	21,578,069	20,033,523

*Excludes sundry deposits, deferred expenses and prepayments.

The fair value of the collateral of loans has been disclosed in Note 12(b) of the Financial Statements.

5.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial assets.

The Group is exposed to daily payments of benefits to clients and to repayment of financial liabilities.

The Group's liquidity position is monitored on a regular basis. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and financial liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.3 Liquidity risk (continued)

At 30 June 2024

	GROUP						
	1 to 3 months	3 months to 1 year	1 to 5 years	>5 years	On demand	No stated maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deposit from Customers	40,861	289,438	1,787,566	135,122	-	-	2,252,987
Borrowings	8,457	10,704	42,900	-	-	-	62,061
Lease Liability	4,764	8,086	40,317	596,474	-	-	649,641
Trade and other payables	138,306	22,370	6,443	-	39,741	33,120	239,980
Insurance contract Liabilities	-	-	-	-	-	16,305,376	16,305,376
Reinsurance contract liabilities	-	-	-	-	-	552,751	552,751
Total liabilities	192,388	330,598	1,877,226	731,596	39,741	16,891,247	20,062,796

	COMPANY					
	1 to 3 months	3 months to 1 year	1 to 5 years	>5 years	No stated maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	8,457	10,704	42,900	-	-	62,061
Lease Liability	4,764	8,086	40,317	596,474	-	649,641
Trade and other payables	123,781	4,531	-	-	33,120	161,432
Insurance contract Liabilities	-	-	-	-	15,258,197	15,258,197
Reinsurance contract liabilities	-	-	-	-	530,641	530,641
Total liabilities	137,002	23,321	83,217	596,474	15,821,958	16,661,972

At 30 June 2023

	GROUP (RESTATED)						
	1 to 3 months	3 months to 1 year	1 to 5 years	>5 years	On demand	No stated maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000		Rs'000	Rs'000
Deposit from Customers	95,521	167,581	1,454,444	92,638	-	-	1,810,184
Borrowings	11,403	11,482	39,149	-	-	-	62,034
Lease Liability	4,905	9,578	45,487	604,121	-	-	664,091
Trade and other payables	87,262	9,158	5,955	-	31,225	31,601	165,201
Insurance contract Liabilities	-	-	-	-	-	15,352,656	15,352,656
Reinsurance contract liabilities	-	-	-	-	-	533,929	533,929
Total liabilities	199,091	197,799	1,545,035	696,759	31,225	15,918,186	18,588,096

	COMPANY (RESTATED)					
	1 to 3 months	3 months to 1 year	1 to 5 years	>5 years	No stated maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	11,403	11,482	39,149	-		62,034
Lease Liability	4,905	9,578	45,487	604,121		664,091
Trade and other payables	83,322	4,181	-		31,601	119,104
Insurance contract Liabilities	-	-	-	-	14,512,701	14,512,701
Reinsurance contract liabilities	-	-	-	-	522,054	522,054
Total liabilities	99,630	25,241	84,636	604,121	15,066,356	15,879,984

Insurance contract liabilities at Group and Company level are outstanding claims where Significant delays can be expected in the notification and settlement of these claims and the ultimate cost of which cannot be known with certainty at the end of the reporting period. Given the uncertainty involved in timing of repayment of these liabilities, the Group's normal operation cycle is not clearly identifiable. Consequently, the insurance contract liabilities have been disclosed under 'Not Stated' maturity.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.4 Fair value measurements recognised in the statements of financial position

The carrying amounts of receivables, short term bank deposits, cash at bank and in hand, amount payable to reinsurers, trade and other payables approximate their fair values either because they are measured at fair value or because of the short term nature.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between the fair value hierarchy levels.

The following table presents the Group’s financial assets measured at fair values on a recurring basis. The fair value disclosure for investment properties and property, plant and equipment are included in note 8 and note 7 respectively. This note provides information and how the Group determines fair value of various assets and liabilities.

	GROUP			
	2024			
	Level 1	Level 2	Level 3	Total
	Rs’000	Rs’000	Rs’000	Rs’000
FVTPL				
Quoted:				
Investment in Exchange Traded Funds/Preference shares/Quoted Shares	2,368,221	-	-	2,368,221
Debt securities	592,770	-	-	592,770
Unquoted:				
Investment in mutual funds/collective investment schemes/Shares	-	6,888,555	406,378	7,294,933
Debt securities		-	9,683,577	9,683,577
Total	2,960,991	6,888,555	10,089,955	19,939,501

	2024			
	Level 1	Level 2	Level 3	Total
	Rs’000	Rs’000	Rs’000	Rs’000
	Restated	Restated	Restated	Restated
FVOCI				
Quoted Equities	27,076	-	-	27,076
Total	27,076	-	-	27,076

	COMPANY			
	2024			
	Level 1	Level 2	Level 3	Total
	Rs’000	Rs’000	Rs’000	Rs’000
FVTPL				
Quoted:				
Investment in Exchange Traded Funds/Preference shares	2,322,465	-	-	2,322,465
Debt securities	546,763	-	-	546,763
Unquoted:				
Investment in mutual funds/collective investment schemes	-	7,063,418	322,331	7,385,749
Debt securities	-	-	8,798,528	8,798,528
Total	2,869,228	7,063,418	9,120,859	19,053,505

The valuation approach and the observable input for the level 2 investments is the Net Asset Value per share.

	GROUP			
	2023 (Restated)			
	Level 1	Level 2	Level 3	Total
	Rs’000	Rs’000	Rs’000	Rs’000
FVTPL				
Quoted:				
Investment in Exchange Traded Funds/Preference shares	2,053,848	-	-	2,053,848
Debt securities	409,984	-	-	409,984
Unquoted:				
Investment in mutual funds/collective investment schemes	-	5,926,480	352,881	6,279,361
Debt securities	-	-	9,696,629	9,696,629
Total	2,463,832	5,926,480	10,049,510	18,439,822

				2023
	Level 1	Level 2	Level 3	Total
	Rs’000	Rs’000	Rs’000	Rs’000
FVOCI				
Quoted Equities	21,094	-	-	21,094
Unquoted Equities	-	-	-	-
Total	21,094	-	-	21,094

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.4 Fair value measurements recognised in the statements of financial position (Continued)

	COMPANY			
	2023 (Restated)			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
FVTPL				
Quoted:				
Investment in Exchange Traded Funds/Preference shares	2,013,115	-	-	2,013,115
Debt securities	345,810	-	-	345,810
Unquoted:				
investment schemesInvestment in mutual funds/collective	-	6,097,622	302,760	6,400,382
Debt securities	-	-	8,849,512	8,849,512
Total	2,358,925	6,097,622	9,152,272	17,608,819

Reconciliation of Level 3 fair value measurements of financial assets

Unquoted Equities	GROUP 2024 Rs'000	GROUP 2023 Rs'000 Restated	COMPANY 2024 Rs'000	COMPANY 2023 Rs'000 Restated
Opening Balance	352,881	294,707	302,760	294,689
Fair Value adjustments	53,497	58,174	19,571	8,071
Closing Balance	406,378	352,881	322,331	302,760

Other debt instruments	GROUP 2024 Rs'000	GROUP 2023 Rs'000	COMPANY 2024 Rs'000	COMPANY 2023 Rs'000
Opening Balance	9,696,629	9,256,142	8,849,512	8,445,182
Issues	4,274,897	22,163,652	3,792,724	21,363,005
Settlements	(4,434,410)	(21,272,832)	(3,968,704)	(20,545,171)
Fair Value adjustments	146,461	(450,333)	124,996	(413,504)
Closing balance	9,683,577	9,696,629	8,798,528	8,849,512

The following table shows the valuation techniques used in the determination of fair values in level 3 of the hierarchy as well as key unobservable inputs in the valuation model.

GROUP AS AT 30 JUNE 2024					
Type	Fair value as at 30 June 2024 Rs,000	Valuation approach	Key observable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Financial Services	240,257	Comparable price multiples	Discount due to lack of marketability and due to smaller size compared with peers	20% - 65%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 24.74 million in fair value
Real estate and others	81,140	Net asset value	Discount due to lack of marketability	30% - 70%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 6.07 million in fair value
			Fluctuation in net asset value	0% - 0%	A 5% increase/ decrease in Net asset value will lead to an increase/decrease of Rs 4.06 million in fair value
Leisure	970	Comparable Enterprise Value	Discount due to lack of marketability and due to smaller size compared with peers	35%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 0.07 million in fair value

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.4 Fair value measurements recognised in the statements of financial position (Continued)

The following table shows the valuation techniques used in the determination of fair values in level 3 of the hierarchy as well as key unobservable inputs in the valuation model.

GROUP AS AT 30 JUNE 2023					
Type	Fair value as at 30 June 2023 Rs,000	Valuation approach	Key observable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Financial Services	221,509	Comparable price multiples	Discount due to lack of marketability	20% - 65%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 23.63 million in fair value
Real estate and others	78,346	Net asset value	Discount due to lack of marketability	30% - 70%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 5.73 million in fair value
			Fluctuation in net asset value	0% - 0%	A 5% increase/ decrease in Net asset value will lead to an increase/decrease of Rs 3.92 million in fair value
Leisure	2,929	Comparable Discount due	Discount due to marketability and due to smaller size compared with peers	35%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 0.22 million in fair value

COMPANY AS AT 30 JUNE 2024					
Type	Fair value as at 30 June 2024 Rs,000	Valuation approach	Key observable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Financial Services	240,257	Comparable price multiples	Discount due to lack of marketability and due to smaller size compared with peers	20% - 65%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 24.74 million in fair value
Real estate and others	81,140	Net asset value	Discount due to lack of marketability	30% - 70%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 6.07 million in fair value
			Fluctuation in net asset value	0% - 0%	A 5% increase/ decrease in Net asset value will lead to an increase/decrease of Rs 4.06 million in fair value
Leisure	934	Comparable Enterprise Value	Discount due to lack of marketability and due to smaller size compared with peers	35%	A 5% increase/ decrease in discount factor will lead to a decrease/increase of Rs 0.07 million in fair value

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

5 FINANCIAL RISKS FACTORS (CONTINUED)

5.4 Fair value measurements recognised in the statements of financial position (Continued)

COMPANY AS AT 30 JUNE 2023					
Type	Fair value as at 30 June 2023 Rs,000	Valuation approach	Key observable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Financial Services	221,509	Comparable price multiples	Discount due to lack of marketability	20% - 65%	A 5% increase/decrease in discount factor will lead to a decrease/ increase of Rs 23.63 million in fair value
Real estate and others	78,346	Net asset value	Discount due to lack of marketability	30% - 70%	A 5% increase/decrease in discount factor will lead to a decrease/ increase of Rs 5.73 million in fair value
			Fluctuation in net asset value	0% - 0%	A 5% increase/decrease in Net asset value will lead to an increase/ decrease of Rs 3.92 million in fair value
Leisure	2,905	Comparable Discount due	Discount due to marketability and due to smaller size compared with peers	35%	A 5% increase/decrease in discount factor will lead to a decrease/ increase of Rs 0.22 million in fair value

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. All financial assets measured on a fair value basis have been classified as level 1 or level 2 in the fair value hierarchy.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The fair value of the instruments classified as Level 1 was derived from quoted prices for that financial instrument. The fair value of the instruments classified as Level 2 was based on observable inputs (for example floating market rate and government bond yields). There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in current year or in prior year.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	GROUP						
	Fair value hierarchy - 2024 & 2023	Valuation approach	Observable input	Carrying amount		Fair Value	
				2024	2023	2024	2023
Loans and receivables:				Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
Mortgage Loans and other loans	Level 2	DCF	Floating market rate	2,246,319	2,115,839	2,187,450	2,571,243
Other financial assets:							
Government and other bonds	Level 2	YTM	Government bond yields	140,241	139,943	175,311	179,478
Fixed deposits				1,003,351	999,892	1,113,463	1,159,342
Finance lease	Level 2	DCF	Fixed market rate	1,022,263	755,216	1,022,263	755,216
Financial assets at amortised cost				4,412,174	4,010,890	4,498,487	4,665,279

	COMPANY						
	Fair value hierarchy - 2024 & 2023	Valuation approach	Observable input	Carrying amount		Fair Value	
				2024	2023	2024	2023
Loans and receivables:				Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
Mortgage Loans and other loans	Level 2	DCF	Floating market rate	1,532,243	1,398,728	1,472,438	1,854,132
Financial assets at amortised cost				1,532,243	1,398,728	1,472,438	1,854,132

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Deferred tax on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors reviewed the Group's investment property portfolio and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxes on investment properties.

Impairment of investment in subsidiaries

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The recoverable amount of a CGU is determined based on the value in use calculations. These calculations use cash flow projections based on financial budgets approved by management. Cash flows are extrapolated using the estimated growth rates. Management does not expect the growth rate to exceed the long term average growth rate in which the CGU operates. Management believes that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. Management has reviewed the carrying amount of the investment in subsidiaries at the end of the reporting period.

Impairment of Loans and Advances

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

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

Refer to Note 5.2 Credit risks for reassessment of key economic factors used by the Group in the ECL model.

In relation to credit impaired facilities, the Group determines expected credit losses by estimating the shortfall between the present value of expected cash flows and the present value of contractual cash flows. The estimation of expected cash flows is inherently judgemental and involves an estimation of proceeds from liquidation of the borrowers and proceeds from realisation of collaterals.

Revaluation of building on leasehold land and investment properties

The Group measures its building on leasehold land and freehold land at revalued amounts with changes in fair value being recognised in profit or loss and other comprehensive Income. The Group engaged an independent professional valuer to determine the fair value. These estimates have been derived using the market comparison and income approaches. The actual amount of the building on leasehold land and investment properties could therefore differ significantly from the estimates in the future.

The determined fair values of the building on leasehold land and investment properties are most sensitive to the price per square metre. The key assumptions used to determine the fair value of the building and investment properties, are further explained in Notes 7 and 8 respectively.

Valuation of short term insurance contract liabilities

The uncertainty inherent in the financial statements of the Group arises mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Group applies estimation techniques to determine the appropriate provisions.

These estimates are described below:

The estimation of ultimate liability arising from the claims made under insurance contracts is one of the Group's most critical accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Group will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the significant part of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain – Ladder and Cape Cod. For each class of business, the decision to use a Chain - ladder and Cape Cod approach was made based on the observed claims development to date. A rule of thumb was applied: for loss years where observed claims development was less than 75% the cape cod method was used on the basis that the observed claims are not felt to be credible enough on their own to form the basis of an estimate; for loss years where observed claims development was more than 75% the chain ladder method was used.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the Group's accounting policies (Continued)

Valuation of short term insurance contract liabilities (Continued)

Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Group and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

The Group adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved.

Recoverable amount on insurance and other receivables

In preparing those financial statements, the directors have made estimates of the recoverable amounts of insurance and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involve an assessment of the financial condition of the debtors concerned and estimate of the timing and the extent of cash flows likely to be received by the Group.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Reinsurance

The Group is exposed to disputes on, and defects in, contract wordings and the possibility of default of its Reinsurers. The Group monitors the financial strength of its Reinsurers. Allowance will be made in the financial statements for non-recoverability in case of Reinsurer's default.

Valuation of employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

Valuation of life insurance contract liabilities

The liability for life insurance contracts with DPF is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on the Ultimate Table (UK) which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insured risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide ranging changes to lifestyle, could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments. Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

Assessment of significance of insurance risk

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the benefit payable in some circumstances being at least 5% higher than the premium paid by the client.

Consideration whether there are investment components

The Group considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Group considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the Group's accounting policies (Continued)

Determination of the contract boundary

The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

The Group considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

Identification of portfolios

The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Group determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line. For investment-linked insurance policies, the Group considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked insurance policies and investment contracts with discretionary participating features), these are also considered separate portfolios due to different insurance risks

Level of aggregation

The Group applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts

Assessment of directly attributable cash flows:

The Group uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Group also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

Assessment of eligibility for PAA

For quota share, surplus and facultative general reinsurance contracts with a coverage period extending beyond one year, the Group elects to apply the PAA if at the inception of the group, the Group reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Group exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

Assessment of the eligibility for meeting the criteria for direct participating contracts

Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of policyholders' share in the pool and the significance of those returns to the overall policyholder payments. The Group assesses whether a contract meets the definition of a direct participating contract using the Group's expectations existing at inception of the contract. This assessment is performed, on a contract-by-contract basis, for all insurance contracts with direct participating features. In assessing the significance of the policyholder's share of returns from the underlying items and the degree of variability in total payments to the policyholder, the Group applies significant judgement. The Group applies significant judgement in determining the policyholder share of returns. The Group considers that variable annual charges applied to the policyholder amount reduce the policyholder share of fair value returns. The Group considers it significant if, over the duration of the contract, on a present value probability-weighted average basis, the Group expects to pay to policyholder more than 50% of the fair value returns from underlying items.

At inception, in considering the expected degree of variability in total payments to the policyholder with the changes in fair value of underlying items, the Group considers the range of possible scenarios and estimates their probabilities. The Group considers a proportion of all payments to the policyholder that are expected to vary with the returns on underlying items to be substantial, if on a present value probability-weighted average of all scenarios there is a strong positive correlation (greater than 0.75) between the returns on underlying items and the benefits payable to policyholders.

Assessment of significance of modification

The Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition

Level of aggregation for determining the risk adjustment for non-financial risk

IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Group allocates the total entity-level risk adjustment to groups based on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the Group's accounting policies (Continued)

Selecting a method of allocation of coverage units

IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. For contracts providing both insurance coverage and investment-related services or both insurance coverage and investment-return services, the Group exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date.

• Assessment of discretionary cash flows for indirect participating contracts

The terms of some indirect participating contracts, such as deferred variable annuities, give the Group discretion over the cash flows to be paid to policyholders. Changes in discretionary cash flows are considered to be related to future service, and, accordingly, adjust the CSM. To identify whether changes in cash flows are deemed to be changes in discretionary cash flows, the Group exercises judgement in specifying at inception what it regards as their commitment under the contract. How the Group specifies its commitment under the contract will determine how much of the changes in expected future cash flows will be reflected immediately in profit or loss or will adjust CSM. For deferred variable annuities, the Group considers its commitment under the contract to be the minimum guaranteed return in the accumulation phase and the guaranteed annuity rates in the pay-out phase

Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

Every area, including the Group's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. At 30 June 2024 the Group's total carrying amount of:

- Insurance contracts issued that are assets was Rs'000 69,489 for the Group and Rs'000 52,986 for the Company
- Insurance contracts issued that are liabilities was Rs'000 16,305,376 for the Group and Rs'000 15,258,197 for the Company
- Reinsurance contracts issued that are assets was Rs'000 558,370 for the Group and Rs'000 1,428 for the Company
- Reinsurance contracts issued that are liabilities was Rs'000 552,751 for the Group and Rs'000 530,641 for the Company

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

7. PROPERTY, PLANT AND EQUIPMENT

(a) GROUP	Building on freehold land	Building on leasehold land	Furniture & fittings	Office equipment	Computer equipment	Motor vehicles	Motor vehicles under operating lease	Total
COST OR VALUATION	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2022	13,271	249,579	62,668	46,716	85,567	9,778	11,023	478,602
Additions	154	22,502	1,591	1,013	17,022	1,377	36,217	79,876
Disposals/scrapped	-	-	-	(55)	(2,053)	-	(2,195)	(4,303)
At 30 June 2023	13,425	272,081	64,259	47,674	100,536	11,155	45,045	554,175
At 1 July 2023	13,425	272,081	64,259	47,674	100,536	11,155	45,045	554,175
Additions	945	30,611	1,574	2,027	33,602	1,390	111,891	182,040
Disposals/scrapped	-	(2,133)	(51,627)	(35,406)	(170)	(1,160)	-	(90,496)
At 30 June 2024	14,370	300,559	14,206	14,295	133,968	11,385	156,936	645,719
DEPRECIATION								
At 1 July 2022	-	-	55,880	40,545	49,277	2,592	6,724	155,018
Charge for the year								
- Life fund	-	-	-	-	2,425	-	-	2,425
- Shareholders' funds	-	21,380	1,740	2,180	9,801	999	-	36,100
- under operating lease	-	-	-	-	-	-	1,658	1,658
Disposals/scrapped	-	-	-	(55)	(2,023)	-	(1,448)	(3,526)
At 30 June 2023	-	21,380	57,620	42,670	59,480	3,591	6,934	191,675
At 1 July 2023	-	21,380	57,620	42,670	59,480	3,591	6,934	191,675
Charge for the year								
- Life fund	-	-	-	-	3,913	-	-	3,913
- Shareholders' funds	163	26,013	1,775	2,254	11,030	1,017	-	42,252
- Rented under operating lease	-	-	-	-	-	-	13,786	13,786
Disposals/scrapped	-	(2,132)	(51,627)	(35,397)	(156)	(760)	-	(90,072)
At 30 June 2024	163	45,261	7,768	9,527	74,267	3,848	20,720	161,554
CARRYING AMOUNT								
At 30 June 2024	14,207	255,298	6,438	4,768	59,701	7,537	136,216	484,165
At 30 June 2023	13,425	250,701	6,639	5,004	41,056	7,564	38,111	362,500

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) COMPANY	Building on freehold land	Building on leasehold land	Furniture & fittings	Office equipment	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION							
At 1 July 2022	13,271	214,729	58,427	45,860	73,750	9,265	415,302
Additions	154	22,388	1,564	919	16,914	1,377	43,316
Disposals/scrapped	-	-	-	(55)	-	-	(55)
At 30 June 2023	13,425	237,117	59,991	46,724	90,664	10,642	458,563
At 1 July 2023	13,425	237,117	59,991	46,724	90,664	10,642	458,563
Additions	945	30,299	1,574	1,905	33,577	1,390	69,690
Disposals/scrapped	-	(2,133)	(51,627)	(35,406)	-	(1,160)	(90,326)
At 30 June 2024	14,370	265,283	9,938	13,223	124,241	10,872	437,927
DEPRECIATION							
At 1 July 2022	-	-	53,752	40,125	41,494	2,080	137,451
Charge for the year							
- Life fund	-	-	-	-	2,425	-	2,425
- Shareholders' funds	-	17,777	1,412	1,956	8,427	999	30,571
Disposals/scrapped	-	-	-	(55)	-	-	(55)
At 30 June 2023	-	17,777	55,164	42,026	52,346	3,079	170,392
At 1 July 2023	-	17,777	55,164	42,026	52,346	3,079	170,392
Charge for the year							
- Life fund	-	-	-	-	3,913	-	3,913
- Shareholders' funds	163	22,409	1,449	2,064	10,257	1,017	37,359
Disposals/scrapped	-	(2,133)	(51,627)	(35,397)	-	(760)	(89,917)
At 30 June 2024	163	38,053	4,986	8,693	66,516	3,336	121,747
CARRYING AMOUNT							
At 30 June 2024	14,207	227,230	4,952	4,530	57,725	7,536	316,180
At 30 June 2023	13,425	219,340	4,827	4,698	38,318	7,563	288,171

Out of the depreciation charge of Rs'000 37,359 (2023: Rs'000 30,571) on the Shareholders' Funds for the year, an amount of Rs'000 3,339 (2023: Rs'000 2,421) has been recharged as support cost to SICOM General Insurance Ltd.

(c) The Group's Property, plant and equipment include motor vehicles under operating lease to third parties that are expected to generate a yield of 6.0% to 9.75% (30 June 2023: 6.0% to 9.0%) on an ongoing basis. The motor vehicles held have committed lessees up to seven years.

At the end of the reporting date, the Group has contracted with lessees the following future income (including buy-back options):

	Motor vehicles under operating lease	
	2024	2023
	Rs'000	Rs'000
Within one year	27,313	8,387
In the second to the seventh year	127,037	37,586
	154,350	45,973

(d) The building on leasehold land and freehold building were revalued in June 2022 by Mr N Jeetun MSc, MRICS, PMAPI, MMIS, Chartered Valuation Surveyor. The surplus on revaluation has been credited to property revaluation reserve and adjusted for deferred taxation.

Had the buildings been accounted at historical cost less accumulated depreciation, the carrying amount would have been Rs'000 144,121 (2023 : Rs'000 129,936).

Details of the Group's buildings measured at fair value and information about the fair value hierarchy as at 30 June 2024 and 30 June 2023 are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
	Level 3	Level 3	Level 3	Level 3
Building on leasehold land	255,298	250,701	227,230	219,340
Building on freehold land	14,207	13,425	14,207	13,425
	269,505	264,126	241,437	232,765

Notes to the financial statements

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7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Buildings amounting to Rs 269.5 million (2023: Rs 264.1 million) for the Group and Rs 241.4 million (2023: Rs 232.7 million) for the Company are classified as level 3 in the fair value hierarchy. The movement for the building on leasehold land and freehold building is given in the note 7(a) and 7(b) for the Group and Company respectively.

The fair values of the building on leasehold land and freehold building were derived using the sales comparative method of valuation. The Comparative method is based on comparison of prices paid for similar properties within close vicinity of the site and adjusted to reflect the characteristics of the subject property, at the relevant date. The most significant input into this valuation approach is the market value of similar sites within close vicinity of the subject property. The fair value of the building was determined using the price range of Rs 50,000 per square metre (2023: Rs 44,000 per square metre).

Description of the valuation technique used and key inputs to the valuation of freehold and leasehold building:

GROUP	Valuation technique	Significant unobservable inputs	2024	2023	Relationship of unobservable inputs to fair value	
			Rs'000	Rs'000	2024	2023
Freehold and leasehold building	Comparative method	Estimate sales price per square metre	Rs50	Rs44	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 12,290,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 10,736,000

COMPANY	Valuation technique	Significant unobservable inputs	2024	2023	Relationship of unobservable inputs to fair value	
			Rs'000	Rs'000	2024	2023
Freehold and leasehold building	Comparative method	Estimate sales price per square metre	Rs50	Rs44	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 12,290,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 10,736,000

8. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	1,590,291	1,577,028	1,702,266	1,685,203
Additions	16,845	9,187	17,155	9,301
Adjustment (ROU)	-	(44,510)	-	(44,510)
Fair value gain (note 29)	36,274	48,586	38,327	52,272
Transfer to other receivable (note 15)	(66,200)	-	(66,200)	-
At 30 June	1,577,210	1,590,291	1,691,548	1,702,266

The transfer from Investment properties of Rs 66,200,000 to other receivable was effected because of the change in use where the transferred property, at the stage of work in progress as at 30 June 2024, does no longer meet the definition of Investment Properties.

Rental income generated amounted to Rs 93,213,108 (2023: Rs 90,578,857) for the Group and Rs 98,736,862 (2023: Rs 95,924,425) for the Company. The direct operating expenses incurred during the year for the Group and the Company amounted to Rs 25,030,850 (2023: Rs 20,711,857).

There is no restriction on realisability of investment properties or the remittance of income and proceeds of sale.

Details of the Group's and the Company's land and buildings measured at fair value and information about the fair value hierarchy are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
Level 3	Rs'000	Rs'000	Rs'000	Rs'000
Right-of-use (ROU) of leasehold land	64,795	63,540	140,041	137,816
Freehold Land	52,000	51,500	52,000	51,500
Buildings	1,460,415	1,475,251	1,499,507	1,512,950
	1,577,210	1,590,291	1,691,548	1,702,266

The fair value of land and buildings has been arrived on the basis of valuations carried during the year by Mr N Jeetun MSc, MRICS, PMAPI, MMIS, Chartered Valuation Surveyor, using the market comparison approach and investment approach. The comparative method is based on comparison of prices paid for similar properties within close vicinity of the site and adjusted to reflect the characteristics of the subject property, at the relevant date. The most significant input into this valuation approach is the market value of similar sites within close vicinity of the subject property. There has been no change in valuation technique during the year for these properties. For the investment property for which the investment approach was used, the net annual rent has been capitalised at an all risk yield of 6.25% to reflect the higher risk of the property investment.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

8. INVESTMENT PROPERTIES (CONTINUED)

The Group and Company rent leasehold land on which it has office buildings. One of the leases has a remaining lease term of 15 years with an extension period of 60 years. The other lease has a remaining period of 46 years.

The fair value of the buildings was determined using prices in the range of Rs 58,000 per square metre to Rs 64,000 per square metre (2023: Rs 56,000 - Rs 69,000); and ranges from Rs 5,800 to Rs 95,000 per square metre for land (2023: Rs 5,600 - Rs 94,000) for the Group and Company.

Description of the valuation technique used and key inputs to the valuation of properties:

GROUP	Valuation technique	Significant unobservable inputs	2024	2023	Relationship of unobservable inputs to fair value	
			Rs'000	Rs'000	2024	2023
Freehold and leasehold building	Comparative method	Estimate sales price per square metre	Rs 58 - Rs 64	Rs 56 - Rs 69	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 71,257,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 72,241,000
Freehold and leasehold Land	Comparative method	Estimate sales price per square metre	Rs 6 - Rs 95	Rs 6 - Rs 94	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 4,950,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 4,862,000

GROUP	Valuation technique	Significant unobservable inputs	2024	2023	Relationship of unobservable inputs to fair value	
			Rs'000	Rs'000	2024	2023
Right-of-use assets	Comparative and investment method	Estimate sales price per square metre	Rs2	Rs2	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 890,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 890,000

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FOR THE YEAR ENDED 30 JUNE 2024

8. INVESTMENT PROPERTIES (CONTINUED)

COMPANY	Valuation technique	Significant unobservable inputs	2024 Rs'000	2023 Rs'000	Relationship of unobservable inputs to fair value 2024	Relationship of unobservable inputs to fair value 2023
Freehold and leasehold building	Comparative and investment method	Estimate sales price per square metre	Rs57 - Rs 64	Rs55 - Rs 69	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 74,976,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 75,648,000
Freehold and leasehold Land	Comparative and investment method	Estimate sales price per square metre	Rs 6 - Rs 95	Rs 6 - Rs 94	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 6,994,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 6,857,000
Right-of-use assets	Comparative and investment method	Estimate sales price per square metre	Rs 2 - Rs 50	Rs 2 - Rs 50	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 2,609,000	An increase/ decrease of 5% in the unobservable input would lead to an increase/decrease in FV of Rs 2,609,000

9. INTANGIBLE ASSETS
COMPUTER SOFTWARE

	GROUP		COMPANY	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
COST				
At 1 July	167,985	151,866	103,640	90,946
Additions	25,117	19,147	21,535	14,650
Scrapped	(3,519)	(3,028)	(2,039)	(1,956)
At 30 June	189,583	167,985	123,136	103,640
AMORTISATION				
At 1 July	82,539	71,681	54,763	45,929
Charge for the year				
Life Fund	3,364	2,383	3,364	2,383
Shareholders' Fund	14,445	11,373	8,823	8,281
Scrapped	(2,629)	(2,898)	(1,399)	(1,830)
At 30 June	97,719	82,539	65,551	54,763
CARRYING AMOUNT	91,864	85,446	57,585	48,877

Out of the Company amortisation charge of Rs'000 8,823 (2023: Rs'000 8,281) on the Shareholders' Funds for the year, an amount of Rs'000 2,870 (2023: Rs'000 2,379) has been recharged as support cost to SICOM General Insurance Ltd.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

10. INVESTMENTS IN SUBSIDIARIES

(a) Unquoted investments at cost

	COMPANY	
	2024	2023
	Rs'000	Rs'000
Investment in equity of subsidiaries	224,003	224,003
Interest in subsidiaries - subordinated loan (note (c))	341,625	341,625
At 30 June	565,628	565,628

Management have made their annual assessment for impairment on the Company's investments in subsidiaries and based on their assessment they have determined that there were no indications of impairment. The investments in subsidiaries were stated at their carrying amount.

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements. The subsidiaries have the same reporting date as the holding company.

Details of investments:

Name of subsidiaries	Principal activity	Classes of Shares	Country of incorporation & operation	% Holding 2024	% Holding 2023
SICOM Financial Services Ltd	Depository, investment business, leasing and loan activities	Ordinary	Mauritius	99	99
SICOM Management Limited	Investment and management	Ordinary	Mauritius	100	100
SICOM Global Fund Limited	Investment in overseas securities	Management	Mauritius	100	100
SICOM General Insurance Ltd	General insurance business	Ordinary	Mauritius	100	100
SICOM Properties Ltd	Real estate activities with (rental of) own or leased property	Ordinary	Mauritius	100	100

The 1% held by non controlling interests in SICOM Financial Services Ltd was determined as not material and consequently no additional disclosures were given in these financial statements.

(c) **Subordinated loan**

Pursuant to the Insurance Act 2005 which provides that an insurance company cannot transact both Long Term and General Insurance Businesses, State Insurance Company of Mauritius Ltd incorporated a new entity, SICOM General Insurance Ltd, to transact General Insurance Business only as from 1 July 2010.

All the assets and liabilities of the General Insurance Business were transferred to the new company, SICOM General Insurance Ltd (SGIN), on 1 July 2010. The accumulated reserves were converted into share capital and as subordinated loan, which is unsecured and interest free. The subordinated loan is considered as a quasi-equity investment in SGIN.

(d) **Dividends from subsidiaries**

During the year ended 30 June 2024, dividends of Rs'000 243,183 (2023: Rs'000 188,281) from its equity instruments were recorded in the statements of profit or loss as net investments income - other (Note 27).

11. FINANCIAL INVESTMENTS

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

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Equity Securities				
Quoted	27,076	21,094		-
	27,076	21,094	-	-

More information regarding the valuation methodologies are disclosed in note 5.

The Group has irrevocably elected to classify its equity investments in SICOM Global Fund Ltd (SGF) and SICOM Financial Services Ltd as FVOCI on the basis that these are not held for trading. SICOM Ltd and its subsidiary, SICOM General Insurance Ltd (SGIN) have remeasured their equity from FVOCI which were previously measured under IFRS 9 to FVTPL upon adoption of IFRS 17, Insurance Contracts.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
At 1 July - As previously stated	21,094	2,359,725		2,262,165
Transfer to FVTPL	-	(2,300,300)	-	(2,262,165)
Adjustment Life Fund (SGF)	-	(38,080)	-	-
At 1 July 2022 - as restated	21,094	21,345	-	-
Additions	6,908	-	-	-
Fair value adjustments	(926)	(251)	-	-
At 30 June	27,076	21,094	-	-

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

11. FINANCIAL INVESTMENTS (CONTINUED)

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

	GROUP		COMPANY	
	2024 Rs'000	2023 Rs'000 Restated	2024 Rs'000	2023 Rs'000 Restated
Investment in mutual funds/collective investment schemes	7,078,281	6,109,199	7,169,097	6,230,220
Quoted Investment in Exchange Traded Funds/Preference shares	2,368,220	2,053,848	2,322,467	2,013,115
Quoted Debt Securities	592,770	409,984	546,760	345,810
Unquoted Debt Securities	9,900,230	9,866,791	9,015,181	9,019,674
	19,939,501	18,439,822	19,053,505	17,608,819
Analysed as:				
Quoted	2,960,991	2,463,832	2,869,228	2,358,925
Unquoted	16,978,510	15,975,990	16,184,277	15,249,894
	19,939,501	18,439,822	19,053,505	17,608,819

SICOM Ltd and its subsidiary, SGIN have remeasured its debt instruments from amortised costs to fair value through profit or loss and reclassified all its equity investments previously held at FVOCI under IFRS 9 to FVTPL upon adoption of IFRS 17, Insurance Contracts with a view to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Equity instruments held at FVTPL comprise of quoted equities, unquoted equities, overseas equities, quoted exchange traded funds, units of mutual funds, SICOM Global Fund and structured products.

The fair value of quoted securities is based on the Stock Exchange and brokers' statement prices at close of business at reporting date. Unquoted securities have also been fair valued as at end of reporting date based on common valuation techniques (price to book value, dividend discount model, Net Asset Value).

The Group has classified its investments in mutual funds, collective investment schemes, exchange traded funds and convertible preference shares, as financial assets at fair value through profit or loss.

	GROUP		COMPANY	
	2024 Rs'000	2023 Rs'000 Restated	2024 Rs'000	2023 Rs'000 Restated
At 1 July - As previously stated	18,439,822	5,042,440	17,608,819	5,221,933
Transfer from FVOCI	-	2,300,300	-	2,262,165
Transfer from debt instruments at amortised costs	-	9,122,200	-	8,305,764
Adjustment in FVTPL	-	487,637	-	451,415
Adjustment Life Fund (SGF)	-	152,069	-	-
At 1 July - As restated	18,439,822	17,104,646	17,608,819	16,241,277
Additions	5,196,938	22,659,496	4,347,561	21,715,339
Disposals	(4,837,809)	(21,542,160)	(4,048,451)	(20,620,742)
Fair value adjustments	1,140,550	217,840	1,145,576	272,945
At 30 June	19,939,501	18,439,822	19,053,505	17,608,819

(c) Debt instruments at amortised cost

	GROUP		COMPANY	
	2024 Rs'000	2023 Rs'000 Restated	2024 Rs'000	2023 Rs'000 Restated
Government bonds	122,154	122,553	-	-
Corporate bonds	18,087	17,390		
Term deposits	1,003,351	999,892	-	-
	1,143,592	1,139,835	-	-
Analysed between:				
Current	564,490	519,583	-	-
Non-Current	579,102	620,252	-	-
	1,143,592	1,139,835	-	-

The Group (except for SICOM Ltd and SGIN) has classified all of its quoted debt securities as debt instruments at amortised cost on the basis that they are now held to collect cash flows till maturity.

Notes to the financial statements

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11. FINANCIAL INVESTMENTS (CONTINUED)

(c) Debt instruments at amortised cost (Continued)

The Group's investments in Government bonds, Corporate bonds and term deposits are classified as financial assets at amortised cost as these are kept under the business model with the objective to hold these instruments in order to collect contractual cash flows and the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Term deposits

The deposits earn interest at rates varying between **3.40% - 5.70%** (2023: 2.48% - 5.45%) for the Group per annum. The balance due within 1 year include fixed deposits and overseas call deposits.

Statutory deposits

In compliance with the regulatory requirements of the Insurance Act 2005, included in non-current debt instruments at amortised cost are statutory deposits amounting to Rs 16 million (2023: Rs 16 million) for the Group and Rs 8 million (2023: Rs 7 million) for the Company. These represent investments in Government Securities and earn interest between 6.75% - 7.80% (2023: 6.75% - 7.80%) per annum and have maturity dates varying between 2028 - 2029 and included in debt securities measured at FVTPL.

The table below shows the credit quality and maximum exposure to credit risk. The amounts presented are gross of impairment allowances.

	GROUP			
	2024			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Performing high grade	1,144,716	-	-	1,144,716

	GROUP			
	2023			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
	Restated	Restated	Restated	Restated
Performing high grade	1,140,986	-	-	1,140,986

An analysis of changes in gross carrying amount and corresponding ECL is, as follows:

	GROUP			
	2024			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2023 - as restated	1,140,986	-	-	1,140,986
New assets purchased	1,233,299	-	-	1,233,299
Assets derecognised or matured	(1,273,740)	-	-	(1,273,740)
Amortisation adjustments	44,171	-	-	44,171
At 30 June 2024	1,144,716	-	-	1,144,716

There was no transfer of assets between stages during the year.

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2023 - as restated	1,151	-	-	1,151
New assets purchased	897	-	-	897
Assets derecognised or matured	(883)	-	-	(883)
Amortisation adjustments	(41)	-	-	(41)
At 30 June 2024	1,124	-	-	1,124

	GROUP			
	2023			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount at 1 July 2022 - As previously stated	10,541,345	-	-	10,541,345
Transfer to FVTPL	(9,122,200)	-	-	(9,122,200)
Transfer to Other receivables	(113,677)			(113,677)
Adjustment Life Fund (SGF)	(72,978)			(72,978)
At 1 July 2022 - as restated	1,232,490	-	-	1,232,490
New assets purchased	1,165,329	-	-	1,165,329
Assets derecognised or matured	(1,280,063)	-	-	(1,280,063)
Amortisation adjustments	23,230	-	-	23,230
At 30 June 2023	1,140,986	-	-	1,140,986

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

11. FINANCIAL INVESTMENTS (CONTINUED)

(c) Debt instruments at amortised cost (Continued)

There was no transfer of assets between stages during the year.

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance at 1 July 2022 - As previously stated	7,271	-	-	7,271
Adjustment Life Fund (SGF)	(84)			(84)
Transfer to reserves	(5,791)	-	-	(5,791)
At 1 July 2022 - as restated	1,396	-	-	1,396
New assets purchased	597	-	-	597
Assets derecognised or matured	(454)	-	-	(454)
Amortisation adjustments	(388)	-	-	(388)
At 30 June 2023	1,151	-	-	1,151

There were no transfer of assets between stages during the year.

	COMPANY			
	2023			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount at 1 July 2022 - As previously stated	8,410,379	-	-	8,410,379
Transfer to FVTPL	(8,305,764)			(8,305,764)
Transfer to Other receivables	(104,615)	-	-	(104,615)
At 1 July 2022 - as restated	-	-	-	-
Gross carrying amount at 1 July 2023 - As previously stated	9,264,752	-	-	9,264,752
Transfer to FVTPL	(9,264,752)	-	-	(9,264,752)
At 1 July 2023 - as restated	-	-	-	-

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance at 1 July 2022 - As previously stated	5,168	-	-	5,168
Transfer to reserves	(5,168)	-	-	(5,168)
At 1 July 2022 - as restated	-	-	-	-
ECL allowance at 1 July 2023 - As previously stated	5,247	-	-	5,247
Transfer to reserves	(5,247)	-	-	(5,247)
At 1 July 2023 - as restated	-	-	-	-

There were no transfer of assets between stages during the year.

12. LOANS AND ADVANCES

a. Net investment in finance leases

		GROUP	
		2024	2023
		Rs'000	Rs'000
(i)	Finance lease receivables	1,023,198	759,432
	Interest receivable	7,702	3,306
	Allowance for expected credit losses	(8,637)	(7,522)
	Net investment in finance leases	1,022,263	755,216
	Analysed as:-		
	- Non-current finance lease receivables	755,956	552,797
	- Current finance lease receivables	266,307	202,419
		1,022,263	755,216

(ii) Gross and net investment in finance leases

	GROUP	
	2024	2023
	Rs'000	Rs'000
Gross investment in finance leases		
- within one year	301,749	236,877
- within 1 and 2 years	268,230	197,354
- within 2 to 3 years	223,140	168,069
- within 3 to 4 years	176,359	120,673
- within 4 to 5 years	120,101	73,181
- more than five years	101,061	53,131
	1,190,640	849,285
Less: Unearned finance income	(191,171)	(104,770)
	999,469	744,515
Instalments due	31,431	18,223
Less: Allowance for expected credit losses	(8,637)	(7,522)
Present value of minimum lease payments receivable	1,022,263	755,216
Analysed as:-		
- Current finance lease receivables	268,557	217,774
- Non-current finance lease receivables	762,343	544,964
	1,030,900	762,738
Less: Allowance for expected credit losses	(8,637)	(7,522)
	1,022,263	755,216

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

12. LOANS AND ADVANCES (CONTINUED)

a. Net investment in finance leases (Continued)

(iii) Credit concentration of risk by industry sectors

	GROUP	
	2024 Rs'000	2023 Rs'000
Manufacturing	11,000	7,720
Transport	89,503	59,830
Construction	53,877	21,134
Personal	628,034	490,925
Financial and business services	72,584	54,690
Education	8,903	8,735
Tourism	24,710	19,446
Information, Communication and Technology	14,366	12,395
Others	119,286	80,341
	1,022,263	755,216

(iv) Allowance for expected credit losses

	GROUP		
	2024 Non performing leases Rs'000	2024 Performing leases Rs'000	2024 Total Rs'000
At 1 July	6,885	637	7,522
Release during the year (Note 33)	795	320	1,115
At 30 June	7,680	957	8,637

	GROUP		
	2023 Non performing leases Rs'000	2023 Performing leases Rs'000	2023 Total Rs'000
At 1 July	3,856	411	4,267
Charge during the year (Note 33)	3,029	226	3,255
At 30 June	6,885	637	7,522

The allowance for expected credit losses is analysed as follows:

	2024 Rs'000	2023 Rs'000
Manufacturing	16	31
Transport	3,387	631
Construction	1,338	175
Personal	2,753	6,146
Financial and business services	110	4
Education	1	1
Tourism	430	-
Information, Communication and Technology	54	-
Others	548	534
Total	8,637	7,522

The above allowance for expected credit losses includes impaired finance leases, which are past due at the end of the reporting date.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

12. LOANS AND ADVANCES (CONTINUED)

a. Net investment in finance leases (Continued)

(v) Ageing of past due debt

	GROUP	
	2024	2023
	Rs'000	Rs'000
1-90 days	1,197	4
91-180 days	24,354	10,471
181-360 days	32,852	10,219
More than 360 days	19,292	12,936
	77,695	33,630

Leases are classified as ''past–due and impaired", when contractual payments are in arrears for more than 90 days. Leases which are with arrears of 1-90 days are classified as past due but not impaired.

(vi) Collateral

For finance leases, the ownership of lease assets remain with the Group until full settlement of the lease when it is then transferred to the lessee. Collaterals for impaired leases are reviewed by the Group in line with the regulatory provisions and the Group's internal polciies. The fair value of the collaterals are obtained by independent surveyors and factors in the ECL computations for the non-performing book, after taking into account the cost to sell and a haircut based on expected loss on repossession.

As a last resort, the Group would repossess leased assets for impaired exposures, after all other means of remediation and recoveries have been exhausted. Financial assets which are credit impaired and related collaterals held in order to mitigate potential losses are shown below:

Credit impaired lease at 30 June	Gross exposure	Loss allowance	Fair value of collateral held
	Rs'000	Rs'000	Rs'000
2024	77,695	7,680	89,058
2023	33,630	6,885	46,561

(vii) Interest rate profile

The interest rate inherent in the finance lease is fixed at the contract date for the entire lease term. The average effective interest rate contracted is 6.65 % (2023: 6.39%) per annum with interest rates ranging from 5.75% to 9.50% (2023: 4.95% to 12.5%).

Unguaranteed residual values of assets leased under finance leases at end of reporting date are estimated at Rs.20,608,072 (2023: Rs.20,763,765).

(viii) Ageing analysis (Provision matrix)

For purpose of the Group's disclosure regarding credit quality, its finance leases have been analysed as follows:

	GROUP					
	Net investment in finance leases					
Rs'000		Days past due				
30 June 2024	Current	1-90 days	91 -180 days	181- 360 days	>360 days	Total
Expected credit loss rate	0.09%	0.12%	5.36%	6.41%	22.01%	
Estimated total gross carrying amount at default	695,446	257,760	29,468	28,934	19,292	1,030,900
Expected credit losses	655	303	1,580	1,855	4,244	8,637

	Neither past due nor impaired	Past due but not impaired	Impaired	Net Investment in finance lease before impairment	Allowance for credit impairment	Net Investment in finance lease
30 June 2024	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Leases	695,446	257,760	77,694	1,030,900	(8,637)	1,022,263

	GROUP					
	Net investment in finance leases					
Rs'000		Days past due				
30 June 2023	Current	1-90 days	91 -180 days	181- 360 days	>360 days	Total
Expected credit loss rate	0.07%	0.14%	8.45%	9.47%	39.02%	0.99%
Estimated total gross carrying amount at default	549,297	179,810	10,476	10,219	12,936	762,738
Expected credit losses	381	256	885	968	5,032	7,522

	Neither past due nor impaired	Past due but not impaired	Impaired	Net Investment in finance lease before impairment	Allowance for credit impairment	Net Investment in finance lease
30 June 2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Leases	549,297	179,810	33,631	762,738	(7,522)	755,216

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

12. LOANS AND ADVANCES

b. Mortgage and other loans

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Loan and advances	2,265,835	2,134,265	1,550,831	1,416,235
Less: Allowances for expected credit losses	(19,516)	(18,426)	(18,588)	(17,507)
	2,246,319	2,115,839	1,532,243	1,398,728
Analysed as:-				
Non-current	2,025,543	1,906,643	1,464,469	1,319,133
Current	220,776	209,196	67,774	79,595
	2,246,319	2,115,839	1,532,243	1,398,728

The table below shows the credit quality and maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	GROUP			
	2024			
	Stage 1	Stage 2	Stage 3	Total
Performing	Rs'000	Rs'000	Rs'000	Rs'000
High Grade	2,137,089	-	-	2,137,089
Standard Grade	-	44,713	-	44,713
Non-performing				
Individually impaired	-	-	84,033	84,033
	2,137,089	44,713	84,033	2,265,835

	COMPANY			
	2024			
	Stage 1	Stage 2	Stage 3	Total
Performing	Rs'000	Rs'000	Rs'000	Rs'000
High Grade	1,422,085	-	-	1,422,085
Standard Grade	-	44,713	-	44,713
Non-performing				
Individually impaired	-	-	84,033	84,033
	1,422,085	44,713	84,033	1,550,831

	GROUP			
	2023			
	Stage 1	Stage 2	Stage 3	Total
Performing	Rs'000	Rs'000	Rs'000	Rs'000
	Restated	Restated	Restated	Restated
High Grade	2,015,128	-	-	2,015,128
Standard Grade	-	37,721	-	37,721
Non-performing				
Individually impaired	-	-	81,416	81,416
	2,015,128	37,721	81,416	2,134,265

	COMPANY			
	2023			
	Stage 1	Stage 2	Stage 3	Total
Performing	Rs'000	Rs'000	Rs'000	Rs'000
	Restated	Restated	Restated	Restated
High Grade	1,297,098	-	-	1,297,098
Standard Grade	-	37,721	-	37,721
Non-performing				
Individually impaired	-	-	81,416	81,416
	1,297,098	37,721	81,416	1,416,235

An analysis of changes in the gross carrying amount and the corresponding ECLs allowances in relation to mortgage and other loans is as follows:

	GROUP			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2023 - as restated	2,015,128	37,721	81,416	2,134,265
New loan granted	478,081	-	-	478,081
Loans matured or derecognised (excluding write-offs)	(346,511)	-	-	(346,511)
Transfer from Stage 1	(90,096)	71,808	18,288	-
Transfer from Stage 2	44,586	(55,738)	11,152	-
Transfer from Stage 3	9,840	7,451	(17,291)	-
At 30 June 2024	2,111,028	61,242	93,565	2,265,835

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

12. LOANS AND ADVANCES (CONTINUED)

b. Mortgage and other loans (Continued)

	COMPANY			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2023 - as restated	1,297,098	37,721	81,416	1,416,235
New loans granted	312,800	-	-	312,800
Loans matured or derecognised (excluding write-offs)	(152,143)	(16,530)	(9,531)	(178,204)
Transfer from Stage 1	(90,096)	71,808	18,288	-
Transfer from Stage 2	44,586	(55,738)	11,152	-
Transfer from Stage 3	9,840	7,451	(17,291)	-
At 30 June 2024	1,422,085	44,712	84,034	1,550,831

	GROUP			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance as at 01 July 2023	4,535	2,156	11,735	18,426
New loans granted	953			953
Loans matured or derecognised (excluding write-offs)	(1,020)	(160)	(741)	(1,921)
Transfer from Stage 1	(3,977)	1,513	2,464	-
Transfer from Stage 2	51	(2,550)	2,499	-
Transfer from Stage 3	10	64	(74)	-
Remeasurement of loss allowance	2,284	1,636	(1,862)	2,058
At 30 June 2024	2,836	2,659	14,021	19,516

	COMPANY			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance as at 01 July 2023	3,616	2,156	11,735	17,507
New loans granted	955			955
Loans matured or derecognised (excluding write-offs)	(1,022)	(160)	(741)	(1,923)
Transfer from Stage 1	(3,977)	1,513	2,464	-
Transfer from Stage 2	51	(2,550)	2,499	-
Transfer from Stage 3	10	64	(74)	-
Remeasurement of loss allowance	2,275	1,636	(1,862)	2,049
At 30 June 2024	1,908	2,659	14,021	18,588

	GROUP			
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount as at 01 July 2022 - As previously stated	1,804,244	69,885	90,516	1,964,645
Transfer to Insurance contract liabilities	(66,587)	-	-	(66,587)
At 1 July 2022 - as restated	1,737,657	69,885	90,516	1,898,058
New loans granted	570,750	-	-	570,750
Loans matured or derecognised (excluding write-offs)	(303,005)	(14,890)	(16,648)	(334,543)
Transfer from Stage 1	(59,842)	49,318	10,524	-
Transfer from Stage 2	65,738	(73,635)	7,897	-
Transfer from Stage 3	3,830	7,043	(10,873)	-
At 30 June 2023	2,015,128	37,721	81,416	2,134,265

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

12. LOANS AND ADVANCES (CONTINUED)
b. Mortgage and other loans (Continued)

COMPANY				
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount as at 01 July 2022 - As previously stated	1,222,466	69,885	90,516	1,382,867
Transfer to Insurance contract liabilities	(66,587)	-	-	(66,587)
At 1 July 2022 - as restated	1,155,879	69,885	90,516	1,316,280
New loans granted	306,091	-	-	306,091
Loans matured or derecognised (excluding write-offs)	(174,598)	(14,890)	(16,648)	(206,136)
Transfer from Stage 1	(59,842)	49,318	10,524	-
Transfer from Stage 2	65,738	(73,635)	7,897	-
Transfer from Stage 3	3,830	7,043	(10,873)	-
At 30 June 2023	1,297,098	37,721	81,416	1,416,235

GROUP				
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance as at 01 July 2022	5,901	6,549	11,612	24,062
New loans granted	622	-	-	622
Loans matured or derecognised (excluding write-offs)	(1,129)	(234)	(2,186)	(3,549)
Transfer from Stage 1	(2,546)	1,086	1,460	-
Transfer from Stage 2	211	(1,227)	1,016	-
Transfer from Stage 3	8	63	(71)	-
Remeasurement of loss allowance	1,468	(4,081)	(96)	(2,709)
At 30 June 2023	4,535	2,156	11,735	18,426

COMPANY				
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance as at 01 July 2022	5,793	6,549	11,612	23,954
New loans granted	622	-	-	622
Loans matured or derecognised (excluding write-offs)	(1,129)	(234)	(2,186)	(3,549)
Transfer from Stage 1	(2,546)	1,086	1,460	-
Transfer from Stage 2	211	(1,227)	1,016	-
Transfer from Stage 3	8	63	(71)	-
Remeasurement of loss allowance	657	(4,081)	(96)	(3,520)
At 30 June 2023	3,616	2,156	11,735	17,507

The loans are secured and bear interest at rates varying between 2% - 14% (2023: 2% - 14%) per annum and have repayment terms not exceeding thirty five years.

The Group and the Company have granted unsecured loans.

The fair value of the collateral of loans amounting to Rs'000 3,757,167 (2023: Rs'000 4,013,757) are considered greater than the carrying value of the loans.

Undrawn commitments in respect of mortgage loans for the year under review amounted to Rs'000 18,886 and ECL allowance amounting to Rs 64,000 for the Group and Company (Group and Company - 2023 :Rs'000 27,757, ECL allowance:Rs 194,000).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

13. LEASES

(a) Right-of use assets

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

	GROUP						COMPANY	
	2024			2023			2024	2023
	Office building	Leasehold rights on land	Total	Office building	Leasehold rights on land	Total	Office building	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July	13,893	68,312	82,205	12,586	69,789	82,375	13,893	12,586
Additions	-	-	-	6,653	-	6,653	-	6,653
Adjustments	37	-	37	135	-	135	37	135
Depreciation	(5,948)	(1,476)	(7,424)	(5,481)	(1,477)	(6,958)	(5,948)	(5,481)
At 30 June	7,982	66,836	74,818	13,893	68,312	82,205	7,982	13,893

Out of the depreciation charge of Rs'000 5,911 (2023: Rs'000 5,346) on the Shareholders' Funds for the year, an amount of Rs'000 2,860 (2023: Rs'000 1,404) has been recharged as support cost to SICOM General Insurance Ltd.

(b) Lease liabilities

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

	GROUP AND COMPANY	
	2024	2023
	Rs'000	Rs'000
At 01 July	67,887	65,655
Additions	-	6,653
Repayment	(10,076)	(9,595)
Accretion of interest	4,448	4,521
Adjustments	60	653
At 30 June	62,319	67,887
Current	10,076	9,595
Non-current	52,243	58,292
	62,319	67,887

Disclosure required by IFRS 16	GROUP AND COMPANY	
	2024	2023
Maturity analysis	Rs'000	Rs'000
Year 1	12,850	14,483
Year 2	9,838	12,817
Year 3	7,777	9,838
Year 4	7,487	7,777
Year 5	7,568	7,487
Onwards	604,121	611,689
	649,641	664,091

The Group and the Company do not face a significant liquidity risk with regard to their lease liabilities.

(c) Amounts recognised in the statements of profit or loss

The following are the amounts recognised in the statements of profit or loss:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Depreciation expense of right-of-use assets	7,387	6,823	5,911	5,346
Interest expense on lease liabilities	4,448	4,521	4,448	4,521
Total amount recognised in statements of profit or loss	11,835	11,344	10,359	9,867

The total cash outflows for the Group and the Company for leases (variable payments) in year ended 30 June 2024 was Rs'000 10,076 (2023: Rs'000 9,595) which includes principal portion of Rs'000 5,628 (2023: Rs'000 5,074) and interest portion of Rs'000 **4,448** (2023: Rs'000 4,521). Out of the interest expense of Rs'000 **4,448** (2023: Rs'000 4,521) on the Shareholders' Funds for the year, an amount of Rs'000 334 (2023: Rs'000 442) has been recharged as support cost to SICOM General Insurance Ltd.

Group and Company as Lessor

The Group and the Company have entered into operating lease agreements for the rental of office spaces. The leases have an average life of between three and ten years. All the lease contracts contain extension and termination options which can be negotiated by the Group and the Company.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

13. LEASES (CONTINUED)

(c) Amounts recognised in the statements of profit or loss (Continued)

Group and Company as Lessor (Continued)

Future minimum rentals receivable under the operating leases as at 30 June 2024 and 30 June 2023 are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Within 1 year	22,048	18,385	25,075	20,983
Within 2 years	22,048	18,384	25,075	20,983
Within 3 years	14,727	12,284	17,754	14,883
Within 4 years	14,727	12,284	17,754	14,883
Within 5 years	13,403	11,586	16,430	14,184
More than 5 years	13,403	11,586	16,430	14,184
	100,356	84,509	118,518	100,100

Details for future minimum rentals receivables under finance lease is given in note 13(a).

14. DEFERRED TAXATION

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets	35,867	41,024	-	-
Deferred tax liabilities	(64,136)	(42,592)	(62,620)	(41,076)
Net deferred tax assets/(liabilities)	(28,269)	(1,568)	(62,620)	(41,076)

At the end of the reporting period, the Group had tax losses of Rs 000 2,014 (2023: Rs 000 9,263). No deferred tax asset has been recognised in respect of such losses due to unpredictability of future profit streams (2023:nil). The tax losses expire on a rolling basis over 5 years.

(b) The movement on the deferred income tax account is as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July	(1,568)	433	(41,076)	(32,043)
Charged to profit or loss (note 16(b))	(16,007)	(33,688)	(13,052)	(32,300)
Credited to other comprehensive income	(10,694)	31,687	(8,492)	23,267
At 30 June	(28,269)	(1,568)	(62,620)	(41,076)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

	GROUP			
(i) Deferred tax assets	Expected credit losses	Lease Liabilities	Retirement benefit obligations	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2023	6,920	756	173,918	181,594
Credited to profit or loss	(375)	194	(7,741)	(7,922)
Charged to other comprehensive income	-	-	(10,694)	(10,694)
	6,545	950	155,483	162,978
Offset by deferred tax liabilities within same jurisdiction				(127,111)
At 30 June 2024				35,867
At 01 July 2022	7,259	294	152,823	160,376
Charged to profit or loss	(339)	462	(10,592)	(10,469)
Credited to other comprehensive income	-	-	31,687	31,687
	6,920	756	173,918	181,594
Offset by deferred tax liabilities within same jurisdiction				(140,570)
At 30 June 2023				41,024

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

14. DEFERRED TAXATION (CONTINUED)

(ii) Deferred tax liabilities

	GROUP				
	Accelerated tax depreciation	Revaluation of buildings	Right of Use Assets	Investment properties	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2023	18,189	11,621	910	152,442	183,162
Charged to profit or loss	3,192	-	96	4,797	8,085
	21,381	11,621	1,006	157,239	191,247
Offset by deferred tax assets within same jurisdiction					(127,111)
At 30 June 2024					64,136
At 1 July 2022	13,224	11,621	773	134,325	159,943
Charged to profit or loss	4,965	-	137	18,117	23,219
	18,189	11,621	910	152,442	183,162
Offset by deferred tax assets within same jurisdiction					(140,570)
At 30 June 2023					42,592

	COMPANY	
	2024	2023
	Rs'000	Rs'000
Deferred tax assets	119,135	135,351
Deferred tax liabilities	(181,755)	(176,427)
Net deferred tax liabilities	(62,620)	(41,076)

(iii) Deferred tax assets

	COMPANY			
	Retirement benefit obligations	Lease Liabilities	Expected Credit Losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2023	130,728	757	3,866	135,351
(Credited)/debited to profit or loss	(7,210)	194	(708)	(7,724)
Debited to other comprehensive income	(8,492)	-	-	(8,492)
At 30 June 2024	115,026	951	3,158	119,135
At 01 July 2022	116,679	295	5,001	121,975
(Credited)/debited to profit or loss	(9,218)	462	(1,135)	(9,891)
Credited to other comprehensive income	23,267	-	-	23,267
At 30 June 2023	130,728	757	3,866	135,351

(iv) Deferred tax liabilities

	COMPANY				
	Accelerated tax depreciation	Revaluation of buildings	Right of Use Assets	Investment properties	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2023	12,964	10,105	910	152,448	176,427
Charged to profit or loss	435	-	96	4,797	5,328
At 30 June 2024	13,399	10,105	1,006	157,245	181,755
At 1 July 2022	8,809	10,105	773	134,331	154,018
Charged to profit or loss	4,155	-	137	18,117	22,409
At 30 June 2023	12,964	10,105	910	152,448	176,427

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

15. OTHER RECEIVABLES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Prepayments	27,576	30,218	21,346	24,433
Debtors	151,735	106,445	63,522	51,834
Deposits	80,782	17,187	77,468	17,157
Investment income	232,347	174,644	457,246	348,909
Other receivables	-	-	9,628	5,011
	492,440	328,494	629,210	447,344

16. TAXATION

Income Tax

Income tax is calculated at the rate of 15% and Corporate Social Responsibility (CSR) of 2% (2023: Income 15% and CSR 2%) on the profit for the year as adjusted for income tax purposes.

(a) Statements of financial position

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
- Non Life Business	16,148	23,908	10,591	19,832
- Life Business	(4,934)	30,747	(4,934)	30,747
	11,214	54,655	5,657	50,579
Analysed as follows:				
Current tax assets	(2,183)	(980)	-	-
Current tax liabilities	13,397	55,635	5,657	50,579
	11,214	54,655	5,657	50,579

(b) Statements of profit or loss

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
- Current tax expense	67,192	35,501	43,232	20,236
- Under/(Over) provision in respect of previous year	(1,775)	1,412	(1,852)	268
	65,417	36,913	41,380	20,504
- Deferred tax charge (note 14(b))	16,007	33,688	13,052	32,300
	81,424	70,601	54,432	52,804

(c) Tax payable

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	54,655	33,744	50,579	30,272
Tax charge for the year	65,417	36,913	41,380	20,504
Tax paid during the year	(108,858)	(16,002)	(86,302)	(197)
At 30 June	11,214	54,655	5,657	50,579

(d) Tax Reconciliation

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Profit before taxation	1,204,732	1,305,852	1,136,928	1,293,625
Applicable Tax Rate (%)	17.00	17.00	17.00	17.00
Tax effect of:				
- Exempt income and other relief	(7.56)	(8.85)	(12.61)	(12.69)
- Expenses not deductible for tax purposes	(2.31)	(0.61)	0.60	1.93
- Expenses entitled to 200% deduction	(0.02)	(0.02)	(0.02)	(0.02)
- Rental of leased assets	(0.11)	(0.13)	(0.12)	(0.13)
- Assets not eligible for capital allowances	0.04	0.02	0.05	0.02
- Over-provision in current tax in respect of previous year	0.03	0.09	0.02	0.02
- Over-provision in deferred tax in respect of previous year	-	0.08	-	0.08
- Life Business Liability	(0.12)	(2.15)	(0.13)	(2.13)
- CSR Expense	0.00	0.13	-	-
- Tax differential on consolidation	(0.10)	(0.28)	-	-
- Utilisation of previously unrecognised tax losses	(0.10)	0.13	-	-
Effective Tax Rate	6.75	5.41	4.79	4.08

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

17. Bank and Cash balances

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Bank and cash balances	782,925	696,955	407,511	510,565
	782,925	696,955	407,511	510,565

Bank and Cash balances are maintained with reputable financial institutions. The credit risk has been assessed to be very low and the resulting ECL considered not material.

18. ASSETS HELD FOR SALE

	GROUP		COMPANY	
Foreclosed properties/Repossessed assets	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	12,488	15,103	6,353	6,353
Transfer to Other Receivables	(5,526)	-	-	-
Fair value loss recognised in profit or loss	(609)	(2,856)	-	-
Fees relating to repossessed assets	-	241	-	-
At 30 June	6,353	12,488	6,353	6,353

Foreclosed properties are stated at the lower of their carrying amount and fair value less cost to sell. The foreclosed properties of the Company represent seized assets acquired through auction at the Master's Bar as a result of default by clients. The Company has firm commitment to sell those assets once the required conditions relating to the sale have been completed.

19. BORROWINGS

	GROUP & COMPANY	
	2024	2023
	Rs'000	Rs'000
Repayable by instalments		
- within one year	22,200	22,903
- in the second year	13,355	17,534
- in the third year	10,409	8,689
- in the fourth year	8,747	5,743
- in the fifth year	3,273	4,081
Total	57,984	58,950
Analysed as follows:		
Current	22,200	22,903
Non-current	35,784	36,047
	57,984	58,950

The loans are unsecured and bear interest at rates varying between **1.85% - 4.50%** (2023: 1.85% - 4.65%) per annum.

The carrying amounts of the Group's and the Company's borrowings are denominated in Mauritian Rupees and are not materially different from the fair value.

The table below shows the movement of borrowings:-

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	58,950	59,866	58,950	59,866
Additions	23,330	23,560	23,330	23,560
Repayments	(24,296)	(24,476)	(24,296)	(24,476)
At 30 June	57,984	58,950	57,984	58,950

20. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Other payables and accruals	239,980	165,201	161,432	119,104
	239,980	165,201	161,432	119,104

Other payables and accruals at Company level comprise mainly of accrued expenses of **Rs'000 88,229** (2023: Rs'000 34,435), creditors of **Rs'000 13,773** (2023: Rs'000 17,746) and other provisions of **Rs'000 59,430** (2023: Rs'000 66,923).

Other payables and accruals at Group level comprise mainly of accrued expenses of **Rs'000 115,679** (2023: Rs'000 51,511), creditors of **Rs'000 29,881** (2023: Rs'000 34,180) and other provisions of **Rs'000 94,420** (2023: Rs'000 79,510).

The above amounts are interest free and unsecured and repayable at their stated maturity dates. The carrying amounts of trade and other payables approximate their fair values.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

21. DEPOSITS FROM CUSTOMERS

	GROUP	
	2024	2023
Term deposits with remaining terms to maturity:	Rs'000	Rs'000
- Within one year	302,475	212,246
- In the second to fifth years inclusive	1,689,460	1,389,268
	1,991,935	1,601,514

The time deposits bear interests at rates ranging from **1.35% to 5.25%** (2023: 0.7% to 5.2 %) per annum.

22. STATED CAPITAL

	GROUP AND COMPANY	
	2024	2023
	Rs'000	Rs'000
Share capital	25,000	25,000
Share premium	45,000	45,000
	70,000	70,000

At 30 June 2023 and 30 June 2024	Number of shares	Share capital	Share premium
	000	Rs'000	Rs'000
The share capital comprises of: -			
250,000 ordinary shares of Rs 100 each	250	25,000	45,000

The total authorised number of ordinary shares is **300,000** (2023: 300,000) with a par value of Rs.100 each. All issued shares are fully paid. The Company has one class of ordinary share capital of Rs 100 each which carries a right to vote and a right to dividend.

23. RESERVES

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Retained earnings	8,719,978	7,798,782	7,807,297	6,891,945
Properties revaluation reserve	164,095	164,095	154,537	154,537
Investments revaluation reserve	(262,681)	(261,756)	-	-
Actuarial losses	(690,848)	(743,061)	(525,125)	(566,588)
Translation reserve	238,850	207,476	-	-
General banking reserve	37,781	6,929	-	-
Other reserve	68,856	64,997	-	-
Restricted reserves	-	9,565	-	9,565
	8,276,031	7,247,027	7,436,709	6,489,459

(a) Retained earnings

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
At 01 July - As previously stated	8,060,926	7,499,025	7,132,169	6,582,545
Prior year adjustments	(262,144)	(704,753)	(240,224)	(705,045)
At 1 July as restated (Note 40)	7,798,782	6,794,272	6,891,945	5,877,500
Profit attributable to equity holders of the parent	1,132,616	1,235,000	1,092,061	1,240,821
Transfer to restricted reserves	-	(9,565)	-	(9,565)
Payments of dividends	(176,709)	(157,896)	(176,709)	(157,896)
Transfer to other reserve	(34,711)	(4,114)	-	-
Transfer of reserves from Life Business	-	(14,405)	-	(14,405)
Adjustment (ROU)	-	(44,510)	-	(44,510)
At 30 June	8,719,978	7,798,782	7,807,297	6,891,945

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

23. RESERVES (CONTINUED)

(b) Properties revaluation reserve

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	164,095	164,095	154,537	154,537
At 30 June	164,095	164,095	154,537	154,537

The properties revaluation reserve arises on the revaluation of buildings (Note 7).

(c) Investments revaluation reserve

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
At 01 July - As previously stated	(53,318)	(18,872)	212,033	242,950
Prior year adjustments (Note 40)	(208,438)	(242,633)	(212,033)	(242,950)
At 1 July as restated	(261,756)	(261,505)	-	-
Revaluation gains on equity instruments at Fair value through OCI	(925)	(251)	-	-
At 30 June	(262,681)	(261,756)	-	-

The investments revaluation reserve represents accumulated gains and losses arising on the revaluation of financial assets at FVOCI that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of.

(d) Actuarial losses

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	(743,061)	(588,355)	(566,588)	(452,990)
Other comprehensive income attributable to equity holders of the parent, net of tax	52,213	(154,706)	41,463	(113,598)
At 30 June	(690,848)	(743,061)	(525,125)	(566,588)

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligations recognised.

(e) Translation reserve

	GROUP	
	2024	2023
	Rs'000	Rs'000
At 1 July	207,476	191,056
Movement during the year	31,374	16,420
At 30 June	238,850	207,476

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies (USD) to the Group's presentation currency (MUR) are recognised directly in other comprehensive income and accumulated in the foreign translation reserve.

(f) General banking reserve

With the enforcement by the *Bank of Mauritius Guideline Classification, Provisioning and Write Off of Credit Exposures* of the Guideline in September 2024, management has performed an assessment of the Company's compliance to the provisioning requirements of the Guideline, and has determined it prudent to make an appropriation of **Rs'000 30,852** (2023: Rs'000 356) from retained earnings to the general risk reserve to cater for the expected shortfall at 30 June 2024.

(g) Other reserve

Under Section 21 of the Banking Act 2004, any financial institution shall maintain a reserve account and shall, each year, transfer therein a sum equal to not less than 15% of the profit of the year after due provision for income tax until the balance in the Reserve Account is equal to the amount paid as stated capital. An amount of **Rs'000 3,859** was transferred in 2024 (2023: Rs'000 3,758).

h) Restricted reserves

Restricted reserves have been established to reflect the difference between profits reported under IFRS 17 and the amount permitted to be transferred under the Insurance Act. The Act, which governs insurance companies in Mauritius, limits shareholder entitlement to a maximum of 10% of any surplus distributed from the With Profits Fund. These reserves may also be utilised to offset any future losses.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

23. RESERVES (CONTINUED)

(i) Income tax effects relating to other comprehensive income

SHAREHOLDERS' FUNDS

	GROUP					
	2024			2023		
	Before tax amount Rs'000	Tax (expense benefit Note 16) Rs'000	Net of tax amount Rs'000	Before tax amount Rs'000 Restated	Tax (expense benefit Note 16) Rs'000 Restated	Net of tax amount Rs'000 Restated
Exchange differences on translation of foreign operations	31,374	-	31,374	16,420	-	16,420
Remeasurement (losses)/gains on defined benefit plan	62,907	(10,682)	52,225	(186,420)	31,687	(154,733)
Fair value through OCI	(925)	-	(925)	(255)	-	(255)
	93,356	(10,682)	82,674	(170,255)	31,687	(138,568)

SHAREHOLDERS' FUNDS

	COMPANY					
	2024			2023		
	Before tax amount Rs'000	Tax (expense benefit Note 16) Rs'000	Net of tax amount Rs'000	Before tax amount Rs'000 Restated	Tax (expense benefit Note 16) Rs'000 Restated	Net of tax amount Rs'000 Restated
Remeasurement gains on defined benefit plan	49,955	(8,492)	41,463	(136,865)	23,267	(113,598)
	49,955	(8,492)	41,463	(136,865)	23,267	(113,598)

24 EMPLOYEE BENEFIT OBLIGATIONS

(a) Pension benefits

	GROUP		COMPANY	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Amount recognised in the statements of financial position as non-current liabilities:				
- Funded pension benefits (note 24b)(vii))	791,198	903,867	576,609	673,158
- Unfunded Pension benefits (note 24(d)(vii))	124,643	120,420	99,991	95,806
	915,841	1,024,287	676,600	768,964

	GROUP		COMPANY	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Amount charged to profit or loss:				
- Funded Pension benefits (note 30(a))	88,763	74,708	66,379	56,965
- Unfunded Pension benefits (note 30(a))	10,073	7,714	7,878	5,902
	98,836	82,422	74,257	62,867
Amount charged to other comprehensive income:				
- Funded Pension benefits (note 24(b)(vii))	(60,791)	163,401	(49,736)	115,432
- Unfunded Pension benefits (note 24(d)(vi))	(2,116)	22,991	(219)	21,430
	(62,907)	186,392	(49,955)	136,862

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

24 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(b) Funded Pension benefits

(i) The Group operates a defined benefit pension. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final year leading up to retirement.

The assets of the fund are held independently and administered by State Insurance Company of Mauritius Ltd.

The most recent actuarial valuations of plan assets and the present value of defined benefit obligations were carried out at 30 June 2024 by QED Actuaries & Consultants (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost, were measured using the Projected Unit Credit Method.

(ii) Amounts recognised in the statements of financial position

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligations	1,964,901	1,905,218	1,474,059	1,426,947
Fair value of plan assets	(1,173,703)	(1,001,351)	(897,450)	(753,789)
Liabilities in the statements of financial position	791,198	903,867	576,609	673,158

(iii) The movements in the statements of financial position are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	903,867	806,915	673,157	614,524
Profit or loss charge	88,763	74,708	66,379	56,965
Other comprehensive income charge	(60,791)	163,401	(49,736)	115,432
Contributions paid	(140,641)	(141,157)	(113,191)	(113,764)
At 30 June	791,198	903,867	576,609	673,157

(iv) The movement in the defined benefit obligations over the year is as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	1,905,218	1,640,657	1,426,947	1,235,863
Current service cost	36,238	32,492	27,484	24,976
Interest expense	114,974	90,902	86,322	68,454
Employee contributions	13,891	14,101	10,310	10,542
Liability experience loss	(207)	86,845	(3,415)	59,485
Liability Loss/(gain) due to change in financial assumption	(29,599)	76,340	(23,412)	56,439
Benefits paid	(72,993)	(33,602)	(48,282)	(26,933)
Admin Expenses	(1,179)	(1,004)	(824)	(755)
Risk Premiums	(1,442)	(1,513)	(1,071)	(1,124)
At 30 June	1,964,901	1,905,218	1,474,059	1,426,947

(v) The movement in the fair value of plan assets over the year is as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	1,001,351	833,742	753,789	621,338
Interest income	62,449	48,686	47,427	36,465
Employer contributions	140,641	141,157	113,192	113,763
Employee contributions	13,891	14,101	10,310	10,542
Benefits paid	(72,993)	(33,602)	(48,282)	(26,933)
Return on plan assets excluding interest income	30,985	(216)	22,909	492
Admin Expenses	(1,179)	(1,004)	(824)	(755)
Risk Premiums	(1,442)	(1,513)	(1,071)	(1,123)
At 30 June	1,173,703	1,001,351	897,450	753,789

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

24 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(b) Funded Pension benefits (Continued)

(vi) The amounts recognised in profit or loss are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	36,238	32,492	27,484	24,976
Net interest on net defined benefit liabilities	52,525	42,216	38,895	31,989
Total cost (note 30a)	88,763	74,708	66,379	56,965
Allocation of support costs:				
Life Fund	16,122	13,918	16,122	13,918
SICOM General Insurance Ltd	19,635	15,525	-	-
Shareholders' Fund	53,006	45,265	50,257	43,047
	88,763	74,708	66,379	56,965
Actual return in plan assets	93,434	48,470	70,336	36,957

(vii) The amounts recognised in other comprehensive income are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Below interest income/Return on plan assets(above)	(30,985)	216	(22,909)	(492)
Liability experience loss	(207)	86,845	(3,415)	59,485
Liability Loss/(gain) due to change in financial assumptions	(29,599)	76,340	(23,412)	56,439
	(60,791)	163,401	(49,736)	115,432

(viii) The fair value of the plan assets at the end of the reporting period for each category are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Equity - local quoted	144,835	123,667	110,745	93,093
Equity - local unquoted	14,906	11,916	11,398	8,970
Debt - local quoted	13,145	9,813	10,051	7,387
Debt - local unquoted	579,692	511,891	443,251	385,337
Investment funds	361,853	291,393	276,684	219,353
Property	5,986	5,307	4,577	3,995
Cash and others	35,563	18,525	27,193	13,945
Loans and advances	17,723	28,839	13,551	21,709
	1,173,703	1,001,351	897,450	753,789

(ix) Principal actuarial assumptions at end of the reporting date:

	GROUP		COMPANY	
	2024	2023	2024	2023
Discount rate	5.65%	6.00%	5.65%	6.00%
Future salary increases	3.5%	4.0%	3.5%	4.0%
Future pension increases	3.5%	4.0%	3.5%	4.0%
Inflation rate	3.5%	4.0%	3.5%	4.0%
Average Retirement Age (ARA)	65	65	65	65
Average life expectancy for:				
- Male at ARA	16.0	16.0	16.0	16.0
- Female at ARA	19.1	19.1	19.1	19.1

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FOR THE YEAR ENDED 30 JUNE 2024

24 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(b) Funded Pension benefits (Continued)

(x) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate (1% movement)				
Increase	250,809	253,570	175,656	183,390
Decrease	295,196	300,054	205,368	216,729
Salary increase (1% movement)				
Increase	133,487	137,793	99,653	102,019
Decrease	121,691	124,924	90,903	92,656
Pension increase (1% movement)				
Increase	216,469	215,912	161,867	169,509
Decrease	192,566	191,081	143,979	149,567

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present values of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(xi) The risks to the Company in respect of the benefits are summarised and described below:

- Inflation risk: if salary increases are significantly higher than assumed;
- Longevity risk: if actual post-retirement mortality is lower than assumed;
- Administrative risk: if the data provided in respect of the employees or benefits is incomplete or incorrect;
- Exclusion risk: the risk of discontent of employees who are ineligible for these benefits;
- Investment risk: the risk that the return earned by plan assets is lower than expected; and,
- Default risk: The risk of default on the instruments underpinning the plan assets.

(xii) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xiii) Expected contributions to post employment benefit plan for the year ending 30 June 2025 are Rs 142 million for the Group and Rs 114 million for the Company.

(xiv) The weighted average duration of the defined benefit obligation is 17 years at the end of the reporting period.

(c) Unfunded Defined Benefit Plan

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Amount recognised in the statements of financial position as non-current liabilities:				
- Pension benefits (note 24(d)(ii))	124,643	120,420	99,991	95,806
Amount charged to profit or loss:				
- Pension benefits (note 30(a))	10,073	7,714	7,878	5,902
Amount charged to other comprehensive income:				
- Pension benefits (note 24(d)(ii))	(2,116)	22,991	(219)	21,430

(d) Unfunded Pension benefits

(i) Amounts recognised in the statements of financial position

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of unfunded obligations	124,643	120,420	99,991	95,806
Liabilities in the statements of financial position	124,643	120,420	99,991	95,806

(ii) The movements in the statements of financial position are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	120,420	93,284	95,806	71,804
Profit or loss charge	10,073	7,714	7,878	5,902
Other comprehensive income charge	(2,116)	22,991	(219)	21,430
Contributions paid	(3,734)	(3,569)	(3,474)	(3,330)
At 30 June	124,643	120,420	99,991	95,806

(iii) Principal actuarial assumptions at end of the reporting date for the Group & Company are: Discount rate 5.65% (2023 : 6.0%), Inflation rate 3.5% (2023: 4.0%), salary increase rate 3.50% (2023: 4.0%), pension increase rate 3.5% (2023: 4.0%)

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24 EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(d) Unfunded Pension benefits (Continued)

(iv) The movement in the defined benefit obligations over the year is as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	120,420	93,284	95,806	71,804
Current service cost	2,793	2,587	2,108	1,972
Interest expense	7,280	5,127	5,770	3,930
Liability experience gain	665	18,847	2,135	18,102
Liability Loss due to change in financial assumptions	(2,781)	4,144	(2,354)	3,328
Benefits paid	(3,734)	(3,569)	(3,474)	(3,330)
At 30 June	124,643	120,420	99,991	95,806

(v) The amounts recognised in profit or loss are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	2,793	2,587	2,108	1,972
Net interest on net defined benefit liabilities	7,280	5,127	5,770	3,930
Total cost (note 30(a))	10,073	7,714	7,878	5,902
Allocation of support costs:				
Life Fund	1,819	1,426	1,819	1,426
SICOM General Insurance Ltd	1,943	1,605	-	-
Shareholders' Funds	6,311	4,683	6,059	4,476
	10,073	7,714	7,878	5,902

(vi) The amounts recognised in other comprehensive income are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Liability experience gain	665	18,847	2,135	18,102
Liability Loss due to change in financial assumptions	(2,781)	4,144	(2,354)	3,328
	(2,116)	22,991	(219)	21,430

(vii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate (1% movement)				
Increase	18,826	16,817	15,056	13,469
Decrease	22,579	19,979	18,043	16,007
Salary increase (1% movement)				
Increase	11,605	12,219	9,229	9,726
Decrease	10,546	11,018	8,419	8,769
Pension increase (1% movement)				
Increase	12,189	9,478	9,792	7,641
Decrease	11,057	8,684	8,892	6,998

(e) Funded Defined Contribution Plan

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
National pension scheme contributions charges for employees on a contractual basis	-	88	-	-
Contributions to defined contribution plan administered by State Insurance Company of Mauritius Ltd	10,089	8,226	7,169	5,755

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FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

A. Composition of the balance sheet

GROUP	2024			2023		
	Current Rs'000	Non-current Rs'000	Total Rs'000	Current Rs'000	Non-current Rs'000	Total Rs'000
Insurance contract liabilities	2,110,380	14,194,996	16,305,376	1,809,341	13,543,314	15,352,655
Insurance contract assets	38,821	30,668	69,489	95,518	24,559	120,077
Reinsurance contract assets	557,143	1,227	558,370	432,046	-	432,046
Reinsurance contract liabilities	129,894	422,857	552,751	127,410	406,519	533,929

COMPANY	2024			2023		
	Current Rs'000	Non-current Rs'000	Total Rs'000	Current Rs'000	Non-current Rs'000	Total Rs'000
Insurance contract liabilities	1,063,201	14,194,996	15,258,197	969,387	13,543,314	14,512,701
Insurance contract assets	22,318	30,668	52,986	83,734	24,559	108,293
Reinsurance contract assets	201	1,227	1,428	1,837	-	1,837
Reinsurance contract liabilities	107,783	422,858	530,641	115,535	406,519	522,054

B.

GROUP 2024	Liability for remaining coverage (LFRC)		Liability for incurred claims (LIC)			
			Contracts not under Premium Allocation Approach (PAA)	LIC for contracts under the PAA		
	Excluding loss component Rs'000	Loss component (LC) Rs'000	Rs'000	Best Estimate Liability (BEL) Rs'000	Risk Adjustment (RA) Rs'000	Total Rs'000
Opening Insurance contract liabilities	14,403,885	241,961	193,720	470,442	42,648	15,352,656
Opening Insurance contract assets	(122,449)	144	1,919	289	20	(120,077)
Net balances at 1 July 2023	14,281,436	242,105	195,639	470,731	42,668	15,232,579
Insurance revenue	(2,898,887)	-	-	-	-	(2,898,887)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(58,850)	476,889	1,371,229	54,460	1,843,728
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	1,145	13,703	(42,668)	(27,820)
Losses on onerous contracts and reversals of those losses	-	77,546	-	-	-	77,546
Insurance acquisition cash flows amortisation	243,941	-	-	-	-	243,941
Total insurance service expenses	243,941	18,696	478,034	1,384,932	11,792	2,137,395
Insurance service result	(2,654,946)	18,696	478,034	1,384,932	11,792	(761,492)
Finance (income)/expenses from insurance contracts issued	1,399,267	8,699	6,573	21,952	-	1,436,491
Total amounts recognised in comprehensive income	(1,255,679)	27,395	484,607	1,406,884	11,792	674,999
Investment components	(1,749,359)	-	1,749,359	-	-	-
Cash flows						
Premiums received	4,157,530	-	-	-	-	4,157,530
Claims and other directly attributable expenses paid including investment component	(51,307)	-	(2,199,236)	(1,256,865)	-	(3,507,408)
Other pre-recognition cash flows paid	3,595	-	-	-	-	3,595
Insurance acquisition cash flows paid	(325,408)	-	-	-	-	(325,408)
Total cash flows	3,784,410	-	(2,199,236)	(1,256,865)	-	328,309
Net balance as at 30 June 2024	15,060,808	269,500	230,369	620,750	54,460	16,235,887
Closing Insurance contract liabilities	15,189,636	265,388	222,338	579,799	48,215	16,305,376
Closing Insurance contract assets	(128,828)	4,112	8,031	40,951	6,245	(69,489)
Net balances at 30 June 2024	15,060,808	269,500	230,369	620,750	54,460	16,235,887

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	GROUP					
	2023					
	LFRC		LIC			
				LIC for contracts under the PAA		
	Excluding loss component	Loss component	Contracts not under PAA	BEL	RA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
B. Opening Insurance contract liabilities	14,675,176	70,068	122,976	516,755	44,565	15,429,540
Opening Insurance contract assets	(464,491)	16,924	8,810	-	-	(438,757)
Net balances at 1 July 2022	14,210,685	86,992	131,786	516,755	44,565	14,990,783
Insurance revenue	(2,430,663)	-	-	-	-	(2,430,663)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(28,473)	466,555	943,660	42,668	1,424,410
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	1,044	(52,120)	(44,565)	(95,641)
Losses on onerous contracts and reversals of those losses	-	186,003	-	-	-	186,003
Insurance acquisition cash flows amortisation	192,081	-	-	-	-	192,081
Total insurance service expenses	192,081	157,530	467,599	891,540	(1,897)	1,706,853
Insurance service result	(2,238,582)	157,530	467,599	891,540	(1,897)	(723,810)
Finance (income)/expenses from insurance contracts issued	299,393	(2,417)	(4,718)	(343)	-	291,915
Total amounts recognised in comprehensive income	(1,939,189)	155,113	462,881	891,197	(1,897)	(431,895)
Investment components	(1,621,817)	-	1,621,817	-	-	-
Cash flows						
Premiums received	3,995,256	-	-	-	-	3,995,256
Claims and other directly attributable expenses paid including investment component	(49,051)	-	(2,020,845)	(937,221)	-	(3,007,117)
Other pre-recognition cash flows paid	39	-	-	-	-	39
Insurance acquisition cash flows paid	(314,487)	-	-	-	-	(314,487)
Total cash flows	3,631,757	-	(2,020,845)	(937,221)	-	673,691
Net balance as at 30 June 2023	14,281,436	242,105	195,639	470,731	42,668	15,232,579
Closing Insurance contract liabilities	14,403,885	241,961	193,720	470,442	42,648	15,352,656
Closing Insurance contract assets	(122,449)	144	1,919	289	20	(120,077)
Net balances at 30 June 2023	14,281,436	242,105	195,639	470,731	42,668	15,232,579

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	COMPANY					
	2024					
	LFRC		LIC			
				LIC for contracts under the PAA		
	Excluding loss component	Loss component	Contracts not under PAA	BEL	RA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
B. Opening Insurance contract liabilities	14,071,897	241,961	193,721	5,122	-	14,512,701
Opening Insurance contract assets	(110,356)	144	1,919	-	-	(108,293)
Net balances at 1 July 2023	13,961,541	242,105	195,640	5,122	-	14,404,408
Insurance revenue	(1,018,285)	-	-	-	-	(1,018,285)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(44,410)	476,889	104,230	-	536,709
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	1,145	498	-	1,643
Losses on onerous contracts and reversals of those losses	-	46,456	-	-	-	46,456
Insurance acquisition cash flows amortisation	15,336	-	-	-	-	15,336
Total insurance service expenses	15,336	2,046	478,034	104,728	-	600,144
Insurance service result	(1,002,949)	2,046	478,034	104,728	-	(418,141)
Finance (income)/expenses from insurance contracts issued	1,399,267	8,699	6,573	300	-	1,414,839
Total amounts recognised in comprehensive income	396,318	10,745	484,607	105,028	-	996,698
Investment components	(1,749,359)	-	1,749,359	-	-	-

	COMPANY					
	2024					
	LFRC		LIC			
				LIC for contracts under the PAA		
	Excluding loss component	Loss component	Contracts not under PAA	BEL	RA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash flows						
Premiums received	2,186,616	-	-	-	-	2,186,616
Claims and other directly attributable expenses paid including investment component	(51,308)	-	(2,199,236)	(54,722)	-	(2,305,266)
Other pre-recognition cash flows paid	3,595	-	-	-	-	3,595
Insurance acquisition cash flows paid	(80,840)	-	-	-	-	(80,840)
Total cash flows	2,058,063	-	(2,199,236)	(54,722)	-	(195,895)
Net balance as at 30 June 2024	14,666,563	252,850	230,370	55,428	-	15,205,211
Closing Insurance contract liabilities	14,731,692	248,738	222,339	55,428	-	15,258,197
Closing Insurance contract assets	(65,129)	4,112	8,031	-	-	(52,986)
Net balances at 30 June 2024	14,666,563	252,850	230,370	55,428	-	15,205,211

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	COMPANY					
	2023					
	LFRC		LIC			
	Excluding loss component	Loss component	Contracts not under PAA	LIC for contracts under the PAA BEL	RA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
B. Opening Insurance contract liabilities	14,397,406	70,068	122,976	4,842	-	14,595,292
Opening Insurance contract assets	(464,364)	16,924	8,810	-	-	(438,630)
Net balances at 1 July 2022	13,933,042	86,992	131,786	4,842	-	14,156,662
Insurance revenue	(870,364)	-	-	-	-	(870,364)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(28,473)	466,555	39,994	-	478,076
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	1,044	(2,040)	-	(996)
Losses on onerous contracts and reversals of those losses	-	186,003	-	-	-	186,003
Insurance acquisition cash flows amortisation	13,438	-	-	-	-	13,438
Total insurance service expenses	13,438	157,530	467,599	37,954	-	676,521
Insurance service result	(856,926)	157,530	467,599	37,954	-	(193,843)
Finance (income)/expenses from insurance contracts issued	299,394	(2,417)	(4,718)	(80)	-	292,179
Total amounts recognised in comprehensive income	(557,532)	155,113	462,881	37,874	-	98,336
Investment components	(1,621,817)	-	1,621,817	-	-	-

	COMPANY					
	2023					
	LFRC		LIC			
	Excluding loss component	Loss component	Contracts not under PAA	LIC for contracts under the PAA BEL	RA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash flows						
Premiums received	2,364,746	-	-	-	-	2,364,746
Claims and other directly attributable expenses paid including investment component	(49,052)	-	(2,020,844)	(37,594)	-	(2,107,490)
Other pre-recognition cash flows paid	39	-	-	-	-	39
Insurance acquisition cash flows paid	(107,885)	-	-	-	-	(107,885)
Total cash flows	2,207,848	-	(2,020,844)	(37,594)	-	149,410
Net balance as at 30 June 2023	13,961,541	242,105	195,640	5,122	-	14,404,408
Closing Insurance contract liabilities	14,071,897	241,961	193,721	5,122	-	14,512,701
Closing Insurance contract assets	(110,356)	144	1,919	-	-	(108,293)
Net balances at 30 June 2023	13,961,541	242,105	195,640	5,122	-	14,404,408

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	GROUP				
	2024				
			CONTRACTUAL Service Margin (CSM)		
C Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening insurance contract liabilities	12,023,013	1,383,450	1,900,890	45,303	15,352,656
Opening insurance contract assets	(1,789,761)	414,112	1,190,992	64,580	(120,077)
Net balance as at 1 July 2023	10,233,252	1,797,562	3,091,882	109,883	15,232,579
Changes that relate to current service					
CSM recognised for the services provided	-	-	(359,245)	(24,476)	(383,721)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(9,011)	-	-	(9,011)
Insurance revenue from contracts measured under the PAA	(1,960,050)	-	-	-	(1,960,050)
Incurred claims and other incurred insurance service expenses under the PAA	1,266,871	54,460	-	-	1,321,331
Losses on onerous contracts and reversals of those losses	31,090	-	-	-	31,090
Insurance acquisition cash flows amortisation under the PAA	228,607	-	-	-	228,607
Experience adjustments - relating to insurance service expenses	8,280	(2,340)	-	-	5,940
	(425,202)	43,109	(359,245)	(24,476)	(765,814)

	GROUP				
	2024				
			CONTRACTUAL Service Margin (CSM)		
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Changes that relate to future service					
Changes in estimates that adjust the CSM	(1,923,806)	(497,645)	2,243,063	178,388	-
Changes in estimates that result in onerous contract losses or reversals of those losses	(58,928)	(4,372)	-	-	(63,300)
Contracts initially recognised in the period	(277,355)	98,588	-	288,525	109,758
Experience adjustments - arising from premiums received in the period that relate to future service	(60,193)	(902)	(39,402)	100,497	-
	(2,320,282)	(404,331)	2,203,661	567,410	46,458
Changes that relate to past services					
Changes that relate to past service - changes in the FCFs relating to the LIC	14,848	(42,668)	-	-	(27,820)
	14,848	(42,668)	-	-	(27,820)
Insurance service result	(2,730,636)	(403,890)	1,844,416	542,934	(747,176)
Finance (income)/expenses from insurance contracts issued	1,346,984	-	78,386	11,121	1,436,491
Total amounts recognised in comprehensive income	(1,383,652)	(403,890)	1,922,802	554,055	689,315
Cash Flows					
Premiums received	4,157,530	-	-	-	4,157,530
Claims and other directly attributable expenses paid including investment component	(3,521,724)	-	-	-	(3,521,724)
Other pre-recognition cash flows paid	3,595	-	-	-	3,595
Insurance acquisition cash flows paid	(325,408)	-	-	-	(325,408)
Total cash flows	313,993	-	-	-	313,993
Net balance as at 30 June 2024	9,163,593	1,393,672	5,014,684	663,938	16,235,887
Closing insurance contract liabilities	11,631,528	1,141,504	3,200,696	331,648	16,305,376
Closing insurance contract assets	(2,467,935)	252,168	1,813,988	332,290	(69,489)
Net balance as at 30 June 2024	9,163,593	1,393,672	5,014,684	663,938	16,235,887

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FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	GROUP				
	2023				
			CSM		
C Reconciliation of the measurement components of insurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening insurance contract liabilities	12,055,450	1,319,850	2,054,239	-	15,429,539
Opening insurance contract assets	(1,951,683)	473,533	1,039,393	-	(438,757)
Net balance as at 1 July 2022	10,103,767	1,793,383	3,093,632	-	14,990,782
Changes that relate to current service					
CSM recognised for the services provided	-	-	(196,993)	(5,487)	(202,480)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(113,673)			(113,673)
Insurance revenue from contracts measured under the PAA	(1,619,573)	-	-	-	(1,619,573)
Incurred claims and other incurred insurance service expenses under the PAA	916,484	42,668			959,152
Insurance acquisition cash flows amortisation under the PAA	178,642	-	-	-	178,642
Experience adjustments - relating to insurance service expenses	(2,225)	(1,197)	-	-	(3,422)
	(526,672)	(72,202)	(196,993)	(5,487)	(801,354)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(186,155)	35,090	143,760	7,305	-
Changes in estimates that result in onerous contract losses or reversals of those losses	52,804	5,782	-	-	58,586
Contracts initially recognised in the period	(60,905)	81,424	-	106,899	127,418
Experience adjustments - arising from premiums received in the period that relate to future service	(16,570)	(1,350)	17,665	255	-
	(210,826)	120,946	161,425	114,459	186,004

	GROUP				
	2023				
			CSM		
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Changes that relate to past services					
Changes that relate to past service - changes in the FCFs relating to the LIC	(51,076)	(44,565)	-	-	(95,641)
	(51,076)	(44,565)	-	-	(95,641)
Insurance service result	(788,574)	4,179	(35,568)	108,972	(710,991)
Finance (income)/expenses from insurance contracts issued	257,186	-	33,818	911	291,915
Total amounts recognised in comprehensive income	(531,388)	4,179	(1,750)	109,883	(419,076)
Cash Flows					
Premiums received	3,995,256	-	-	-	3,995,256
Claims and other directly attributable expenses paid including investment component	(3,019,935)	-	-	-	(3,019,935)
Other pre-recognition cash flows paid	39	-	-	-	39
Insurance acquisition cash flows paid	(314,487)	-	-	-	(314,487)
Total cash flows	660,873	-	-	-	660,873
Net balance as at 30 June 2023	10,233,252	1,797,562	3,091,882	109,883	15,232,579
Closing insurance contract liabilities	12,023,013	1,383,450	1,900,890	45,303	15,352,656
Closing insurance contract assets	(1,789,761)	414,112	1,190,992	64,580	(120,077)
Net balance as at 30 June 2023	10,233,252	1,797,562	3,091,882	109,883	15,232,579

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FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

C Reconciliation of the measurement components of insurance contract balances	COMPANY 2024 Present value of future cash flows	Risk adjustment for non-financial risk	CSM: Contracts measured under the fair value approach at transition	CSM: Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening insurance contract liabilities	11,225,706	1,340,802	1,900,890	45,303	14,512,701
Opening insurance contract assets	(1,777,957)	414,092	1,190,992	64,580	(108,293)
Net balance as at 1 July 2023	9,447,749	1,754,894	3,091,882	109,883	14,404,408
Changes that relate to current service					
CSM recognised for the services provided	-	-	(359,245)	(24,476)	(383,721)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(9,011)	-	-	(9,011)
Insurance revenue from contracts measured under the PAA	(79,448)	-	-	-	(79,448)
Experience adjustments - relating to insurance service expenses	8,280	(2,340)	-	-	5,940
	(71,168)	(11,351)	(359,245)	(24,476)	(466,240)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(1,923,806)	(497,645)	2,243,063	178,388	-
Changes in estimates that result in onerous contract losses or reversals of those losses	(58,928)	(4,372)	-	-	(63,300)
Contracts initially recognised in the period	(277,355)	98,586	-	288,524	109,755
Experience adjustments - arising from premiums received in the period that relate to future service	(60,195)	(901)	(39,401)	100,497	-
	(2,320,284)	(404,332)	2,203,662	567,409	46,455
Changes that relate to past services					
Changes that relate to past service - changes in the FCFs relating to the LIC	1,643	-	-	-	1,643
	1,643	-	-	-	1,643

	COMPANY 2024 Present value of future cash flows	Risk adjustment for non-financial risk	CSM: Contracts measured under the fair value approach at transition	CSM: Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance service result	(2,389,809)	(415,683)	1,844,417	542,933	(418,142)
Finance (income)/expenses from insurance contracts issued	1,325,332	-	78,386	11,121	1,414,839
Total amounts recognised in comprehensive income	(1,064,477)	(415,683)	1,922,803	554,054	996,697
Cash Flows					
Premiums received	2,186,616	-	-	-	2,186,616
Claims and other directly attributable expenses paid including investment component	(2,305,265)	-	-	-	(2,305,265)
Other pre-recognition cash flows paid	3,595	-	-	-	3,595
Insurance acquisition cash flows paid	(80,840)	-	-	-	(80,840)
Total cash flows	(195,894)	-	-	-	(195,894)
Net balance as at 30 June 2024	8,187,378	1,339,211	5,014,685	663,937	15,205,211
Closing insurance contract liabilities	10,632,564	1,093,289	3,200,696	331,648	15,258,197
Closing insurance contract assets	(2,445,186)	245,922	1,813,989	332,289	(52,986)
Net balance as at 30 June 2024	8,187,378	1,339,211	5,014,685	663,937	15,205,211

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

C Reconciliation of the measurement components of insurance contract balances

	COMPANY				
	2023				
			CSM		
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening insurance contract liabilities	11,265,768	1,275,285	2,054,239	-	14,595,292
Opening insurance contract assets	(1,951,556)	473,533	1,039,393	-	(438,630)
Net balance as at 1 July 2022	9,314,212	1,748,818	3,093,632	-	14,156,662
Changes that relate to current service					
CSM recognised for the services provided	-	-	(196,993)	(5,487)	(202,480)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(113,673)	-	-	(113,673)
Insurance revenue from contracts measured under the PAA	(59,274)	-	-	-	(59,274)
Experience adjustments - relating to insurance service expenses	(2,225)	(1,197)	-	-	(3,422)
	(61,499)	(114,870)	(196,993)	(5,487)	(378,849)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(186,155)	35,090	143,760	7,305	-
Changes in estimates that result in onerous contract losses or reversals of those losses	52,804	5,782	-	-	58,586
Contracts initially recognised in the period	(60,906)	81,424	-	106,899	127,417
Experience adjustments - arising from premiums received in the period that relate to future service	(16,570)	(1,350)	17,665	255	-
	(210,827)	120,946	161,425	114,459	186,003

	COMPANY				
	2023				
			CSM		
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Changes that relate to past services					
Changes that relate to past service - changes in the FCFs relating to the LIC	(997)	-			(997)
	(997)	-	-	-	(997)
Insurance service result	(273,323)	6,076	(35,568)	108,972	(193,843)
Finance (income)/expenses from insurance contracts issued	257,450	-	33,818	911	292,179
Total amounts recognised in comprehensive income	(15,873)	6,076	(1,750)	109,883	98,336
Cash Flows					
Premiums received	2,364,746	-	-	-	2,364,746
Claims and other directly attributable expenses paid including investment component	(2,107,490)	-	-	-	(2,107,490)
Other pre-recognition cash flows paid	39	-	-	-	39
Insurance acquisition cash flows paid	(107,885)	-	-	-	(107,885)
Total cash flows	149,410	-	-	-	149,410
Net balance as at 30 June 2023	9,447,749	1,754,894	3,091,882	109,883	14,404,408
Closing insurance contract liabilities	11,225,706	1,340,802	1,900,890	45,303	14,512,701
Closing insurance contract assets	(1,777,957)	414,092	1,190,992	64,580	(108,293)
Net balance as at 30 June 2023	9,447,749	1,754,894	3,091,882	109,883	14,404,408

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	GROUP					
	2024					
	Remaining Coverage Component			Incurred claims for contracts under the PAA		
D. Total - Reinsurance contracts held	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening Reinsurance contract liabilities	614,550	(29,752)	(46,284)	(4,580)	(5)	533,929
Opening Reinsurance contract assets	91,811	-	1,837	323,269	15,129	432,046
Net balances at 1 July 2023	522,739	(29,752)	(48,121)	(327,849)	(15,134)	101,883
Net (income)/expenses from reinsurance contracts held						
Reinsurance expenses	808,290	-	-			808,290
Incurred claims recovery	-	8,496	(99,746)	(414,933)	(22,956)	(529,139)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	5,523	21,692	15,134	42,349
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	(193)	-	-	-	(193)
Recoveries of loss on recognition of underlying onerous contracts	-	(8,412)	-	-	-	(8,412)
Effect of changes in non performance risk of reinsurers	-	-	-	233	-	233
Net (income)/expenses from reinsurance contracts held	808,290	(109)	(94,223)	(393,008)	(7,822)	313,128

	GROUP					
	2024					
	Remaining Coverage Component			Incurred claims for contracts under the PAA		
	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Finance (income)/expenses from reinsurance contracts held	63,381	(1,805)	(411)	(13,655)	-	47,510
Total amounts recognised in comprehensive income	871,671	(1,914)	(94,634)	(406,663)	(7,822)	360,638
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(841,485)	-	-	-	-	(841,485)
Recoveries from reinsurance	-	-	72,239	301,106	-	373,345
Total cash flows	(841,485)	-	72,239	301,106	-	(468,140)
Net balance as at 30 June 2024	552,925	(31,666)	(70,516)	(433,406)	(22,956)	(5,619)
Closing Reinsurance contract liabilities	679,223	(27,162)	(69,088)	(28,741)	(1,481)	552,751
Closing Reinsurance contract assets	126,297	4,505	1,428	404,665	21,475	558,370
Net balance as at 30 June 2024	552,926	(31,667)	(70,516)	(433,406)	(22,956)	(5,619)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	GROUP					
	2023					
	Remaining Coverage Component			Incurred claims for contracts under the PAA		
D. Total - Reinsurance contracts held	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening Reinsurance contract liabilities	717,481	(12,469)	(45,280)	(5,904)	(124)	653,704
Opening Reinsurance contract assets	98,529	-	1,358	365,107	16,562	481,556
Net balances at 1 July 2022	618,952	(12,469)	(46,638)	(371,011)	(16,686)	172,148
Net (income)/expenses from reinsurance contracts held						
Reinsurance expenses	723,377	-	-			723,377
Incurred claims recovery	-	2,930	(94,933)	(152,241)	(15,019)	(259,263)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	8,743	40,236	16,688	65,667
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	(20,581)	-	-	-	(20,581)
		-	-	74		74
Net (income)/expenses from reinsurance contracts held	723,377	(17,651)	(86,190)	(111,931)	1,669	509,274
Finance (income)/expenses from reinsurance contracts held	(38,686)	368	146	965	-	(37,207)
Total amounts recognised in comprehensive income	684,691	(17,283)	(86,044)	(110,966)	1,669	472,067

	GROUP					
	2023					
	Remaining Coverage Component			Incurred claims for contracts under the PAA		
	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(780,904)	-	-	-	-	(780,904)
Recoveries from reinsurance	-	-	84,561	154,128	(117)	238,572
Total cash flows	(780,904)	-	84,561	154,128	(117)	(542,332)
Net balance as at 30 June 2023	522,739	(29,752)	(48,121)	(327,849)	(15,134)	101,883
Closing Reinsurance contract liabilities	614,550	(29,752)	(46,284)	(4,580)	(5)	533,929
Closing Reinsurance contract assets	91,811	-	1,837	323,269	15,129	432,046
Net balance as at 30 June 2023	522,739	(29,752)	(48,121)	(327,849)	(15,134)	101,883

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	GROUP				
	2024				
			CSM		
E. Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total - Reinsurance contracts held					
Opening Reinsurance contract liabilities	502,790	(97,645)	185,722	(56,938)	533,929
Opening reinsurance contract assets	416,917	15,129	-	-	432,046
Net balances at 1 July 2023	85,873	(112,774)	185,722	(56,938)	101,883
Changes that relate to current service					
CSM recognised for the services received	-	-	(12,529)	11,934	(595)
Change in the risk adjustment for non-financial risk for the risk expired	-	7,547	-	-	7,547
Reinsurance premium (and other related cash flows) experience adjustments relating to current service	45,781	-	-	-	45,781
Reinsurance expenses - contracts measured under the PAA	701,030	-	-	-	701,030
Incurred claims recovery - contracts measured under the PAA	(383,425)	(22,956)	-	-	(406,381)
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(69,016)	786	-	-	(68,230)
	294,370	(14,623)	(12,529)	11,934	279,152

	GROUP				
	2024				
			CSM		
E. Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Changes in estimates that adjust the CSM	71,417	15,348	(73,591)	(13,175)	-
Contracts initially recognised in the period	32,333	(8,682)	-	(43,188)	(19,537)
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	16,339	3,005	-	-	19,344
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	10,117	296	(7,353)	(3,060)	-
Changes that relate to future service	130,206	9,967	(80,944)	(59,423)	(193)
Changes that relate to past service - changes in the FCF relating to the incurred claims recovery	27,215	15,134	-	-	42,349
Recoveries of loss on recognition of underlying onerous contracts	(8,413)				(8,413)
Effect of changes in non-performance risk of reinsurers	233				233
Net (income)/expenses from reinsurance contracts held	443,611	10,478	(93,473)	(47,489)	313,128
Finance (income)/expenses from reinsurance contracts held	45,114	-	5,074	(2,678)	47,510
Total amounts recognised in comprehensive income	488,725	10,478	(88,399)	(50,167)	360,638
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(841,484)	-	-	-	(841,484)
Recoveries from reinsurance	373,345	-	-	-	373,345
Total cash flows	(468,139)	-	-	-	(468,139)
Net balances at 30 June 2024	106,459	(102,296)	97,323	(107,105)	(5,619)
Closing Reinsurance contract liabilities	643,354	(80,821)	97,323	(107,105)	552,751
Closing reinsurance contract assets	536,895	21,475	-	-	558,370
Net balances at 30 June 2024	106,459	(102,296)	97,323	(107,105)	(5,619)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	GROUP				
	2023				
			CSM		
E. Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total - Reinsurance contracts held					
Opening Reinsurance contract liabilities	557,921	(93,780)	189,563	-	653,704
Opening reinsurance contract assets	464,996	16,560	-	-	481,556
Net balances at 1 July 2022	92,925	(110,340)	189,563	-	172,148
Changes that relate to current service					-
CSM recognised for the services received	-	-	(16,939)	3,633	(13,306)
Change in the risk adjustment for non-financial risk for the risk expired	-	10,202	-	-	10,202
Reinsurance premium (and other related cash flows) experience adjustments relating to current service	48,316	-	-	-	48,316
Reinsurance expenses - contracts measured under the PAA	613,050	-	-	-	613,050
Incurred claims recovery - contracts measured under the PAA	(140,958)	(15,019)	-	-	(155,977)
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(38,681)	508	-	-	(38,173)
	481,727	(4,309)	(16,939)	3,633	464,112

	GROUP				
	2023				
			CSM		
E. Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Changes in estimates that adjust the CSM	(12,653)	(5,417)	20,991	(2,921)	-
Contracts initially recognised in the period	46,497	(9,273)	-	(56,100)	(18,876)
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(1,544)	(160)	-	-	(1,704)
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	11,134	156	(10,218)	(1,072)	-
Changes that relate to future service	43,434	(14,694)	10,773	(60,093)	(20,580)
Changes that relate to past service - changes in the FCF relating to the incurred claims recovery	48,979	16,688	-	-	65,667
Effect of changes in non-performance risk of reinsurers	74				74
Net (income)/expenses from reinsurance contracts held	574,214	(2,315)	(6,166)	(56,460)	509,273
Finance (income)/expenses from reinsurance contracts held	(39,054)	-	2,325	(478)	(37,207)
Total amounts recognised in comprehensive income	535,160	(2,315)	(3,841)	(56,938)	472,066
					-
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(780,904)	-	-	-	(780,904)
Recoveries from reinsurance	238,692	(119)	-	-	238,573
Total cash flows	(542,212)	(119)	-	-	(542,331)
Net balances at 30 June 2023	85,873	(112,774)	185,722	(56,938)	101,883
Closing Reinsurance contract liabilities	502,790	(97,645)	185,722	(56,938)	533,929
Closing reinsurance contract assets	416,917	15,129	-	-	432,046
Net balances at 30 June 2023	85,873	(112,774)	185,722	(56,938)	101,883

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	COMPANY				
	2024				
			CSM		
E. Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total - Reinsurance contracts held					
Opening Reinsurance contract liabilities	490,910	(97,640)	185,722	(56,938)	522,054
Opening reinsurance contract assets	1,837	-	-	-	1,837
Net balances at 1 July 2023	489,073	(97,640)	185,722	(56,938)	520,217
					-
Changes that relate to current service					-
CSM recognised for the services received	-	-	(12,529)	11,934	(595)
Change in the risk adjustment for non-financial risk for the risk expired	-	7,547	-	-	7,547
Reinsurance premium (and other related cash flows) experience adjustments relating to current service	45,781	-	-	-	45,781
Reinsurance expenses - contracts measured under the PAA	27,820	-	-	-	27,820
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(69,016)	786	-	-	(68,230)
	4,585	8,333	(12,529)	11,934	12,323
Changes in estimates that adjust the CSM	71,417	15,348	(73,591)	(13,175)	-
Contracts initially recognised in the period	32,333	(8,682)	-	(43,189)	(19,538)
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	16,339	3,005	-	-	19,344
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	10,117	296	(7,353)	(3,060)	-
Changes that relate to future service	130,206	9,967	(80,944)	(59,424)	(194)
Changes that relate to past service - changes in the FCF relating to the incurred claims recovery	9,408	-	-	-	9,408
Net (income)/expenses from reinsurance contracts held	144,199	18,300	(93,473)	(47,490)	21,537
Finance (income)/expenses from reinsurance contracts held	58,727	-	5,074	(2,678)	61,123
Total amounts recognised in comprehensive income	202,926	18,300	(88,399)	(50,168)	82,660
					-
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(166,466)	-	-	-	(166,466)
Recoveries from reinsurance	92,803	-	-	-	92,803
Total cash flows	(73,663)	-	-	-	(73,663)
Net balances at 30 June 2024	618,336	(79,340)	97,323	(107,106)	529,213
Closing Reinsurance contract liabilities	619,764	(79,340)	97,323	(107,106)	530,641
Closing reinsurance contract assets	1,428	-	-	-	1,428
Net balances at 30 June 2024	618,336	(79,340)	97,323	(107,106)	529,213

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	COMPANY				
	2023				
			CSM		
E. Reconciliation of the measurement components of reinsurance contract balances	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	Other contracts	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total - Reinsurance contracts held					
Opening Reinsurance contract liabilities	548,445	(93,656)	189,563	-	644,352
Opening reinsurance contract assets	(1,358)	-	-	-	(1,358)
Net balances at 1 July 2022	547,087	(93,656)	189,563	-	642,994
					-
Changes that relate to current service					-
CSM recognised for the services received	-	-	(16,939)	3,633	(13,306)
Change in the risk adjustment for non-financial risk for the risk expired	-	10,202	-	-	10,202
Reinsurance premium (and other related cash flows) experience adjustments relating to current service	48,316	-	-	-	48,316
Reinsurance expenses - contracts measured under the PAA	20,429	-	-	-	20,429
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(38,681)	508	-	-	(38,173)
	30,064	10,710	(16,939)	3,633	27,468
Changes in estimates that adjust the CSM	(12,653)	(5,417)	20,991	(2,921)	-
Contracts initially recognised in the period	46,497	(9,273)	-	(56,100)	(18,876)
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(1,544)	(160)	-	-	(1,704)
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	11,134	156	(10,218)	(1,072)	-
Changes that relate to future service	43,434	(14,694)	10,773	(60,093)	(20,580)
Changes that relate to past service - changes in the FCF relating to the incurred claims recovery	8,696	-	-	-	8,696
Net (income)/expenses from reinsurance contracts held	82,194	(3,984)	(6,166)	(56,460)	15,584
Finance (income)/expenses from reinsurance contracts held	(39,995)	-	2,325	(478)	(38,148)
Total amounts recognised in comprehensive income	42,199	(3,984)	(3,841)	(56,938)	(22,564)
					-
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(196,220)	-	-	-	(196,220)
Recoveries from reinsurance	96,007	-	-	-	96,007
Total cash flows	(100,213)	-	-	-	(100,213)
Net balances at 30 June 2023	489,073	(97,640)	185,722	(56,938)	520,217
Closing Reinsurance contract liabilities	490,910	(97,640)	185,722	(56,938)	522,054
Closing reinsurance contract assets	(1,837)	-	-	-	(1,837)
Net balances at 30 June 2023	489,073	(97,640)	185,722	(56,938)	520,217

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	COMPANY					
	2024					
	Remaining Coverage Component			Incurred claims for contracts under the PAA		
F. Total - Reinsurance contracts held	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening Reinsurance contract liabilities	602,528	(29,752)	(46,284)	(4,438)	-	522,054
Opening Reinsurance contract assets	-	-	1,837	-	-	1,837
Net balances at 1 July 2023	602,528	(29,752)	(48,121)	(4,438)	-	520,217
Net (income)/expenses from reinsurance contracts held						
Reinsurance expenses	135,080	-	-	-	-	135,080
Incurred claims recovery	-	4,588	(99,746)	(27,600)	-	(122,758)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	5,523	3,885	-	9,408
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	(193)	-	-	-	(193)
Recoveries of loss on recognition of underlying onerous contracts	-	-	-	-	-	-
Net (income)/expenses from reinsurance contracts held	135,080	4,395	(94,223)	(23,715)	-	21,537
Finance (income)/expenses from reinsurance contracts held	63,380	(1,805)	(411)	(41)	-	61,123
Total amounts recognised in comprehensive income	198,460	2,590	(94,634)	(23,756)	-	82,660
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(166,467)	-	-	-	-	(166,467)
Recoveries from reinsurance	-	-	72,239	20,564	-	92,803
Total cash flows	(166,467)	-	72,239	20,564	-	(73,664)
Net balance as at 30 June 2024	634,521	(27,162)	(70,516)	(7,630)	-	529,213
Closing Reinsurance contract liabilities	634,521	(27,162)	(69,088)	(7,630)	-	530,641
Closing Reinsurance contract assets	-	-	1,428	-	-	1,428
Net balance as at 30 June 2024	634,521	(27,162)	(70,516)	(7,630)	-	529,213

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	COMPANY					
	2023					
	Remaining Coverage Component			Incurred claims for contracts under the PAA		
F. Total - Reinsurance contracts held	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening Reinsurance contract liabilities	706,675	(12,469)	(45,280)	(4,574)	-	644,352
Opening Reinsurance contract assets	-	-	1,358	-	-	1,358
Net balances at 1 July 2022	706,675	(12,469)	(46,638)	(4,574)	-	642,994
Net (income)/expenses from reinsurance contracts held						
Reinsurance expenses	130,758	-	-	-	-	130,758
Incurred claims recovery	-	2,930	(94,933)	(11,287)	-	(103,290)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	8,743	(47)	-	8,696
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	(20,581)	-	-	-	(20,581)
Net (income)/expenses from reinsurance contracts held	130,758	(17,651)	(86,190)	(11,334)	-	15,583
Finance (income)/expenses from reinsurance contracts held	(38,686)	368	146	24	-	(38,148)
Total amounts recognised in comprehensive income	92,072	(17,283)	(86,044)	(11,310)	-	(22,565)

	COMPANY					
	2023					
	Remaining Coverage Component			Incurred claims for contracts under the PAA		
	Excluding loss recovery component	Loss recovery component	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(196,219)	-	-	-	-	(196,219)
Recoveries from reinsurance	-	-	84,561	11,446	-	96,007
Total cash flows	(196,219)	-	84,561	11,446	-	(100,212)
Net balance as at 30 June 2023	602,528	(29,752)	(48,121)	(4,438)	-	520,217
Closing Reinsurance contract liabilities	602,528	(29,752)	(46,284)	(4,438)	-	522,054
Closing Reinsurance contract assets	-	-	1,837	-	-	1,837
Net balance as at 30 June 2023	602,528	(29,752)	(48,121)	(4,438)	-	520,217

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

G. Expected recognition of the contractual service margin

2024 GROUP & COMPANY	Insurance contracts issued					Reinsurance contracts held
	Non -Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Total CSM for insurance contracts issued	Non -Participating contracts
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Projection years						
1	(589,713)	(15,370)	(68,146)	(268)	(673,497)	3,680
2	(555,532)	(14,488)	(58,974)	(276)	(629,270)	1,977
3	(517,454)	(13,491)	(50,419)	(296)	(581,660)	727
4	(483,363)	(12,233)	(43,192)	(343)	(539,131)	(24)
5	(452,005)	(11,482)	(36,575)	(387)	(500,449)	(419)
6-10	(1,856,509)	(45,871)	(115,263)	(2,464)	(2,020,107)	(1,218)
>10	(4,182,602)	(48,871)	(109,888)	(8,886)	(4,350,247)	13,039
Total	(8,637,178)	(161,806)	(482,457)	(12,920)	(9,294,361)	17,762

2023 GROUP AND COMPANY	Insurance contracts issued					Reinsurance contracts held
	Non -Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Total CSM for insurance contracts issued	Non -Participating contracts
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Projection years						
1	(309,966)	(16,500)	(40,210)	(989)	(367,665)	(21,033)
2	(290,352)	(15,683)	(35,194)	(1,089)	(342,318)	(18,918)
3	(272,204)	(14,836)	(30,486)	(1,076)	(318,602)	(17,230)
4	(253,590)	(13,874)	(26,671)	(1,106)	(295,241)	(15,284)
5	(238,123)	(12,581)	(23,278)	(1,180)	(275,162)	(13,651)
6-10	(977,806)	(50,961)	(73,864)	(6,521)	(1,109,152)	(46,568)
>10	(2,078,279)	(57,174)	(64,521)	(18,588)	(2,218,562)	(34,977)
Total	(4,420,320)	(181,609)	(294,224)	(30,549)	(4,926,702)	(167,661)

H. The following table details the composition and the fair value of underlying items of the Group's direct participating contracts.

GROUP & COMPANY	2024			2023		
	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Total	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets mandatorily measured at FVTPL						
Debt instruments	1,076,753	2,372,558	3,449,311	1,100,064	2,599,821	3,699,885
Equity instruments	753,716	3,624,705	4,378,421	597,475	3,195,152	3,792,627
	1,830,469	5,997,263	7,827,732	1,697,539	5,794,973	7,492,512

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FOR THE YEAR ENDED 30 JUNE 2024

26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT

	GROUP					
	2024					
	Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with Direct Participating Features (DPF)	Non - Participating contracts PAA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Insurance revenue						
Amounts relating to changes in LRC						
Expected incurred claims and other directly attributed expenses	283,998	23,211	217,766	5,796	-	530,771
Change in the risk adjustment for non-financial risk for the risk expired	(7,649)	595	15,911	155	-	9,012
CSM recognised for the services provided	319,717	9,879	54,071	54	-	383,721
Insurance acquisition cash flow recovery	10,289	55	4,889	100	-	15,333
Insurance revenue from contracts not measured under the PAA	606,355	33,740	292,637	6,105	-	938,837
Insurance revenue from contracts measured under the PAA	-	-	-	-	1,960,050	1,960,050
Total insurance revenue	606,355	33,740	292,637	6,105	1,960,050	2,898,887
(b) Insurance service expenses						
Incurred claims and other directly attributable expenses	(226,004)	(42,831)	(162,714)	(931)	(1,411,247)	(1,843,727)
Changes that relate to past service - changes in the FCF relating to the LIC	326	575	(2,047)	-	28,965	27,819
Losses on onerous contracts and reversal of those losses	58,934	(1,261)	(100,852)	(3,277)	(31,090)	(77,546)
Insurance acquisition cash flows amortisation	(10,289)	(55)	(4,889)	(100)	(228,608)	(243,941)
Total insurance service expenses	(177,033)	(43,572)	(270,502)	(4,308)	(1,641,980)	(2,137,395)
Insurance service result	429,322	(9,832)	22,135	1,797	318,070	761,492

	GROUP		
	2024		
	Non - Participating contracts	Non - Participating contracts PAA	Total
	Rs'000	Rs'000	Rs'000
(c) Net income/(expenses) from reinsurance contracts held			
Expected incurred claims and other directly attributable expenses recovery	(54,527)		(54,527)
Change in the risk adjustment for non-financial risk for the risk expired	(7,547)	-	(7,547)
CSM recognised for the services received	595	-	595
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service	(45,781)		(45,781)
Reinsurance expenses - contracts not measured under the PAA	(107,260)	-	(107,260)
Reinsurance expenses - contracts measured under the PAA	-	(701,030)	(701,030)
		(233)	(233)
Claims recovered	122,758	406,381	529,139
Recoveries of loss on recognition of underlying onerous contracts		8,413	8,413
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	193	-	193
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(9,409)	(32,941)	(42,350)
Net income/(expenses) from reinsurance contracts held	6,282	(319,410)	(313,128)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

		GROUP					
		2023					
		Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non - Participating contracts PAA	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a)	**Insurance revenue**						
	Amounts relating to changes in LRC						
	Expected incurred claims and other directly attributed expenses	248,572	17,071	216,347	4,105	-	486,095
	Change in the risk adjustment for non-financial risk for the risk expired	68,240	504	44,596	334	-	113,674
	CSM recognised for the services provided	160,354	10,186	31,655	285	-	202,480
	Insurance acquisition cash flow recovery	5,977	24	2,808	32	-	8,841
	Insurance revenue from contracts not measured under the PAA	483,143	27,785	295,406	4,756	-	811,090
	Insurance revenue from contracts measured under the PAA	-	-	-	-	1,619,573	1,619,573
	Total insurance revenue	483,143	27,785	295,406	4,756	1,619,573	2,430,663
(b)	**Insurance service expenses**						
	Incurred claims and other directly attributable expenses	(231,468)	(22,598)	(183,863)	(152)	(986,329)	(1,424,410)
	Changes that relate to past service - changes in the FCF relating to the LIC	(5,428)	(143)	4,527	-	96,685	95,641
	Losses on onerous contracts and reversal of those losses	(64,717)	(3,465)	(112,968)	(4,853)	-	(186,003)
	Insurance acquisition cash flows amortisation	(5,978)	(24)	(2,808)	(32)	(183,239)	(192,081)
	Total insurance service expenses	(307,591)	(26,230)	(295,112)	(5,037)	(1,072,883)	(1,706,853)
	Insurance service result	175,552	1,555	294	(281)	546,690	723,810

		GROUP		
		2023		
		Non -Participating contracts	Non -Participating contracts PAA	Total
		Rs'000	Rs'000	Rs'000
(c)	**Net income/(expenses) from reinsurance contracts held**			
	Expected incurred claims and other directly attributable expenses recovery	(65,116)		(65,116)
	Change in the risk adjustment for non-financial risk for the risk expired	(10,202)	-	(10,202)
	CSM recognised for the services received	13,306	-	13,306
	Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service	(48,316)		(48,316)
	Reinsurance expenses - contracts not measured under the PAA	(110,328)	-	(110,328)
	Reinsurance expenses - contracts measured under the PAA	-	(613,050)	(613,050)
				-
	Effect of changes in the risk of reinsurers non-performance		(74)	(74)
	Claims recovered	103,290	155,977	259,267
	Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	20,581	-	20,581
	Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(8,699)	(56,971)	(65,670)
	Net income/(expenses) from reinsurance contracts held	4,844	(514,118)	(509,274)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

		COMPANY					
		2024					
		Non - Participating contracts	Direct Participating contracts - Linked	Participating Direct Participating contracts - Non - Linked	Investment contract with DPF	Non - Participating contracts PAA	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a)	**Insurance revenue**						
	Amounts relating to changes in LRC						
	Expected incurred claims and other directly attributed expenses	283,998	23,211	217,766	5,796	-	530,771
	Change in the risk adjustment for non-financial risk for the risk expired	(7,649)	595	15,911	155	-	9,012
	CSM recognised for the services provided	319,717	9,879	54,071	54	-	383,721
	Insurance acquisition cash flow recovery	10,289	55	4,889	100	-	15,333
	Insurance revenue from contracts not measured under the PAA	606,355	33,740	292,637	6,105	-	938,837
	Insurance revenue from contracts measured under the PAA	-	-	-	-	79,448	79,448
	Total insurance revenue	606,355	33,740	292,637	6,105	79,448	1,018,285
(b)	**Insurance service expenses**						
	Incurred claims and other directly attributable expenses	(226,004)	(42,831)	(162,714)	(931)	(104,230)	(536,710)
	Changes that relate to past service - changes in the FCF relating to the LIC	326	575	(2,047)	-	(498)	(1,644)
	Losses on onerous contracts and reversal of those losses	58,934	(1,261)	(100,852)	(3,277)	-	(46,456)
	Insurance acquisition cash flows amortisation	(10,290)	(55)	(4,889)	(100)	-	(15,334)
	Total insurance service expenses	(177,034)	(43,572)	(270,502)	(4,308)	(104,728)	(600,144)
	Insurance service result	429,321	(9,832)	22,135	1,797	(25,280)	418,141

		COMPANY		
		2024		
		Non - Participating contracts	Non - Participating contracts PAA	Total
		Rs'000	Rs'000	Rs'000
(c)	**Net income/(expenses) from reinsurance contracts held**			
	Expected incurred claims and other directly attributable expenses recovery	(54,527)		(54,527)
	Change in the risk adjustment for non-financial risk for the risk expired	(7,547)	-	(7,547)
	CSM recognised for the services received	595	-	595
	Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service	(45,781)		(45,781)
	Reinsurance expenses - contracts not measured under the PAA	(107,260)	-	(107,260)
	Reinsurance expenses - contracts measured under the PAA	-	(27,820)	(27,820)
	Claims recovered	122,758	-	122,758
	Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	193	-	193
	Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(9,409)	-	(9,409)
	Net income/(expenses) from reinsurance contracts held	6,282	(27,820)	(21,538)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

	COMPANY					
	2023					
			Participating			
	Non -Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non -Participating contracts PAA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) **Insurance revenue**						
Amounts relating to changes in LRC						
Expected incurred claims and other directly attributed expenses	248,572	17,071	216,347	4,105	-	486,095
Change in the risk adjustment for non-financial risk for the risk expired	68,240	504	44,596	334	-	113,674
CSM recognised for the services provided	160,354	10,186	31,655	285	-	202,480
Insurance acquisition cash flow recovery	5,977	24	2,808	32	-	8,841
Insurance revenue from contracts not measured under the PAA	483,143	27,785	295,406	4,756	-	811,090
Insurance revenue from contracts measured under the PAA	-	-	-	-	59,274	59,274
Total insurance revenue	483,143	27,785	295,406	4,756	59,274	870,364
(b) **Insurance service expenses**						
Incurred claims and other directly attributable expenses	(231,468)	(22,598)	(183,863)	(152)	(39,994)	(478,075)
Changes that relate to past service - changes in the FCF relating to the LIC	(5,428)	(143)	4,527	-	2,040	996
Losses on onerous contracts and reversal of those losses	(64,717)	(3,465)	(112,968)	(4,853)	-	(186,003)
Insurance acquisition cash flows amortisation	(5,978)	(24)	(2,808)	(32)	(4,597)	(13,439)
Total insurance service expenses	(307,591)	(26,230)	(295,112)	(5,037)	(42,551)	(676,521)
Insurance service result	175,552	1,555	294	(281)	16,723	193,843

	COMPANY		
	2023		
	Non - Participating contracts	Non - Participating contracts PAA	Total
	Rs'000	Rs'000	Rs'000
(c) **Net income/(expenses) from reinsurance contracts held**			
Expected incurred claims and other directly attributable expenses recovery	(65,116)		(65,116)
Change in the risk adjustment for non-financial risk for the risk expired	(10,202)	-	(10,202)
CSM recognised for the services received	13,306	-	13,306
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service	(48,316)		(48,316)
Reinsurance expenses - contracts not measured under the PAA	(110,328)	-	(110,328)
Reinsurance expenses - contracts measured under the PAA	-	(20,429)	(20,429)
Claims recovered	103,290	-	103,290
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	20,581	-	20,581
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(8,698)	-	(8,698)
Net income/(expenses) from reinsurance contracts held	4,845	(20,429)	(15,584)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

Impact of contracts recognised in the period	GROUP & COMPANY					
	2024			2023		
Total - Insurance contracts issued	Profitable contracts issued Rs'000	Onerous contracts issued Rs'000	Total Rs'000	Profitable contracts issued Rs'000	Onerous contracts issued Rs'000	Total Rs'000
Estimates of the present value of future cash outflows	629,456	780,250	1,409,706	613,352	1,020,200	1,633,552
Insurance acquisition cash flows	12,940	64,226	77,166	33,637	68,835	102,472
Claims and other directly attributable expenses	616,515	716,025	1,332,540	579,715	951,365	1,531,080
Estimates of the present value of future cash inflows	(956,138)	(730,923)	(1,687,061)	(763,440)	(931,018)	(1,694,458)
Risk adjustment for non-financial risk	38,158	60,430	98,588	43,190	38,234	81,424
CSM	288,525	-	288,525	106,898	-	106,898
Increase in insurance contract liabilities from contracts recognised in the period	-	109,758	109,758	-	127,416	127,416

	GROUP & COMPANY			GROUP & COMPANY		
	2024			2023		
Total - Reinsurance contracts held	Contracts originated not in a net gain Rs'000	Contracts originated in a net gain Rs'000	Total Rs'000	Contracts originated not in a net gain Rs'000	Contracts originated in a net gain Rs'000	Total Rs'000
Estimates of present value of cash inflows	(60,060)	-	(60,060)	(74,551)	-	(74,551)
Estimates of present value of cash outflows	92,393	-	92,393	121,049	-	121,049
Risk adjustment of non-financial risk	(8,682)	-	(8,682)	(9,273)	-	(9,273)
CSM	(43,189)	-	(43,189)	(56,100)	-	(56,100)
Increase in insurance contract liabilities from contracts recognised in the period	(19,538)	-	(19,538)	(18,875)	-	(18,875)

27. NET INVESTMENT RESULT

	GROUP								
	2024								
	Non - Participating contracts Rs'000	Direct Participating contracts - Linked Rs'000	Direct Participating contracts - Non - Linked Rs'000	Investment contract with DPF Rs'000	Non - Participating contracts - PAA Rs'000	Other - Medisave Rs'000	Insurance Business Rs'000	Non Insurance Business Rs'000	Total Rs'000
Net investment income/ (expenses) - underlying assets									
Interest revenue from financial assets not measured at FVTPL	-	328	41,904	11	327	-	42,570	-	42,570
Net gains on FVTPL investments	-	152,552	551,847	4,996	70,192	-	779,587	-	779,587
Net credit impairment losses (note 33)	-	-	(372)	-	(16)	-	(388)	-	(388)
Net investments income (expenses) - other	-	12,554	58,351	394	2,464	2	73,765	-	73,765
Net investments income - underlying assets	-	165,434	651,730	5,401	72,967	2	895,534	-	895,534
Net investment income (expenses) - other investments									-
Interest revenue from financial assets not measured at FVTPL	25,509	-	-	-	-	-	25,509	111,549	137,058
Net gains on FVTPL investments	492,834	-	-	-	-	-	492,834	394,842	887,676
Net credit impairment losses (note 33)	(1,666)	-	-	-	-	-	(1,666)	(91)	(1,757)
Net investments income (expenses) - other	44,205	-	-	-	-	-	44,205	56,088	100,293
Total net investment income	560,882	-	-	-	-	-	560,882	562,388	1,123,270
Interest payable on Financial liability	-	(8,624)	-	-	(3,039)	(2)	(11,665)	(67,858)	(79,523)
	560,882	156,810	651,730	5,401	69,928	-	1,444,751	494,530	1,939,281

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FOR THE YEAR ENDED 30 JUNE 2024

27. NET INVESTMENT RESULT (CONTINUED)

GROUP — 2023

	Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non - Participating contracts - PAA	Other - Medisave	Insurance Business	Non Insurance Business	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net investment income/ (expenses) - underlying assets									-
Interest revenue from financial assets not measured at FVTPL	-	203	43,202	1	-	-	43,406	-	43,406
Net gains on FVTPL investments	-	51,149	240,291	236	-	-	291,676	-	291,676
Net credit impairment losses (note 33)	-	-	3,691	-	-	-	3,691	-	3,691
Net investments income (expenses) - other	-	8,860	51,630	41	-	(26)	60,505	-	60,505
Net investments income - underlying assets	-	60,212	338,814	278	-	(26)	399,278	-	399,278
Net investment income (expenses) - other investments									
Interest revenue from financial assets not measured at FVTPL	13,951	-	-	-	928	-	14,879	89,327	104,206
Net gains on FVTPL investments	193,424	-	-	-	7,555	-	200,979	208,969	409,948
Net credit impairment losses (note 33)	2,334	-	-	-	96	-	2,430	(3,536)	(1,106)
Net investments income (expenses) - other	30,626	-	-	-	3,952	-	34,578	59,041	93,619
Total net investment income	240,335	-	-	-	12,531	-	252,866	353,801	606,667
Interest payable on Financial liability	-	(1,695)	-	-	(3,365)	26	(5,034)	(53,512)	(58,546)
	240,335	58,517	338,814	278	9,166	-	647,110	300,289	947,399

COMPANY — 2024

	Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non -Participating contracts - PAA	Other - Medisave	Insurance Business	Non Insurance Business	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net investment income/ (expenses) - underlying assets									-
Interest revenue from financial assets not measured at FVTPL	-	328	41,904	11	-	-	42,243	-	42,243
Net gains on FVTPL investments	-	152,552	551,847	4,996	(772)	-	708,623	-	708,623
Net credit impairment losses (note 33)	-	-	(372)	-	(16)	-	(388)	-	(388)
Net investments income (expenses) - other	-	12,554	58,351	394	-	2	71,301	-	71,301
Net investments income - underlying assets	-	165,434	651,730	5,401	(788)	2	821,779	-	821,779
Net investment income (expenses) - other investments									-
Interest revenue from financial assets not measured at FVTPL	25,509	-	-	-	-	-	25,509	11,272	36,781
Net gains on FVTPL investments	492,825	-	-	-	-	-	492,825	426,243	919,068
Net credit impairment losses (note 33)	(1,666)	-	-	-	-	-	(1,666)	973	(693)
Net investments income (expenses) - other	44,205	-	-	-	-	-	44,205	263,627	307,832
Total net investment income	560,873	-	-	-	-	-	560,873	702,115	1,262,988
Interest payable on Financial liability	-	(8,624)	-	-	-	(2)	(8,626)	(5,932)	(14,558)
	560,873	156,810	651,730	5,401	(788)	-	1,374,026	696,183	2,070,209

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

27. NET INVESTMENT RESULT (CONTINUED)

	COMPANY								
	2023								
	Participating contracts -total	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non - Participating contracts - PAA	Other - Medisave	Insurance Business	Non Insurance Business	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net investment income/ (expenses) - underlying assets									
Interest revenue from financial assets not measured at FVTPL	-	203	43,202	1	-	-	43,406	-	43,406
Net gains on FVTPL investments	-	51,149	240,291	236	-	-	291,676	-	291,676
Net credit impairment losses (note 33)	-	-	3,691	-	-	-	3,691	-	3,691
Net investments income (expenses) - other	-	8,860	51,630	41	-	(26)	60,505	-	60,505
Net investments income - underlying assets	-	60,212	338,814	278	-	(26)	399,278	-	399,278
Net investment income (expenses) - other investments									
Interest revenue from financial assets not measured at FVTPL	13,951	-	-	-	572	-	14,523	10,231	24,754
Net gains on FVTPL investments	193,424	-	-	-	7,766	-	201,190	223,627	424,817
Net credit impairment losses (note 33)	2,334	-	-	-	96	-	2,430	327	2,757
Net investments income (expenses) - other	30,627	-	-	-	1,174	-	31,801	209,526	241,327
Total net investment income	240,336	-	-	-	9,608	-	249,944	443,711	693,655
Interest payable on Financial liability	-	(1,695)	-	-	-	26	(1,669)	(6,090)	(7,759)
	240,336	58,517	338,814	278	9,608	-	647,553	437,621	1,085,174

	GROUP					
		Participating				
	Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non - Participating contracts - PAA	Life Business
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Finance income/(expenses) from insurance contracts issued						
Changes in fair value of underlying assets of contracts measured under the VFA	-	156,810	651,730	5,401	-	813,941
Interest accreted	175,096	27	581	-	17,758	193,462
Effect of changes in interest rates and other finnacial assumptions	421,134	715	(1,457)	-	4,194	424,586
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	4,502	-	-	-	-	4,502
Foreign exchange differences	-	-	-	-	-	-
Finance expenses from insurance contracts issued	600,732	157,552	650,854	5,401	21,952	1,436,491
Finance income (expenses) from reinsurance contracts held						
Interest accreted	23,591	-	-	-	(10,489)	13,102
Effect of changes in interest rates and other financial assumptions	25,973	-	-	-	(3,124)	22,849
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	11,559	-	-	-	-	11,559
Finance income/(expense) from reinsurance contracts held	61,123	-	-	-	(13,613)	47,510

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

27. NET INVESTMENT RESULT (CONTINUED)

	GROUP					
	2023					
		Participating				
	Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non -Participating contracts - PAA	Life Business
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Finance income/(expenses) from insurance contracts issued						
Changes in fair value of underlying assets of contracts measured under the VFA	-	57,373	338,351	308	-	396,032
Interest accreted	58,300	3	92	-	3,429	61,824
Effect of changes in interest rates and other finnacial assumptions	(159,370)	65	(2,864)	-	(3,772)	(165,941)
Finance expenses from insurance contracts issued	(101,070)	57,441	335,579	308	(343)	291,915
Finance income (expenses) from reinsurance contracts held						
Interest accreted	7,857	-	-	-	(2,294)	5,563
Effect of changes in interest rates and other financial assumptions	(46,005)	-	-	-	3,235	(42,770)
Finance (expense)/income from reinsurance contracts held	(38,148)	-	-	-	941	(37,207)

	COMPANY					
	2024					
		Participating				
	Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non - Participating contracts - PAA	Life Business
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Finance income (expenses) from insurance contracts issued						
Changes in fair value of underlying assets of contracts measured under the VFA	-	156,810	651,730	5,401	-	813,941
Interest accreted	175,098	27	581	-	134	175,840
Effect of changes in interest rates and other finnacial assumptions	421,133	715	(1,457)	-	165	420,556
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	4,502	-	-	-	-	4,502
Foreign exchange differences	-	-	-	-	-	-
Finance expenses from insurance contracts issued	600,733	157,552	650,854	5,401	299	1,414,839
Finance income (expenses) from reinsurance contracts held						
Interest accreted	23,591	-	-	-	-	23,591
Effect of changes in interest rates and other financial assumptions	25,973	-	-	-	-	25,973
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	11,559	-	-	-	-	11,559
Finance expense from reinsurance contracts held	61,123	-	-	-	-	61,123

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FOR THE YEAR ENDED 30 JUNE 2024

	COMPANY					
	2023					
		Participating				
	Non - Participating contracts	Direct Participating contracts - Linked	Direct Participating contracts - Non - Linked	Investment contract with DPF	Non - Participating contracts - PAA	Life Business
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Finance income (expenses) from insurance contracts issued						
Changes in fair value of underlying assets of contracts measured under the VFA	-	57,373	338,351	308	-	396,032
Interest accreted	58,300	3	92	-	33	58,428
Effect of changes in interest rates and other finnacial assumptions	(159,369)	65	(2,864)	-	(113)	(162,281)
Finance expenses from insurance contracts issued	(101,069)	57,441	335,579	308	(80)	292,179
Finance income (expenses) from reinsurance contracts held						
Interest accreted	7,857	-	-	-	-	7,857
Effect of changes in interest rates and other financial assumptions	(46,005)	-	-	-	-	(46,005)
Finance income from reinsurance contracts held	(38,148)	-	-	-	-	(38,148)

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Breakdown of revenue from contracts with customers				
Actuarial fees	14,263	11,887	14,263	11,887
Management fees	422,398	398,040	431,884	407,087
Administration fees	280,609	250,806	127,397	121,273
Total revenue	717,270	660,733	573,544	540,247

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Timing of revenue recognition				
Services transferred at a point in time	14,263	11,887	14,263	11,887
Services transferred over-time	703,007	648,846	559,281	528,360
Total revenue contracts with customers	717,270	660,733	573,544	540,247

29 OTHER INCOME

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Gain on revaluation of investment properties (note 8)	36,274	48,586	38,327	52,272
Rental income	99,920	97,285	110,600	107,680
Finance lease income	56,435	43,542	-	-
Exchange difference	5,280	3,367	1,940	8,574
Others	48,902	34,416	5,039	6,117
	246,811	227,196	155,906	174,643

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

30. OTHER OPERATING AND ADMINISTRATIVE COSTS

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Employee benefit expense (note 30(a) below)	715,265	633,584	501,080	439,408
Depreciation (Note 7)	59,951	40,183	37,933	30,575
Depreciation on right of use assets (Note 13(c))	7,387	6,823	3,051	3,942
Loss on disposal of property, plant and equipment	733	167	733	126
Amortisation of intangible assets (Note 9)	17,809	13,756	9,317	8,285
Repairs, maintenance and IT related costs	99,698	69,737	71,120	50,982
Printing, stationery and postage	4,972	6,077	3,810	4,603
Rent, rates, utilities, licences, Insurance and security services	54,047	48,206	35,917	35,414
Advertising	22,588	19,175	16,877	10,970
Professional and management fees	142,974	128,015	130,913	122,109
Commission	196,629	175,655	53,386	64,221
Others	56,448	62,389	27,717	28,487
	1,378,501	1,203,767	891,854	799,122
Less: Amount attributed to acquisition costs - Life business	(80,840)	(107,885)	(80,840)	(107,885)
Amount attributed to acquisition costs - SGIN business	(244,568)	(206,602)	-	-
Insurance service expense	(390,100)	(399,976)	(227,642)	(260,570)
	662,993	489,304	583,372	430,667

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Employee benefit expense				
Wages and salaries, including termination benefits	603,217	540,425	417,597	369,149
Social security costs	2,987	2,511	2,056	1,637
Funded pension benefits (note 24(b)(vi))	88,763	74,708	66,379	56,965
Unfunded pension benefits (note 24(d)(v))	10,073	7,714	7,878	5,902
Pension cost – defined contribution plan	10,225	8,226	7,170	5,755
	715,265	633,584	501,080	439,408

31. MANAGED FUNDS

The Group and Company accounts exclude the net assets of the Managed Pension Fund and Managed Medical fund as the net assets do not belong to the Group and the Company.

32. DIVIDEND PAID

	COMPANY	
	2024	2023
	Rs'000	Rs'000
Final ordinary dividend	176,709	157,896

The Board of Directors of the Company has, by resolution, recommended and authorised payment of a dividend of Rs 707 per share as at 30 June 2024. (2023: Rs 632 per share).

The dividend payable by the Group to non-controlling interest amounted to Rs'000 219 for the year ended 30 June 2024 (2023: Rs'000 213)

33. EXPECTED (CHARGED)/CREDIT LOSS REVERSAL ON FINANCIAL ASSETS

The table below shows the ECL on financial instruments recorded in the Statements of profit or loss.

	GROUP			
	2024			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Mortgage and other loans	(1,566)	(31)	507	(1,090)
Deposits	27	-	-	27
Finance leases (Note 12(a)v)	(1,115)	-	-	(1,115)
Other Liabilities	33	-	-	33
Expected (charge) on financial assets	(2,621)	(31)	507	(2,145)

	COMPANY			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Mortgage and other loans	(1,557)	(31)	507	(1,081)
Reversal of allowance for expected credit losses	(1,557)	(31)	507	(1,081)

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

33. EXPECTED (CHARGED)/CREDIT LOSS REVERSAL ON FINANCIAL ASSETS (CONTINUED)

	GROUP			
	2023			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
	Restated	Restated	Restated	Restated
Debt instruments	100	-	-	100
Mortgage and other loans	1,369	4,392	(125)	5,636
Deposits	63	-	-	63
Finance leases (Note 12(a)v)	(3,255)	-	-	(3,255)
Other Liabilities	41	-	-	41
Expected credit losses charge	(1,682)	4,392	(125)	2,585

	COMPANY			
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
	Restated	Restated	Restated	Restated
Mortgage and other loans	2,181	4,392	(125)	6,448
Expected credit losses charge	2,181	4,392	(125)	6,448

34. INSURANCE PROFIT

	Life Business	General Insurance Business	Total	Life Business	General Insurance Business	Total
	2024			2023		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance revenue	1,018,285	1,880,602	2,898,887	870,364	1,560,299	2,430,663
Insurance service expenses	(600,144)	(1,551,565)	(2,151,709)	(676,521)	(1,043,149)	(1,719,670)
Net income/(expenses) from reinsurance contracts held	(21,538)	(291,590)	(313,128)	(15,584)	(493,689)	(509,273)
Insurance service result	396,603	37,447	434,050	178,259	23,461	201,720
Interest revenue from financial assets not measured at FVTPL	67,752	44,957	112,709	57,928	40,475	98,403
Net gains on FVTPL investments	1,201,450	26,382	1,227,832	492,863	(40,453)	452,410
Net credit impairment losses	(2,054)	-	(2,054)	6,121	-	6,121
Net investments income (expenses) - other	115,506	2,418	117,924	92,306	2,901	95,207
Interest expenses on Financial liabilities	(8,626)	-	(8,626)	(1,669)	-	(1,669)
Net investment income	1,374,028	73,757	1,447,785	647,549	2,923	650,472
Finance income/(expenses) from insurance contracts issued	(1,414,839)	(21,652)	(1,436,491)	(292,178)	263	(291,915)
Finance income/(expenses) from reinsurance contracts held	(61,123)	13,613	(47,510)	38,148	(941)	37,207
Net insurance finance expenses	(1,475,962)	(8,039)	(1,484,001)	(254,030)	(678)	(254,708)
Net insurance and investment result	294,669	103,165	397,834	571,778	25,706	597,484
Other operating income	120	10,503	10,623	1,510	1,304	2,814
Other operating costs	(74,346)	(29,693)	(104,039)	(3,755)	(19,318)	(23,073)
Insurance profit	220,443	83,975	304,418	569,533	7,692	577,225

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

35.(a) NOTES TO THE STATEMENTS OF CASH FLOWS

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
CASH FLOWS FROM OPERATING ACTIVITIES		Restated		Restated
Profit before taxation	1,204,732	1,305,852	1,136,928	1,293,625
Adjustments for non cash items:				
Depreciation on property, plant and equipment	59,951	40,183	41,272	32,996
Depreciation on right of use asset	7,387	6,823	5,911	5,346
Amortisation of intangible assets	17,809	13,756	12,187	10,664
Fair value adjustments on investment property	(36,274)	(48,586)	(38,327)	(52,272)
Gain on sale of investment	(32,862)	(32,364)	-	(3,295)
Retirement benefit expense	98,836	82,422	74,257	62,867
Provision for credit losses	2,145	(2,585)	1,083	(6,448)
Fair value loss on repossessed assets	609	2,856	-	-
Loss on disposal of property, plant and equipment	733	167	733	126
Interest income	(771,514)	(674,941)	(569,883)	(511,706)
Dividend income	(138,498)	(121,788)	(376,435)	(298,566)
Interest expense	79,523	58,546	14,558	7,759
Net gains on financial asset at fair value to profit or loss	(1,140,550)	(217,840)	(1,145,576)	(272,945)
Exchange difference	3,921	(4,245)	-	-
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	(644,052)	408,256	(843,292)	268,151
(Increase)/Decrease in trade and other receivables	(196,721)	91,291	(114,644)	66,065
Increase/(Decrease) in trade and other payables	134,977	(165,900)	41,621	(114,818)
(Decrease)/Increase in insurance contract assets	50,588	318,680	55,307	330,337
Decrease in reinsurance contract assets	(126,324)	49,510	409	(479)
Increase/(Decrease) in insurance contract liabilities	952,720	(76,884)	745,496	(82,591)
(Decrease)/Increase in reinsurance contract liabilities	18,822	(119,775)	8,587	(122,298)
CASH GENERATED FROM/(USED IN) OPERATIONS	190,010	505,178	(106,516)	344,367

35.(b) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

GROUP

	At July 01,2023	Cash Flows	New loans	At June 30,2024
	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	58,950	(24,296)	23,330	57,984
	58,950	(24,296)	23,330	57,984

	At July 01,2023	Cash Flows	New loans	At June 30,2023
	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings	59,866	(24,476)	23,560	58,950
	59,866	(24,476)	23,560	58,950

COMPANY

	At July 01,2023	Cash Flows	New loans	At June 30,2024
	Rs'000	Rs'000	Rs'000	Rs'000
Loans	58,950	(24,296)	23,330	57,984
	58,950	(24,296)	23,330	57,984

	At July 01,2023	Cash Flows	New loans	At June 30,2023
	Rs'000	Rs'000	Rs'000	Rs'000
Loans	59,866	(24,476)	23,560	58,950
	59,866	(24,476)	23,560	58,950

GROUP AND COMPANY	At July 01,2023	Addition	Cash Flows	Non-cash movement	At June 30,2024
		Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	67,887	-	(10,076)	4,508	62,319
	67,887	-	(10,076)	4,508	62,319

GROUP AND COMPANY	At July 01,2022	Addition	Cash Flows	Non-cash movement	At June 30,2023
		Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	65,655	6,653	(9,595)	5,174	67,887
	65,655	6,653	(9,595)	5,174	67,887

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FOR THE YEAR ENDED 30 JUNE 2024

36. COMMITMENTS

Capital Commitments

Capital expenditure contracted for at reporting date, but not yet provided for is as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Property, plant and equipment	2,261	12,612	1,962	8,669
Future finance leases	16,375	44,478	-	-
	18,636	57,090	1,962	8,669

Details of the Group's contractual obligations to purchase or construct or develop investment property or for repairs, maintenance, or enhancements are as follows:

	GROUP AND COMPANY	
	2024	2023
	Rs'000	Rs'000
Repairs and maintenance	10,215	9,975

37. RELATED PARTY DISCLOSURES

The Group has transacted with related parties during the years ended 30 June 2024 and 30 June 2023. Details of the related party transactions and balances are given in the table below:

(a) Transactions with related party - Directors and key Management Personnel

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Capital Element				
At 1 July	17,527	10,677	43,446	44,115
Additions	(3,045)	(7,360)	22,815	12,776
Repayments	16,194	13,740	(6,804)	(13,445)
* Adjustments	-	470	-	-
At 30 June	30,676	17,527	59,457	43,446

* Adjustments refers to new joiners and leavers of key management personnel and directors during the financial year.

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Interest (Payable)/Receivable				
At 1 July	(122)	(183)	-	-
Receivable during the year	465	459	1,338	1,120
Received during the year	(1,082)	(398)	(1,338)	(1,120)
At 30 June	(739)	(122)	-	-
Premium Receivable				
At 1 July	199	149	177	118
Receivable during the year	4,046	10,527	2,865	9,481
Received during the year	(4,080)	(10,477)	(2,924)	(9,422)
At 30 June	165	199	118	177
Compensation				
Salaries and short term benefits	163,772	155,827	132,228	126,469
Post-employment benefits	24,450	20,031	21,176	17,099

(b) Transactions with related parties - Shareholders

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Sales of services				
At 1 July	665	7,976	537	(820)
Transactions during the year	16,174	16,252	(12,455)	(13,131)
Received during the year	(19,965)	(23,563)	8,701	14,488
At 30 June	(3,126)	665	(3,217)	537
New Investments				
At 1 July	1,250,503	626,155	1,172,833	585,749
Additions	361,025	1,544,861	288,525	1,463,311
Matured during the year	(554,540)	(903,441)	(475,420)	(860,196)
Fair value adjustments	22,357	(17,072)	21,208	(16,031)
At 30 June	1,079,345	1,250,503	1,007,146	1,172,833
Interest/Dividend receivable				
(a) At 1 July	7,253	678	5,974	357
Receivable during the year	57,700	33,516	55,996	31,057
Received during the year	(50,023)	(26,941)	(47,070)	(25,440)
At 30 June	14,930	7,253	14,900	5,974

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

37. RELATED PARTY DISCLOSURES (CONTINUED)

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend Paid to Shareholders	176,709	157,896	176,709	157,896
Bank Balances	413,870	447,532	213,419	350,280

(c) Transactions with related parties - Subsidiaries

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend receivable from Subsidiaries				
At 1 July	-	-	188,281	225,483
Receivable during the year	-	-	243,183	188,281
Received during the year	-	-	(188,281)	(225,483)
At 30 June	-	-	243,183	188,281
Sales of services				
At 1 July	-	-	6,146	6,442
Transactions during the year	-	-	122,254	117,328
Received during the year	-	-	(116,530)	(117,624)
At 30 June	-	-	11,870	6,146
Subordinated loan to Fellow Subsidiary	-	-	341,625	341,625

(d) SICOM Unit Trusts

	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Receivables from SICOM Unit trusts				
At 1 July	560	931	-	-
Receivable during the year	10,756	10,219	4,720	5,130
Received during the year	(10,108)	(10,590)	(4,720)	(5,130)
At 30 June	1,208	560	-	-
Equity in SICOM Unit trusts				
At 1 July	144,482	133,119	98,328	91,829
Additions	6,258	6,724	4,313	4,630
Fair value adjustments	18,749	4,639	13,261	1,869
At 30 June	169,489	144,482	115,902	98,328

The housing loans granted to key management personnel (including Directors) are secured by way of a fixed charge or a mortgage on an immovable property with rates of interest ranging from staff preferential rate of fixed and variable rate of 2% and 2.5% respectively (2023:2.0% to 2.5%) and client's fixed rate of 2.0% in the first year and variable of 6.25% subsequently (2023: 2.0% to 6.25%) per annum. The fair value of the collateral on the loans granted to directors and key management personnel amounted to Rs'000 126,792 (2023 Rs'000 87,549) and Rs'000 113,053 (2023:Rs'000 72,228) for the Group and Company respectively and are considered greater than the carrying value of the loans. The expected credit loss on these loans amounted to Rs 83,153 (2023: Rs 41,904) and Rs 57,303 (2023: Rs 19,951) for the Group and Company respectively. There have been no guarantees provided for any related party receivables or payables.

38. EVENTS AFTER THE REPORTING PERIOD

There are no events after the end of reporting period which the directors consider may materially affect the financial statements for the year ended 30 June 2024.

39. CONTINGENT LIABILITY

VAT (SICOM General Insurance Ltd)

On 3 October 2024, the Mauritius Revenue Authority (MRA) issued a letter asserting that, based on their interpretation, the SICOM General Insurance Ltd's (SGIN) sales of damaged vehicles constitute taxable supplies. The MRA indicated that these sales have exceeded the VAT registration threshold, resulting in compulsory VAT registration.

In response, SGIN has contested this interpretation. It argued that the sale of salvage vehicles involves subrogation rather than ownership rights, and that such sales, conducted as part of claims settlements, should not be classified as taxable supplies under the VAT Act 1998.

SICOM Financial Services Ltd

The Company has received a tax assessment from the Mauritius Revenue Authority for an amount of **Rs'000 2,126** in relation to the tax year 2018/2019 with respect to adjustments made in connection with interest income following the adoption of IFRS 9 and the deductibility under Section 57 of the Income Tax Act for specific expenses. Based on the advice received from its tax advisor after taking into account all relevant statutory tax pronouncements, the Company has not made any provisions for the liability of **Rs'000 2,126** in the financial statements, in respect of the above tax assessment, as at 30 June 2024, as it is of the view that no liability will devolve from the tax assessment.

CORPORATE CLIMATE RESPONSIBILITY LEVY

The Finance (Miscellaneous Provisions) Act 2024 which was gazetted on the 27th of July 2024, introduced a new Corporate Climate Responsibility (CCR) Levy at 2% of chargeable income as from the year of assessment commencing on 1 July 2024. This new levy is not considered as substantively enacted as the reporting date within the meaning of IAS 12: Income Taxes and hence not provided for these in these financial statements. The amount payable for the year of assessment 2024-2025, which was settled in December 2024, was **Rs'000 7,376** for the Group and **Rs'000 4,553** for the Company.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

40. PRIOR YEAR ADJUSTMENTS

Summary of impact of restatements on the statement of financial position and income statement following adoption of IFRS 17 is detailed below:

1) The Group and Company adopted IFRS 9 on 01 July 2018 and measured its financial assets at fair value through profit or loss, amortised cost, or fair value through OCI. As permitted by IFRS 17, the Company has reassessed/revoked the previous designation of a financial assets and reclassified them under fair value through profit or loss with a view to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Changes in prior years have been recognized in equity.

2) The requirements of IFRS 17 lead to significant changes in the accounting for insurance contracts for the Group and Company. The Group and Company have restated the comparatives on initial application of IFRS 17 on 1 July 2023 . The impact on equity as a result of transition to IFRS 17 arises because of the different requirements of IFRS 17 compared to the accounting policies and actuarial methodologies used under IFRS 4. Changes in prior years have been recognized in equity.

a) Impact of IFRS 9 AND IFRS 17

	30 Jun 2022				
	GROUP				
	As previously reported	Impact of IFRS 9	Net after IFRS 9 impact	Impact of IFRS 17	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Non-Current Assets:					
Financial assets at fair value through other comprehensive income	2,359,725	(2,338,380)	21,345	-	21,345
Financial Investments Measured at fair value through profit or loss	5,042,440	12,062,206	17,104,646	-	17,104,646
Debt instruments at amortised cost	7,521,612	(6,711,119)	810,493	-	810,493
Mortgage and other loans	1,754,981	-	1,754,981	(42,566)	1,712,415
Insurance contract assets	-	-	-	311,576	311,576
Current Assets:					
Debt instruments at amortised cost	3,012,462	(2,591,861)	420,601	-	420,601
Insurance and other receivables	879,581	121,652	1,001,233	(751,315)	249,918
Mortgage and other loans	185,602	-	185,602	(24,021)	161,581
Insurance contract assets	-		-	127,181	127,181
Reinsurance contract assets	639,533	-	639,533	(157,977)	481,556
Bank Balances	1,617,382	(49,324)	1,568,058	17,327	1,585,385
Current Liabilities:					
Trade and other payables	680,493	(255)	680,238	(415,261)	264,977
Insurance contract liabilites	-	-	-	1,566,085	1,566,085
Reinsurance contract liabilites	-	-	-	19,261	19,261
Non- Current Liabilities:					
Insurance contract liabilites	1,335,944	-	1,335,944	12,527,511	13,863,455
Reinsurance contract liabilites	-	-	-	634,443	634,443
Reserves	7,314,761	86,568	7,401,329	(1,033,954)	6,367,375
Life assurance funds	13,411,019	406,860	13,817,879	(13,817,879)	-

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

40. PRIOR YEAR ADJUSTMENTS (CONTINUED)

	30 Jun 2022				
	COMPANY				
IMPACT OF IFRS 9 AND IFRS 17	As previously reported	Impact of IFRS 9	Net after IFRS 9 impact	Impact of IFRS 17	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Non-Current Assets:					
Financial assets at fair value through other comprehensive income	2,262,165	(2,262,165)	-	-	-
Financial Investments Measured at fair value through profit or loss	5,221,933	11,019,344	16,241,277	-	16,241,277
Debt instruments at amortised cost	6,110,632	(6,110,632)	-	-	-
Mortgage and other loans	1,263,493	-	1,263,493	(42,566)	1,220,927
Insurance contract assets	-	-	-	311,576	311,576
Current Assets:					
Debt instruments at amortised cost	2,294,579	(2,294,579)	-	-	-
Insurance and other receivables	435,751	104,615	540,366	(117,710)	422,656
Mortgage and other loans	95,420	-	95,420	(24,021)	71,399
Insurance contract assets	-	-	-	127,054	127,054
Reinsurance contract assets	-	-	-	1,358	1,358
Bank Balances	967,715	-	967,715	17,327	985,042
Current Liabilities:					
Trade and other payables	362,100	-	362,100	(151,029)	211,071
Non- Current Liabilities:					
Insurance contract liabilites	-		-	13,863,455	13,863,455
Reinsurance contract liabilites			-	634,442	634,442
Reserves	6,527,042	49,723	6,576,765	(997,718)	5,579,047
Life assurance funds	13,411,019	406,860	13,817,879	(13,817,879)	-

	30 Jun 2023				
	GROUP				
IMPACT OF IFRS 9 AND IFRS 17	As previously reported	Impact of IFRS 9	Net after IFRS 9 impact	Impact of IFRS 17	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Non-Current Assets:					
Financial assets at fair value through other comprehensive income	2,407,842	(2,386,748)	21,094	-	21,094
Financial Investments Measured at fair value through profit or loss	5,701,359	12,738,463	18,439,822	-	18,439,822
Debt instruments at amortised cost	8,265,488	(7,645,236)	620,252	-	620,252
Mortgage and other loans	1,949,029	-	1,949,029	(42,386)	1,906,643
Insurance contract assets	-	-	-	24,559	24,559
Current Assets:					
Debt instruments at amortised cost	3,252,817	(2,733,234)	519,583	-	519,583
Insurance and other receivables	1,046,182	167,634	1,213,816	(885,322)	328,494
Mortgage and other loans	237,025	-	237,025	(27,829)	209,196
Insurance contract assets	-		-	95,518	95,518
Reinsurance contract assets	625,420	-	625,420	(193,374)	432,046
Bank Balances	743,615	(59,232)	684,383	12,572	696,955
Current Liabilities:					
Trade and other payables	747,859	-	747,859	(582,658)	165,201
Insurance contract liabilites	-	-	-	1,809,341	1,809,341
Reinsurance contract liabilites	-	-	-	127,410	127,410
Non- Current Liabilities:					
Insurance contract liabilites	1,468,968	-	1,468,968	12,074,347	13,543,315
Reinsurance contract liabilites	-	-	-	406,519	406,519
Reserves	7,708,044	(499)	7,707,545	(460,518)	7,247,027
Life assurance funds	14,308,557	82,142	14,390,699	(14,390,699)	-

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

40. PRIOR YEAR ADJUSTMENTS (CONTINUED)

	30 Jun 2023				
	COMPANY				
IMPACT OF IFRS 9 AND IFRS 17	As previously reported	Impact of IFRS 9	Net after IFRS 9 impact	Impact of IFRS 17	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Non-Current Assets:					
Financial assets at fair value through other comprehensive income	2,308,712	(2,308,712)	-	-	-
Financial Investments Measured at fair value through profit or loss	6,095,607	11,513,212	17,608,819	-	17,608,819
Debt instruments at amortised cost	7,022,333	(7,022,333)	-	-	-
Mortgage and other loans	1,361,519	-	1,361,519	(42,386)	1,319,133
Insurance contract assets	-	-	-	24,559	24,559
Current Assets:					
Debt instruments at amortised cost	2,237,172	(2,237,172)	-	-	-
Insurance and other receivables	429,499	137,071	566,570	(119,226)	447,344
Mortgage and other loans	107,424	-	107,424	(27,829)	79,595
Insurance contract assets	-		-	83,734	83,734
Reinsurance contract assets	-	-	-	1,837	1,837
Bank Balances	497,993	-	497,993	12,572	510,565
Current Liabilities:					
Trade and other payables	387,283	-	387,283	(268,179)	119,104
Insurance contract liabilites	-	-	-	969,387	969,387
Reinsurance contract liabilites	-	-	-	115,535	115,535
Non- Current Liabilities:					
Insurance contract liabilites	-	-	-	13,543,314	13,543,314
Reinsurance contract liabilites	-	-	-	406,519	406,519
Reserves	6,932,151	(79)	6,932,072	(442,613)	6,489,459
Life assurance funds	14,308,557	82,142	14,390,699	(14,390,699)	-

	30 Jun 2023					
	GROUP			COMPANY		
b) Impact for the year ended 30 June (Income Statement)	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	3,897,494	(3,897,494)	-	2,351,183	(2,351,183)	-
Premiums ceded to reinsurers	(944,100)	944,100	-	(228,465)	228,465	-
Commission income receivable for reinsurance	189,376	(189,376)	-	66,362	(66,362)	-
Insurance revenue	-	2,430,663	2,430,663	-	870,364	870,364
Insurance service expenses	-	(1,706,853)	(1,706,853)	-	(676,521)	(676,521)
Net expenses from reinsurance contracts	-	(509,274)	(509,274)	-	(15,584)	(15,584)
Total insurance service result	3,142,770	(2,928,234)	214,536	2,189,080	(2,010,821)	178,259
Net investment income	1,308,471	(361,072)	947,399	1,286,608	(201,434)	1,085,174
Finance expenses from insurance contracts	-	(291,915)	(291,915)	-	(292,179)	(292,179)
Finance (expenses)/income from reinsurance contracts	-	37,207	37,207	-	38,148	38,148
Net investment result	1,308,471	(615,780)	692,691	1,286,608	(455,465)	831,143
Revenue from contracts with customers	660,733	-	660,733	540,247		540,247
Other income	456,405	(229,209)	227,196	479,472	(304,829)	174,643
Non Insurance income	1,117,138	(229,209)	887,929	1,019,719	(304,829)	714,890
Net benefits and claims	(2,409,710)	2,409,710	-	(1,794,360)	1,794,360	-
Commission and brokerage fees paid	(164,707)	164,707	-	(64,221)	64,221	-
Other operating and administrative costs	(1,066,043)	576,739	(489,304)	(732,881)	302,214	(430,667)
Non insurance expenses	(3,640,460)	3,151,156	(489,304)	(2,591,462)	2,160,795	(430,667)
Profit Before Tax	1,927,919	(622,067)	1,305,852	1,903,945	(610,320)	1,293,625
Taxation	(70,601)	-	(70,601)	(52,804)	-	(52,804)
PROFIT AFTER TAX	1,857,318	(622,067)	1,235,251	1,851,141	(610,320)	1,240,821

Statutory Disclosures

FOR THE YEAR ENDED 30 JUNE 2024

(Pursuant to Section 221 of the Companies Act 2001)

Principal Activities

The Company is mainly engaged in long term insurance business and pensions whilst its subsidiaries carry out general insurance, depository, investment and management activities.

Directors

The Directors of State Insurance Company of Mauritius Ltd and its subsidiaries in office were as follows:

State Insurance Company of Mauritius Ltd
Nureshkumar Prayag (Chairperson)
(Director as from 21 February 2025 and Chairperson as from 14 March 2025)
Bhoojedhur-Obeegadoo K G (Chairperson up to 18 November 2024))
Acharuz A (up to 14 February 2025; and as from 25 March 2025)
Dabeea C (up to 18 November 2024)
Duval I V (as from 03 March 2025)
Gopy D K
Jheengun C (up to 20 November 2024)
Jhungeer S B (up to 18 November 2024)
Lew Kew Lin S O M F (as from 03 March 2025)
Madhub M N (up to 14 February 2025; and as from 25 March 2025)
Munoosingh V K (up to 30 December 2024)
Ramdewar N
Sairally M J (as from 21 February 2025)
Shewraj U
Sonoo J (up to 13 November 2024)

SICOM General Insurance Ltd
Nureshkumar Prayag (Director as from 16 May 2025 and Chairperson as from 23 May 2025)
Bhoojedhur-Obeegadoo K G (Chairperson and director up to 18 November 2024)
Ancharaz S
Aukhojee Y K (up to 15 November 2024)
Chummun A (up to 22 November 2024)
Dabeea C (up to 18 November 2024)
Dussoye C (up to 30 December 2024)
Jheelan G (as from 16 May 2025)
Koonjoo V K (up to 28 October 2024)
Moonien J (up to 18 November 2024)
Panchoo H (as from 16 May 2025)
Sairally M J (as from 16 May 2025)
Ramdewar N
Ramkallawon D (up to 15 November 2024)

SICOM Financial Services Ltd
Mahadu O S (Chairperson up to 15 November 2024)
Bhoojedhur-Obeegadoo K G (Chairperson and director up to 18 November 2024)
Bonomaully I (up to 05 December 2023)
Chengabroyan C (up to 10 November 2024)
Dreepaul A (up to 31 May 2025)
Gopy D K
Ramdewar N
Rama S (as from 19 March 2024 up to 19 May 2025)
Reedoy S (up to 18 November 2024)
Seeteejory S (up to 15 November 2024)

SICOM Management Limited
Bhoojedhur-Obeegadoo K G (Chairperson and director up to 18 November 2024)
Gopy D K
Ramdewar N

SICOM Global Fund Limited
Bhoojedhur-Obeegadoo K G (Chairperson and director up to 18 November 2024)
Ramdewar N

SICOM Properties Ltd
Bhoojedhur-Obeegadoo K G (Chairperson and director up to 18 November 2024)
Baichoo N (as from 13 May 2025)
Gopy D K (as from 13 May 2025)
Ramdewar N

Directors' Service Contracts
The Executive Directors of the Group have a service contract without expiry date.

Statutory Disclosures

FOR THE YEAR ENDED 30 JUNE 2024

Directors' Remuneration

The remuneration for the Directors was as follows:

	NON-EXECUTIVE		EXECUTIVE	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Company	7,654	6,871	24,327	23,241
Subsidiaries	7,199	6,612	5,060	4,758

The remuneration as mentioned above, received by the Directors during the financial year and for the period they held office were as follows: A Acharuz (Independent Director, Rs 717,120), K G Bhoojedhur-Obeegadoo (Non-Executive Director and Chairperson Rs 2,017,200 from the Company and Rs 1,449,020 from Subsidiaries), C Dabeea(Independent Director Rs 672,120 from the Company and Rs 330,000 from Subsidiaries), D K Gopy (Executive Director, Rs 7,489,511 as emoluments and Rs 2,125,011 as pension related contributions made by the Company and other benefits), S B Jhungeer (Non-Executive Director, Rs 672,120), N Ramdewar (Executive Director, Rs 11,506,022 as emoluments and Rs 3,206,354 as pension related contributions made by the Company and other benefits), J Sonoo, C.S.K (Non-Executive Director, Rs 767,120), C Jheengun (Non-Executive Director, Rs 682,120, V K Munoosingh (Independent Director, Rs 722,120), U Shewraj (Independent Director, Rs 732,120) and M N Madhub (Non-Executive Director, Rs 672,120). The Executive Directors of the Group have a service contract without expiry date and do not receive directors' fees.

Audit fees

The fees payable to the auditors for audit and other services were:

	THE COMPANY		SUBSIDIARIES	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Audit fees payable to:				
- Deloitte	7,036	2,580	5,060	2,618
Fees payable for tax services:				
- Deloitte	129	123	292	278
Fees payable for other services:				
- Deloitte	240	228	358	247

	THE COMPANY		SUBSIDIARIES	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Donations	-	-	-	-

For and on behalf of the Board of Directors

A ACHARUZ
Director

N RAMDEWAR
Director

Date: 30 May 2025

(230) 203 8400, SICOM Building, Sir Célicourt Antelme Street, Port Louis, Mauritius, sicom.mu