

NATIONAL INSURANCE CO. LTD

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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The Directors have the pleasure in presenting the Annual Report of National Insurance Co. Ltd (the "Company") and its subsidiaries (together referred to as the "Group"), including the audited consolidated and separate financial statements for the year ended 30 June 2025.

1. PRINCIPAL ACTIVITIES

The Company is mainly engaged in the long-term insurance business. The business activities of the Company's subsidiaries are mentioned in Note 12(a) of the consolidated and separate financial statements.

2. RESULTS AND DIVIDENDS FOR THE YEAR

The consolidated and separate statement of profit or loss and other comprehensive income for the year is shown on page 45.

The Directors of the Company have not recommended payment of any dividend during the year under review (2024: Nil).

3. DIRECTORS

The Directors of the Company for the year ended 30 June 2025 are as follows:

	<u>Date of appointment</u>	<u>Date of cessation</u>
<u>Independent and Non-Executive Chairman</u>		
Mr. Santosh Kumar Gujadhur	27-May-25	-
<u>Non-Independent and Non-Executive Chairman</u>		
Mr. Vikash Peerun	20-Feb-20	11-Oct-24
<u>Non-Independent and Non-Executive Director</u>		
Mrs. Narvada Pultoo	27-Jan-22	-
Mrs. Tej Asha Mudhoo	05-Dec-19	15-Nov-24
Mr. Kresh Seebundhun	11-Dec-19	09-Oct-24
Dr. Sudhirsan Kowlessur	27-Jan-22	15-Nov-24
Mrs. Marie Laura Kareen Shock Torap Laroche	24-Dec-24	27-May-25
<u>Independent and Non-Executive Director</u>		
Mr. Alvin Joyekurun	23-May-25	-
Mr. Viraj Fulena	15-May-25	-
Mr. Beeshamlall Cheeneebash	27-May-25	-
Mr. Hashim Joomye	15-May-25	-
Mr. Vivekanand Lochun	17-Jun-25	15-May-26
Dr. (Mrs.) Arty Rambharush	25-May-17	17-Nov-24
Mr. Dhirshantsingh Ramkelawon	18-Feb-21	15-Nov-24
Mrs. Nalini Gopaul Dookhee	18-Feb-21	18-Nov-24
Mr. Rouben Krishna Dorasami	18-Feb-21	15-Nov-24
<u>Executive Director</u>		
Dr. Oumeshsingh Sookdawoor	15-May-25	-

The Directors of the subsidiary company, NIC Properties Co. Ltd, are as follows:

<u>Non-Independent and Non-Executive Chairman</u>		
Mr. Vikash Peerun (appointed Chairman on 07 November 2020)	30-Jul-20	11-Oct-24
<u>Non-Independent and Non-Executive Director</u>		
Mr. Dhanunjaye Gaoneadry	30-Jul-20	18-Nov-24

The Directors of the subsidiary company, NIC Micro Finance Co. Ltd, are as follows:

<u>Non-Independent and Non-Executive Director</u>		
Mr. Vikash Peerun	05-Sep-22	11-Oct-24
Mr. Kresh Seebundhun	05-Sep-22	09-Oct-24
<u>Independent and Non-Executive Director</u>		
Mrs. Nalini Gopaul Dookhee	05-Sep-22	18-Nov-24
Mr. Rouben Krishna Dorasami	05-Sep-22	15-Nov-24

Subsequent to the financial year, 3 Independent and Non-Executive Directors have been appointed in NIC Micro Finance Co. Ltd, namely:

Mr. Viraj Fulena	11-May-26	-
Mr. Beeshamlall Cheeneebash	11-May-26	-
Mr. Hashim Joomye	11-May-26	-

4. DIRECTORS' SERVICE CONTRACTS

During the year, one of the Directors was appointed as an Executive Director and has a contract of service with the Company and its subsidiaries.

5. DIRECTORS' SHARE INTEREST

The Directors, both past and present, do not hold any share in the Company and its subsidiaries nor do they have any dealings in those shares.

6. CONTRACT OF SIGNIFICANCE

None of the Directors had any contract of significance with the Company and its subsidiaries during the year.

7. DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's Directors are responsible for the preparation and fair presentation of the financial statements of the Company and the Group, comprising the separate financial statements of the Company and the consolidated financial statements of the Group. These financial statements comprise the consolidated and separate statements of financial position at 30 June 2025, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, the Companies Act 2001, Financial Reporting Act 2004 and Insurance Act 2005. The Directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Directors have made an assessment of the Company's and the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

8. DIRECTORS' REMUNERATION AND BENEFITS

	THE GROUP		THE COMPANY	
	2025	2024	2024	2024
	MUR	MUR	MUR	MUR
Directors' remuneration	1,415,523	3,614,001	1,218,648	2,929,001

There was one executive Director for the year ended 30 June 2025 (2024: Nil).

9. DONATION

The Group and the Company did not make any donation during the year ended 30 June 2025 (2024: MUR 187,391).

10. AUDITORS' REMUNERATION

	THE GROUP		THE COMPANY	
	2025	2024	2024	2024
	Audit fees	Others*	Audit fees	Others*
	MUR	MUR	MUR	MUR
MOORE (Mauritius) LLP	4,640,250	339,250	4,841,500	142,497

	THE COMPANY		THE COMPANY	
	2025	2024	2024	2024
	Audit fees	Others*	Audit fees	Others*
	MUR	MUR	MUR	MUR
MOORE (Mauritius) LLP	4,370,000	339,250	4,594,250	142,497

*Others comprise fees payable for tax services and financial statements review services.

Audit fees and other fees are inclusive of VAT.

11. THE NIC GROUP

The NIC Group refers to National Insurance Co. Ltd, NIC General Insurance Co. Ltd, NIC Healthcare Ltd, NIC Micro Finance Co. Ltd and NIC Properties Co. Ltd. The companies forming part of the NIC Group are ultimately owned by the Government of Mauritius and held through the National Property Fund Ltd.

12. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the Company and its subsidiaries, NIC Properties Co. Ltd, NIC Micro Finance Co. Ltd and exclude NIC General Insurance Co. Ltd (100% owned by National Property Fund Ltd). Even though the Company holds 100% shares in NIC Healthcare Ltd, the latter has not been consolidated since the year 2021, the year during which the process of its winding up started. The investment in NIC Healthcare Ltd was reclassified as held-for-sale/discontinued operations accordingly.

13. MAJOR TRANSACTIONS

No major transaction was approved by the Group and the Company for the year under review.

For and on behalf of the Board of Directors

Mr. Santosh Kumar Gujadhur
Chairman

Date: 30 JUN 2026

Mr. Cheeneebash Beeshamlall
Director

BOARD OF DIRECTORS
DIRECTORS' PROFILES AS AT 30 JUNE 2025

Officers appointed during the financial year 30 June 2025

1. Mr. Santosh Kumar Gujadhur

Independent & Non-Executive Director (Chairman of the Board)

Date of Appointment: 27 May 2025

Mr. Gujadhur is a legal practitioner, entrepreneur and investor with over 20 years of international experience in legal advisory, fund administration, corporate governance and investment structuring. He is admitted to the New York State Bar and began his legal career at Clarel Benoit Chambers before joining Sidley Austin LLP in New York, where he advised global financial institutions and corporates on capital markets, regulatory compliance and complex structured transactions. He has worked with a broad portfolio of clients, including broker-dealers, sovereign wealth funds and Fortune 500 companies. In 2011, he co-founded GFin Corporate Services Ltd, a leading fund administration and fiduciary services provider in Mauritius, which was later acquired by Apex Group Ltd. At Apex, he held senior leadership roles, including Managing Director (Mauritius) and Global Head of Operations – Transformation, where he oversaw large-scale operational strategy and integration initiatives.

Mr. Gujadhur currently sits on the boards of several Global Business Companies, including entities affiliated with the Carlyle Group and Apollo Global Management, and serves as a Director of Global Credit Rating Company Ltd. He is also actively engaged in establishing an investment bank and a platform variable capital company under the “GCap” brand in Mauritius. An experienced entrepreneur, he is a co-founder of the Burger King franchise in Mauritius and an active angel investor across Africa in sectors such as fintech, insure-tech, real estate and hospitality. He is a member of the Entrepreneurs Organization, a former National President of Round Table Mauritius, and is the President of the Mauritius Turf Club (MTC) and Chairman of the MTC Jockey Club.

Mr. Gujadhur holds a Doctor of Law degree from Cornell University, with a focus on Business Law and Regulation, and a Bachelor of Science in Biochemistry from Boston College, USA.

2. Dr. Oumeshsingh (Rishi) Sookdawoor

Executive Director / Group Officer-in-Charge & Chief Operating Officer

Date of Appointment: 15 May 2025

Dr. Sookdawoor is a seasoned board-level executive with over 25 years of leadership experience in financial services, insurance, business transformation and technology. He currently serves as Group Officer-in-Charge and Chief Operating Officer of NIC Group, one of Mauritius’ leading insurance groups. Throughout his career, he has held senior executive positions in large conglomerates, led teams of over 500 professionals, and successfully implemented strategic transformation and innovation projects. His professional influence extends internationally, with board roles on regulated entities in the EU and Africa, and he has served as a Director of the Financial Services Institute of Mauritius, supporting professional development across the region.

He was the President of the Insurers Association of Mauritius (IAM), where he spearheaded key sector-wide initiatives in 2023 and 2024. Dr. Sookdawoor is also the founder of LeadEthics, a platform promoting ethical leadership in business, and is recognised as a published thought leader, speaker, and journal reviewer. He is noted for advancing ethical leadership, fostering organisational citizenship behaviour, and driving business transformation.

He holds a Doctorate in Business Leadership, an MBA, and an MSc in Information Systems. He is a Fellow of BCS, The Chartered Institute for IT (UK), and an Associate of the Insurance Institute of South Africa.

3. Mrs. Narvada Pultoo

Non-Independent & Non-Executive Director

Date of Appointment: 27 January 2022

Mrs. Pultoo has over 24 years of experience in the Public Service. She joined the Administrative Cadre in 2017 and has served as Assistant Permanent Secretary, holding key positions at the Local Government Service Commission, the Ministry of Energy and Public Utilities, and the Office of the President. Throughout her career, she has served on several Boards and Committees and is currently posted at the Ministry of Financial Services and Economic Planning.

She holds a Commonwealth Executive Master’s in Business Administration.

BOARD OF DIRECTORS

DIRECTORS' PROFILES AS AT 30 JUNE 2025

4. Mr. Vivekanand Lochun

Independent & Non-Executive Director

Date of Appointment: 17 June 2025 till 15 May 2026

Mr. Lochun is an experienced ICT engineer with over 35 years of expertise in the Information and Communication Technology sector across both the public and private sectors. He has also served internationally as an ICT and business consultant for a range of institutions and corporate clients. He has held leadership positions such as Chairman of the ICT Committee at the University of Technology, Mauritius.

Currently, Mr. Lochun serves as a Non-Executive Director on the boards of several renewable energy companies and acts as a Technology Consultant for an international firm. He holds double Master's degrees in ICT and Engineering from institutions in France and the United Kingdom.

5. Mr. Alvin Joyekurun

Independent & Non-Executive Director

Date of Appointment: 23 May 2025

Mr. Joyekurun is a seasoned financial and investment advisor with over 20 years of experience in global financial markets. He began his career in London with Deloitte Consulting in 2005 and AON Hewitt in 2008, where he specialised in investment strategy for institutional investors. Since returning to Mauritius in 2009, he has led major transformational initiatives across the asset management, banking and insurance sectors, working with leading organisations including the MCB Group, SWAN Group and the Amicorp Group.

Mr. Joyekurun holds a first-class degree in Actuarial Science from Cass Business School, UK, is a CFA Charterholder, and a Fellow of the Institute and Faculty of Actuaries (FIA), UK, with a specialisation in investment. He is recognised for his independent thinking and holistic approach to complex financial challenges, offering strategic insight grounded in deep technical expertise.

6. Mr. Hashim Joomye

Independent & Non-Executive Director

Date of Appointment: 15 May 2025

Mr. Joomye has over a decade of experience in investment management, risk analysis & strategy. He currently serves as Independent Non-Executive Director for private equity funds and sits on several investment committees. He is a Fellow member of the Association of Chartered Certified Accountants and holds a Masters' degree in Investment Analysis from the University of Stirling, United Kingdom.

7. Mr. Viraj Fulena

Independent & Non-Executive Director

Date of Appointment: 15 May 2025

Mr. Fulena is a seasoned legal professional with over 15 years of experience in legal education, research and consultancy. He is a lecturer at the University of Technology, Mauritius, and an Adjunct Professor at CSIBER, India. As a certified legal trainer, he has authored over 20 peer-reviewed publications, serves as a reviewer for several international journals, and is frequently invited as a keynote speaker and chief guest at international conferences.

In addition to his academic contributions, Mr. Fulena acts as a national legal consultant to the Ministry of Labour and the Ministry of Gender Equality and Family in Mauritius, contributing to legal reform and policy development at the national level. He holds an LL.B (Hons), an LL.M. in International Business Law, a Postgraduate Certificate in Business Administration, and a Postgraduate Diploma in Education, and is currently pursuing a Ph.D. in Law.

8. Mr. Cheeneebash (Visham) Beeshamlall

Independent & Non-Executive Director

Date of Appointment: 27 May 2025

Mr. Beeshamlall is a results-driven finance professional with over 20 years of experience in auditing, financial regulation and business process outsourcing. He brings a strong command of financial systems, compliance frameworks and operational efficiency, providing value-driven financial insights across a range of corporate environments.

He is highly regarded for his meticulous approach, ethical standards and sharp analytical skills. Mr. Beeshamlall holds a degree in Management and is a Fellow of the Association of Chartered Certified Accountants (FCCA).

**BOARD OF DIRECTORS
DIRECTORS' PROFILES AS AT 30 JUNE 2025**

Officers who served and ceased to be Directors during the year 2024-2025

1. Mr. Vikash Peerun (Ceased on 11 October 2024)

Reason for cessation: Resignation

Mr. Vikash Peerun was the Chief Executive Officer of the National Property Fund Ltd, the holding company of the NIC Group, which consists of the National Insurance Co. Ltd, its subsidiaries (the NIC Properties Co. Ltd, NIC Micro Finance Co. Ltd and NIC Healthcare Ltd) and the NIC General Insurance Co. Ltd. Mr Peerun holds an MSc International Securities, Investment & Banking from the University of Reading, UK and a BA Dual (Hons) Business Administration & Environment Management from Keele University, UK. He also holds professional membership with the Association of Certified Fraud Examiners, US and is an affiliate of the Association of Chartered Certified Accountants (ACCA). He has significant experience and expertise in the field of financial services, forensic & money-laundering investigation, compliance & management amongst others. He fulfilled several senior roles both locally and internationally with key institutions including SBM Bank (Mauritius) Ltd, Serious Fraud Office (UK) and Independent Commission Against Corruption (Mauritius) amongst others.

2. Mr. Rouben Krishna Dorasami (Ceased on 15 November 2024)

Reason for cessation: Resignation

Mr. Rouben Krishna Dorasami is currently a Deputy Managing Director at Linkham Services Limited with over 6 years of experience in the Insurance sector and over 11 years of experience in the Accountancy field. He holds a bachelor degree in Accounting and Finance and is completing his MBA. Mr Dorasami is also a businessman who operates in the import and export industry. He was also a member of Mauritius Institute of Directors (MIoD).

3. Mrs. Nalini Gopaul Dookhee (Ceased on 18 November 2024)

Reason for cessation: Resignation

Mrs. Nalini Gopaul Dookhee holds an LLB and is a Trust Estate Practitioner established as an experienced specialist in the setting up of International Trusts for the needs of corporate organisations and both resident/non-resident individuals and their management. Specialised skills in the international marketing and promotion of Trusts and related businesses at a multi-jurisdictional level. She has been involved in Fund Management, Asset Management, Setting up of Captive Insurance, Protected Cell Companies and Wealth and Estate planning. She started her career with Hegoda & Co Solicitors in London. She has worked in the Financial Services sector for 20 years in Mauritius. She has worked as Senior Corporate Officer at Ernst & Young and KPMG, AAMIL Ltd as Corporate Services Manager and Deutsche Bank as Assistant Vice President. Mrs. Nalini Gopaul Dookhee is presently a Financial Consultant. She was also a Board Member of the Tourism Authority in Mauritius. She is involved in philanthropic and social activities.

4. Dr. Sudhirsan Kowlessur (Ceased on 15 November 2024)

Reason for cessation: Resignation

Dr. Sudhirsan Kowlessur was the Director, Health Promotion and Research at the Ministry of Health and Wellness. He holds an MA in Health Promotion and Communication from Middlesex University, UK and a Doctorate in Philosophy in Epidemiology and Health Statistics from Nanjing Medical University, China.

5. Mrs. Tej Asha Mudhoo (Ceased on 15 November 2024)

Reason for cessation: Resignation

Mrs. Tej Asha Mudhoo was the Director of Operations at the Prime Minister's Office (Private Office). She holds an MBA with specialisation in Human Resource Management, a BSC (Hons) Management with specialisation in Public Administration and Management, and a Diploma in Management with specialisation in Public Administration and Management. She has more than 40 years of experience in the public service.

6. Dr. (Mrs) Arty Rambharush (Ceased on 17 November 2024)

Reason for cessation: Resignation

Dr. (Mrs) Arty Rambharush is a full-time educator at the New Educational College with 28 years of service. She is an author and a registered artist. She also holds a Doctorate and a Master in philosophy from Kurukshetra University, an MSC in Educational Leadership and Management from the University of Technology, a BA (Hons) in Philosophy from the University of London, a Diploma in Business English from London and a Diploma in Vocal Hindustani.

**BOARD OF DIRECTORS
DIRECTORS' PROFILES AS AT 30 JUNE 2025**

7. Mr. Dhirshantsingh Ramkelawon (Ceased on 15 November 2024)

Reason for cessation: Resignation

Mr. Dhirshantsingh Ramkelawon is a qualified engineer and professional in the aviation sector. He started his career as an Engineer at Textile Industries. In the year 2008, he joined Air Mauritius Limited as Trainee Engineer whereby he spent more than 10 years in the maintenance field. He is now currently overseeing the Planning Department of Air Mauritius Limited. Mr. Ramkelawon was also appointed as Chairman of the Audit Committee of the Sugar Investment Trust. He currently holds a Degree in Mechatronics Engineering, Masters in Finance, Masters in Business Administration and has also completed his LLB from the University of Mauritius in 2017.

8. Mr. Kresh Seebundhun (Ceased on 09 October 2024)

Reason for cessation: Resignation

Mr. Kresh Seebundhun was the Director (Financial Services) at the Ministry of Financial Services and Good Governance. He was previously a Lead Analyst at the Ministry of Finance, Economic Planning and Development (MOFEPD). He is a Fellow of the Association of Chartered Certified Accountants (UK) since 1996. He has a long outstanding career in the field of financial management in the public sector since July 1987. He has been a Director on the board of various state-owned companies and parastatal bodies. He has also served as Company Secretary for Mauritius Post Ltd and its subsidiary companies.

9. Mrs. Marie Laura Kareen Shock Torap Laroche (Ceased on 27 May 2025)

Reason for cessation: Shareholder decision

Mrs Kareen Laroche reckons around 20 years of experience working for various institutions including the University of Mauritius, Mauritius Chamber of Commerce and Industry, Financial Intelligence Unit and Ministry of Financial Services and Good Governance. She holds an MSc in Finance and serves as Acting Director – AML/CFT at the Ministry of Financial Services and Good Governance.

MANAGEMENT PROFILES

AS AT 30 JUNE 2025

1. Dr. Oumeshsingh (Rishi) Sookdawoor, Group Officer-in-Charge & Chief Operating Officer

Dr. Sookdawoor is a seasoned board-level executive with over 25 years of leadership experience in financial services, insurance, business transformation and technology. He currently serves as Group Officer-in-Charge and Chief Operating Officer of NIC Group, one of Mauritius' leading insurance groups. Throughout his career, he has held senior executive positions in large conglomerates, led teams of over 500 professionals, and successfully implemented strategic transformation and innovation projects. His professional influence extends internationally, with board roles on regulated entities in the EU and Africa, and he has served as a Director of the Financial Services Institute of Mauritius, supporting professional development across the region.

He was the President of the Insurers Association of Mauritius (IAM), where he spearheaded key sector-wide initiatives in 2023 and 2024. Dr. Sookdawoor is also the founder of LeadEthics, a platform promoting ethical leadership in business, and is recognised as a published thought leader, speaker, and journal reviewer. He is noted for advancing ethical leadership, fostering organisational citizenship behaviour, and driving business transformation.

He holds a Doctorate in Business Leadership, an MBA, and an MSc in Information Systems. He is a Fellow of BCS, The Chartered Institute for IT (UK), and an Associate of the Insurance Institute of South Africa.

2. Mr. Shakeel Summun, Group Chief Financial Officer & Chief Officer - Lending

Mr. Summun is the Group Chief Financial Officer of the National Insurance Co. Ltd, NIC General Insurance Co. Ltd, and NIC Properties Co. Ltd. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW), and a CFA Charterholder, with over 25 years of professional experience in the financial services sector. At NIC, he leads Finance, Investment, Actuarial, Pensions, and the lending cluster, driving financial transformation and supporting strategic growth. His earlier career spans Deloitte, Ernst & Young, the offshore sector, and several C-level roles in the insurance industry. He also served as an Independent Non-Executive Director at SBM Bank (Mauritius) Ltd, contributing to board oversight, audit, and governance. Mr. Summun is a Fellow of the Mauritius Institute of Directors (MIoD), a member of the CFA Society of Mauritius, and a former Panel Network Member of ACCA Mauritius. He has been honoured internationally, among the Top 10 Global Leaders To Look For in 2024 and as one of the Global 200 Power Leaders in Finance 2024, building on his earlier recognition as the Young Achiever Award 2014 recipient from the Africa Leadership Awards.

3. Mrs. Chitra Devi (Reena) Moonnoosamy, Group Chief Services Officer & Chief Officer - Insurance

Mrs. Moonnoosamy holds a BSc (Hons) in Economics, a Bachelor (Hons) in Law and an LLM in International Financial and Commercial Law. She is a Chartered Governance Professional and a Fellow of The Chartered Governance Institute (FCG), a Chartered Fellow of the Chartered Institute of Personnel and Development (FCIPD), a Certified Anti-money Laundering specialist (CAMS) and a Fellow Member of the Mauritius Institute of Directors. Mrs. Moonnoosamy is the Group Chief Services Officer of the NIC Group and provides strategic and leadership capability to the National Insurance Co. Ltd, NIC General Insurance Co. Ltd and NIC Properties Co. Ltd. She is presently in charge of the Life & General Insurance Operations, Legal & Compliance and Human Resources. She also fulfils the roles of Money Laundering Reporting Officer, Compliance Officer and Complaints Coordinator of the NIC Group. She is also Trustee on the Board of Trustees of the NIC Multi-Employer Pension Scheme. She has held various strategic positions in her cross-industry experience of over 25 years notably in Insurance, Financial Services, Business Process Outsourcing, Healthcare Services and Consumer markets.

4. Mr. Kavidutt (Kavi) Dinand, Head – Finance Operations

Mr. Dinand, a Fellow of the Association of Chartered Certified Accountants (ACCA, UK), brings over 25 years of extensive experience in the Financial Services sector. Currently, he leads the finance operations for National Insurance Co. Ltd, NIC General Insurance Co. Ltd, and NIC Properties Co. Ltd. Throughout his career, Mr. Dinand has held a variety of key positions across diverse industries, including insurance, asset management, brokerage services, and global business, showcasing his versatility and expertise. Notably, he served as Senior Vice President and Chief Financial Officer at Bramer Asset Management Ltd until May 2017, where he played a pivotal role in numerous international projects. In addition to his role in finance operations, Mr. Dinand contributed to the implementation of IFRS 17 standard project for the NIC Group to comply with the financial reporting standards.

MANAGEMENT PROFILES AS AT 30 JUNE 2025

5. Mr. Randawah (Vikash) Hulooman, Head – Loan Operations

Mr. Hulooman holds a Master of Business Administration in Financial Risk Management and a BCom in Financial Management. He holds over 15 years of experience at management level in various industries including Telecommunications, Financial Services, and Banking. He steered several key strategic and innovative projects and held various senior positions in private companies during his career including Senior Manager at Maubank Ltd and Officer in Charge at Expert Leasing Ltd. He joined National Insurance Co. Ltd in 2021.

6. Mr. Nazir Sumun, Head – Life Insurance Operations, New Business & Underwriting

Mr. Sumun is a fully qualified Chartered Insurer and is an Associate of the Chartered Insurance Institute of UK. He is a professional with more than 30 years of experience in the insurance industry and has worked for the four major insurance companies in Mauritius. He has extensive experience in Individual and Group Life Insurance underwriting, claims and reinsurance at all levels and worked with a broad cross-section of commercial and individual clients. He is responsible for the underwriting strategies in accordance with the company's business plans and reinsurance agreements.

7. Mr. Krsna Cooposamy, Head – Corporate Sales & Client Relationships, Marketing & CSR Operations

Mr. Cooposamy holds an MBA (UK) and a Masters in Communication. He carries over 25 years of experience in the communication field. He has worked in various media groups (France and Mauritius) where he manoeuvred several key strategic and innovative projects. He held various senior positions in private companies during his career, including Chief Executive Officer of Seven Media Ltd. He has held the position of Director of News at First Talk Ltd before joining the NIC Group. Holder of a MQA lecturer license, he has led several accredited programs to public servants of different ministries. He joined the NIC Group in 2021 as Senior Project Manager – Marketing, PR & Communication and Corporate Sales.

8. Mr. Ashwin Mussaï, Head – Micro Finance Operations

Mr. Mussaï is a member of the Quebec Order of Chartered Professional Accountants (CPA), holds an MBA and a BCom (Joint Hons-Economics & Finance). He cumulates over 28 years of management experience in North America and Mauritius in financial services, International retail & trade, and property investment. He has held directorships at Canadian International Trade, Credit Unions, Real Estate and other Canadian Associations. Mr. Mussaï was appointed at NIC as Head-Micro Finance Operations in 2024 to lead the digital micro finance venture after his previous positions as Procurement Lead, Customer Service Lead, Complaints Coordinator and Senior Project Manager-Micro finance & branch operations. He started his career in Financial Services as Financial Advisor at Industrielle Alliance Insurance Group Canada, then was Manager Retail Financial Services at National Bank of Canada and Corporate Banking Relationship Manager at Royal Bank of Canada. He also held successive leadership roles at IKEA Canada as Financial Controller, Finance and Operations Manager, Acting CEO, and was part of the IKEA North America Finance Leadership team [covering Canada and US East regions]. As part of his other interests, he is involved in various professional, social and sports associations.

9. Mr. Vinaye Kumar Seebaluck, Head – Sales and Business Development

Mr. Seebaluck brings over 22 years of experience in the insurance industry. A member of the Chartered Insurance Institute (CII) in the UK, he holds a Certificate in Insurance and has developed deep expertise across key areas including business development and sales, insurance underwriting, claims management, reinsurance and statistics.

Before joining NIC, Mr. Seebaluck held senior roles at several prominent insurance and reinsurance firms in Mauritius and abroad, including Eagle, Swan, AXA Africa Specialty Risks, Jubilee Allianz Mauritius and Rokstone Underwriting Ltd. His career has provided him with broad exposure to both the local and wider African insurance/reinsurance markets. He currently leads the Sales and Business Development Department at NIC, where he continues to drive strategic growth and client engagement.

MANAGEMENT PROFILES

AS AT 30 JUNE 2025

10. Mr. Thanadass (Ashish) Bucktowar, Internal Auditor & Risk Officer

Mr. Bucktowar is a Fellow of the Association of Chartered Certified Accountants (UK) and holds a Master in Business Administration (MBA). He started his career in auditing and worked in Big Four Audit firms namely Ernst & Young and KPMG. During his tenure in auditing, he was in charge of audits of large companies and conglomerates across different sectors and industries including Financial Services, Tourism, Production and Manufacturing. He also had exposures in Consultancy, Taxation and Business Process Re-engineering, and had the opportunity to manage the audits of some state-owned companies across Africa. In 2006, Mr. Bucktowar joined BAI Co (Mtius) Ltd, and successively held different positions and was responsible to oversee multiple functions in the finance department. Following the transfer of undertakings in July 2015, he was transferred to the National Insurance Co. Ltd in a senior role in the finance and investments operations. Since February 2021, he has been serving as the Internal Auditor & Risk Officer of both National Insurance Co. Ltd and NIC General Insurance Co. Ltd. He also acts as the Integrity Officer of the Anti-Corruption Committee (ACC) and is the Chairperson of the Ethics Office and the Risk Management Committee. Mr Bucktowar is a member of the Institute of the Internal Auditors Mauritius.

11. Mr. Shailendrasingh (Pravin) Conhye, Lead – Finance Operations

Mr. Conhye holds a Degree in Business Management and a Master in Business Administration. He previously joined the BAI Co (Mtius) Ltd in December 2014 as Senior Manager – Loan Operations and currently holds the position of Finance Operations Lead. He has 20 years of experience from a varied background in Customer Service Relations, Process Compliance, Finance and Quality. Prior to joining BAI, he has worked as Operations Manager with Compass Group LTD in the UK, Appletree Mauritius as Finance Manager and as Accountant with FUEL. In addition, Mr. Conhye was Project Manager for the Mauritius National Identity Card (MNIC) Project and acted as Head of Operations with the Singaporean consortium working closely with the Government of Mauritius.

12. Ms. Pooja Banypersad, Lead – Investments & Pension Accounting

Ms. Banypersad is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds the CFA Institute Investment Foundations certificate. With over 15 years of experience in the insurance sector, she has served in various roles within the Finance department of BAI Co (Mtius) Ltd and later assumed the position of Accountant at NIC General Insurance Co. Ltd until December 2020. Currently she oversees the Investment function at National Insurance Co. Ltd and manages the pension accounting function for the NIC Multi - Employer Pension Scheme. She is also a member of the loan management committee for National Insurance Co. Ltd.

13. Mr. Nasser Ghoorun, Lead – ICT

Mr. Ghoorun is an innovative and results-driven ICT executive with over 24 years of experience leading technology strategy and digital transformation initiatives in the financial services and ICT sectors. An advocate for continuous learning and emerging technology adoption, Nasser is passionate to deliver solutions that drive growth and enhance customer experiences. He holds a Master in Business Administration (MBA) with Specialization in Information System and BSc. (Hons.) in Computing and Information Systems. Moreover, he holds several professional technical certifications like IBM Cognos, Microsoft and Oracle. He played a key role in several ICT enterprise projects for the National Insurance Co. Ltd, ex- BAI Co (Mtius) Ltd and received a personal commendation from top management for exceptional contributions to key strategic ICT projects. He has fulfilled technical, business and management role in a number of private and overseas companies. At National Insurance Co. Ltd, Mr. Ghoorun spearheads technology innovation and enterprise IT operations, ensuring the organization stays ahead in a rapidly evolving digital landscape.

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14. Ms. Aminah Golamy, Lead – Enterprise Projects

Ms. Golamy holds a Master of Science (MSc) in Project Management and a Bachelor of Engineering in Computer Science and Engineering. In her quest for growth and adding value to self and others, she is a Certified John C. Maxwell Coach, Trainer & Speaker in Leadership & Communication. She is an IT professional with business analytical, project management, quality management and business process improvement skills. She carries over 28 years of professional experience, with the last 15 years primarily spent in the insurance and financial services sector, with cross-functional exposure, leading different departments namely Quality Assurance, Business Process Optimisation, Health Insurance Operations and Premium Management & Arrears. She has also managed a number of business process improvement and Re-engineering projects for business transformation and growth. She currently leads the Enterprise Projects function of the organisation.

15. Mr. Chandradev (Kishan) Meetoo, Lead – Financial Reporting & Accounting

Mr. Meetoo is a Fellow of the Association of Chartered Certified Accountants (FCCA), bringing over 15 years of extensive expertise in the Financial Services and Banking sectors. He began his professional journey at BAI Co. (Mtius) Ltd and later gained valuable foundational experience during his time at the Mauritius Commercial Bank. Over the years, Mr. Meetoo has held key positions across various financial domains, including asset management, investment brokerage, global business, and auditing. This broad exposure has shaped him into a well-rounded finance professional with a comprehensive understanding of both local and international financial practices. He currently leads the financial reporting and accounting functions at National Insurance Co. Ltd and NIC Properties Co. Ltd, where he is instrumental in driving strategic financial oversight, reporting integrity, and operational excellence.

16. Mr. Thyagarajan (Josen) Runghen, Lead – Actuarial & Pensions

Mr. Thyagarajan Runghen is a seasoned actuarial executive holding a Bachelor of Science degree in Actuarial Science and Statistics and is a CAA member of the Institute and Faculty of Actuaries (IFoA). With over 15 years of experience in the insurance industry, he has developed a broad range of skills and expertise, having held various leadership positions in Business Intelligence, Investment, Actuarial, and Pension departments. Mr. Runghen has played a pivotal role in several key projects that have driven innovation and growth at National Insurance Co. Ltd, including the development of new products and lines of business. Currently, he leads the Actuarial Department at National Insurance Co. Ltd as well as the Pension department where he is responsible for overseeing the administration and development of the BAI Group Pension Fund and of the NIC Multi-Employer Pension Scheme.

17. Mr. Ashvind Ruttun, Senior Project Manager – Property Development

Mr. Ruttun is a Chartered Engineer from the Engineering council, UK. Registered with the Council of Registered Professional Engineers (CRPE), Mauritius. He is presently in charge of Real Estate development at NIC Properties Co. Ltd. He has been in practice as an Engineer and Project Development manager and cumulates over 15 years of professional experience in the Real Estate sector. He is also a PMP (Project Management Professional) and has held several senior positions on a number of International projects in Middle East and Africa.

18. Ms. Hema (Anousha) Reesaul, Lead – Portfolio Development & Underwriting

Ms. Reesaul holds a Master's in Financial Advisory from LIMRA, LOMA & LL Global, Inc., and is currently pursuing ACCA Professional Qualifications. With over two decades of industry experience, she has held key positions at HSBC and ex-BAI Co (Mtius) Ltd, excelling in business development, corporate sales, and portfolio management. Ms. Reesaul is currently the Lead – Portfolio Development & Underwriting at National Insurance Co. Ltd, where she plays a strategic role in developing life insurance products, ensuring underwriting excellence, and enhancing portfolio performance while maintaining regulatory compliance. Her scope of responsibilities also extends to overseeing customer service, bancassurance, as well as the organisation's mailing and registry operations. Her strong interpersonal skills, forward-thinking mindset, and commitment to innovation continue to drive operational efficiency and service excellence. In recognition of her leadership and professional dedication, she was awarded the "PLC Regular Title" by PLC Leadership 5.0 in collaboration with the University of Technology, Mauritius.

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19. Mr. Sajdeo Gokool, Lead – Legal & Compliance

Mr. Gokool holds an LLB (Hons) and a Postgraduate Diploma in Financial Services. He also completed the Financial Crime Competency Programme from the Financial Services Institute. He has over 14 years of professional experience in the insurance and global business sector. He was formerly a Corporate Administrator and Legal & Compliance Officer at the Polaris Global Services Limited and a Compliance Officer at the BAI Co. (Mtius) Ltd. He joined the National Insurance Co. Ltd as Compliance Officer in July 2015 and was promoted to Manager – Compliance in September 2021 and eventually as Lead – Legal and Compliance with effect from January 2024. He is presently responsible for the compliance and legal related matters, acts as Deputy Money Laundering Reporting Officer (DMLRO) for the National Insurance Co. Ltd, NIC General Insurance Co. Ltd, NIC Properties Co. Ltd and NIC Micro Finance Co. Ltd.

20. Ms. Pratalini (Priscilla) Nallan, Lead – Marketing, CSR & PR

Ms. Nallan is an accomplished professional in Marketing, Corporate Communication, Public Relations, CSR, and Project Management, primarily in the Insurance and Financial Services Sector. She currently serves as the Lead for Marketing, PR, Communication, CSR, and Event Management at NIC, where she is entrusted with aligning brand visibility and stakeholder engagement strategies with the company's corporate governance framework and long-term vision. Armed with a Master's degree in Communication and Public Relations, an MBA in Project Management, and a Bachelor's in Management with Law, Ms. Nallan brings a strong academic foundation and cross-functional expertise to the table. Her leadership spans the formulation and execution of integrated strategies in brand management, digital engagement, corporate social responsibility, and national outreach campaigns.

At NIC, she spearheads high-impact initiatives that not only enhance the company's public image but also create measurable social value through CSR programmes in partnership with NGOs, educational bodies, and government stakeholders. She has a strong track record consistently reporting on outcomes to senior leadership and the Board.

Her career reflects a commitment to ethical leadership, transparency, and continuous improvement — values that resonate with the principles of good governance and corporate responsibility.

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The **National Insurance Co. Ltd** (the “Company”) is a public interest entity, as per the Financial Reporting Act 2004, and is licensed by the Financial Services Commission as an Insurer to carry out long term Life insurance business. The Company has always been committed to observing high standards of Corporate Governance, promoting corporate transparency and enhancing Shareholder value. The Company’s objective from a corporate governance perspective is to comply with all the principles and guidelines set out in the National Code of Corporate Governance for Mauritius (2016) (“the Code”) and endeavour to adopt the best practices of Governance mentioned in the National Committee on Corporate Governance (“NCCG”) Corporate Governance Scorecard for Mauritius (2021).

The NIC Group consists of the National Insurance Co. Ltd, its subsidiaries (the NIC Properties Co. Ltd, NIC Micro Finance Co. Ltd and NIC Healthcare Ltd) and the NIC General Insurance Co. Ltd. The principles of good governance are followed and applied throughout the Group. However, the respective Boards of each company retain and set their own corporate governance responsibilities which are aligned with the parent company’s principles of good governance, policies and procedures.

The Board has assessed its corporate governance in terms of the eight Principles of the Code. This report thus outlines the Company’s corporate governance processes, its compliance level to all the Principles contained in the Code, and provides explanations for any non-compliance. Overall, the Board is satisfied that it has applied in all material respects, the Principles of the Code throughout the financial year.

1. PRINCIPLE ONE - GOVERNANCE STRUCTURE

“All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.”

1.1 Governance Framework

The Board of Directors of the Company serves as the focal point of corporate governance in the Group. The Board is collectively accountable and responsible for the long-term success of the Company and its subsidiaries, its reputation and governance. The Board also assumes the responsibility for leading and controlling the Company and meeting all its legal and regulatory requirements across the Group.

The Group operates within a clearly defined governance framework which provides for delegation of authority and clear lines of responsibility, while enabling the Board to retain effective control. As such, the Board of the Company is ultimately responsible for the management of risk, compliance with laws, performance and affairs of the Group in a transparent, effective and accountable manner.

The Board takes its fiduciary responsibilities very carefully. Each Director is appointed with the understanding of the amount of time and care that he will need to devote to the Board and to the organisation for it to prosper.

The Board has approved all the guiding documents and policies, including Board/Committees Charters and statement of key governance responsibilities and accountabilities. The governance documents are available on the Company’s website. The governance documents are reviewed at least once annually to keep abreast of the development in legislations and governance best practices. Any change is approved by the Board.

1.2 Board Governance Structures

The Board has structured itself in a way that it can provide its focus and attention to the key areas of the business through established Board Committees with clear terms of reference. The delegation of authority to any Board Committee does not discharge the responsibility of the Board as regards actions and decisions of such Committees.

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The Board was supported by seven (7) Board Sub-Committees namely the:

- (a) Audit and Risk Committee
- (b) Corporate Governance and Ethics Committee
- (c) HR Committee
- (d) Finance, Investment and Procurement Committee
- (e) Credit Committee
- (f) Group Strategy and Restructuring Committee (*)
- (g) CSR Committee (*)

(*) Subsequent to the reporting period, the new constituted Board has streamlined the Committees to focus on Audit and Risk Committee, Finance, Investment and Procurement Committee, HR Committee, Credit Committee and Corporate Governance and Ethics Committee. The Group Strategy & Restructuring Committee and CSR Committee were discontinued with effect from 08 July 2025 given that the restructuring mandate had substantially been completed and CSR/stakeholder matters continue to be overseen by the Board.

1.3 Key Governance Documents

The main governance documents of the Company are the Board and Committee Charters, the Code of Ethics, Anti-corruption policy, whistle blowing policy, clear job description for each Senior Officer and Organisation Chart/Organigram.

1.4 Key Governance Positions

Details of the key governance positions are provided in the statement of key governance responsibilities and accountabilities, which is published on the Company's website.

1.4.1 Chairperson of the Board

The Chairperson of the Board provides leadership to the Board and ensures effective implementation of the Board decisions. His role includes:

- Ensuring the effective operation of the Board and its sub-committees in conformity with the highest standards of corporate governance
- Ensuring all committees are properly established
- Planning the schedule of meetings and agenda
- Coordinating with the Company Secretary and ensure that the Board receives information on a timely basis
- Establishing a harmonious and open relationship with the CEO and other senior staff.

He also acts as spokesperson for the Board and is the principal contact for the Executive team. The Chairperson and the Executive team of the Company meet regularly. The Chairperson of the Board presides over the meetings of the Shareholders.

Mr. Vikash Peerun was the Chairperson of the Board up to 11 October 2024.

Mr. Santosh Kumar Gujadhur has been appointed as Chairperson of the Board since 27 May 2025.

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1.4.2 Chief Executive Officer

The CEO is appointed by the Board of Directors. The key responsibilities of the CEO are as follows:

- Formulating and successfully implementing Company and Group policy
- Putting in place adequate operational planning and financial control systems
- Closely monitoring the operating and financial results against plans and budgets
- Taking remedial action where necessary and informing the Board of significant changes
- Maintaining operational performance of the Company
- Building and maintaining a full executive team
- Developing strategic operating plans

The responsibilities of the CEO are held by the Group Officer-In-Charge & Chief Operating Officer, **Dr. Oumeshsingh (Rishi) Sookdawoor**.

1.4.3 Chairpersons of Board Committees

The Chairpersons of the Board committees work in close cooperation with and provide support and advice to the Chairperson of the Board. The Board has constituted seven committees, namely, (i) Audit and Risk Committee; (ii) Corporate Governance and Ethics Committee; (iii) HR Committee; (iv) Finance, Investment and Procurement Committee; (v) Group Strategy and Restructuring Committee; (vi) CSR Committee; and (vii) Credit Committee

The **Audit and Risk Committee** was chaired by Mr. Kresh Seebundhun up to 09 October 2024. Mr. Cheeneebash Beeshamlall was appointed Chairperson of the Audit and Risk Committee with effect from 08 July 2025.

The **Corporate Governance and Ethics Committee** was chaired by Mrs. Tej Asha Mudhoo up to 15 November 2024. Mr. Vivekanand Lochun was appointed Chairperson of the Corporate Governance and Ethics Committee with effect from 08 July 2025 till 15 May 2026.

The **HR Committee** was chaired by Dr. (Mrs) Arty Rambharush up to 17 November 2024. Mr. Viraj Fulena was appointed Chairperson of the HR Committee with effect from 08 July 2025.

The **Finance, Investment and Procurement Committee** was chaired by Mr. Dhirshantsingh Ramkelawon up to 15 November 2024. Mr. Hashim Joomye was appointed Chairperson of the Finance, Investment and Procurement Committee with effect from 08 July 2025.

The **Credit Committee** was chaired by Mrs. Nalini Gopaul Dookhee up to 18 November 2024. Mr. Hashim Joomye was appointed Chairperson of the Credit Committee with effect from 08 July 2025.

The **Group Strategy and Restructuring Committee** was chaired by Mr. Vikash Peerun up to 11 October 2024 and the Committee was subsequently discontinued.

The **CSR Committee** was chaired by Mr. Vikash Peerun up to 11 October 2024 and the Committee was subsequently discontinued.

1.4.4 The Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources to perform their duties to the Shareholders under the relevant legal frameworks. The Company Secretary is also responsible for the organisation and co-ordination of the Board and Shareholders' meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

Prime Partners Ltd is the Company Secretary of the National Insurance Co. Ltd. Prime Partners Ltd is a wholly owned subsidiary of The State Investment Corporation Limited, itself wholly held by the Government of Mauritius and is actively involved in the provision of statutory corporate secretarial services and registrar and transfer office services to Domestic Companies/Trusts/Mutual Funds registered in Mauritius through their qualified resources.

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1.5 Other Key Governance Responsibilities and Accountabilities - Senior Management

The job descriptions of Senior Management are also detailed in the statement of key governance responsibilities and accountabilities.

Group Officer-In-Charge and Chief Operating Officer

The Board has appointed a Group Officer-In-Charge who is also the Group Chief Operating Officer.

The Group Officer-In-Charge and Chief Operating Officer provides strategic leadership, directs and leads the implementation of key business strategies of NIC Group including new ventures. He is responsible for the overall management and operations of the businesses of NIC Group.

The Group Officer-In-Charge and Chief Operating Officer is **Dr. Oumeshsingh (Rishi) Sookdawoor**.

Group Chief Financial Officer and Chief Officer - Lending

The Group Chief Financial Officer and Chief Officer - Lending provides strategic leadership and oversees the implementation of the business strategies and shared services of NIC Group. The Group Chief Financial Officer is responsible for the overall finance, investments, actuarial, lending and pensions operations of NIC Group.

The Group Chief Financial Officer and Chief Officer - Lending is **Mr. Shakeel Summun**.

Group Chief Services Officer and Chief Officer - Insurance

The Group Chief Services Officer and Chief Officer - Insurance provides strategic leadership and oversees the implementation of the business strategies and shared services of NIC Group. The Group Chief Services Officer is responsible for the Life and General Insurance Operations, as well as the shared services functions of Human Resources, and Legal & Compliance. She also acts as the Compliance Officer and MLRO of the Company.

The Group Chief Services Officer and Chief Officer - Insurance is **Mrs. Chitra Devi (Reena) Moonosamy**.

Head – Finance Operations

The Head – Finance Operations provides strategic leadership and oversees the implementation of the functional strategies and shared services of the NIC Group comprising mainly the finance operations and financial reporting of Life and General insurance businesses.

The Head – Finance Operations is **Mr. Kavidutt Dinand**.

Head – Loan Operations

The Head – Loan Operations provides strategic leadership and oversees the implementation of the functional strategies of the lending activities and is responsible for the Loan Operations of the Company.

The Head – Loan Operations is **Mr. Randawah (Vikash) Hulooman**.

Internal Auditor & Risk Officer

The Internal Auditor independently assesses the Company's risks and the effectiveness of its risk management framework and the efficiency of the control systems.

The Internal Auditor is **Mr. Thanadass (Ashish) Bucktowar**. He also acts as the Risk Officer and is responsible for the risk management function of the Life and General Insurance businesses. Mr Bucktowar also oversees the Ethics Office to ensure all ethics related issues, as reported, are attended to and addressed accordingly.

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Head- Life Insurance Operations, New Business & Underwriting

The Head- Life Insurance Operations, New Business & Underwriting provides strategic leadership and oversees the overall Life Insurance businesses. He provides functional leadership, implements strategies to attain business objectives and is responsible for the day to day operations of the life insurance activities including underwriting and claims management.

The Head – Life Insurance Operations, New Business & Underwriting is **Mr. Nazir Sumun**.

Head – Sales and Business Development

The Head – Sales & Business Development provides strategic leadership and oversees the implementation of the functional strategies and shared services of the NIC Group comprising mainly Business Development and Sales.

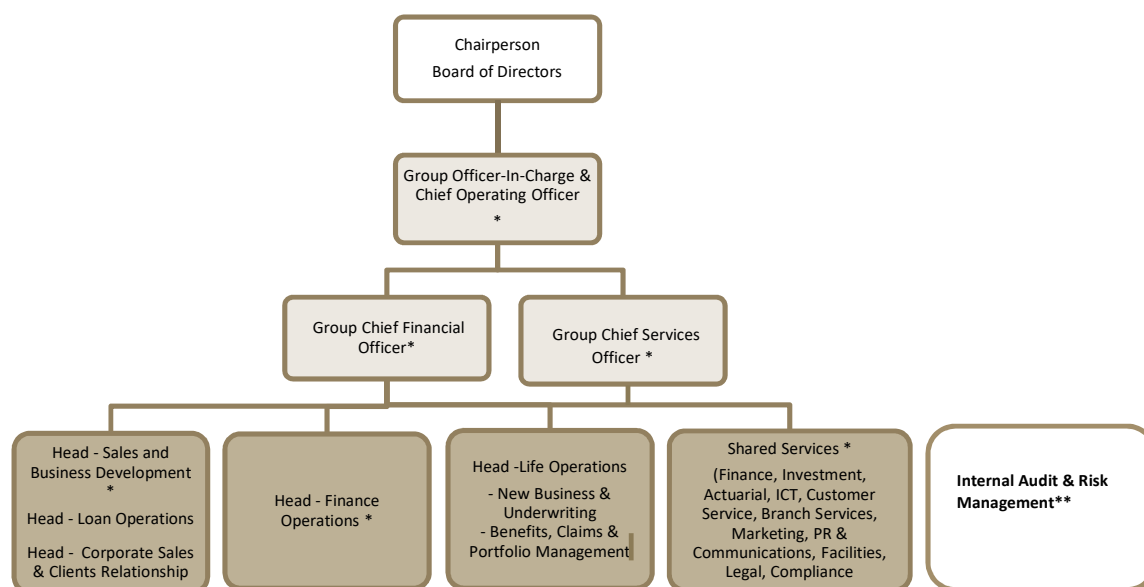
The Head – Sales and Business Development is **Mr. Vinaye Kumar Seebaluck**.

Head – Corporate Sales & Clients Relationship, Marketing & CSR Operations

The Head – Corporate Sales & Clients Relationship, Marketing & CSR Operations provides strategic leadership and oversees the implementation of the functional strategies and shared services of the NIC Group comprising mainly Corporate Sales, Marketing & PR, Customer Service, Branch Operations & Accredited Agencies.

The Head – Corporate Sales & Clients Relationship, Marketing & CSR Operations is **Mr Krsna Coopposamy**.

1.6 Organisation Chart



** Also fulfils a shared role / operates as a shared service across the Group*

*** Audit & Risk Management function reports directly to the Audit and Risk Committee of the Board and reports administratively to the Group Officer-In-Charge & Chief Operating Officer.*

The Company is structured in a way that blends direct accountability of core functional responsibilities as well as optimises its specialist and support resources in a “Shared Services Model” serving the entire business requirements of the NIC Group (National Insurance Co. Ltd, NIC General Insurance Co. Ltd, NIC Properties Co. Ltd and NIC Micro Finance Co. Ltd).

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2. PRINCIPLE TWO - STRUCTURE OF THE BOARD & ITS BOARD COMMITTEES

“The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors, and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board’s decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.”

2.1 Board Structure & Composition

Pursuant to the provisions of Section (30)(2) of the Insurance Act 2005, the Company had for the purpose of the composition of its Board of Directors, at least seven (7) natural persons of which at least 30 percent (30%) are independent Directors. The Board is unitary and the Directors considered that the Board was of reasonable size and that its members possess the right mix of skills and experience to provide leadership, reflect integrity and make judgment for managing the affairs of the Company.

The Board recognises the importance of diversity and is committed to improving gender balance within its composition over time.

As at 30 June 2025, the Board consisted of **eight (8) Directors**, whose appointments are detailed below:-

No.	Name of Directors	Date of appointment	Date of cessation	Classification
Existing Director				
1.	Mrs. Narvada Pultoo	27 January 2022	-	Non-Independent & Non-Executive
Directors appointed during the financial year 30 June 2025				
2.	Mr. Santosh Kumar Gujadhur	27 May 2025	-	Independent & Non-Executive
3.	Dr. Oumeshsingh Sookdawoor	15 May 2025	-	Executive
4.	Mr. Alvin Joyekurun	23 May 2025	-	Independent & Non-Executive
5.	Mr. Beeshamlall Cheeneebash	27 May 2025	-	Independent & Non-Executive
6.	Mr. Vivekanand Lochun	17 June 2025	15 May 2026	Independent & Non-Executive
7.	Mr. Viraj Fulena	15 May 2025	-	Independent & Non-Executive
8.	Mr. Hashim Joomye	15 May 2025	-	Independent & Non-Executive
9.	Mrs. Marie Laura Kareen Shock Torap Laroche	24 December 2024	27 May 2025	Non-Independent & Non-Executive
Directors who served and ceased to be Directors during the year 2025				
1.	Mr. Vikash Peerun	20 February 2020	11 October 2024	Non- Independent & Non-Executive
2.	Dr. Sudhirsan Kowlessur	27 January 2022	15 November 2024	Non-Independent & Non-Executive
3.	Mr. Rouben Krishna Dorasami	18 February 2021	15 November 2024	Independent & Non-Executive
4.	Mrs. Nalini Gopaul Dookhee	18 February 2021	18 November 2024	Independent & Non-Executive
5.	Mrs. Tej Asha Mudhoo	05 December 2019	15 November 2024	Non-Independent & Non-Executive
6.	Dr. (Mrs) Arty Rambharush	25 May 2017	17 November 2024	Independent & Non-Executive
7.	Mr. Dhirshantsingh Ramkelawon	18 February 2021	15 November 2024	Independent & Non-Executive
8.	Mr. Kresh Seebundhun	11 December 2019	09 October 2024	Non-Independent & Non-Executive

All the Directors were ordinarily resident in Mauritius. The profiles of the current Directors are on pages 3 to 4 and on the Company’s website.

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2.2 Board Diversity

The Company is committed to fostering gender balance and equal opportunity at all levels of its operations and governance structures. As at 30 June 2025, the Board included one female Director. The Company continues to actively promote diversity and is taking steps to enhance female representation on the Board, in line with good governance practices and the Government's vision for greater inclusion of women in senior leadership positions.

2.3 Directorship

2.3.1 Executive Director

As at 30 June 2025, the Board included the Group Officer-In-Charge & Chief Operating Officer as an Executive Director, following his appointment on 15 May 2025. Day-to-day management of the Company's operations continues to be overseen by the Executive Director, who reports directly to the Board. In addition, other members of senior management, including the Group Chief Financial Officer and the Group Chief Services Officer, regularly attend Board and Committee meetings. The Board is satisfied that current arrangements ensure adequate executive input into Board deliberations.

2.3.2 Director's Independence Review

The Code requires that the Board should normally have at least two Independent Directors. The Insurance Act 2005 stipulates that the Board should be composed of at least 30 percent (30%) Independent Directors.

As at the reporting date, the Board comprised six (6) Independent Directors out of eight (8) members, representing 75% of its composition.

The Board was determined to ensure that on an annual basis, and as and when the circumstances require, whether or not a Director is independent.

2.3.3 Non-Executive Directors

The Non-Executive Directors constructively challenge and help develop proposals on strategy, review the performance of management in attaining goals and objectives, monitor the reporting of performance and meet and/or hold discussions at least annually without the presence of Management.

2.4 Board Meetings

The Board met thrice during the financial year ended 30 June 2025. The Board deliberated on a range of matters including:

- a) Review of various strategic matters including the progress of the Restructuring Plan, Investment Mandates, Assets and Investment performances, Enterprise Risk Management Framework, HR Restructuring and Optimisation, Financial & Business Performances, Capital Management, Corporate Governance Policies including Ethics and Whistle-blowing, AML-CFT Framework and Data Protection Policy and the development of the Loan business;
- b) Review and launch of the NIC product suites and offerings;
- c) Assessment of the strategic and expansion projects at the level of NIC Group, more specifically for the development of the Micro Finance activities in Mauritius, Green Leasing initiatives and embracing digital transformation with sound business partners, with a view to explore avenues for collaboration with potential business partners, financial services and technology specialists in India;
- d) Conduct of feasibility for new market as part of the Overseas Expansion Project in Africa & India;
- e) Consideration of the IFRS 17 implementation project by the Company; and
- f) Examination, consideration and endorsement of the recommendations of various Board Committees.

The Company provides the Directors appropriate tools to accede to the Board Portal which facilitates secure digital communication of Board Papers.

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2.4.1 Former Board Members and attendance during the year under review

No.	Name of Directors	Classification	Board Meetings attendance (3)
1.	Mr. Vikash Peerun	Non-Independent & Non-Executive	3/3
2.	Dr. Sudhirsan Kowlessur	Non-Independent & Non-Executive	2/3
3.	Mr. Rouben Krishna Dorasami	Independent & Non-Executive	3/3
4.	Mrs. Nalini Gopaul Dookhee	Independent & Non-Executive	3/3
5.	Mrs. Narvada Pultoo	Non-Independent & Non-Executive	2/3
6.	Mrs. Tej Asha Mudhoo	Non-Independent & Non-Executive	3/3
7.	Dr. (Mrs) Arty Rambharush	Independent & Non-Executive	3/3
8.	Mr. Dhirshantsingh Ramkelawon	Independent & Non-Executive	3/3
9.	Mr. Kresh Seebundhun	Non-Independent & Non-Executive	3/3

2.5 Board Committees for the year ended 30 June 2025

The Board has constituted the following committees to assist in fulfilling its responsibilities:-

- (a) **Audit and Risk Committee**
- (b) **Corporate Governance and Ethics Committee**
- (c) **Finance, Investment and Procurement Committee**
- (d) **HR Committee**
- (e) **Group Strategy and Restructuring Committee (*)**
- (f) **CSR Committee (*)**
- (g) **Credit Committee**

(*) These Committees were discontinued when the new Board was reconstituted in 2025.

The Board acknowledges that delegating authorities to these committees does not discharge itself from its responsibilities and fiduciary duties.

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2.5.1 Audit and Risk Committee

The Audit and Risk Committee is governed by a Charter which has been approved by the Board and is available on the Company's website.

The duties of the Audit and Risk Committee include amongst others:-

- Examining and reviewing the quality and integrity of the financial statements of the Company including its annual report;
- Complying with International Financial Reporting Standards and legal requirements;
- Keeping under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
- Reviewing the annual compliance work plan and other reports from the Compliance function;
- Approving the internal audit plan and reviewing the internal audit report
- Keeping under review potential legal and litigation cases; and
- Considering and making recommendations to the Board, to be put to the Shareholders for approval at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the Company's External Auditors.

In performing its function, the Audit and Risk Committee meets regularly with the internal and external auditors. Where necessary, separate meetings are held without the presence of Management. The internal and external auditors have unrestricted access to the Audit and Risk Committee.

The Committee met once during the year.

Audit and Risk Committee Members and attendance during the year under review

No.	Name of Members	Role	Committee Meetings attendance (1)
1.	Mr. Kresh Seebundhun	Chairperson	1/1
2.	Mr. Rouben Krishna Dorasami	Member	1/1
3.	Mr. Dhirshantsingh Ramkelawon	Member	1/1
4.	Dr. Sudhirsan Kowlessur	Member	1/1

2.5.2 Corporate Governance and Ethics Committee

The Corporate Governance and Ethics Committee is governed by a Charter which has been approved by the Board and is available on the Company's website.

The duties of the Corporate Governance & Ethics Committee include, amongst others, the following:-

- Overseeing the implementation of the corporate governance framework;
- Establishing a clearly defined and documented Code of Ethics and ensuring that a process is in place to ensure compliance; and
- Monitoring the ethical conduct of the Company, its executives, senior officers, employees and intermediaries and ensuring that the latter are in compliance with relevant legislations, regulations and other requirements relevant to ethical behaviour.

The Committee did not meet during the year.

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Corporate Governance and Ethics Committee Members and attendance during the year under review

No.	Name of Members	Role	Committee Meetings attendance (0)
1.	Mrs. Tej Asha Mudhoo	Chairperson	0/0
2.	Dr. (Mrs) Arty Rambharush	Member	0/0
3.	Mr. Kresh Seebundhun	Member	0/0
4.	Mrs. Narvada Pultoo	Member	0/0

2.5.3 Finance, Investment and Procurement Committee

The Finance, Investment and Procurement Committee is governed by a Charter which has been approved by the Board and is available on the Company's website.

The duties of the Finance, Investment & Procurement Committee include, amongst others, the following:

- Assessing and reviewing the business plan, annual budget and extra-budgetary provisions of the Company;
- Formulating and reviewing the investment strategies and policies of the Company;
- Ensuring implementation of the investment mandate as approved by the Board;
- Formulating policies and procedures relating to procurement and ensuring compliance with relevant legal/regulatory framework; and
- Considering Investment and Procurement proposals falling under its scope.

The Committee met thrice during the year.

Finance, Investment and Procurement Committee Members and attendance during the year under review

No.	Name of Members	Role	Committee Meetings attendance (3)
1.	Mr. Dhirshantsingh Ramkelawon	Chairperson	3/3
2.	Mr. Kresh Seebundhun	Member	3/3
3.	Mrs. Nalini Gopaul Dookhee	Member	3/3
4.	Mrs. Narvada Pultoo	Member	2/3

2.5.4 HR Committee

The HR Committee is governed by a Charter which has been approved by the Board and is available on the Company's website.

The duties of the Human Resource Committee include, amongst others, the following:-

- Providing direction with regards to the Human Resource strategy including key objectives, plans and workforce requirements;
- Considering succession planning for Officers, Senior Officers and Executives, taking into account the challenges and opportunities facing the Company, and the skills/expertise needed in relation thereto;
- Remuneration and nomination of such Officers and Executives of the Company within the Grade of Managers and above, as may be applicable; and
- Overseeing any major change in organisational and employee benefits structures across the Company.

The Committee met thrice during the year.

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HR Committee Members and attendance during the year under review

No.	Name of Members	Role	Committee Meetings attendance (3)
1.	Dr. (Mrs) Arty Rambharush	Chairperson	3/3
2.	Mrs. Nalini Gopaul Dookhee	Member	1/3
3.	Mr. Rouben Krishna Dorasami	Member	3/3
4.	Dr. Sudhirsan Kowlessur	Member	3/3

2.5.5 Group Strategy and Restructuring Committee

The Group Strategy and Restructuring Committee has been set up at the level of National Insurance Co. Ltd to look into the strategy and restructuring plan of NIC Group. It is governed by a Charter which has been approved by the Board and is available on the Company's website.

The duties of the Group Strategy and Restructuring Committee include, amongst others, the following:-

- Steering and ensuring the successful implementation of the Revised Restructuring Plan within the set timeframe;
- Steering the strategic orientation of the NIC Group for long term sustainability and value creation, including the setup of new lines of businesses and expansion in new markets overseas; and
- Reporting to the respective Boards of NIC Group on a regular basis, and the Project Supervision Committee at the level of the Ministry of Financial Services and Good Governance (the 'Parent Ministry'), quarterly or as and when required on matters pertaining to the Restructuring Plan of the Company.

The Committee did not meet during the year.

No.	Name of Members	Role	Committee Meetings attendance (0)
1.	Mr. Vikash Peerun	Chairperson	0\0
2.	Mrs. Tej Asha Mudhoo	Member	0\0
3.	Dr. Sudhirsan Kowlessur	Member	0\0
4.	Mr. Rouben Krishna Dorasami	Member	0\0

2.5.6 CSR Committee

The CSR Committee has been set up at the level of National Insurance Co. Ltd to look into all Corporate Social Responsibility ("CSR") related matters of NIC Group. It is governed by a Charter which has been approved by the Board and is available on the Company's website.

The duties of the CSR Committee include, amongst others, the following:-

- Establishing the CSR strategy and programme while ensuring that it remains an integral part of NIC Group's strategy;
- Encouraging the development of policies on all aspects of CSR including community & social investment, health & safety of citizens, human rights, workforce diversity & inclusion, the environment, compliance with ethical business practices and norms, and other CSR-related matters, as may be determined by the Committee from time to time; and
- Reviewing the integration of CSR processes with NIC Group's broader business risk management programme and reputation management priorities.

The Committee did not meet during the year.

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No.	Name of Members	Role	Committee Meetings attendance (0)
1.	Mr. Vikash Peerun	Chairperson	0\0
2.	Mrs. Narvada Pultoo	Member	0\0
3.	Dr. (Mrs) Arty Rambharush	Member	0\0

2.5.7 Credit Committee

The Credit Committee has been set up at the level of National Insurance Co. Ltd to consider and approve Corporate Loan up to a prescribed limit, as well as to assess and recommend Corporate Loan above the said limit to the Board of Directors.

The duties of the Credit Committee include, amongst others, the following:-

- Considering and approving corporate loan requests as per authority given to it as may be established from time to time and reviewing loan agreements (with the guidance of the Legal Department) as may be required to ensure that they are complete and accurate according to lending guidelines, policies and procedures as may be established from time to time;
- Evaluating and recommending for approval by the Board of Directors of corporate loan amounts beyond the authorisation limits of the Committee;
- Monitoring and reviewing performance of corporate loan portfolio and providing guidance as may be applicable;
- Reviewing the major findings of internal investigations (including those of external audit, internal audit and internal control) and management's response as part of the system of control in respect of loan activities and making recommendations where necessary;
- Ensuring compliance with laws, including but not limited to laws pertaining to lending, asset forfeiture, property seizure and AML- CFT; and
- In case of default and incapacity to repay as per agreed terms and conditions and upon written request of the client, it will be the Committee's discretion to consider any new payment arrangement on a case to case basis.

The Committee met once during the year.

Credit Committee Members and attendance during the year under review

No.	Name of Members	Role	Committee Meetings attendance (1)
1.	Mrs. Nalini Gopaul Dookhee	Chairperson	1/1
2.	Mr. Randawah (Vikash) Hulooman	Member	1/1
3.	Mrs. Tej Asha Mudhoo	Member	1/1
4.	Mr. Shakeel Summun	Member	1/1
5.	Mr. Dhirshantsingh Ramkelawon	Member	1/1
6.	Mr. Kresh Seebundhun	Member	1/1

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2.6 Directorships of Directors in other Companies

Name of Directors	Name of Company	Designation
<u>Directors appointed during the financial year 30 June 2025</u>		
Mr. Santosh Kumar Gujadhur	NIC General Insurance Co. Ltd	Chairman
	Mauritius Turf Club (MTC)	President
	MTC Jockey Club	Chairman
Dr. Oumeshsingh Sookdawoor	NIC General Insurance Co. Ltd	Executive Director
Mrs. Narvada Pultoo	None	None
Mr. Alvin Joyekurun	NIC General Insurance Co. Ltd	Director
Mr. Hashim Joomey	Advisory Capital Ltd	Director (Appointed on May 2017)
	IQ EQ Investment Advisors (Mauritius) Ltd	Chairman (Appointed on March 2021)
	Helion Venture Partners LLC	Director (Appointed on June 2021)
Mr. Viraj Fulena	None	None
Mr. Cheeneebash Beeshamlall	The Edge Business Services Limited	Director (Appointed on 03 April 2024)
	Castle Rock Business Services Limited	Director (Appointed on 03 March 2025)
<u>Officers who served and ceased to be Directors during the year 2025 or subsequently</u>		
Mr. Vivekanand Lochun	NIC General Insurance Co. Ltd	Director
Mr. Vikash Peerun	NIC General Insurance Co. Ltd	Chairman
	NIC Properties Co. Ltd	Chairman
	NIC Micro Finance Co. Ltd	Chairman
	NIC Multi Employer Pension Scheme	Chairperson (Trustee)
Mr. Rouben Krishna Dorasami	NIC General Insurance Co. Ltd	Director
	NIC Micro Finance Co. Ltd	Director
	Dora Floral Ltd	Director
Mrs. Nalini Gopaul Dookhee	NIC General Insurance Co. Ltd	Director
	NIC Micro Finance Co. Ltd	Director
Mrs. Tej Asha Mudhoo	NIC General Insurance Co. Ltd	Director
Dr. (Mrs) Arty Rambharush	NIC General Insurance Co. Ltd	Director
Dr. Sudhirsan Kowlessur	NIC General Insurance Co. Ltd	Director
Mr. Dhirshantsingh Ramkelawon	NIC General Insurance Co. Ltd	Director
Mr. Kresh Seebundhun	NIC General Insurance Co. Ltd	Director
	NIC Micro Finance Co. Ltd	Director
	Multi Carrier Mauritius Ltd	Director

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3. PRINCIPLE THREE – DIRECTORS APPOINTMENT PROCEDURES

“There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of Directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard to the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.”

3.1 Appointment of Directors

The appointment of Directors is made by the Shareholder having regard to competencies, experience and organisational requirements subject to a predetermined process governed by the Companies Act 2001, the Financial Services Act 2007 and the Insurance Act 2005.

In accordance with its Charter, the HR Committee has the following responsibilities:-

- Keeping under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace; and
- Remuneration and nomination of such Officers and Executives of the Company within the Grade of Managers and above, as may be applicable.

The proposed appointee is required to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

The Board considers its succession very carefully and assumes responsibility for succession planning. The HR Committee is responsible to give consideration to succession planning for senior executives in the course of their work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

3.2 Professional Development

Directors are encouraged to keep themselves updated with industry practices, trends, practices and standards. As and when required or requested, the Company organises workshops and arranges for training of Directors. During the Board evaluation exercise, Board Members are invited to indicate any training development programme needs/requirements.

During the financial year 2025, the Board experienced a transitional period in its composition, during which only one Director remained in office for part of the year. As a result, no formal Board training sessions were conducted during the year. Governance oversight and operational continuity were maintained through appropriate shareholder oversight mechanisms and statutory governance arrangements.

Training and development needs are reviewed and addressed once the Board is fully constituted, as part of the ongoing Board effectiveness process.

Subsequently, Directors participated in training sessions on AML/CFT compliance and IFRS 17 implementation as part of ongoing Board development and capacity building. These sessions were held subsequent to the reporting period.

3.3 Induction

Upon appointment on the Board, Directors receive a comprehensive induction pack from the Company Secretary and have a briefing session from Management, providing them with sufficient knowledge and understanding of the nature of the business to enable them to effectively contribute to strategic discussions and oversight of the Company.

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4. PRINCIPLE FOUR - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

“Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation’s information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality to perform to required standards. The Board, Committees and individual Directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.”

4.1 Legal Duties

All Directors are aware of their fiduciary duties as laid out in the Companies Act 2001. The Directors act in good faith for the overall interests of the Company, to exercise reasonable care and skill as any prudent person would do, not to abuse their executive powers and to avoid entering into a situation of conflict of interest and to disclose any such conflict forthwith, among others.

The Board has also the functions of monitoring and to evaluate the performance of the Directors and to ensure prevention of corruption, insider dealing and conflict of interest.

4.2 Code of Ethics

The Code of Ethics, as approved by the Board, is published on the Company’s website.

4.3 Conflict of Interest

Board Members have a fiduciary duty to conduct themselves without conflict of the interests of the Company. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Company. The Company ensures that Directors declare any interest and report to the Chairman and Company Secretary any related party transactions. A register of conflict of interests is kept by the Company Secretary and is available to Shareholders upon written request to the Company Secretary.

4.4 Information Technology (IT) and Information Security Governance

The Board of Directors is conscious that in today’s world of technology, it is important to have a strategic plan for IT security aligned with the business strategy to achieve the goals set by the Group. The Board of Directors ensures that appropriate resources are allocated for the implementation of an IT framework and information security governance. The Company has adopted an IT Management policy which provides for the principles and recommended practices to achieve strategic goals identified and as approved by the Company’s Board. The policy covers all the information assets held by the organisation, including emails and social media and the Company is committed to apply and enforce Data Privacy Laws. The Group has a Data Protection Officer in place to ensure confidentiality and compliance with Data Protection Laws.

The Company has an IT Disaster Data Recovery Plan in place, with relevant back-ups so that all digital information are properly secured and safeguarded in different locations to ensure business continuity.

The Company continues to monitor IT governance, cybersecurity risks and data protection matters as part of its overall risk management framework, with oversight by management and periodic reporting to the Board to ensure that key risks are identified and appropriately managed.

4.5 Board Information

The Chairperson is responsible for ensuring that the Directors receive accurate, timely and clear information. The Company Secretary’s responsibilities include ensuring good information flows within the Board and its committees and between senior management and non-executive Directors. Management has an obligation to provide accurate, timely and clear information. Directors seek clarification or amplification where necessary.

The Board ensures that Directors have access to independent professional advice at the Company’s expense in cases where the Directors judge it necessary for discharging their responsibilities as Directors.

All Directors keep information relating to the Company, gathered in their capacity as Directors, strictly confidential and private and do not divulge them to anyone without the authority of the Board.

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4.6 Directors & Officers Liability Insurance

The Company has contracted a Management Liability Insurance policy (Directors & Officers Liability cover) with certain Underwriters at Lloyd's London and is effective from 18 September 2024 to 17 September 2025, in respect of legal action or liability that can arise against its Directors and Officers.

4.7 Board Evaluation

In order to enhance the effectiveness of the Board, a formal appraisal process to assess the performance of the Board and its sub-committees on a periodic basis is being established. The appraisal process focuses on key governance matters relevant to the Board's oversight responsibilities.

As part of this process, Directors will be invited to provide their views, opinions, and recommendations through a structured questionnaire issued by the Company Secretary in consultation with the Chairperson. The feedback received will be compiled by the Company Secretary and presented for consideration by the Board.

The Board remains committed to continuous improvement of its governance practices and effectiveness and continues to promote a collaborative and constructive environment that supports sound decision-making at Board level. The Board further undertakes to work in collaboration with Management and the Company Secretary to strengthen its performance on an ongoing basis, both individually and collectively.

4.8 Statement of Remuneration Philosophy

The Directors are remunerated for their knowledge, experience, insights and their collective contribution towards achievement of the Company's objectives. The remuneration of Directors is approved by the Shareholders and is aligned to similar state-owned companies.

The table below depicts the total fees earned by each Director during the year under review

No.	Name of Directors	Classification	Remuneration (MUR)
1.	Mr. Cheeneebash Beeshamlall	Independent & Non-Executive	24,818
2.	Mr. Hashim Joomye	Independent & Non-Executive	31,500
3.	Mr. Viraj Fulena	Independent & Non-Executive	31,500
4.	Mr. Alvin Joyekurun	Independent & Non-Executive	26,727
5.	Mr. Vikash Peerun	Non-Independent & Non-Executive	125,284
6.	Dr. Sudhirsan Kowlessur	Non-Independent & Non-Executive	109,500
7.	Mr. Rouben Krishna Dorasami	Independent & Non-Executive	109,500
8.	Mrs. Nalini Gopaul Dookhee	Independent & Non-Executive	117,455
9.	Mrs. Narvada Pultoo	Non-Independent & Non-Executive	228,182
10.	Mrs. Tej Asha Mudhoo	Non-Independent & Non-Executive	100,500
11.	Dr. (Mrs) Arty Rambharush	Independent & Non-Executive	105,000
12.	Mr. Dhirshantsingh Ramkelawon	Independent & Non-Executive	117,000
13.	Mr. Kresh Seebundhun	Non-Independent & Non-Executive	91,682
Total			1,218,648

Out of a total of MUR 1,218,648, 90% is in relation to monthly Board fees and the remaining 10% relates to Board Committees attendance fees.

The Executive Director is remunerated in his executive capacity in accordance with the Company's remuneration framework and terms of employment.

The Executive Director does not participate in decisions relating to his own remuneration. Oversight of remuneration matters is exercised by the Board through the HR Committee, in accordance with its Charter and delegated responsibilities.

The Company does not have any long-term incentive plans apart from the Occupational Pension Benefits provided to its eligible employees. The Directors do not benefit from long-term incentive plan.

The Directors have not received any remuneration in the form of share options or bonuses associated with organisational performance.

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5. PRINCIPLE FIVE – RISK GOVERNANCE & INTERNAL CONTROL

“The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.”

5.1 Risk Governance

The Board of Directors has ultimate responsibility for risk management and internal control and remains ultimately responsible for the setting up of a risk management framework, overseeing the implementation and subsequent monitoring, determining the risk culture and providing management with leadership and guidance. The Audit and Risk Committee is mandated by the Board to oversee all risk management and internal control issues. The task of implementing a robust system of risk management has been delegated to the Executive Team.

The Board evaluates on a regular basis the Company’s strategic risk, financial risk, compliance and operational risk.

5.2 Assurance on risk management processes

The Board relies on the internal and external audit functions to report on any weaknesses and to make recommendations via the Audit and Risk Committee, the objective being to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The internal and external auditors report directly to the Audit and Risk Committee on a regular basis for identification of any deficiency noted in internal processes and controls, compliance issues and any material misstatements noted in the financial reports.

5.3 The principal risks faced by the Company and the way in which each is managed are as follows:

The Company’s policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Company’s objectives.

Within the Company, the risk elements are viewed under the following headings:

- Capital Risk: The risk which arises from capital to support business plans, assessing solvency, the output of stress testing and future capital assessment;
- Credit Risk: The risk of a change in value due to actual credit losses deviating from expected credit losses due to the failure to meet contractual debt obligations or a deterioration in the creditworthiness of counterparties;
- Insurance Risk: The risk that arises from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities;
- Investment Risk: The risk which arises from asset and liability matching, valuation, concentration, liquidity and the application of any provision relating to investments as set out in the relevant Acts;
- Legal and Regulatory Risk: The risk that arises from an insurer’s non-compliance with laws, rules, regulations, prescribed practices, or ethical standards in any jurisdiction in which the institution operates. The operations of the Company and the Group as a whole are fully compliant with all the rules, regulations and policies laid down by the authorities and furthermore the Company regularly reviews its position towards any new regulations or amendments in the laws to ensure strict and ongoing compliance;
- Liquidity Risk: Liquidity risk is exposure to loss in the event that insufficient liquid assets will be available from among the assets supporting (among others) the policy obligations, to meet the cash flow requirements of the policyholder obligations when they are due, or that assets may be available, but only at excessive cost;
- Reinsurance Risk: The risk which arises from net retentions, catastrophe exposures, and exposures above the level of reinsurance protection, horizontal exposures as well as counterparty risk, credit risk and concentration risk;

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- Reputational Risk: The risk that adverse publicity regarding an insurer's business practices and associations, whether accurate or not, will cause a loss of confidence in the integrity of the organisation;
- Strategic Risk: The risk of a change in value due to the inability to implement appropriate business plans and strategies, make decisions, allocate resources, or adapt to changes in the business environment;
- Physical risks: Losses due to torrential rainfall, flood, fire, cyclones, riots, etc.;
- Operational risks: Operational risk is defined as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;
- Human resources risks: Losses arising from attrition, talent scarcity, health and safety laws, personal injury claims and acts inconsistent with employment, etc.;
- Technology risks: Includes hardware and software failures, systems development and support and maintenance aspects. The scalability of the legacy system to cover all classes of insurance and innovative products has been identified as an area of improvement. The implementation of a major state of the art system is presently underway that will provide enhanced scalability, integration, security, mobility and customer experience;
- Business continuity risks: Losses from inaccessible systems and worksites arising from major natural disasters and system failures. Accordingly, the organisation has reviewed and enhanced its disaster recovery infrastructure to mitigate any such risks;
- Financial risks: The identification and management of these risks are further discussed in Note 5 to the Financial Statements; and
- The organisation attended to the requirements of the Insurance (Risk Management) Rules 2016 for the year under review.

In conducting its annual review of the effectiveness of risk management, the Board considers the key findings from the ongoing monitoring and reporting processes, management assertions and independent assurance reports. The Board also takes account of material changes and trends in the risk profile and considers whether the control system, including reporting, adequately supports the Board in achieving its risk management objectives.

During the course of the year, the Board considered the Company's responsiveness to changes within its business environment including any change brought through statutes and regulations. The Board is satisfied that there is an ongoing process, which has been operational throughout the year.

5.4 Risk Management Framework and Own Risk and Solvency Assessment ("ORSA")

This Risk Management Framework ("RMF") outlines the approach of National Insurance Co. Ltd to risk management within the organisation. The RMF includes the establishment of risk principles and strategy, risk governance, a risk management process and risk resources in the Company's approach to risk. The RMF comprises all the strategies, systems, policies, processes, controls and resources for identifying, assessing, managing, monitoring and reporting on all material risks to which the Company is exposed.

The ORSA is defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks an insurance undertaking faces or may face and to determine the own funds necessary to ensure that insurers' overall solvency needs are met at all times and are sufficient to achieve its business strategy.

The Board is in process of appointing a specialised risk management services consultant to assist the Company in its journey in implementing the following in line with regulatory requirements:

- (i) Risk Management Framework;
- (ii) Liquidity Policy;
- (iii) Risk Appetite Statement;
- (iv) Own Risk & Solvency Assessment (ORSA) Policy;
- (v) Operational Risk Policy; and
- (vi) Outsourcing Policy.

The annual reviews of the above, for the year under review, by the Statutory Actuary and Auditor will be performed as per the requirement of the above-mentioned Rule.

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5.5 Compliance

The Company ensures that it adheres to all applicable legislations, rules and regulations and take appropriate measures to establish, review and reinforce its compliance objectives and functions. The Company has in place a Compliance Officer, a Money Laundering Reporting Officer (MLRO), a Data Protection Officer (DPO) and a Deputy Money Laundering Reporting Officer (DMLRO). The Company and the Group in general is fully committed to reduce the risk of money laundering through its various types of insurance policies and services. The Company has a robust AML/CFT policy in place and which is reviewed at least once every year. No material compliance breaches were reported during the financial year. The Compliance function continued its monitoring and reporting responsibilities.

5.6 Internal Audit

Internal Audit is an independent objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Company has clear and robust internal control procedures for the approval of all transactions, including AML/CFT policies and a clear reporting procedure for any suspicion of money laundering across the Group.

The Internal Audit activities are conducted at the Company by the Internal Audit Department under the supervision of the Internal Auditor. This falls under the aegis of the Audit and Risk Committee with a direct independent reporting line on all affairs relating to internal audits, controls and risk management.

5.7 Frameworks and processes for the sound management of risk and Internal Controls

The Board has delegated the authority to identify, manage and mitigate risks to the Audit and Risk Committee who has appointed an Internal Auditor for independently reviewing the effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems. This ensures that appropriate frameworks and effective processes are in place for a sound management of risk.

Management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit and Risk Committee which ensure that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented.

The Internal Auditor covers all key areas of activities, including IT. Any deviation in policies and non-performance of internal control are duly reported and discussed at large at Management and Board Audit and Risk Committee levels. Corrective actions are promptly taken, and regular follow ups are done. This enables the Board to derive assurance that the internal control systems are effective.

There have been no significant areas which were not covered by the Internal Auditor during the year. Based on the internal audit report, no major risk or deficiency has been found in the Company's system of internal controls that have been left unattended for remedial action.

5.8 Whistle-blowing rules and procedures

For any suspicious or illegal transactions, improper conduct or behaviour, Officers and Directors are encouraged to lodge reports promptly with the Money Laundering Reporting Officer as per the Financial Intelligence and Anti Money Laundering Act and Prevention of Corruption Act.

The Company continually maintains and enforces its Whistle-blowing and Anti-Money Laundering Policies to further supplement its current control systems.

Reported Whistle-blowing and ethics related cases are escalated to the Corporate Governance and Ethics Committee of the Board for consideration as appropriate.

5.9 Anti-Corruption Framework

The Group is committed to maintain the highest level of integrity to fully and unequivocally adopt a zero-tolerance stance towards corruption and malpractices.

Consequently, the Company has developed an Anti-Corruption Policy and corruption prevention strategies to further supplement its existing Code of Ethics as well as the setting up of an Anti -Corruption Committee.

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6. PRINCIPLE SIX: REPORTING WITH INTEGRITY

“The Board should present a fair, balanced and understandable assessment of the organisation’s financial, environmental, social and governance position, performance and outlook in its annual report.”

The Board is responsible for the preparation of financial statements that fairly present the state of affairs of the Company and the results of its operations and that comply with the International Financial Reporting Standards (IFRS), Insurance Act 2005, Financial Services Act 2007, Financial Reporting Act 2004, the Companies Act 2001 and other applicable laws.

The financial statements of the Company include its Annual Report and its Corporate Governance Report which provide comprehensive details on all of the Company’s financial, environmental, social and governance position as well as its performance for the financial year under consideration. The financial statements and other key corporate governance related information of the Company is published in full on its website.

The Directors are also responsible for keeping adequate accounting and Company records. They also have the duty to safeguard the assets of the Company and to prevent and detect frauds. The Directors have a duty to explain the Company’s transactions and to disclose with reasonable accuracy at any given point in time the financial position of the Company and the Group.

6.1 Health, Safety, Social And Environmental Policies

The Company strives to promote and maintain a safe working environment that is free from hazards and risk of injury to all employees within the Group. The Company has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with the Occupational Safety and Health Act 2005 and other statutory and regulatory frameworks. The Company has also supplemented its health and safety processes with the implementation of sanitary protocols and measures against the proliferation of Covid-19. The Company ensures social harmony through its employment policies and it follows non-discriminatory policies in recruitment and promotion.

It adopts a transparent and merit-based procedure.

Given the nature of its activities, the Company has embraced an eco-friendly strategy and culture such that its operations do not cause significant adverse impacts on the environment. The Company operates its day-to-day activities in a way that is aligned as far as possible with green, environmental-friendly and energy-saving principles.

6.2 Corporate Social Responsibility and Donations

The Company has adopted the 3rd Global Sustainable Development Goal of the United Nations, **“Good Health and Well Being”**. The Company has devised its own Corporate Social Responsibility Programme (*Get Healthy*) and had been running this Programme in partnership with the Ministry of Health and Wellness and other stakeholders across the country thereby promoting health awareness campaigns to make Healthy Living accessible to the Mauritian nation and its future generations.

The Company has broadened its CSR strategies to cover ESG concerns including the protection of environment, enhancing empowerment of SMEs, Women and Youth, Literacy and Education, and Social Support.

The Company remains committed to further strengthening its ESG-related disclosures in line with evolving reporting expectations and best practices.

The Company has actively participated in socio-cultural activities on the ground across various regions of the island in a bid to fulfil its corporate mission of serving the nation.

The Company made no donations during the year.

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FOR THE YEAR ENDED 30 JUNE 2025**

7. PRINCIPLE SEVEN – AUDIT

“Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation’s auditors.”

7.1 Internal Audit

The Internal Audit Department is headed by the Internal Auditor, Mr. Ashish Bucktoward. The manpower of the department is being further reinforced with new team members having profiles to cover internal audit, system audit and risk management functions. The Department conducts internal audits for NIC Group.

The Internal Audit function is governed by the Internal Audit Charter which has been approved by the Board and is available on the Company’s website.

The internal audit is performed on the basis of an established and approved Internal Audit Plan and the progress thereon are reported to the Audit and Risk Committee on a regular basis. The Internal Audit Plan covers all key aspects of the business including sales, receipting, cashiering, banking, posting, underwriting, claims assessment, recovery and payment as well as other areas regarding systems and control processes. During the year ended 30 June 2025, internal audits were performed on, Arrears Management, , updates on Effectiveness of Anti-Money Laundering and Combatting the Financing of Terrorism (“AML-CFT”), Branch Operations, Premium Management, Sales Operations and Procurement as well as other areas regarding systems and control processes.

The Internal Auditor reports directly to the Audit and Risk Committee, has unrestricted access to review all activities and transactions undertaken within the Company and to appraise and report thereon. There was no restriction placed over the right of access by internal audit to the records, management or employees of the organisation.

7.2 External Audit

The Company has re-appointed Moore (Mauritius) LLP as External Auditors for the financial year ended 30 June 2025. Moore (Mauritius) LLP was initially appointed as External Auditors in February 2019. Since appointment, they have conducted audits for the Company’s financial statements. The Audit and Risk Committee ensures that the external auditors and/or the signing audit partner are rotated in accordance with applicable practices, generally not exceeding seven years of continuous service.

For the financial year ended 30 June 2025, Ms. Shweta Moheput served as the signing audit partner in replacement of Mr. Arvin Rogbeer.

7.3 Meeting with Audit and Risk Committee and Key Audit Issues

The External Auditors have regularly met with the Audit and Risk Committee whereby the financial statements of the Company, timeline of the audit, the audit approach, the accounting principles and critical policies adopted are discussed. The External Auditors have regularly been apprising the Audit and Risk Committee and Board members, through attendance and presentation at such instances, of key audit matters pertaining to the business and necessitating the attention of the Directors. The External Auditors may also have meetings with key stakeholders without Management being present.

7.4 Evaluation of the Auditors

The Audit and Risk Committee will evaluate the External Auditors in fulfilling their duty annually, to make an informed recommendation to the Board for their reappointment. The Audit and Risk Committee assesses the qualifications and performance of the External Auditors, the quality of the External Auditors’ communications with the Audit and Risk Committee and the External Auditor’s independence, objectivity and professional scepticism.

7.5 Information on non-audit services

The Company has retained the services of Moore for tax compliance services.

The audit and tax department of Moore are two separate departments and the manager and partner for the provision of the respective services are different persons.

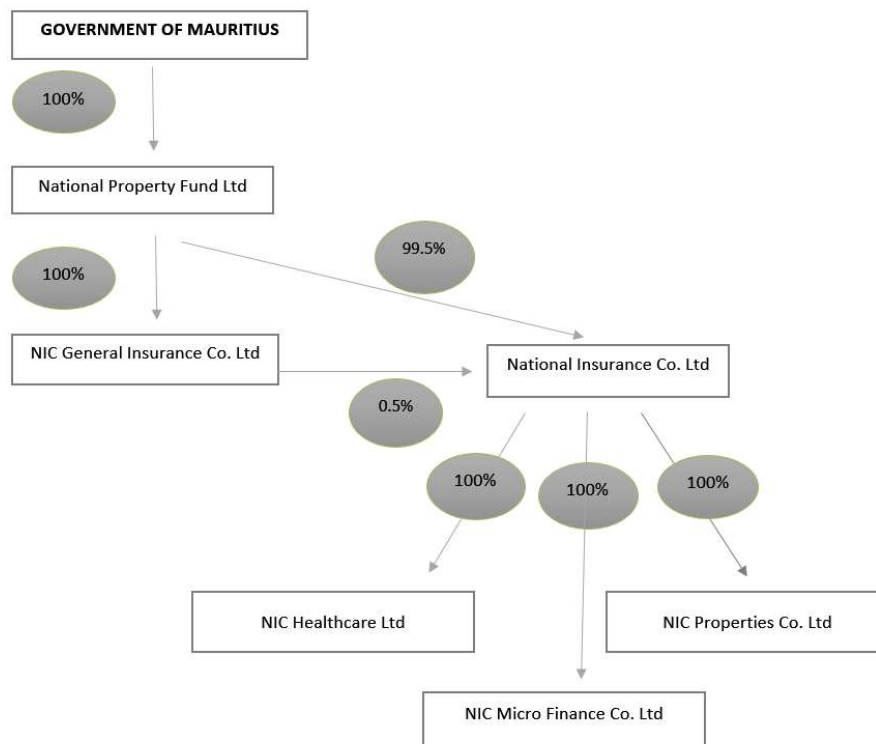
**NATIONAL INSURANCE CO. LTD
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

8. PRINCIPLE EIGHT - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

"The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose."

8.1 SHARE CAPITAL STRUCTURE

The holding structure of the Company as at 30 June 2025 was as follows:-



**NIC HealthCare Ltd – In process of Winding Up*

Name	Percentage Holding
National Property Fund Ltd	99.5%
NIC General Insurance. Co. Ltd	0.5%

The Company is ultimately owned by the Government of Mauritius.

Except for the above, no person has reported any material interest of 5% or more of the equity share capital of the Company.

8.2 DIVIDEND POLICY

The Board has not established a formal dividend policy. However, the Board endeavours to authorise distributions in the light of the Company's profitability, cash flow requirements and planned capital expenditure in due course.

**NATIONAL INSURANCE CO. LTD
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

8.3 RELATIONS WITH SHAREHOLDER

The Company ensures that there is regular contact and dialogue with the Shareholders and the Ultimate Shareholder (Government of Mauritius) to keep them informed on material events affecting the Company including its performance and outlook.

Decisions are taken either at the Shareholders' Meetings or by way of written resolution in lieu of holding a Meeting of Shareholders (either Annual Meeting or Special Meeting) of the Company in conformity with Section 117 of Companies Act 2001.

Regarding the Shareholders' Meetings, the Board, through assistance of the Company Secretary, ensures that the Notice of Meeting along with the proxy forms are sent to the Shareholders at least 21 days before the meeting in accordance with the Companies Act. Directors and External Auditors are invited to attend Shareholders' Meetings.

The Chairperson, through the assistance of the Company Secretary and Management, is available to answer any query from the Shareholders. As and when required, appropriate papers and reports pertaining to critical business affairs are shared between the Company and the Shareholders for appropriate consideration and support.

8.4 COMPANY KEY STAKEHOLDERS

The Company's and the Group's main stakeholders are as follows:

- Shareholders
- Employees
- Policyholders/ Clients
- Insurance Salespersons/ Agents/ Brokers
- Regulators
- Suppliers, Consultants and Service Providers
- Re-insurers
- Bankers

The Company maintains regular engagement with these key stakeholders, including regulators, policyholders, employees, service providers and the Shareholder, through structured communication channels, formal reporting processes and ongoing operational and governance interactions, as appropriate to each stakeholder group. This ensures effective information flow, regulatory compliance and alignment of stakeholder interests with the Company's strategic and operational objectives.

Relationships with the regulator and authorities, mainly the Financial Services Commission, the Registrar of Companies, the Financial Reporting Council, Office of Ombudsperson for Financial Services and the Mauritius Revenue Authority are considered as critical for good running of the Company. The Company maintains relationship with its regulator and authorities through written communications, meetings, filing of returns and financial reports, participation in forums, conferences and workshops as well as compliance with relevant legislations.

These relationships are viewed as strategic partnerships to ensure that the Company upholds and maintains best practices with full transparency.

Stakeholders' communication

The Board aims to properly understand the information needs of all Shareholders/stakeholders and places great importance on an open and meaningful dialogue with all those involved with the Company. The Company's website www.nicl.mu is used to provide relevant information. Furthermore, open lines of communication are maintained to ensure transparency and optimal disclosure.

8.5 CALENDAR OF IMPORTANT EVENTS

The key milestones of important events during the financial year are as follows:

December	Annual Meeting of Shareholders
June	Financial Year End

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: National Insurance Co. Ltd

Reporting period: 30 June 2025

We, the Directors of National Insurance Co. Ltd (the "Company"), confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance for Mauritius (2016) except for the following sections:-

Reasons for non-compliance with the sections of the Code:

Principle 2: The Structure of the Board and its Committees

Composition of the Board - The Code recommended that the Board maintain a strong executive management presence, with at least two executives as members. The Group Officer-In-Charge & Chief Operating Officer was appointed as an Executive Director, with effect from 15 May 2025.

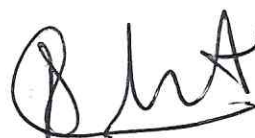
The appointment of a second executive Director on the Board, as required by the Code, is not considered necessary at this stage.

The day-to-day management of the operations of the Company is performed by the Group Officer-In-Charge & Chief Operating Officer, who reports directly to the Board. Other members of the senior management team namely Group Chief Financial Officer & Chief Officer - Lending and Group Chief Services Officer & Chief Officer - Insurance are invited to regularly attend Board and Board Committee meetings as and when required.

Signed on behalf of the Board of Directors:



Mr. Santosh Kumar Gujadhur
Chairman



Mr. Cheeneebash Beeshamlall
Director

30 JUN 2026

Secretary's Certificate as per Section 166(d) of the Companies Act 2001

We certify that, based on the records and information made available to us by the Directors and Shareholder of the Company, the Company has filed with the Registrar of Companies, all such returns as are required under Section 166 (d) of the Companies Act 2001 for the period ended 30 June 2025, save and except the Annual Report and Audited Financial Statement for 30 June 2025, which are now being filed.



.....
Prime Partners Ltd
Corporate Secretary
Per R. G. Bullyraz

30 JUN 2026

Date :

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
National Insurance Co. Ltd**

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of National Insurance Co. Ltd (the "Company" or the "Public Interest Entity") and its subsidiaries (together referred to as the "Group") set out on pages 44 to 157, which comprise the consolidated and separate statements of financial position as at 30 June 2025 and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements (the "financial statements") give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 30 June 2025 and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Insurance Act 2005.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
National Insurance Co. Ltd

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

Key Audit Matters (Continued)

<i>1. Valuation of investment properties (Applicable to consolidated and separate financial statements)</i>	
Key Audit Matter	How our Audit Addressed the Key Audit Matter
Investment properties, which are significant assets on the Group's statement of financial position, are valued at MUR 2.68 billion as at 30 June 2025. The Group measures its investment properties at fair value with the change in fair value being reflected in the income statement. The valuation of investment property is carried out for Management by an external independent valuer in accordance with the Royal Institute of Chartered Surveyors ("RICS") Valuation – Professional Standards and IAS 40 'Investment Property'. The valuation of the Group's property portfolio was identified as a key audit matter given the valuation is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental streams for that particular property. The significance of the estimates and judgements involved, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement, warranted specific audit focus in this area.	As part of our audit procedures, we have: ▪ Reviewed the valuation report from the independent valuation specialist and tested the mathematical accuracy of the data inputs provided by Management to the chartered valuer; ▪ Assessed the competence, independence and integrity of the external valuer engaged by the Company; ▪ Appraised the valuation methodologies used and reviewed the appropriateness of key assumptions by carrying out a benchmarking exercise based on our knowledge of the property industry; ▪ Agreed other detailed inputs to the model such as current rents, existence of original title deeds back to supporting documentation; ▪ Held discussions with Management and separate calls with the Chartered Valuation Surveyor to discuss and challenge their approach, the validity of their assumptions in the current financial year; and ▪ Considered the adequacy of disclosures in the Group financial statements including critical accounting estimates. ▪ Based on the evidence obtained, we concluded that the overall assumptions used in the valuation by the external valuer were supportable and materially appropriate.
Refer to Note 11, Note 3.20 (accounting policies) and Note 6.3 (critical accounting estimates) of the accompanying consolidated and separate financial statements.	

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
National Insurance Co. Ltd**

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

Key Audit Matters (Continued)

2. Insurance contract liabilities (Applicable to consolidated and separate financial statements)	
Key Audit Matter	How our Audit Addressed the Key Audit Matter
As at 30 June 2025, insurance contract liabilities totalled MUR 11,879m (2024: MUR 11,802m) for the Group and the Company. These balances comprise, within the liability for remaining coverage, the present value of future cash flows, an adjustment for non-financial risk (risk adjustment, RA) and the contractual service margin (CSM). They also include a liability for incurred claims, representing unsettled claims for events that have occurred, together with a risk adjustment for non-financial risk. The valuation of these liabilities involves significant management judgement. Key assumptions include best-estimate expectations for claims, expenses, commissions and charges. Changes in these assumptions could have a material effect on the valuation. The most significant assumptions affecting measurement are: ▪ Best Estimate Liabilities; ▪ Discount rates; and ▪ The confidence levels used to determine the risk adjustment for non-financial risk. We identified the valuation of insurance contract liabilities as a key audit matter because of: ▪ its impact on profit or loss and other comprehensive income for the year ended 30 June 2025; and ▪ the significant judgements and estimation uncertainty related to the magnitude and timing of projected cash flows and the use of unobservable inputs. The materiality of these balances in the statement of financial position and their consequential impact on performance for the year then ended.	With our actuarial and accounting specialists, we have: ▪ evaluated the Group Actuary's competence, capabilities and objectivity, and verified their credentials; ▪ assessed the appropriateness and IFRS 17 compliance of management's accounting policies and valuation methodologies; ▪ tested the data-extraction and reconciliation process used to compile inputs for the insurance contract liability calculations; ▪ agreed valuation inputs to underlying policyholder records and other data in the policy administration and accounting systems; ▪ reconciled key data sources to prior-year audited information to confirm consistency of the information used; ▪ verified the correct application of the valuation logic in determining each liability component (e.g., LRC, LIC, RA, CSM, and reinsurance); ▪ challenged the key assumptions and their reasonableness—including discount rates, contract boundaries, coverage periods, level of aggregation and profitability groupings—using specialist input and, where relevant, external benchmarks and sensitivities; and ▪ reviewed the financial statement disclosures for completeness and compliance with IFRS 17. As part of our audit procedures, we have also: ▪ Reviewed management's IFRS 17 expense allocation workings, tested selected inputs to supporting records, assessed the reasonableness of the allocation basis, and performed analytical procedures over the impact of expense-related movements on the significant insurance contract liability components.
Refer to Note 3.15 (accounting policy), Note 6.1 (critical accounting estimates) and Note 20 of the accompanying consolidated and separate financial statements.	

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
National Insurance Co. Ltd

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Directors and Management Profiles, Corporate Governance Report, Statement of Compliance and Certificate from the Company Secretary, or any other statutory disclosures. The other information does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or 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.

Directors' responsibilities 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
National Insurance Co. Ltd**

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
National Insurance Co. Ltd**

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacity as auditors, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Insurance Act 2005

The separate financial statements have been prepared in the manner and meet the requirements specified by the Financial Services Commission (FSC).

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
National Insurance Co. Ltd

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

Report on other legal and regulatory requirements (continued)

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") as 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 and satisfactory explanation disclosed on the principles of the Code which have not been complied with.

Use of our report

This report is made solely to the Company's members 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 members as a body, those matters that we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



MOORE (Mauritius) LLP
Chartered Accountants

Moka
Republic of Mauritius



Shweta MOHEEPUT, BSc, FCA
Licensed by FRC

Date: 30 June 2026

		THE GROUP		THE COMPANY	
	Notes	2025	2024	2025	2024
		MUR	MUR	MUR	MUR
ASSETS					
Non-current assets					
Property, plant and equipment	8	478,266,799	453,370,351	478,200,160	453,370,351
Right-of-use assets	9	7,916,996	10,709,654	7,916,996	10,709,654
Intangible assets	10	3,698,226	5,139	3,698,226	5,139
Investment properties	11	2,676,000,000	2,630,300,000	2,676,000,000	2,630,300,000
Investment in subsidiaries	12(a)	-	-	100,000,100	100,000,100
Insurance contract assets	20	3,139,655	2,323,180	3,139,655	2,323,180
Reinsurance contract assets	20	121,734,230	122,227,584	121,734,230	122,227,584
Financial assets at fair value through profit or loss	13	4,738,206,673	4,260,206,961	4,738,206,673	4,260,206,961
Investments in financial assets at amortised cost	13	4,858,604,273	4,118,070,888	4,858,604,273	4,118,070,888
Mortgage and other loans	14	610,910,345	481,474,631	610,910,345	481,474,631
Deferred tax assets	21	88,518,609	69,793,981	88,518,609	69,793,981
		13,586,995,806	12,148,482,369	13,686,929,267	12,248,482,469
Current assets					
Investments in financial assets at amortised cost	13	90,278,312	734,919,260	90,278,312	734,919,260
Mortgage and other loans	14	19,888,426	55,683,290	19,888,426	55,683,290
Insurance contract assets	20	-	414,000	-	414,000
Other receivables	15	62,795,288	55,480,367	67,206,783	53,281,273
Cash and cash equivalents	16	1,850,962,495	1,993,839,191	1,748,569,422	1,993,650,567
		2,023,924,521	2,840,336,108	1,925,942,943	2,837,948,390
Asset classified as held-for-sale	12(b)	1	1	1	1
Total assets		15,610,920,328	14,988,818,478	15,612,872,211	15,086,430,860
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	17	5,949,000,000	5,949,000,000	5,949,000,000	5,949,000,000
Retained earnings		(2,657,517,809)	(3,105,317,391)	(2,654,609,522)	(3,104,177,380)
Other reserves		78,353,781	74,406,741	78,353,781	74,406,741
Total equity		3,369,835,972	2,918,089,350	3,372,744,259	2,919,229,361
Non-current liabilities					
Insurance contract liabilities	20	11,878,746,334	11,801,621,455	11,878,746,334	11,801,621,455
Reinsurance contract liabilities	20	62,297,164	59,890,421	62,297,164	59,890,421
Lease liabilities	18	45,047,458	49,466,624	45,047,458	49,466,624
Retirement benefit obligations	22	31,945,000	28,710,000	31,945,000	28,710,000
		12,018,035,956	11,939,688,500	12,018,035,956	11,939,688,500
Current liabilities					
Lease liabilities	18	8,901,778	6,202,564	8,901,778	6,202,564
Trade and other payables	19	211,163,978	124,838,064	210,207,574	221,310,435
Current tax liabilities	24 (a)	2,982,644	-	2,982,644	-
		223,048,400	131,040,628	222,091,996	227,512,999
Total equity and liabilities		15,610,920,328	14,988,818,478	15,612,872,211	15,086,430,860

These consolidated and separate financial statements have been approved and authorised for issue by the Board of Directors on

30 JUN 2026

and signed on its behalf by:

Mr. Santosh Kumar Guadhar
Chairman

Mr. Cheeneebash Beeshamlall
Director

The notes on pages 49 to 157 form an integral part of these consolidated and separate financial statements.
Independent auditors' report on pages 37 to 43.

NATIONAL INSURANCE CO. LTD
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

45

	Notes	THE GROUP		THE COMPANY	
		2025	2024	2025	2024
		MUR	MUR	MUR	MUR
Insurance revenue	25 (a)	677,491,146	724,326,887	677,491,146	724,326,887
Insurance service expenses	25 (b)	(644,139,472)	(493,041,234)	(644,139,472)	(493,041,234)
Net expenses from reinsurance contracts held	25 (c)	(57,585,204)	(79,427,614)	(57,585,204)	(79,427,614)
Insurance service result		(24,233,530)	151,858,039	(24,233,530)	151,858,039
Net finance income/(expense) from insurance contracts	28 (a)	(161,216,000)	(634,529,009)	(161,216,000)	(634,529,009)
Net finance income/(expense) from reinsurance contracts	28(b)	5,244,755	(1,498,150)	5,244,755	(1,498,150)
Net insurance finance expenses		(155,971,245)	(636,027,159)	(155,971,245)	(636,027,159)
Investment and other income	27	610,318,388	524,623,768	606,902,275	524,415,072
Other revenue		610,318,388	524,623,768	606,902,275	524,415,072
Net insurance and investment result		430,113,613	40,454,648	426,697,500	40,245,952
Net acquisition costs	26	(22,025,981)	(14,988,194)	(22,025,981)	(14,988,194)
Net other operating and administrative costs	30	(197,575,415)	(186,552,501)	(195,212,372)	(185,090,560)
Net realised/unrealised gains	29	261,655,431	839,466,120	261,655,431	839,466,120
Net impairment losses on financial assets	31	(3,492,745)	(161,728,993)	(673,465)	(161,728,993)
Effects of remeasurement		(1,357,135)	(4,765,806)	(1,357,135)	(4,765,806)
Net finance costs	32	(35,013,550)	(6,184,636)	(35,011,484)	(6,177,359)
Other expenses		24,216,586	480,234,184	29,400,975	481,703,402
Total acquisition costs and other expenses		2,190,605	465,245,990	7,374,994	466,715,208
Profit before taxation		432,304,218	505,700,638	434,072,494	506,961,160
Income tax	24 (b)	15,495,364	23,961,552	15,495,364	23,961,552
Profit for the year		447,799,582	529,662,190	449,567,858	530,922,712
Other comprehensive income / (loss):					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurements of retirement benefit obligations	22	(1,298,000)	(531,000)	(1,298,000)	(531,000)
Tax effect on remeasurements of retirement benefit obligations	24 (c)	246,620	90,270	246,620	90,270
Revaluation of property, plant and equipment	8	4,998,420	21,596,878	4,998,420	21,596,878
Other comprehensive income for the year, net of tax		3,947,040	21,156,148	3,947,040	21,156,148
Total comprehensive income for the year		451,746,622	550,818,338	453,514,898	552,078,860
Profit for the year attributable to:					
Owners of the parent		447,799,582	529,662,190	449,567,858	530,922,712
Non-controlling interests		-	-	-	-
		447,799,582	529,662,190	449,567,858	530,922,712
Total comprehensive income for the year attributable to:					
Owners of the parent		451,746,622	550,818,338	453,514,898	552,078,860
Non-controlling interests		-	-	-	-
		451,746,622	550,818,338	453,514,898	552,078,860

The notes on pages 49 to 157 form an integral part of these consolidated and separate financial statements.
Independent auditors' report on pages 37 to 43.

THE GROUP

	Reserves						Total equity MUR
	Share Capital MUR	Retained earnings MUR	Actuarial gains / (losses) MUR	Other reserves MUR	Revaluation reserves MUR	Total reserves MUR	
Balance as at 01 July 2024	5,949,000,000	(3,105,317,391)	(4,331,000)	736,270	78,001,471	(3,030,910,650)	2,918,089,350
Profit for the year	-	447,799,582	-	-	-	447,799,582	447,799,582
Other comprehensive income	-	-	(1,298,000)	246,620	4,998,420	3,947,040	3,947,040
Total comprehensive income for the year	-	447,799,582	(1,298,000)	246,620	4,998,420	451,746,622	451,746,622
Balance at 30 June 2025	5,949,000,000	(2,657,517,809)	(5,629,000)	982,890	82,999,891	(2,579,164,028)	3,369,835,972
Balance as at 01 July 2023 - As previously reported	5,949,000,000	(3,684,330,203)	(3,800,000)	646,000	56,404,593	(3,631,079,610)	2,317,920,390
Adjustment on initial application of IFRS 17	-	72,462,122	-	-	-	72,462,122	72,462,122
Restated balance as at 01 July 2023	5,949,000,000	(3,611,868,081)	(3,800,000)	646,000	56,404,593	(3,558,617,488)	2,390,382,512
Adjustment on initial application of IFRS 9	-	(23,111,500)	-	-	-	(23,111,500)	(23,111,500)
Restated opening balance under IFRS 9	5,949,000,000	(3,634,979,581)	(3,800,000)	646,000	56,404,593	(3,581,728,988)	2,367,271,012
Profit for the year	-	529,662,190	-	-	-	529,662,190	529,662,190
Other comprehensive income	-	-	(531,000)	90,270	21,596,878	21,156,148	21,156,148
Total comprehensive income for the year	-	529,662,190	(531,000)	90,270	21,596,878	550,818,338	550,818,338
Balance at 30 June 2024	5,949,000,000	(3,105,317,391)	(4,331,000)	736,270	78,001,471	(3,030,910,650)	2,918,089,350

THE COMPANY

	Reserves						Total equity MUR
	Share Capital MUR	Retained earnings MUR	Actuarial gains / (losses) MUR	Other reserves MUR	Revaluation reserves MUR	Total reserves MUR	
Balance as at 01 July 2024	5,949,000,000	(3,104,177,380)	(4,331,000)	736,270	78,001,471	(3,029,770,639)	2,919,229,361
Profit for the year	-	449,567,858	-	-	-	449,567,858	449,567,858
Other comprehensive income	-	-	(1,298,000)	246,620	4,998,420	3,947,040	3,947,040
Total comprehensive income for the year	-	449,567,858	(1,298,000)	246,620	4,998,420	453,514,898	453,514,898
Balance at 30 June 2025	5,949,000,000	(2,654,609,522)	(5,629,000)	982,890	82,999,891	(2,576,255,741)	3,372,744,259
Balance as at 01 July 2023 - As previously reported	5,949,000,000	(3,681,639,489)	(3,800,000)	646,000	56,404,593	(3,628,388,896)	2,320,611,104
Adjustment on initial application of IFRS 17	-	72,462,123	-	-	-	72,462,123	72,462,123
Restated balance as at 01 July 2023	5,949,000,000	(3,609,177,366)	(3,800,000)	646,000	56,404,593	(3,555,926,773)	2,393,073,227
Adjustment on initial application of IFRS 9	-	(25,922,726)	-	-	-	(25,922,726)	(25,922,726)
Restated opening balance under IFRS 9	5,949,000,000	(3,635,100,092)	(3,800,000)	646,000	56,404,593	(3,581,849,499)	2,367,150,501
Profit for the year	-	530,922,712	-	-	-	530,922,712	530,922,712
Other comprehensive income	-	-	(531,000)	90,270	21,596,878	21,156,148	21,156,148
Total comprehensive income for the year	-	530,922,712	(531,000)	90,270	21,596,878	552,078,860	552,078,860
Balance at 30 June 2024	5,949,000,000	(3,104,177,380)	(4,331,000)	736,270	78,001,471	(3,029,770,639)	2,919,229,361

Notes:

- (i) Actuarial gains relate to movements in retirement benefit obligations recognised through other comprehensive income.
- (ii) Revaluation reserves relate to increase/decrease in land and building following valuation exercise in accordance with IAS 16.

The notes on pages 49 to 157 form an integral part of these consolidated and separate financial statements.
Independent auditors' report on pages 37 to 43.

	Notes	THE GROUP		THE COMPANY	
		2025 MUR	2024 MUR	2025 MUR	2024 MUR
Cash flows from operating activities					
Profit before taxation		432,304,218	505,700,638	434,072,494	506,961,160
Adjustments for:					
Depreciation of property, plant and equipment	8	12,607,106	12,737,046	12,598,305	12,737,046
Depreciation of right-of-use assets	9	6,842,025	6,007,425	6,842,025	6,007,425
Amortisation of intangible assets	10	5,080	446,129	5,080	446,129
Net unrealised foreign currency losses on investments in financial assets	29	50,017,261	(74,019,244)	50,017,261	(74,019,244)
Movement in other provisions for impairment		-	3,112,491	-	3,112,491
Change in fair value of financial assets at fair value through profit or loss	13(a)	(235,127,065)	(341,138,198)	(235,127,065)	(341,138,198)
Movement in provision on retirement benefit obligations	22	1,937,000	5,697,000	1,937,000	5,697,000
Change in fair value of investment properties	11	(52,687,389)	(349,711,481)	(52,687,389)	(349,711,481)
Gain on disposal of property, plant and equipment	29	(77,874)	(335,651)	(77,874)	(335,651)
Gain on disposal of financial assets at fair value through profit or loss	29	(59,900,239)	(66,307,308)	(59,900,239)	(66,307,308)
Gain on disposal of investments in financial assets at amortised cost	29	(2,586,984)	(7,954,238)	(2,586,984)	(7,954,238)
Dividend income	27	(125,625,454)	(89,433,371)	(125,625,454)	(89,433,371)
Effects of remeasurement	9,18	1,357,135	4,765,806	1,357,135	4,765,806
Expected Credit Losses on Loans	31	5,662,282	3,168,567	5,662,282	3,168,567
Expected Credit Losses on investment in financial assets at amortised costs	31	268,868	(245,736)	268,868	(245,736)
Effective Interest Rates	32	27,869,267	(1,136,001)	27,869,267	(1,136,001)
Interest expense on lease liabilities	18	4,540,364	4,719,133	4,540,364	4,719,133
Interest income	27	(346,708,052)	(301,961,723)	(346,708,052)	(301,961,723)
Impact of adopting IFRS 9		-	23,111,500	-	25,922,726
		(279,302,451)	(662,777,216)	(277,542,976)	(658,705,468)
Changes in working capital:					
Change in insurance contract liabilities		77,124,879	459,184,349	77,124,879	459,184,349
Change in insurance contract assets		(402,475)	313,887	(402,475)	313,887
Change in reinsurance contract assets		493,354	9,450,992	493,354	9,450,992
Change in other assets and receivables		(7,314,921)	(51,998,992)	(13,925,510)	(57,009,312)
Change in reinsurance contract liabilities		2,406,743	54,801,397	2,406,743	54,801,397
Change in trade and other payables		89,308,558	(89,102,781)	(8,120,217)	(88,105,593)
Cash generated generated from operating activities		(117,686,313)	(280,128,364)	(219,966,202)	(280,069,748)
Interest received		335,262,700	296,783,148	335,262,700	296,783,148
Tax paid		-	(9,941,922)	-	(9,941,922)
Net cash from operating activities		217,576,387	6,712,862	115,296,498	6,771,478
Cash flows from investing activities					
Acquisition of property, plant and equipment	8	(32,505,327)	(32,362,567)	(32,429,887)	(32,362,567)
Acquisition of intangible assets	10	(3,698,167)	-	(3,698,167)	-
Acquisition of financial assets at fair value through profit or loss	13(a)	(557,985,777)	(748,904,939)	(557,985,777)	(748,904,939)
Acquisition of financial assets at amortised cost	13(b)	(1,112,863,091)	(2,587,008,485)	(1,112,863,091)	(2,587,008,485)
Acquisition of investment property	11	(35,012,611)	(85,288,519)	(35,012,611)	(85,288,519)
Proceeds from sale of financial assets at amortised cost	13(b)	1,019,040,651	2,788,653,315	1,019,040,651	2,788,653,315
Proceeds from sale of property, plant and equipment		77,681	335,647	77,681	335,647
Proceeds from sale of investment property	11	42,000,000	-	42,000,000	-
Proceeds from sale of financial assets at fair value through profit or loss		333,204,249	627,999,533	333,204,249	627,999,533
Dividend received	27	125,625,454	89,433,371	125,625,454	89,433,371
Disbursement of mortgage and other loans	14	(217,975,479)	(238,208,959)	(217,975,479)	(238,208,959)
Receipts from repayment of mortgage and other loans		91,306,153	92,183,487	91,306,153	92,183,487
Net cash used in investing activities		(348,786,264)	(93,168,116)	(348,710,824)	(93,168,116)
Cash flows from financing activities					
Payment of principal portion of lease liabilities	18	(7,126,455)	(5,477,710)	(7,126,455)	(5,477,710)
Interest paid on lease liabilities	18	(4,540,364)	(4,719,133)	(4,540,364)	(4,719,133)
Net cash used in financing activities		(11,666,819)	(10,196,843)	(11,666,819)	(10,196,843)
Decrease in cash and cash equivalents		(142,876,696)	(96,652,097)	(245,081,145)	(96,593,481)
Movement in cash and cash equivalents					
At 01 July		1,993,839,191	2,090,491,288	1,993,650,567	2,090,244,048
Movement		(142,876,696)	(96,652,097)	(245,081,145)	(96,593,481)
At 30 June	16	1,850,962,495	1,993,839,191	1,748,569,422	1,993,650,567

The notes on pages 49 to 157 form an integral part of these consolidated and separate financial statements.
Independent auditors' report on pages 37 to 43.

1. GENERAL INFORMATION

National Insurance Co. Ltd (the "Company") is a public company incorporated in Mauritius. Its registered office is situated at NIC Centre, 217 Royal Road, Curepipe, Mauritius. The Company is engaged in long term insurance business. The activities of the subsidiary companies are detailed in Note 12(a).

The consolidated financial statements include the Company and its subsidiaries, NIC Properties Co. Ltd and NIC Micro Finance Co. Ltd. These consolidated financial statements are submitted for consideration and approval at the Annual Meeting of Shareholders of the Company.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year but with no material effect on the financial statements

In the current year, the Group and the Company have adopted the following standards and interpretations that are effective for the current financial year. The adoption of these amendments did not have a material impact on the Group's and the Company's financial statements.

	Effective date: Years beginning on or after	Standards/ Interpretations amended
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024	IAS 1
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024	IFRS 16
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024	IAS 7, IFRS 7
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024	
IFRS S2 Climate-related disclosures	1 January 2024	

2.2 Standards and interpretations issued but not yet effective

The Group and the Company have chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's and the Company's accounting periods beginning on or after 1 July 2025 or later periods:

	Effective date: Years beginning on or after	Standards/ Interpretations amended
Lack of exchangeability – Amendments to IAS 21	1 January 2025	IAS 21, IFRS 1
Illustrative examples - Disclosures about Uncertainties in the Financial Statements	November 2025	IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, IAS 37
IFRS Practice Statement 1 Management Commentary	23 June 2025	
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026	IFRS 7, IFRS 9, IFRS 19
Contracts referencing Nature-dependent Electricity -Amendments to IFRS 9 and IFRS 7	1 January 2026	IFRS 7, IFRS 9, IFRS 19
Annual Improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method	1 January 2026	IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	IAS 1 (replaced) and consequential amendments to various IFRS/IAS/IFRICs
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	IFRS 1, IFRS 5, IFRS 13, IFRS 17, IFRS 18, IAS 32, IAS 34, IFRIC 14
Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21	1 January 2027	IFRS 19, IAS 29
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date deferred	IFRS 10, IAS 28

The Directors are currently assessing the impact of the above Standards and amendments on the financial statements of the Group and the Company in future periods.

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Basis of preparation

The consolidated and separate financial statements of National Insurance Co. Ltd (the “Company”) and its subsidiaries (together referred to as the “Group”) comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Insurance Act 2005 and have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS.

The consolidated and separate financial statements have been prepared under the historical cost convention, except for the following:

- (i) investment properties are measured at fair value;
- (ii) financial assets and financial liabilities are stated at their fair value or carried at amortised cost;
- (iii) land and buildings are measured at fair value;
- (iv) non-current assets held-for-sale are measured at the lower of carrying amount and fair value less cost to sell;
- (v) Insurance contract assets are measured using a fulfilment value basis;
- (vi) Reinsurance contract assets are measured using a fulfilment value basis;
- (vii) Insurance contract liabilities are measured using a fulfilment value basis; and
- (viii) Reinsurance contract liabilities are measured using a fulfilment value basis.

The consolidated and separate financial statements are presented in Mauritian Rupee (MUR).

The Group and the 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 arise from insurance contracts.

The Group and the Company have 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 consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with the Companies Act 2001, Financial Reporting Act 2004 and Insurance Act 2005.

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 6.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous Shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling Shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured 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 is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss 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), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). 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 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3.3 Investments in subsidiaries

Separate financial statements

Subsidiaries are entities over which the Company has control. The Company controls an entity if and only if it has power over the entity and when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect those returns. The Company will re-assess 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.

Investments in subsidiaries in the separate financial statements are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Assets held for sale

The Group and the Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups 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.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group 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.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

3.5 Revenue recognition

Investment and other income

Investment and other income comprises mainly dividend, interest and rent, bank, mortgage, other loans and debt securities for the year. Dividend income is accounted for when the Shareholder's right to receive payments is established. Interest income is recognised using the effective interest method.

Rental income from properties is recognised as investment income on a straight-line basis over the term of the lease.

Fees and commission income

Insurance contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods. Commission income is accounted on accrual basis at the end of the year.

Revenue from Contracts with Customers

The Group and the Company provide administration services to 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 and the Company expect to be entitled in exchange for those services. The Group and the Company have generally concluded that it is the principal in their revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

Insurance services transferred over time

The Group and the Company recognise revenue from the insurance services overtime because the customer simultaneously receives and consumes the benefits provided by the Group and Company.

Services transferred at a point in time

Revenue from such services is recognised at a point in time, generally upon delivery of the service, and depends on nature of service rendered.

3.6 Foreign currencies

Functional and presentation currency

Items included in the consolidated and separate financial statements are measured using Mauritian Rupee (MUR), the currency of the primary economic environment in which the Group and the Company operate ("functional currency"). The consolidated and separate financial statements are presented in Mauritian Rupee, which is the Group's and the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment

All property, plant and equipment are stated at historical cost/deemed cost (except for Land and Buildings) less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Buildings are stated at revalued amounts less accumulated depreciation and any impairment loss. Land is not depreciated but revalued.

It is the Group's and the Company's policy to revalue their Land and Buildings at least every three years by an Independent Chartered Valuation Surveyor. 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.

Subsequent costs are included in the carrying amount of the assets or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost or revalued amounts of each asset to their residual values over their estimated useful life as follows:

	Rate
Buildings on Freehold Land	2.0%
Furniture and fittings	12.5%
Office equipment	12.5%
Motor vehicles	20.0%
Computer equipment	20.0%

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. There was no impairment on property, plant and equipment during the year. Gains and losses on disposal are determined by comparing proceeds with their carrying amount and are included in profit or loss.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statements of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.8 Intangible assets – Computer software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets.

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

Derecognition of intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The software is capitalised at cost and amortised over its estimated useful lives of 2 to 5 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 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 the Company applied the temporary exemption from IFRS 9 “Financial Instruments” available to qualifying insurers and continued to apply IAS 39 “Financial Instruments: Recognition and Measurement” until the date of initial application of IFRS 17 “Insurance Contracts.” Upon adoption of IFRS 17, the Group simultaneously applied IFRS 9 to its financial instruments, consistent with the deferral approach permitted by the relevant amendments to IFRS 4. 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 and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group and the Company initially measure 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.

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 and the Company'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 and the Company measure 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial Investments (continued)

Financial assets at fair value through profit or loss

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
- 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 Group's and the Company's key management personnel. The Group's and the Company'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) - none designated at the Group and Company level

Upon initial recognition, the Group and the Company may elect to classify irrevocably their 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 investment income when the right of payment has been established, except when the Group and the Company benefit 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Loans and Advances

The Group and the Company only measure 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.

Based on the above process the Group and the Company group their 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 and the Company recognise 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 and the Company record 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 and the Company record an allowance for the LTECLs.

For financial assets for which the Group and the Company have no reasonable expectation 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 and the Company calculate 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Loans and Advances (continued)

• The Loss Given Default (LGD) (continued)

The mechanics of the ECL method are summarised below:

- Stage 1: The 12m ECL is calculated as the portion of Lifetime Expected Credit Losses ("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 and the Company calculate the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.
- Stage 2: When an instrument has shown a significant increase in credit risk since origination, the Group and the Company record 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 and the Company recognise 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 and the Company rely 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.

Collateral valuation

To mitigate its credit risks on financial assets, the Group and the Company seek 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 and the Company's statements of financial position. However, the fair value of collateral affects the calculation of ECLs.

To the extent possible, the Group and the Company use 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 and the Company applied a simplified approach in calculating ECLs on its investments in finance leases. Therefore, the Group and the Company do not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience.

3.11 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.

3.12 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 twelve months or less. 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial Liabilities (continued)

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 and the Company determine 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 and the Company's financial liabilities include borrowings, trade and other payables, deposits from customers and bank overdrafts.

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 rate 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 through the EIR amortisation process.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group or the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

Offsetting of financial investments

Financial assets and liabilities are offset and the net amount is reported in the consolidated and separate statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group and the Company.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company review the carrying amounts of their assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is charged to the statements of profit or loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's recoverable amounts. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years.

Such reversal is recognised in the statements of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. Impairment losses of continuing operations are recognised in the statements of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

3.15 Insurance and Reinsurance contracts

Life Insurance

The Group and the Company issue insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. The Group's and the Company's insurance contracts that are non-participating include:

- 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 and the Company account for these policies applying the General Model.

The Group's and the Company's insurance contracts that are direct participating are investment-linked insurance policies which include life insurance coverage and an investment component.

The Group and the Company have an obligation to pay policyholders an amount equal to the value of the specified underlying items, minus a variable fee for service.

The Group and the Company account for these policies applying the Variable Fee Approach (VFA).

Group Life Insurance with a coverage period of one year is eligible for Premium Allocation Approach (PAA).

As a general guideline, insurance risk is only significant for a contract if there is at least one scenario with commercial substance where the compensation paid by the insurer is significant, irrespective of the likelihood of that scenario. For the significance test, this scenario is then assessed to check whether the cash flows that would be paid should the insured event happen is at least 10% higher, at the same point in time, than the cash flows payable where the insured event does not occur. The Group and the Company also hold reinsurance contracts in the normal course of business to mitigate insurance risks and compensate policyholders for claims arising from one or more insurance contracts issued.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Life Insurance (continued)

Separating components from insurance and reinsurance contracts

Some life insurance contracts issued by the Group and the Company include non-distinct investment components. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder even if an insured event does not occur. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for since the investment component cannot lapse without the insurance component and vice versa. However, amounts relating to investment components are excluded from insurance revenue and insurance service expenses.

Level of aggregation

The level of aggregation for the Group and the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are then divided by annual cohorts which align to the financial year of the Group, i.e. 01 July to 30 June. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group and the Company identify a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group and the Company make an evaluation of whether a series of contracts needs to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart. Hence, the Group and the Company further classify their portfolios into annual cohorts which align to its financial year, i.e 01 July to 30 June.

The Group and the Company have defined portfolios of insurance and reinsurance contracts issued based on their product lines, due to the fact that the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the existing actuarial valuation models which take into consideration existing and new businesses.

The Group and the Company divide portfolios of reinsurance contracts held applying the same principles set out above except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

The reinsurance contracts held portfolios are divided into:

- A group of contracts on which there is a net gain on initial recognition;
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition; and
- A group of the remaining contracts in the portfolio.

Recognition (Definition)

The Group and the Company recognise groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, when the group is onerous.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Recognition

The Group and the Company recognise a group of reinsurance contracts held if it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group and the Company delay the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and
- The date the Group and the Company recognise an onerous group of underlying insurance contracts if the Group and the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date. The Group and the Company add new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Also for reinsurance, the contracts held by the Group and the Company provide proportionate and non proportionate covers.

Onerous contracts

The Group and the Company consider 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.

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.

After the loss component is recognised, the Group and the Company allocate 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 and the Company use 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Recognition (continued)

Onerous contracts (continued)

The Group and the Company determine 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 non-financial risk, excluding any investment component amount.

The Group and the Company do not disaggregate the total finance income or expenses between profit or loss or OCI.

Any subsequent decrease 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); and
- 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 and the Company recognise 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; and
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

Contract boundary

The Group and the Company include in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group and the Company can compel the policyholder to pay the premium, or in which the Group and the Company have a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- The Group and the Company have the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks or both of the following criteria are satisfied:
- The Group and the Company have the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premium up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.
- A liability or asset relating to expected premium or claims outside the boundary of the insurance contract is not recognised.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Recognition (continued)

Contract boundary (continued)

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

- Options the policyholder can exercise which compel the Group and the Company to provide services, such as extensions of the contract under the same terms or annuity conversion options.
- Cancellation options by the issuer with a certain notice period. The notice period indicates the contract boundary.
- Guaranteed premium payment periods. After this period, the Group and the Company can fully reprice the contract so this indicates the contract boundary.

For reinsurance contracts, similar principles for assessing contract boundaries as for direct business will be applied. For insurance contracts with renewal periods, the Group and the Company assess whether premium and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals are established by the Group and the Company by considering all the risks covered for the policyholder by the Group and the Company. The Group and the Company reassess contract boundary of each group at the end of each reporting period.

Insurance Contracts - Modification and Derecognition

The Group and the Company derecognise insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group and the Company derecognise the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group and the Company recognise amounts paid or received for the modification with the contract as an adjustment to the relevant LRC.

Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group and the Company use a systematic and rational method to allocate its expenses.

The Group and the Company 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 and the Company 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 and non attributable expenses. All acquisition expenses are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Recognition (continued)

Measurement - General Measurement Model ("GMM")

Insurance Contracts - Initial Measurement

The GMM measures a group of insurance contracts as the total of:

- Fulfilment cash flows; and
- a CSM representing the unearned profit the Group and the Company will recognise as it provides insurance contract services under the insurance contracts in the group.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Group's and the Company's objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group and the Company estimate future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group and the Company include all cash flows that are within the contract boundary including:

- Premium and related cash flows;
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims;
- Payments to policyholders resulting from embedded surrender value options;
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs.
- Claims handling costs ;
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries; and
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts;

The Group and the Company incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Group and the Company estimate the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders;
 - Other information about the known or estimated characteristics of the insurance contracts; and
 - Historical data about the Group's and the Company's own experience, supplemented when necessary with data from other sources.
- Historical data is adjusted to current pricing information, when available.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Measurement - General Measurement Model ("GMM") (Continued)

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Group and the Company do not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

The Group's and the Company's CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group and the Company will recognise as they provide services in the future. The Group and the Company measure the CSM on initial recognition at an amount that unless the group of contracts is onerous, results in no income or expenses arising from:

- Initial recognition of the fulfilment cash flows;
- Derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
- Any cash flows arising from the contracts in the group at that date.

For groups of contracts assessed as onerous, the Group and the Company have recognised a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the CSM of the group being zero. A loss component has been established by the Group and the Company for the LRC for an onerous group.

Insurance Contracts - Subsequent Measurement

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group;
 - The accretion of interest on the carrying amount of the CSM, measured at the discount rates at initial recognition; and
 - The changes in fulfilment cash flows relating to future service, except to the extent that:
 - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
 - Such decreases in the fulfilment cash flows are allocated to the loss component of the LRC
 - The amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.
- The locked-in discount rate is taken as the rates applicable at the start of the valuation period in respect of contracts that joined a group over a 12-month period. The locked-in discount rate is also used for accretion of interest on the CSM is determined using a blended approach at inception.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premium received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premium received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the LRC, except those relating to the time value of money and changes in financial risk (recognised in profit or loss rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

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

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group and the Company recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group and the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group and the Company measure the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the LRC comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the LIC for the group comprised the fulfilment cash flows related to past service allocated to the group at that date.

Any premium receivable for past service is recognised as part of the LRC.

Reinsurance contracts held

Initial measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes;
- The Group and the Company determine the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer; and
- The Group and the Company recognise both day 1 gains and day 1 losses at initial recognition in the statements of financial position as a CSM and release this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

Where the Group and the Company recognise a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where the Group and the Company enter into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

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

Subsequent measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the CSM as they do not relate to future service.

Any change in the fulfilment cash flows of a retroactive reinsurance contract held due to the changes of the LIC of the underlying contracts is taken to profit or loss and not the CSM of the reinsurance contract held.

Measurement - Variable Fee Approach ("VFA")

The Group and the Company issue direct participating contracts. Direct participating contracts are contracts for which, at inception:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The Group and the Company expect to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Group and the Company expect a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Use of the VFA instead of the GMM is mandatory for those insurance contracts that meet the criteria of the VFA. The requirements for initial measurement are the same for GMM and VFA. The differences between the VFA for direct participation contracts and the GMM applied to all other contracts exist for subsequent measurement only.

The Group's and the Company's obligation to the policyholder is the net of:

- The obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- A variable fee in exchange for future services provided by the contracts, being the amount of the Group's and the Company's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

When measuring a group of direct participating contracts under the VFA, the Group and the Company adjust the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss and adjust the CSM for changes in the amount of the Group's and the Company's share of the fair value of the underlying items, which relate to future services.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- The CSM of any new contracts that are added to the group in the year;
- The change in the amount of the Group's and the Company's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services; and
- The amount recognised as insurance revenue because of the services provided in the year.

Insurance Revenue

The insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration for those services. It includes:

- Amounts related to income tax that are specifically chargeable to the policy holder;
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the LRC;
- The CSM release; and
- Amounts related to insurance acquisition cash flows.

Refer to the table below for a summary of the accounting policy choices made by the Group and the Company;

Premium Allocation Approach (PAA) Eligibility	
IFRS 17 Options	Adopted approach
Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 General Model.	It has been determined that group life contracts have a contract boundary that is not longer than one year and are as a result eligible for the PAA approach.

Insurance acquisition cash flows for insurance contracts issued	
Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	For the groups measured under PAA, the insurance acquisition cash flows are expensed.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Insurance Revenue (continued)

Liability for Remaining Coverage (LRC), adjusted for financial risk and time value of money

Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.

The LRC is not adjusted for financial risk and time value of money.

Liability for Incurred Claims, (LIC) adjusted for time value of money

Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.

The LIC is not adjusted for the time value of money as all claims are paid within one year.

Insurance finance income and expense

There is an option to disaggregate part of the movement in LIC resulting from changes in discount rates and present this in OCI.

The is no change in LIC as a result of changes in discount rates

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; and
- 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.

Income or expenses from reinsurance contracts held

The Group and the Company present 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 and the Company present 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 and the Company establish 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; and
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Insurance and Reinsurance contracts (continued)

Insurance and reinsurance 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 and the Company have 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 and the Company examine 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 and the Company 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 and the Company do not discount the liability for remaining coverage to reflect the time value of money and financial risk for general insurance policies.

For non-participating contracts

For non-participating contracts whose cash flows are not affected by underlying items, the Group and the Company have 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 and the Company do 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 and the Company hold the underlying items, the Group and the Company do not disaggregate the total insurance finance income or expenses.

For reinsurance contracts held

For all reinsurance contracts held measured applying the General Model, and reinsurance contracts held measured applying the PAA, the Group and the Company do 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Taxation

The tax expense for the year comprises current income tax, deferred tax and Corporate Social Responsibility (CSR). Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of 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 and the Company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted at the reporting date.

(b) 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 and the Company are 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.

(c) Corporate Climate Responsibility (CCR) Levy

The Finance (Miscellaneous Provisions) Act 2024, which was gazetted on 27 July 2024, introduced a new Corporate Climate Responsibility (CCR) Levy at 2% of the current year's chargeable income as from the year of assessment commencing on 01 July 2024. CCR is payable to the MRA by all companies where the turnover exceeds MUR 50M. This levy is recognised as part of income tax expense.

(d) Income tax rate and statutory levies

The applicable income tax rate in Mauritius is 15% (2024: 15%). An additional charge of 2% (2024: 2%) is applicable in respect of Corporate Social Responsibility. For the current year, the Group and the Company are also subject to the Corporate Climate Responsibility Levy at 2% (2024: nil).

(e) Deferred tax

Deferred tax is calculated on all temporary differences under the liability method at the rate of **19%** (2024: 17%)

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Taxation (continued)

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 and the Company consider both the lease asset and liability separately. The Group and the Company separately account 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Retirement benefit obligations

(i) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity. The Group and the Company have 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 statements 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 and the Company determine 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 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.

The Group and the Company do not operate a defined benefit plan but is exposed to retirement benefit obligations that are defined benefit in nature. These obligations relate to the potential top-ups to the transfer values for ex-members of the ex-BAI Group Pension Fund and the retirement gratuities as per the Workers' Rights Act 2019.

(iii) State plan

Contributions to the Contribution Sociale Généralisée (CSG) and National Savings Fund (NSF) are expensed to the profit or loss in the period in which they fall due.

The Group and the Company have recognised a defined benefit liability in the statements of financial position in respect of any residual retirement gratuities or full gratuities (retirement, death or withdrawal) that are expected to be paid out of the Group's and the Company's cash flow to their employees under the Workers' Rights Act (WRA) 2019.

Other long-term benefits

Other benefits are calculated and provided for and are recognised as liabilities in the statements of financial position. The obligations arising under this item are not funded.

(iv) Unfunded benefits

The liability recognised in the statements 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 and the Company determine 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event, and it is probable that the Group and the Company 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 Group's and the Company's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions are reviewed at end of reporting period and adjusted to reflect the current best estimate.

3.19 Leases

The Group and the Company as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company are 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.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position.

The Group and the Company apply IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

When the Group and the Company revise their estimate of the term of any lease (because, for example, they re-assess the probability of a lessee extension or termination option being exercised), they adjust the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Leases (continued)

When the Group and the Company renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using a revised discount rate, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the revised discount rate. The right-of-use asset is adjusted by the same amount.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease can not be readily determined.

The Group and the Company as lessor

At inception or on modification of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group and the Company act as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease. The lease arrangements in which the Group and the Company are lessors have been assessed to be operating leases only.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group and the Company apply the derecognition and impairment requirements in IAS 39 to the net investment in the lease. The Group and the Company further regularly review estimated unguaranteed residual values used in calculating the gross investment in the lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Lease in which the the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Investment properties

Properties held to earn rentals and/or for capital appreciation and not occupied by the Group and the Company are stated at their fair values at the end of the reporting period, representing Income Capitalisation, Depreciated Replacement Cost and Sales Comparison approaches determined by independent valuers. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss for the year in which they arise.

Investment properties are derecognised either when they have been disposed of (i.e., the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group and the Company consider the effects of variable consideration, existence of significant financing component, on-cash consideration, and consideration payable to the buyer (if any). Transfers are made to (or from) investment Property only when there is a change in use. 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 and the Company account for such property in accordance with policy stated under property, plant and equipment up to the date of change in use.

Rental income from investment properties is recognised in revenue on a straight-line basis over the term of the lease.

3.21 Liability and related assets under liability adequacy test

Insurance contracts are tested for adequacy by discounting current estimates of all contractual cash flows and comparing this amount to the carrying amount of the liability and any related assets. Where a shortfall is identified, an additional provision is made and the Group and the Company recognise the deficiency in profit or loss for the year.

3.22 Dividend distribution

Dividend distribution to the Group's and the Company's Shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are declared. The liability is extinguished when actual payments are made to shareholders.

3.23 Related parties

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

3.24 Acquisition costs

Acquisition costs consist of payments of commission and other allowances made to sales persons, agents, brokers and any other expenses incurred for selling insurance policies, including variable fees paid to the Financial Services Commission. These costs are recognised in the statements of profit or loss in the period in which they are incurred.

3.25 Other operating and administrative expenses

Other operating and administrative expenses, comprising mainly staff costs, office and related costs and legal and professional costs are accounted under accrual basis.

3.26 Share Capital and Reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds.

3.27 Comparatives

Where necessary comparative figures have been amended to conform with changes in presentation or in accounting policies in the current year.

4. INSURANCE RISKS

The Company enters into contracts that carry insurance risk. The insurance risk under any one insurance contract is the possibility of a claim arising from that contract and the uncertainty of the amount and timing of the resulting claim. This risk is random and therefore unpredictable.

A large portfolio of independent but similar insurance contracts, allow for the use of probability theory to predict the number and value of claims over a defined period. Insurance risk, when considering a large portfolio of insurance contracts, is thus the probability that the actual amount of claims over a defined period is different to expected. This could in turn result in the value of insurance liability being over or underestimated.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be.

The Group and the Company takes a proactive approach to managing its insurance risk. Risk management processes are employed to ensure The Group and the Company identifies and controls the risks to which it is exposed.

Mismatching is the risk that insurance related cash outflows (for example, benefit payments, administration expenses) do not match expected future cash inflows (predominately future premiums).

Mismatching risk can also arise when movements in assets and liabilities are out of line given changes in market risk, meaning equity price risk, interest rate risk or currency risk.

For assets under insurance contracts, the insurance-related cash outflows (e.g. benefit payments, administration expenses) are covered by expected future cash inflows (predominantly future premiums).

4.1 Lapse risk

Policyholders have the option to discontinue or, for unit-linked policies, withdraw funds at any time. There is a risk of financial loss due to the withdrawal rate being higher than expected. The risk is highest during the early duration of the policy since the acquisition costs incurred at the inception of the policy would not yet have been recouped.

There is a risk that lapses are selective from a claims experience point of view. For example, healthy lives may find it easier to obtain cover elsewhere compared to less healthy lives.

Future earnings on life and protection products (non-unit linked) are dependent on the number of policies remaining in future years and thus future earnings are dependent on the lapse rate. The future expected earnings vary by the degree of indexation of future premiums. In general, the higher the indexation increases, the higher the withdrawal risk to future earnings. The lapse risk is managed as follows:

Experience monitoring

Lapse experience is monitored on a monthly basis and analysed to establish possible trends for which management action can be taken. The data is used to set the lapse rate assumptions of The Group and the Company at each valuation period.

Proactive Retention

Targeted retention campaigns are run, for example financial advisors are notified of clients that do not have certain features on their policies that are correlated with good persistency. Financial advisors are thus encouraged to add such features.

4.2 Underwriting experience risk

Insurance contracts providing death, serious illness or disability cover (non unit-linked)

There is a risk that actual mortality and morbidity experience is higher than expected. This could arise as a result of the number of claims or the value of claims being higher than expected.

Selection is the risk that worse risks than expected are attracted and these risks are then charged inadequate premiums. Selection could also lead to higher than expected mortality and morbidity experience.

There is a risk that the emergence of a new disease or epidemic can increase the number of claims.

4. INSURANCE RISKS (CONTINUED)

4.2 *Underwriting experience risk (continued)*

The risks are managed through:

Product design and pricing

Products are carefully designed to minimise adverse selection. Rating factors are applied to standard premium rates to differentiate between different levels of risk. For example, premiums are differentiated by gender, smoker status, medical history and age.

Underwriting

Underwriting ensures that only insurable risks are accepted and that premiums reflect the circumstances of each risk. This is achieved by different levels of medical underwriting, depending on the answers to medical questions on the application form. Financial underwriting is applied to ensure that the policyholder can justify the amount of cover applied for. Premium loading and exclusions are applied where high risks are identified.

Quality assurance audits are performed on underwriting to minimise the risk of incorrect underwriting decisions.

Reinsurance

Reinsurance protects against volatility in claims experience and against an accumulation of risk. In addition, reinsurers provide specialist advice when designing new products. The Group and the Company utilises surplus reinsurance to reinsure amounts in excess of defined retention levels. The Group and the Company is therefore protected against large individual claims.

Experience monitoring

Experience is monitored on a monthly basis and analysed to establish possible trends for which management action can be taken. Data is currently not sufficient to provide a credible basis for setting claims rate assumptions, so significant reliance is placed on life insurance industry mortality tables as well as experience from The Group and the Company's business underwriting.

4.3 *Expenses*

Expense risk can arise through misestimation, higher than expected inflation, lower volumes of business than expected, expense overruns, regulatory change and changes in the mix of business. Expenses are monitored on a monthly basis against budgeted expenses. Any deviation from the budget is investigated, reported and where necessary, remedial action is taken.

4.4 *Modelling and data risk*

The actuarial liabilities are calculated using complex discounted cash flow models. There is thus a risk that the model does not accurately project the policy cash flows in the future.

The risk is controlled using specialist actuarial software that is widely used and accepted in the life insurance industry throughout the world. Any changes made to the model are reviewed. The model relies on data from the administration system and there is thus a further risk that the data does not accurately reflect the policies being valued.

The data is extracted from the administration systems and subjected to detailed checks together with high-level reasonability checks. The Group and the Company however have legacy systems that could impact on the data quality.

4.5 *Regulatory risk*

The Group and the Company operates in a highly regulated environment. The regulatory risk can be defined as the potential detrimental impact of unexpected changes in regulations (or interpretation thereof).

Although the Group and the Company endeavours to design insurance and financial solutions which meet the requirements of the current regulations in force, the risk does exist that changes in the regulations, or the interpretation of the regulations, over time may result in the current products not fully complying with the regulations in force in the future. This risk is managed through seeking legal advice on new product developments. Further, all insurance products issued by The Group and the Company are subject to a rigorous sign-off process and approval of the Financial Services Commission.

The Group and the Company is also exposed to regulatory risk arising from potential delays or failures in meeting statutory filing and reporting deadlines prescribed by the Financial Services Commission and other regulatory authorities. Non-compliance with these obligations may result in financial penalties, sanctions, or increased regulatory scrutiny. To mitigate this risk, The Group and the Company has established robust compliance and reporting frameworks, including monitoring controls and oversight by senior management, to ensure that all required submissions are completed accurately and on time.

4. INSURANCE RISKS (CONTINUED)

4.6 *Tax risk*

Tax risk is the risk that the actual future tax liability is different to what is currently expected. This could be as a result of an incorrect interpretation or application of tax legislation or as a result of changes to taxation legislation.

External tax advice is obtained as required to ensure that products are structured in a tax efficient way.

4.7 *Solvency capital requirements and protection against adverse experience*

There is a risk that future premiums, investment returns and estimates used to calculate liabilities are insufficient to provide for variations in actual future experience. Insurance liabilities are calculated using best estimates plus the addition of various margins to avoid premature recognition of profits and to provide for a buffer against future adverse experience. In addition, The Group and the Company maintains shareholder capital to meet substantial deviations in experience beyond those provided for in the liability calculations.

The Group and the Company is required to demonstrate solvency to the regulator and thus needs to maintain sufficient shareholder assets, over and above the assets required to meet shareholder liabilities.

4.8 *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with insurance liabilities due to insufficient cash being available to meet commitments as and when they become due. Liquidity risk arises due to a timing mismatch between the assets and liabilities.

The Group and the Company maintains sufficient liquid assets to meet short-term liabilities and to allow for the initial cash flow strain when writing new business.

4.9 *Policy wording/legal risks*

There is a risk that The Group and the Company could be financially exposed to obligations that are different to expected and not adequately provided for. The risk could also arise from legal proceedings or complaints by policyholders.

The risk is managed when new products are developed. All policy wordings are reviewed by legal advisors and external advice is obtained where necessary to ensure that terms and conditions are clearly defined and unambiguous.

4.10 *Reputational risk*

Reputational risk is the risk of negative market reaction towards The Group and the Company and/or the third parties it uses to manage its unit-linked funds which may lead to lapses and low sales volumes.

Marketing material and policy wordings are reviewed and designed to be clear and unambiguous to avoid creating unreasonable policyholder expectations and are subject to a rigorous sign-off process.

The Group and the Company only uses reputable third parties and performs due diligence when working with new consultants and/or strategic partners managing its unit linked funds.

The Group and the Company's management reviews all product offerings to minimise the reputational risk.

4.11 *Concentration risk*

Claims experience risk

There is a risk that a concentration of risk can lead to worse than expected experience. The Group and the Company maintains a well-diversified portfolio of policies. Reinsurance helps protect against this risk, and reduces the exposure to large individual claims.

4.12 *Insurance risk sensitivities*

The sensitivity analysis below considers how the liability, profit or loss and equity would have increased/(decreased) with illustrative changes to key assumptions. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

4. INSURANCE RISKS (CONTINUED)

4.12 Insurance risk sensitivities (Continued)

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that The Group and the Company face under their insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities.

The Group and the Company have developed their insurance underwriting strategy 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.

Insurance contracts

(i) Concentration, frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or wide spread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. 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. Insurance risk is therefore subject to contract holders' behaviours and the impact of contract holders' behaviours have been factored into the assumptions used to measure insurance liabilities.

For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating items and conditions that reduce the insurance risk accepted.

The Group and the Company manage these risks through their 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 and the Company balance death risk and survival risk across its portfolio. Medical selection is also included in the Group's and The Group and the Company's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants. The Group and the Company have defined group-wide retention limit on any single life insured and reinsure the excess of the insured benefit over its retention limit. The Group and the Company do not have any reinsurance cover for contracts that insure survival risk.

(ii) Concentration of insurance risk

The table below presents the concentration of insured benefits across bands of insured benefits per individual life assured.

Benefits assured per life assured at the end of 2025

2025

MUR 000's	THE GROUP AND THE COMPANY			
	Total benefits insured			
	Before reinsurance		After reinsurance	
	MUR	%	MUR	%
0-200	4,551,606,277	12.3%	4,741,481,343	17.3%
200-400	10,883,518,090	29.5%	10,725,268,349	39.1%
400-800	9,111,684,264	24.7%	10,387,340,841	37.7%
800-1000	2,484,231,860	6.7%	819,497,375	3.0%
More than 1000	9,855,562,593	26.8%	786,316,614	2.9%
Total	36,886,603,084	100.0%	27,459,904,522	100.0%

4. INSURANCE RISKS (CONTINUED)

4.12 Insurance risk sensitivities (Continued)

(ii) Concentration of insurance risk (continued)

Benefits assured per life assured at the end of 2024

2024

	THE GROUP AND THE COMPANY			
	Total benefits insured			
	Before reinsurance		After reinsurance	
MUR 000's	MUR	%	MUR	%
0-200	4,930,041,329	13.2%	5,106,856,894	18.2%
200-400	11,044,614,142	29.5%	10,889,924,488	38.8%
400-800	9,130,787,819	24.4%	10,475,293,073	37.4%
800-1000	2,776,174,301	7.4%	792,342,770	2.8%
More than 1000	9,521,147,213	25.5%	775,464,595	2.8%
Total	37,402,764,804	100.0%	28,039,881,820	100.0%

(iii) Sources of uncertainty in the estimation of future payments and premium receipts

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.

The Group and the Company use 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 and The Group and the Company's experience.

The Group and the Company manage long-term insurance risks through its underwriting strategy and reinsurance arrangements. The Group and the Company ensure 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 and The Group and the Company's underwriting procedures, with premiums varied to reflect the health condition and family medical history of the applicant. Insurance risks may also be affected by the contract holder's behaviour who may decide to amend terms or terminate the contract or exercise a guaranteed annuity option.

The Group and the Company have a predetermined retention limit on any single life insured and The Group and the Company reinsure the excess of the insured benefit above the retention limit.

Sensitivity analysis

The following table presents the sensitivity of the value of insurance liabilities disclosed to movements in assumptions used in the estimation of insurance liabilities and indicates the level of the respective variables that will trigger an adjustment and the liability adjustment required as a result of a further deterioration of the variable.

2025	THE GROUP AND THE COMPANY			
	Basic liability	Total life fund	Change in basic liability	Impact on profit or loss
	MUR	MUR	MUR	MUR
Base run	11,878,746,334	11,878,746,334	-	-
Future mortality 10% worse	12,027,478,804	11,931,722,476	148,732,470	148,732,470
Future lapses 10% higher	11,900,115,871	11,822,911,115	21,369,537	21,369,537
Future investment returns 1% lower	12,752,717,060	12,648,928,970	873,970,726	873,970,726
Future inflation 1% higher	11,942,340,193	11,840,114,186	63,593,859	63,593,859
Future maintenance expense 10% higher	12,021,810,933	11,893,054,419	143,064,599	143,064,599

4. INSURANCE RISKS (CONTINUED)

4.12 Insurance risk sensitivities (Continued)

(iii) Sources of uncertainty in the estimation of future payments and premium receipts (Continued)

Sensitivity analysis (Continued)

2024	THE GROUP AND THE COMPANY			
	Basic	Total life	Change in	Impact on
	liability	fund	basic liability	profit or loss
	MUR	MUR	MUR	MUR
Base run	11,798,884,275	11,798,884,275	-	-
Future mortality 10% worse	11,931,722,476	11,931,722,476	132,838,201	132,838,201
Future lapses 10% higher	11,822,911,115	11,822,911,115	24,026,841	24,026,841
Future investment returns 1% lower	12,648,928,970	12,648,928,970	850,044,695	850,044,695
Future inflation 1% higher	11,840,114,186	11,840,114,186	41,229,912	41,229,912
Future maintenance expense 10%	11,893,054,419	11,893,054,419	94,170,144	94,170,144

	THE GROUP AND THE COMPANY	
	2025	2024
<u>Financial liabilities</u>		
Long-term insurance contracts	MUR	MUR
No stated Maturity	4,792,251,339	4,962,580,245
0 - 1 yr	378,891,222	395,818,572
1 - 2 yrs	421,986,961	390,947,947
2 - 3 yrs	375,542,118	390,393,529
> 3 yrs	5,910,074,694	5,659,143,982
	<u>11,878,746,334</u>	<u>11,798,884,275</u>

5. FINANCIAL RISKS

The Group and the Company are exposed to financial risks through their 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 component of the financial risk are market risks (including foreign currency risk, interest rate risk and equity price risk), liquidity risk and credit risk.

The Group's and the Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control, and to monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems.

The Group and the Company regularly review their risk management policies and systems to reflect changes in markets, products and emerging best practice. The Board recognises the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management. Individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

For the purposes of the market risk, liquidity risk and credit risk disclosures below, the Group and the Company have considered whether insurance contract assets, insurance contract liabilities, reinsurance contract assets and reinsurance contract liabilities give rise to material exposure to financial risks. Where applicable, such exposures are addressed in the respective risk sections below.

The main financial risks to which the Group and the Company are exposed are as follows:

5.1 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuation in foreign currency exchange rates, interest rates and equity prices.

The Group and the Company have established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Group and the Company monitor adherence to this market risk policy through the Company's Investment Committee. The Company's Investment Committee are responsible for managing market risk at Group and Company level.

The financial impact from market risk is monitored at Board level through investment reports which examine the impact of changes in market risk on investment returns and asset values. The Group's and the Company's market risk policy sets out the principles for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the monitoring processes that are required.

5.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a monetary financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's and the Company's financial instruments are denominated in their functional currency. The Group's and the Company's financial instruments which are exposed to currency risk consist mainly of financial assets at fair value through profit or loss, reinsurance receivables and payables. The Group and the Company monitor their currency position on a regular basis. The carrying amounts of the Group's and the Company's financial and insurance assets and liabilities at the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
<u>Financial assets</u>	MUR	MUR	MUR	MUR
Mauritian Rupees (MUR)	10,192,738,142	10,075,904,526	10,094,756,564	10,073,516,808
United States Dollars (USD)	1,225,412,118	968,550,082	1,225,412,118	968,550,082
Great Britain Pounds (GBP)	180,974,471	164,034,410	180,974,471	164,034,410
Euro (EUR)	367,646,363	264,914,482	367,646,363	264,914,482
South African Rand (ZAR)	22,115,910	-	22,115,910	-
Japanese Yen (JPY)	21,088,043	8,213,058	21,088,043	23,428,845
Botswana Pula (BWP)	50,830,225	52,155,770	50,830,225	52,155,770
Kenyan Shillings (KES)	32,731,413	23,428,845	32,731,413	8,213,058
Singapore Dollar (SGD)	32,904,334	29,841,017	32,904,334	29,841,017
Canadian Dollar (CAD)	21,078,458	36,378,701	21,078,458	36,378,701
Switzerland Francs (CHF)	39,499,935	48,242,967	39,499,935	48,242,967
Australia Dollars (AUD)	18,656,817	15,749,289	18,656,817	15,749,289
Sweden Kronor (SEK)	10,285,141	9,724,618	10,285,141	9,724,618
TOTAL	12,215,961,370	11,697,137,765	12,117,979,792	11,694,750,047

5. FINANCIAL RISKS (CONTINUED)

5.1 Market risk (Continued)

5.1.1 Foreign currency risk (Continued)

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Financial assets				
Insurance and reinsurance assets				
Mauritian Rupees (MUR)	124,873,885	124,964,764	124,873,885	124,964,764
TOTAL	124,873,885	124,964,764	124,873,885	124,964,764

Prepayments amounting to **MUR 1,449,323** (2024: MUR 1,847,935) and tax receivables amounting to **MUR 14,235,119** (2024 : MUR 688,888) for the Group and the Company have been excluded from the foreign currency exposure analysis above.

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Financial liabilities				
Mauritian Rupees (MUR)	219,974,405	129,288,197	219,717,471	226,174,084
TOTAL	219,974,405	129,288,197	219,717,471	226,174,084

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Insurance and reinsurance liabilities				
Mauritian Rupees (MUR)	11,941,043,498	11,861,511,876	11,941,043,498	11,861,511,876
TOTAL	11,941,043,498	11,861,511,876	11,941,043,498	11,861,511,876

Accruals amounting to **MUR 45,138,809** (2024: MUR 51,219,055) for the Group and **MUR 44,439,339** (2024: MUR 50,805,539) for the Company have been excluded from the foreign currency exposure analysis above.

The Group's and the Company's insurance and reinsurance contract assets and liabilities are denominated in Mauritian Rupees and therefore do not expose the Group or the Company to foreign currency risk.

Consequently, the Group and the 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's and the Company's assets and liabilities which are denominated in currencies other than the Mauritian Rupee.

Sensitivity analysis

The following table details the Group's and the Company's sensitivity to a change of 5% of the Mauritian Rupee against foreign currencies.

	THE GROUP		THE COMPANY	
	Impact on profit or loss and equity (+/-)	Impact on profit or loss and equity (+/-)	Impact on profit or loss and equity (+/-)	Impact on profit or loss and equity (+/-)
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
United States Dollars (USD)	61,270,606	48,427,504	61,270,606	48,427,504
Great Britain Pounds (GBP)	9,048,724	8,201,721	9,048,724	8,201,721
Euro (EUR)	18,382,318	13,245,724	18,382,318	13,245,724
Japanese Yen (JPY)	1,054,402	410,653	1,054,402	1,171,442
Botswana Pula (BWP)	2,541,511	2,607,789	2,541,511	2,607,789
Kenyan Shillings (KES)	1,636,571	1,171,442	1,636,571	410,653
Singapore Dollar (SGD)	1,645,217	1,492,051	1,645,217	1,492,051
Canadian Dollar (CAD)	1,053,923	1,818,935	1,053,923	1,818,935
Switzerland Francs (CHF)	1,974,997	2,412,148	1,974,997	2,412,148
Australia Dollars (AUD)	932,841	787,464	932,841	787,464
Sweden Kronor (SEK)	514,257	486,231	514,257	486,231

5. FINANCIAL RISKS (CONTINUED)

5.1 Market risk (Continued)

5.1.2 Interest rate risk

The Group and the Company are exposed to interest rate fluctuations on the domestic market. The Group and the Company monitor interest rate trends and related impact on investment income for performance evaluation and better management.

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 rates. The risk is also that there will be insufficient funds to settle the guaranteed benefits payable especially under long term life insurance contracts. Fluctuations in interest rates impact on returns on financial instruments. This is closely monitored by the Group and the Company through a well diversified portfolio of fixed income securities and equity investments.

The interest rate risk arises on loan and receivables at amortised cost and interest bearing bank accounts.

The interest rate profile was:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	% p.a	% p.a	% p.a	% p.a
<u>Financial assets</u>				
Treasury notes	4.18 - 5.85	4.19 - 5.85	4.18 - 5.85	4.19 - 5.85
Treasury bills	0.00 - 0.00	4.50 - 4.50	0.00 - 0.00	4.50 - 4.50
Government bonds	3.63 - 7.47	3.63 - 7.47	3.63 - 7.47	3.63 - 7.47
Mortgage and other loans	3.00 - 14.00	3.00 - 14.00	3.00 - 14.00	3.00 - 14.00
Term deposits	5.05 - 5.05	1.00 - 4.50	5.05 - 5.05	1.00 - 4.50
Bank savings accounts	0.10 - 3.45	0.10 - 2.75	0.10 - 3.45	0.10 - 2.75
<u>Corporate bonds:</u>				
MUR - Fixed	3.20 - 7.95	3.20 - 7.95	3.20 - 7.95	3.20 - 7.95
MUR - Floating	Key rate + (0.50 - 2.40)	Key rate + (1.10 - 2.40)	Key rate + (0.50 - 2.40)	Key rate + (1.10 - 2.40)
<u>Financial liabilities</u>				
Lease liabilities	7.25 - 8.50	7.25 - 8.50	7.25 - 8.50	7.25 - 8.50
<u>Insurance contract liabilities</u>	4.22-7.73	3.30-6.30	4.22-7.73	3.30-6.30
<u>Reinsurance contract liabilities</u>	4.22-7.03	3.30-5.80	4.22-7.03	3.30-5.80

The Group and the Company are exposed to interest rate fluctuations on the international and domestic markets. The Group and the Company monitor closely interest rate trends and related impact on investment income for performance evaluation and better management.

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
<u>Financial assets</u>				
Mortgage and other loans	630,798,771	537,157,921	630,798,771	537,157,921
Financial assets at amortised cost (floating rate notes)	526,691,080	591,945,685	526,691,080	591,945,685
Interest bearing bank accounts	1,217,807,610	1,314,265,463	1,217,807,610	1,314,265,463
	2,375,297,461	2,443,369,069	2,375,297,461	2,443,369,069
<u>Insurance and reinsurance assets</u>				
Insurance contract assets	3,139,655	2,737,180	3,139,655	2,737,180
Reinsurance contract assets	121,734,230	122,227,584	121,734,230	122,227,584
	124,873,885	124,964,764	124,873,885	124,964,764
<u>Insurance and reinsurance liabilities</u>				
Insurance contract liabilities	11,878,746,334	11,801,621,455	11,878,746,334	11,801,621,455
Reinsurance contract liabilities	62,297,164	59,890,421	62,297,164	59,890,421
	11,941,043,498	11,861,511,876	11,941,043,498	11,861,511,876

5. FINANCIAL RISKS (CONTINUED)

5.1 Market risk (Continued)

5.1.2 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.

	THE GROUP		THE COMPANY	
	Impact on profit or loss and equity (+/-)	Impact on profit or loss and equity (+/-)	Impact on profit or loss and equity (+/-)	Impact on profit or loss and equity (+/-)
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
<u>Change of 5% in interest rate</u>				
<u>Financial assets</u>				
Mortgage and other loans	31,539,939	26,857,896	31,539,939	26,857,896
Financial assets at amortised cost (floating rate)	26,334,554	29,597,284	26,334,554	29,597,284
Interest bearing bank accounts	60,890,381	65,713,273	60,890,381	65,713,273
Impact on profit or loss (+/-)	118,764,874	122,168,453	118,764,874	122,168,453
<u>Insurance and reinsurance assets</u>				
Insurance contract assets	156,983	136,859	156,983	136,859
Reinsurance contract assets	6,086,712	6,111,379	6,086,712	6,111,379
	6,243,695	6,248,238	6,243,695	6,248,238
<u>Insurance and reinsurance liabilities</u>				
Insurance contract liabilities	593,937,317	590,081,073	593,937,317	590,081,073
Reinsurance contract liabilities	3,114,858	2,994,521	3,114,858	2,994,521
	597,052,175	593,075,594	597,052,175	593,075,594

The movement in the interest rate sensitivity is due to fluctuations in interest rates at year end.

Government securities, local currency fixed deposits and some local corporate bonds which have fixed interest rates will not be affected by fluctuations in the level of interest rates, have not been considered.

5.1.3 Equity price risk

The Group and the Company are subject to price risk due to changes in the market values of its equity securities portfolio. This risk is moderated, inter alia, through a careful selection of securities, investment diversification and by having investment limits. In addition, local insurance regulations set out investment concentration as part of an overall prudent portfolio investment policy.

The Group and the Company do not have material holdings in unquoted equity securities. The Investment Committee actively monitors equity assets owned directly by the Group and the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group and Company hold diversified portfolios of local and foreign investments in various sectors of the economy.

5. FINANCIAL RISKS (CONTINUED)

5.1 Market risk (Continued)

5.1.3 Equity price risk (continued)

The equity price risk arises on the financial instruments held 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 and the Company's overall market positions are monitored on a regular basis.

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
<u>Quoted</u>	MUR	MUR	MUR	MUR
Financial investments at Fair value through profit or loss				
	3,853,650,321	3,244,034,234	3,853,650,321	3,244,034,234
	3,853,650,321	3,244,034,234	3,853,650,321	3,244,034,234

Sensitivity

The impact on the Group's and the Company's profit or loss and equity had the equity market values changed by 10% with other assumptions left unchanged would have been as follows:

	THE GROUP AND THE COMPANY			
	2025		2024	
	Impact on profit or loss and equity		Impact on profit or loss and equity	
	+10%	-10%	+10%	-10%
	MUR	MUR	MUR	MUR
Financial assets at fair value through profit or loss (FVTPL)				
	385,365,032	(385,365,032)	324,403,423	(324,403,423)

5.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivery of cash or another financial assets.

The Group and the Company are exposed to daily payments of claims and benefits to clients and to repayment of financial liabilities.

The Group's and the Company's liquidity position are monitored on a regular basis. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by monitoring forecast and actual cash flows and matching profiles of financial assets and financial liabilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities and insurance/reinsurance contract liabilities. Financial liabilities are presented based on contractual undiscounted cash flows, while financial assets are presented based on expected maturity dates for liquidity management purposes.

Maturities of financial assets and liabilities:

At 30 June 2025	THE GROUP				
	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
<u>Financial assets</u>	MUR	MUR	MUR	MUR	MUR
Investments in financial assets (At amortised cost & FVPL)	74,298,968	853,878,575	4,015,312,070	4,743,599,645	9,687,089,258
Mortgage and other loans	19,888,426	106,510,914	460,217,764	44,181,667	630,798,771
Other receivables	47,110,846	-	-	-	47,110,846
Short term deposits	115,000,000	-	-	-	115,000,000
Cash at bank	1,735,962,495	-	-	-	1,735,962,495
TOTAL	1,992,260,735	960,389,489	4,475,529,834	4,787,781,312	12,215,961,370
<u>Insurance and reinsurance assets</u>					
Insurance contract assets	-	-	-	3,139,655	3,139,655
Reinsurance contract assets	-	-	-	121,734,230	121,734,230
TOTAL	-	-	-	124,873,885	124,873,885

Prepayments amounting to **MUR 1,449,323** (2024: MUR 1,847,935) and tax receivables amounting to **MUR 14,235,119** (2024 : MUR 688,888) for the Group have been excluded from financial assets.

5. FINANCIAL RISKS (CONTINUED)

5.2 Liquidity risk (Continued)

Maturities of financial assets and liabilities (continued):

At 30 June 2025	THE GROUP				
	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
<u>Financial liabilities</u>	MUR	MUR	MUR	MUR	MUR
Lease liabilities	8,901,778	45,047,458	-	-	53,949,236
Trade and other payables	166,025,169	-	-	-	166,025,169
TOTAL	174,926,947	45,047,458	-	-	219,974,405

Insurance and reinsurance liabilities

Insurance contract liabilities	378,891,222	1,616,717,704	5,090,886,198	4,792,251,210	11,878,746,334
Reinsurance contract liabilities	-	-	-	62,297,164	62,297,164
TOTAL	378,891,222	1,616,717,704	5,090,886,198	4,854,548,374	11,941,043,498

Accruals amounting to MUR 45,138,809 have been excluded from financial liabilities.

Insurance and reinsurance contract liabilities relate mainly to insurance obligations for which the timing of settlement is uncertain. Consequently, these liabilities have been disclosed under "No maturity dates".

At 30 June 2024	THE GROUP				
	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
<u>Financial assets</u>	MUR	MUR	MUR	MUR	MUR
Investments in financial assets (At amortised cost & FVPL)	13,121,295	478,476,784	4,355,711,728	4,265,887,302	9,113,197,109
Mortgage and other loans	55,683,290	99,909,947	364,651,261	16,913,423	537,157,921
Other receivables	52,943,544	-	-	-	52,943,544
Short term deposits	251,162,785	-	-	-	251,162,785
Cash at bank	1,742,676,406	-	-	-	1,742,676,406
TOTAL	2,115,587,320	578,386,731	4,720,362,989	4,282,800,725	11,697,137,765

Insurance and reinsurance assets

Insurance contract assets	-	-	-	2,737,180	2,737,180
Reinsurance contract assets	-	-	-	122,227,584	122,227,584
TOTAL	-	-	-	124,964,764	124,964,764

Prepayments amounting to MUR 1,847,935 and tax receivables of MUR 688,888 have been excluded from financial assets.

At 30 June 2024	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
	MUR	MUR	MUR	MUR	MUR
<u>Financial liabilities</u>					
Lease liabilities	6,202,564	49,466,624	-	-	55,669,188
Trade and other payables	73,619,009	-	-	-	73,619,009
TOTAL	79,821,573	49,466,624	-	-	129,288,197

5. FINANCIAL RISKS (CONTINUED)

5.2 Liquidity risk (Continued)

Maturities of financial assets and liabilities (Continued):

At 30 June 2024	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
<u>Insurance and reinsurance liabilities</u>					
Insurance contract liabilities	395,818,572	1,504,907,897	4,935,577,644	4,965,317,342	11,801,621,455
Reinsurance contract liabilities	-	-	-	59,890,421	59,890,421
TOTAL	395,818,572	1,504,907,897	4,935,577,644	5,025,207,763	11,861,511,876

Accruals amounting to MUR 51,219,055 have been excluded from financial liabilities.

THE COMPANY

At 30 June 2025	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
<u>Financial assets</u>	<u>MUR</u>	<u>MUR</u>	<u>MUR</u>	<u>MUR</u>	<u>MUR</u>
Investments in financial assets (At amortised cost & FVPL)	74,298,968	853,878,575	4,015,312,070	4,743,599,645	9,687,089,258
Mortgage and other loans	149,324,140	99,909,947	364,651,261	16,913,423	630,798,771
Other receivables	51,522,341	-	-	-	51,522,341
Short term deposits	115,000,000	-	-	-	115,000,000
Cash at bank	1,633,569,422	-	-	-	1,633,569,422
TOTAL	2,023,714,871	953,788,522	4,379,963,331	4,760,513,068	12,117,979,792

Insurance and reinsurance assets

Insurance contract assets	-	-	-	3,139,655	3,139,655
Reinsurance contract assets	-	-	-	121,734,230	121,734,230
TOTAL	-	-	-	124,873,885	124,873,885

Prepayments amounting to MUR 1,449,323 and tax receivables amounting to MUR 14,235,119 for the Company have been excluded from financial assets.

At 30 June 2025	< 1 year	1 to 5 years	> 5 years	No maturity dates	Total
<u>Financial liabilities</u>	<u>MUR</u>	<u>MUR</u>	<u>MUR</u>	<u>MUR</u>	<u>MUR</u>
Lease liabilities	8,901,778	45,047,458	-	-	53,949,236
Trade and other payables	65,768,235	-	-	100,000,000	165,768,235
TOTAL	74,670,013	45,047,458	-	100,000,000	219,717,471

Insurance and reinsurance liabilities

Insurance contract liabilities	378,891,222	1,616,717,704	5,090,886,198	4,792,251,210	11,878,746,334
Reinsurance contract liabilities	-	-	-	62,297,164	62,297,164
TOTAL	378,891,222	1,616,717,704	5,090,886,198	4,854,548,374	11,941,043,498

Accruals amounting to MUR 44,439,339 have been excluded from financial liabilities.

5. FINANCIAL RISKS (CONTINUED)

5.2 Liquidity risk (Continued)

Maturities of financial assets and liabilities (Continued):

At 30 June 2024	THE COMPANY				Total
	< 1 year	1 to 5 years	> 5 years	No maturity dates	
	MUR	MUR	MUR	MUR	MUR
<u>Financial assets</u>					
Investments in financial assets (At amortised cost & FVPL)	13,121,295	478,476,784	4,355,711,728	4,265,887,302	9,113,197,109
Mortgage and other loans	55,683,290	99,909,947	364,651,261	16,913,423	537,157,921
Other receivables	50,744,450	-	-	-	50,744,450
Short term deposits	251,162,785	-	-	-	251,162,785
Cash at bank	1,742,487,782	-	-	-	1,742,487,782
TOTAL	2,113,199,602	578,386,731	4,720,362,989	4,282,800,725	11,694,750,047
<u>Insurance and reinsurance assets</u>					
Insurance contract assets	-	-	-	2,737,180	2,737,180
Reinsurance contract assets	-	-	-	122,227,584	122,227,584
TOTAL	-	-	-	124,964,764	124,964,764

Prepayments amounting to MUR 1,847,935 and tax receivables of MUR 688,888 have been excluded from financial assets.

At 30 June 2024	THE COMPANY				Total
	< 1 year	1 to 5 years	> 5 years	No maturity dates	
	MUR	MUR	MUR	MUR	MUR
<u>Financial liabilities</u>					
Lease liabilities	6,202,564	49,466,624	-	-	55,669,188
Trade and other payables	70,504,896	-	-	100,000,000	170,504,896
TOTAL	76,707,460	49,466,624	-	100,000,000	226,174,084
<u>Insurance and reinsurance liabilities</u>					
Insurance contract liabilities	395,818,572	1,504,907,897	4,935,577,644	4,965,317,342	11,801,621,455
Reinsurance contract liabilities	-	-	-	59,890,421	59,890,421
TOTAL	395,818,572	1,504,907,897	4,935,577,644	5,025,207,763	11,861,511,876

Accruals amounting to MUR 50,805,539 have been excluded from financial liabilities.

5. FINANCIAL RISKS (CONTINUED)

5.3 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when due. The Group's and the Company's credit risk are primarily attributable to receivables, mortgage and other loans, 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 and the Company provide 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 and the Company. The Group's and the Company'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 continuously monitors and controls the Group's and the Company'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 and the Company's maximum exposure to credit risk taking into account the value of the collaterals obtained.

When financial assets are impaired by credit losses, the Group and the Company record the impairment in a separate account rather than directly reducing the assets.

Probability of Default - PD estimation process

The PD estimation depends on the type of instruments the Group and the Company have in their portfolio. These are discussed below:

· *Government Bonds, corporate bonds, Treasury Bills, Short and Long-Term Deposits*

The Group's and the Company'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 and the Company'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 loan exposures, the Group's and the Company's specialised credit risk team undertakes the assessment of credit risk. In accordance with IFRS 9, the Probability of Default (PD) for these portfolios is derived using the Group's and the Company's historical default and recovery experience, supplemented by forward-looking information where relevant.

For exposures in Stage 1 and Stage 2, the PDs are estimated based on observed historical recovery patterns for each portfolio, reflecting the Group's and the Company's experience of defaults and subsequent recoveries across similar borrower groups. These PDs incorporate the expected likelihood of default over the relevant time horizons, consistent with the impairment staging criteria under IFRS 9.

For credit-impaired exposures classified in Stage 3, the Group and the Company apply a PD of 100%, on the basis that such exposures meet the definition of default under IFRS 9. This conservative approach ensures that lifetime expected credit losses are fully recognised for loans considered to be in default.

Exposure at Default

The exposure at default (EAD) represents the gross carrying amount of the financial assets subject to impairment. EAD reflects the amount the Group and the Company expect to be exposed to at the point of default and includes any accrued interest.

For Stage 1 exposures, the EAD used in the calculation of the 12-month expected credit loss corresponds to the gross carrying amount of the asset at the reporting date. For Stage 2 and Stage 3 exposures, the EAD is determined based on the gross carrying amount expected to be outstanding over the remaining life of the instrument, consistent with the lifetime expected credit loss requirement under IFRS 9.

5. FINANCIAL RISKS (CONTINUED)

5.3 Credit risk (continued)

Exposure at Default (continued)

As the Group and the Company do not apply behavioural or credit conversion factors for its portfolios, the EAD is not modelled but is taken directly as the gross amount of the financial asset.

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 and the Company's specialised credit risk/investment/loan 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 and the Company's situation and thus not taken into account. However, the Group and the Company built a refined model for the forward-looking information and incorporated same in the current models.

Significant increase in credit risk

Expected credit losses are measured as a 12-month ECL for Stage 1 assets and as lifetime ECL for assets classified in Stage 2 or Stage 3. An asset is transferred to Stage 2 when the Group and the Company determine that its credit risk has increased significantly since initial recognition.

In evaluating whether credit risk has increased significantly, the Group and the Company consider both quantitative and qualitative factors, together with reasonable and supportable forward-looking information. Quantitative indicators include increases in the lifetime Probability of Default (PD) relative to initial recognition, while qualitative indicators may include adverse changes in the borrower's financial condition, deterioration in repayment behaviour or emerging macroeconomic risks. The Group and the Company conclude that credit risk has increased significantly when the lifetime PD has risen materially compared with initial recognition.

Grouping financial assets measured on an individual or collective

The Group and the Company measure 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 and other loans. Management monitors the market value of collaterals and will request additional collateral in accordance with the underlying agreements. In its normal course of business, the Group and the Company can physically repossess properties or other assets in its portfolio, but undertakes to recover funds, generally at auction, to settle outstanding debt.

For the purpose of measuring expected credit losses (ECL) for the Group and for the Company, the fair value of collateral held for mortgage and other secured loans, amounting to **MUR 535.3 million** as at 30 June 2025 (2024: MUR 449.6 million), has been taken into consideration.

5. FINANCIAL RISKS (CONTINUED)

5.3 Credit risk (Continued)

The table below shows the maximum exposure to credit risk:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
<u>Financial assets</u>				
Investments in financial assets (FVPL)	4,738,206,673	4,260,206,961	4,738,206,673	4,260,206,961
Investments in financial assets (At amortised cost)	4,948,882,585	4,852,990,148	4,948,882,585	4,852,990,148
Mortgage and other loans	630,798,771	537,157,921	630,798,771	537,157,921
Other receivables	47,110,846	52,943,544	51,522,341	50,744,450
Cash and cash equivalents	1,850,962,495	1,993,839,191	1,748,569,422	1,993,650,567
	<u>12,215,961,370</u>	<u>11,697,137,765</u>	<u>12,117,979,792</u>	<u>11,694,750,047</u>
<u>Insurance and reinsurance assets</u>				
Insurance contract assets	3,139,655	2,737,180	3,139,655	2,737,180
Reinsurance contract assets	121,734,230	122,227,584	121,734,230	122,227,584
	<u>124,873,885</u>	<u>124,964,764</u>	<u>124,873,885</u>	<u>124,964,764</u>

Prepayments amounting to **MUR 1,449,323** (2024: MUR 1,847,935) and tax receivables amounting to **MUR 14,235,119** (2024 : MUR 688,888) for the Group have been excluded from financial assets.

The following table provides information regarding the carrying value of loans and receivables that have been impaired.

THE GROUP	Neither past due nor impaired	Past due and impaired	Expected credit loss	Carrying amount at year end
	MUR	MUR	MUR	MUR
2025				
Mortgage and other loans	462,539,235	184,613,456	(16,353,920)	630,798,771
Other receivables	47,110,846	72,027,929	(72,027,929)	47,110,846
2024				
Mortgage and other loans	382,875,579	170,636,263	(16,353,921)	537,157,921
Other receivables	52,943,544	80,596,302	(80,596,302)	52,943,544
THE COMPANY				
	Neither past due nor impaired	Past due and impaired	Expected credit loss	Carrying amount at year end
	MUR	MUR	MUR	MUR
2025				
Mortgage and other loans	462,539,235	184,613,456	(16,353,920)	630,798,771
Other receivables	51,522,341	72,027,929	(72,027,929)	51,522,341
2024				
Mortgage and other loans	382,875,579	170,636,263	(16,353,921)	537,157,921
Other receivables	50,744,450	83,407,528	(83,407,528)	50,744,450

Loans and other receivables that are neither past due nor impaired are spread over a large number of unrelated customers. On contrary, the balances past due or impaired are subject to collective provisioning based on their recent history of defaults (due for more than 6 months and referred to legal counsels) while for provision for impairment represents in relation to cases assessed for impairment individually when there are clear indications of default and hence indication of impairment and time of realisation assessed on a case to case basis.

5. FINANCIAL RISKS (CONTINUED)

5.4 Capital risk management

The main objectives of the Group and the Company when managing capital are:

- to maintain at all times the Minimum Capital Requirement as required by the Insurance (Long-Term Insurance Business Solvency) Rules 2007, i.e. as determined by the Group's and the Company's actuary at the higher of:
 - (a) a stress test requirement determined in accordance with guidelines issued by the Commission to ensure that the long-term insurer remains solvent; or
 - (b) the higher of an amount of MUR 25m or an amount representing 13 weeks' operating expenses.
- to safeguard the Group's and the Company's ability to continue as a going concern so that it can continue to provide returns for Shareholders and benefits for other stakeholders; and
- to provide an adequate return to Shareholders by pricing insurance contracts and other services commensurately with the level of risk.

The Group and the Company are required to maintain at all times a solvency margin that is at least equal to the Minimum Capital Requirement. The Group and the Company have met the Minimum Capital Requirement at 30 June 2025 and 30 June 2024 for their life business.

The Group's and the Company's capital and solvency margins are above the minimums required by the Insurance Act 2005 and proper internal controls are in place to ensure that they remain so.

5.5 Categories of financial instruments

		THE GROUP		THE COMPANY	
	Category	2025	2024	2025	2024
		MUR	MUR	MUR	MUR
<u>Financial assets</u>					
Investments in financial assets (FVPL)	Fair value through Profit or Loss	4,738,206,673	4,260,206,961	4,738,206,673	4,260,206,961
Investments in financial assets (Amortised cost)	Amortised Cost	4,948,882,585	4,852,990,148	4,948,882,585	4,852,990,148
Mortgage and other loans	Amortised Cost	630,798,771	537,157,921	630,798,771	537,157,921
Other receivables	Amortised Cost	47,110,846	52,943,544	51,522,341	50,744,450
Short term deposits	Amortised Cost	115,000,000	251,162,785	25,000,000	251,162,785
Cash at bank	Amortised Cost	1,735,962,495	1,742,676,406	1,723,569,422	1,742,487,782
		<u>12,215,961,370</u>	<u>11,697,137,765</u>	<u>12,117,979,792</u>	<u>11,694,750,047</u>
<u>Insurance and reinsurance assets</u>					
Insurance contract assets	Not applicable, measured under	3,139,655	2,737,180	3,139,655	2,737,180
Reinsurance contract assets	IFRS 17	121,734,230	122,227,584	121,734,230	122,227,584
TOTAL		<u>124,873,885</u>	<u>124,964,764</u>	<u>124,873,885</u>	<u>124,964,764</u>

Prepayments amounting to **MUR 1,449,323** (2024: MUR 1,847,935) and tax receivables amounting to **MUR 14,235,119** (2024 : MUR 688,888) for the Group and the Company have been excluded from financial assets.

		THE GROUP		THE COMPANY	
	Category	2025	2024	2025	2024
		MUR	MUR	MUR	MUR
<u>Financial liabilities</u>					
Lease liabilities	Amortised Cost	53,949,236	55,669,188	53,949,236	55,669,188
Trade and other payables	Amortised Cost	166,025,169	73,619,009	165,768,235	170,504,896
		<u>219,974,405</u>	<u>129,288,197</u>	<u>219,717,471</u>	<u>226,174,084</u>
<u>Insurance and reinsurance liabilities</u>					
Insurance contract liabilities	Not applicable, measured under	11,878,746,334	11,801,621,455	11,878,746,334	11,801,621,455
Reinsurance contract liabilities	IFRS 17	62,297,164	59,890,421	62,297,164	59,890,421
TOTAL		<u>11,941,043,498</u>	<u>11,861,511,876</u>	<u>11,941,043,498</u>	<u>11,861,511,876</u>

Accruals amounting to **MUR 45,138,809** (2024: MUR 51,219,055) for the Group and **MUR 44,439,339** (2024: MUR 50,805,539) the Company have been excluded from financial liabilities.

5. FINANCIAL RISKS (CONTINUED)

5.6 Fair value measurement recognised in the statements of financial position

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Group and the Company determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The carrying amounts of other receivables, short term bank deposits, cash at bank and in hand, and 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 investment in financial assets 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
- 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).

Only financial assets held at FVPL are measured at fair value in the consolidated and separate financial statements.

Valuation techniques include discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models, such as the net asset value method or replacement cost approach. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. Refer to Note 6.2 for further details on the specific valuation techniques used by the Group and the Company.

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Investments in financial assets at fair value through profit or loss (Note 13(a)):

THE GROUP AND THE COMPANY

	2025			
	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
Quoted securities	3,853,650,321	-	-	3,853,650,321
Unquoted securities	-	878,539,409	6,016,943	884,556,352
	3,853,650,321	878,539,409	6,016,943	4,738,206,673
	2024			
	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
Quoted securities	3,244,034,234	-	-	3,244,034,234
Unquoted securities	-	994,052,666	22,120,061	1,016,172,727
	3,244,034,234	994,052,666	22,120,061	4,260,206,961

All of the above financial assets disclosures exclude property, plant and equipment, right-of-use assets, investment properties, intangible assets, investments in subsidiaries, deferred tax assets, prepayments, employee benefit obligations and current tax liabilities.

The fair value of instruments classified as Level 1 was derived from quoted prices. These include investments in equities. Level 2 financial instruments comprise investments in equities and bond funds. Their fair value is based on the net asset value of the funds. The net asset value is based on the market price of the underlying quoted securities as at 30 June 2025 and 30 June 2024.

Fair value of financial assets that are not measured at fair value (but fair value disclosures are required)

There were no financial instruments that are measured at amortised cost but for which fair value was disclosed as Level 3 either in the current year.

5. FINANCIAL RISKS (CONTINUED)

5.7 Reconciliation of level 3 fair value measurements of financial assets

	THE GROUP AND THE COMPANY	
	2025	2024
<u>Unquoted equities</u>	MUR	MUR
At 01 July	22,120,056	35,973,393
Movement for the year	(16,103,118)	(13,853,337)
At 30 June	6,016,938	22,120,056
<u>Debt instruments</u>		
At 01 July	5	5
Movement for the year	-	-
At 30 June	5	5

The table above only includes financial assets. Level 3 financial instruments comprise investments in unquoted equities and the valuation technique used is the net asset value method.

Transfers between level 1, level 2 and level 3 are disclosed in Note 13.

The following table shows the valuation techniques used in the determination of fair values in level 3 hierarchy as well as key unobservable inputs in the valuation model if applicable.

	Type	Relationship of unobservable inputs to fair value	Range of unobservable inputs	Key observable inputs	Valuation approach	Fair value as at 30 June 2025	Fair value as at 30 June 2024
1.	Wired telecommunications activities	N/A	N/A	N/A	Net asset value	1	1
2.	Hospitality and Leisure	N/A	N/A	N/A	Net asset value	1	15,782,501
3.	Reinsurance activities	N/A	N/A	N/A	Net asset value	6,016,941	6,337,559

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES

Estimates, judgements and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

6.1 Insurance contracts

Life Insurance Contracts

Key sources of estimation uncertainty

(i) The methods used to measure insurance contracts

The Group and the Company primarily use deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.1 Insurance contracts (continued)

Life Insurance Contracts (Continued)

(i) The methods used to measure insurance contracts (continued)

The following assumptions were used when estimating future cash flows:

Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's and the Company's own experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type. An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Group and the Company.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's and the Company's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type.

An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Group and the Company.

Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premium. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's and the Company's experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group and the Company, but later increases are broadly neutral in effect.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.1 Insurance contracts (continued)

Life Insurance Contracts (Continued)

(ii) Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows

A risk-neutral approach is used to determine the discount rates for all contracts measured under GMM and VFA. The Nelson Siegel Svenson model is used to calculate the discount rate yield curve. An illiquidity premium loading is then applied for the different classes of business.

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

	2025				
	1 year	3 years	5 years	10 years	> 10 years
Life Risk - Annuities	4.92%	6.32%	6.37%	7.00%	7.40%
Life Risk - Term Assurance	4.45%	5.85%	5.90%	6.54%	6.93%
Personal Pension	4.69%	6.09%	6.13%	6.77%	7.17%
All Other Products	4.22%	5.62%	5.67%	6.31%	6.70%

	2024				
	1 year	3 years	5 years	10 years	> 10 years
Life Risk - Annuities	3.93%	5.34%	5.94%	6.27%	6.30%
Life Risk - Term Assurance	3.59%	5.01%	5.60%	5.94%	5.97%
Personal Pension	3.76%	5.18%	5.77%	6.10%	6.13%
All Other Products	3.42%	4.84%	5.43%	5.77%	5.80%

(iii) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group and the Company require for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Group and the Company have estimated the risk adjustment using a margins-based approach. The margins are calibrated to be aligned with a value at risk (VaR) calculation. The margins have been determined using the South Africa regulatory capital basis (Solvency Assessment and Management (SAM)) adjusted at a 85% confidence level.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.1 Insurance contracts (continued)

Life Insurance Contracts (Continued)

(iv) Amortisation of the Contractual Service Margin

The CSM is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future; and
- Recognising in profit or loss the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage period. For products with and without direct participation features:

- A dual factor approach defined by a combination of a volume weighting and expected survivorship of the given contract is used.
- The volume measure is given by the maximum benefit that a policyholder could possibly be entitled to in a given period.

The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. Once coverage units have been determined as per the approaches above, CSM will be allocated based on the discounted value of the coverage units, using the current discount rates for the group.

For reinsurance contracts held, the CSM amortisation is similar to the insurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

(v) Insurance acquisition cash flows

Estimates of expenses are based on the apportionment allocation to each individual cost centre. The Group and the Company have determined that this method results in a consistent and practical allocation. This apportionment is then used to derive the acquisition and maintenance cost of each product for each cost centre which are then summed to obtain the total acquisition and maintenance costs.

The per policy cost for acquisition and maintenance is then calculated by dividing by the number of new and in-force businesses respectively. Unit cost for new generation bancassurance/term assurance are however expressed as a % of premium as these 2 products are new product offerings. Also, there is an allowance for group expenses which is deducted from the overall expenses as the relative increase in the level of group business is recent compared to the existing book.

Judgements

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Valuation of 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 and the Company base mortality and morbidity on the SA85/90 table and HA2 AIDS Mortality table which reflect historical experiences, adjusted when appropriate to reflect the Group's and the Company's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.1 Insurance contracts (continued)

Life Insurance Contracts (Continued)

(v) Insurance acquisition cash flows (continued)

Valuation of insurance contract liabilities (continued)

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. For annuities, the Group and the Company use the PA90 Mortality table.

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 and the Company's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's and the Company's own risk exposure.

Assessment of significance of insurance risk

The Group and the Company apply their 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 and the Company 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 and the Company consider all terms of contracts they issue 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 and the Company consider 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.

Determination of 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 and the Company consider their 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 and the Company have 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 and the Company apply their 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 and the Company consider contractual, legal and regulatory restrictions when making their assessment and apply judgement to decide whether these restrictions have commercial substance.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.1 Insurance contracts (continued)

Life Insurance Contracts (Continued)

(v) Insurance acquisition cash flows (continued)

Identification of portfolios

The Group and the Company define 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 and the Company determine that these contracts are managed at the local issuing entity level. For some product lines, the Group and the Company 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 and the Company consider 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 and the Company consider 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 and the Company apply 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 and the Company use 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 and the Company also allocate fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

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 and the Company assess whether a contract meets the definition of a direct participating contract using the Group's and the Company'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 and the Company apply significant judgement. The Group and the Company apply significant judgement in determining the policyholder share of returns. The Group and the Company consider that variable annual charges applied to the policyholder amount reduce the policyholder share of fair value returns. The Group and the Company consider it significant if, over the duration of the contract, on a present value probability-weighted average basis, the Group and the Company expect 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 and the Company consider the range of possible scenarios and estimates their probabilities. The Group and the Company consider 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.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.1 Insurance contracts (continued)

Life Insurance Contracts (Continued)

(v) Insurance acquisition cash flows (continued)

Assessment of significance of modification

The Group and the Company derecognise the original contracts and recognise the modified contract as a new contract, if the derecognition criteria are met. The Group and the Company apply 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 and the Company consider 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 and the Company consider 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 and the Company allocate 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.

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 and the Company select the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group and the Company consider 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 and the Company exercise 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 and the Company 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 and the Company exercise judgement in specifying at inception what it regards as their commitment under the contract. How the Group and the Company specify their 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 and the Company consider their commitment under the contract to be the minimum guaranteed return in the accumulation phase and the guaranteed annuity rates in the pay-out phase.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.2 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated and separate statements of financial position cannot be derived from active markets, their fair value are determined using valuation techniques including the net asset value (valuation technique used by the Group and the Company). This valuation model does not entail any unobservable inputs. If other valuation models are used in the future, such as, discounted cash flow models or earnings multiple, then the inputs to these models will be taken from observable markets where possible. In the event this is not feasible, a degree of judgement will be required in establishing fair values. The judgements will include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors would affect the reported fair value of financial instruments.

6.3 Revaluation of investment properties (including leasehold land)

The Group and the Company carry their investment properties (including leasehold land) at fair value, with changes in fair value being recognised in profit or loss. The Group and the Company engaged a Chartered Valuation Surveyor to determine the fair value. The Chartered Valuation Surveyor used the Income Capitalisation, Depreciated Replacement Cost and Sales Comparison Approaches. The actual amount of the investment properties could therefore differ significantly from the estimates in the future.

The determined fair values of the investment properties (including leasehold land) are most sensitive to comparable sales market price per square metre and discount rates. The key assumptions used to determine the fair values of the investment properties (including leasehold land) are further explained in Note 11.

6.4 Useful lives and residual values of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets (except for goodwill) are depreciated and amortised respectively over their estimated useful lives taking into account residual values, where appropriate. The estimated lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing the estimated useful life an asset, factors such as technological innovation, product life cycles, maintenance programmes and historical information are taken into account by the Directors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets. The depreciation/amortisation rates and methods have been disclosed in Notes 3.7 and 3.8.

6.5 Retirement 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 and the Company determine 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 and the Company consider the interest rates of high-quality corporate bonds 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 obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

6.6 Deferred tax

No deferred tax asset has been recognised in respect of the unused tax losses. The tax losses expire on a rolling basis of 5 years. However, the Company is applying the tax regulation, as per the Income Tax Act 1995 Section 50 (1A), with regard to Relevant Profit for Insurance Company, which stipulates that the tax payable by a company deriving income from life insurance business, shall be (a) the normal tax payable or (b) 10 per cent of the relevant profit, whichever is the higher. The fact that the Company falls under category (b), the unutilised tax losses are being foregone for the purpose of deferred tax calculation.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.7 Loans and other receivables

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 and the Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their inter-dependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's and the Company's internal credit grading model, which assigns PDs to the individual grades;
- The Group's and the Company'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 5.3 Credit risks for reassessment of key economic factors used by the Group and the Company in the ECL model.

In relation to credit impaired facilities, the Group and the Company determine 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.

6.8 Going concern

The consolidated and separate financial statements have been prepared on a going concern basis which assumes that the Group and the Company will continue in business for the foreseeable future. As at 30 June 2025, the external Actuary has certified that the Company has sufficient admissible assets to cover its technical provisions and minimal capital requirements in accordance with the Insurance Business Solvency Rules 2007, as further described under Note 37.

6.9 Control over subsidiaries

The Directors of the Group and the Company assess whether or not the Group and the Company have control over the subsidiaries based on whether the Group and the Company have the practical ability to direct their relevant activities unilaterally. In making their judgment, the Directors consider the Group's absolute size of holding in these subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the Directors concluded that the Group and the Company have sufficient dominant voting interest to direct the relevant activities of these subsidiaries and therefore the Group and the Company have control over them. Note 12(a) describes all the entities that have been identified as subsidiaries of the Group and the Company.

6.10 Impairment of other assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. Factors taken into consideration in reaching such a decision include the economic viability of the Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Cash flows which are utilised in these assessments are extracted from the yearly budget.

6.11 Impairment of investment in subsidiaries (applicable to the separate financial statements only)

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 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.

7. SEGMENT INFORMATION

The Company is, in itself, an operating segment and strategic business unit of the NIC Group. It carries out exclusively long term insurance business.

8. PROPERTY, PLANT AND EQUIPMENT

THE GROUP 2025							
	Freehold land and buildings	Leasehold improvements	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment	Total
COST OR VALUATION	MUR	MUR	MUR	MUR	MUR	MUR	MUR
At 01 July 2024	467,170,559	943,261	1,125,908	6,440,221	3,984,002	29,409,144	509,073,095
Additions	24,782,134	3,419,333	547,540	2,304,174	-	1,452,146	32,505,327
Disposals	-	-	-	(193)	-	-	(193)
Adjustment	-	-	-	-	-	-	-
Revaluation	4,998,420	-	-	-	-	-	4,998,420
At 30 June 2025	496,951,113	4,362,594	1,673,448	8,744,202	3,984,002	30,861,290	546,576,649
ACCUMULATED DEPRECIATION							
At 01 July 2024	39,620,559	41,321	872,919	3,382,601	1,544,001	10,241,343	55,702,744
Charge for the year	5,280,554	80,655	235,259	844,371	585,600	5,580,667	12,607,106
Disposals	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-
At 30 June 2025	44,901,113	121,976	1,108,178	4,226,972	2,129,601	15,822,010	68,309,850
NET BOOK VALUE							
At 30 June 2025	452,050,000	4,240,618	565,270	4,517,230	1,854,401	15,039,280	478,266,799
THE GROUP 2024							
	Freehold land and buildings	Leasehold improvements	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment	Total
COST OR VALUATION	MUR	MUR	MUR	MUR	MUR	MUR	MUR
At 01 July 2023	439,704,593	-	2,666,266	7,899,488	2,096,456	24,162,285	476,529,088
Additions	5,869,088	943,261	698,153	2,051,552	2,928,000	19,872,513	32,362,567
Disposals	-	-	-	-	(1,040,454)	-	(1,040,454)
Adjustments	-	-	(2,238,511)	(3,510,819)	-	(14,625,654)	(20,374,984)
Revaluation	21,596,878	-	-	-	-	-	21,596,878
At 30 June 2024	467,170,559	943,261	1,125,908	6,440,221	3,984,002	29,409,144	509,073,095
ACCUMULATED DEPRECIATION							
At 01 July 2023	35,132,685	-	2,330,918	6,311,395	2,096,451	18,280,392	64,151,841
Charge for the year	4,487,874	41,321	652,537	561,952	488,000	6,505,362	12,737,046
Disposals	-	-	-	-	(1,040,450)	-	(1,040,450)
Adjustments	-	-	(2,110,536)	(3,490,746)	-	(14,544,411)	(20,145,693)
At 30 June 2024	39,620,559	41,321	872,919	3,382,601	1,544,001	10,241,343	55,702,744
NET BOOK VALUE							
At 30 June 2024	427,550,000	901,940	252,989	3,057,620	2,440,001	19,167,801	453,370,351

8. PROPERTY, PLANT AND EQUIPMENT

THE COMPANY 2025							
	Freehold land and buildings	Leasehold improvements	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment	Total
COST OR VALUATION	MUR	MUR	MUR	MUR	MUR	MUR	MUR
At 01 July 2024	467,170,559	943,261	1,125,908	6,440,221	3,984,002	29,409,144	509,073,095
Additions	24,782,134	3,419,333	547,540	2,304,174	-	1,376,706	32,429,887
Disposals	-	-	-	(193)	-	-	(193)
Adjustments	-	-	-	-	-	-	-
Revaluation	4,998,420	-	-	-	-	-	4,998,420
At 30 June 2025	496,951,113	4,362,594	1,673,448	8,744,202	3,984,002	30,785,850	546,501,209
ACCUMULATED DEPRECIATION							
At 01 July 2024	39,620,559	41,321	872,919	3,382,601	1,544,001	10,241,343	55,702,744
Charge for the year	5,280,554	80,655	235,259	844,371	585,600	5,571,866	12,598,305
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
At 30 June 2025	44,901,113	121,976	1,108,178	4,226,972	2,129,601	15,813,209	68,301,049
NET BOOK VALUE							
At 30 June 2025	452,050,000	4,240,618	565,270	4,517,230	1,854,401	14,972,641	478,200,160
THE COMPANY 2024							
	Freehold land and buildings	Leasehold improvements	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment	Total
COST OR VALUATION	MUR	MUR	MUR	MUR	MUR	MUR	MUR
At 01 July 2023	439,704,593	-	2,666,266	7,899,488	2,096,456	24,162,285	476,529,088
Additions	5,869,088	943,261	698,153	2,051,552	2,928,000	19,872,513	32,362,567
Disposals	-	-	-	-	(1,040,454)	-	(1,040,454)
Adjustments	-	-	(2,238,511)	(3,510,819)	-	(14,625,654)	(20,374,984)
Revaluation	21,596,878	-	-	-	-	-	21,596,878
At 30 June 2024	467,170,559	943,261	1,125,908	6,440,221	3,984,002	29,409,144	509,073,095
ACCUMULATED DEPRECIATION							
At 01 July 2023	35,132,685	-	2,330,918	6,311,395	2,096,451	18,280,392	64,151,841
Charge for the year	4,487,874	41,321	652,537	561,952	488,000	6,505,362	12,737,046
Disposals	-	-	-	-	(1,040,450)	-	(1,040,450)
Adjustments	-	-	(2,110,536)	(3,490,746)	-	(14,544,411)	(20,145,693)
At 30 June 2024	39,620,559	41,321	872,919	3,382,601	1,544,001	10,241,343	55,702,744
NET BOOK VALUE							
At 30 June 2024	427,550,000	901,940	252,989	3,057,620	2,440,001	19,167,801	453,370,351

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- (i) The Group's and the Company's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. The land and buildings were revalued in June 2025 by an independent Chartered Valuation Surveyor, Aestima Ltd. The fair value was determined based on the Sales Comparison Approach. The Directors have also reassessed the fair value as at 30 June 2025 and the valuation has been maintained.
- (ii) Depreciation charge amounting to **MUR 12,598,305** (2024: MUR 12,737,046 was included in other operating and administrative expenses.)
- (iii) If the land and buildings had been stated at historical cost basis, the carrying amounts would have been as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	Freehold land and buildings	Freehold land and buildings
	MUR	MUR
Cost	380,157,134	361,244,088
Accumulated depreciation	(48,372,308)	(41,037,142)
Carrying amount	331,784,826	320,206,946

Details of the Group's and the Company's freehold land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2025 are as follows:

	THE GROUP AND THE COMPANY			
	2025		2024	
	MUR Level 2	MUR Level 3	MUR Level 2	MUR Level 3
Freehold land	229,050,000	-	229,050,000	-
Buildings	223,000,000	-	198,500,000	-
	452,050,000	-	427,550,000	-

The fair value of the freehold land and buildings was derived using the Sales Comparison approach.

The Sales Comparison Approach estimates the value of a property by comparing it to similar properties recently sold on the open market. For the purpose of this valuation, the Sales Comparison Approach has been used for the Land Element and the Depreciated Replacement Cost Approach has been used for the building and structures standing thereon.

A quantitative sensitivity analysis is shown below for the land on price per arpents and for buildings on price per square feet which are the unobservable inputs that management consider to be most significant.

Price per Arpents

Increase of 5% in price per Arpents would increase fair value gain by **MUR 12,092,500** (2024: MUR 11,452,500)

Decrease of 5% in price per Arpents would decrease fair value gain by **MUR 12,092,500** (2024: MUR 11,452,500)

Price per square feet

Increase of 5% in price per square feet would increase fair value gain by **MUR 10,510,000** (2024: MUR 9,925,000)

Decrease of 5% in price per square feet would decrease fair value gain by **MUR 10,510,000** (2024: MUR 9,925,000)

9. RIGHT-OF-USE ASSETS

	THE GROUP AND THE COMPANY	
	2025	2024
	Buildings	Buildings
	MUR	MUR
COST		
At 01 July	32,259,816	21,235,961
Additions	1,937,114	5,378,000
Effect of remeasurement	1,029,100	5,645,855
At 30 June	35,226,030	32,259,816
ACCUMULATED DEPRECIATION		
At 01 July	21,550,162	12,741,577
Charge for the year	6,842,025	6,007,425
Effect of remeasurement	(1,083,153)	2,801,160
At 30 June	27,309,034	21,550,162
NET BOOK VALUE		
At 30 June	7,916,996	10,709,654

Right-of-use assets represent buildings held under operating leases accounted for under IFRS 16. Refer to Note 18 for details on lease liabilities.

10. INTANGIBLE ASSETS

	THE GROUP AND THE COMPANY	
	2025	2024
	Computer software	Computer software
	MUR	MUR
COST OR VALUATION		
At 01 July	30,518,624	30,518,624
Additions	3,698,167	-
At 01 July and 30 June	34,216,791	30,518,624
ACCUMULATED AMORTISATION		
At 01 July	30,513,485	30,067,356
Charge for the year	5,080	446,129
At 30 June	30,518,565	30,513,485
NET BOOK VALUE		
At 30 June	3,698,226	5,139

Amortisation charge amounting to **MUR 5,080** (2024: MUR 446,129) is included in other operating and administrative expenses.

11. INVESTMENT PROPERTIES

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
At fair value		
At 01 July	2,630,300,000	2,195,300,000
Additions	35,012,611	85,288,519
Disposal	(42,000,000)	-
Revaluation	52,687,389	349,711,481
At 30 June	2,676,000,000	2,630,300,000

The fair values of the Group's and the Company's investment properties as at 30 June 2025 and 30 June 2024 have been arrived at on the basis of a valuation carried out by Aestima Ltd, an independent Chartered Valuation Surveyor. The fair values were determined based on the Income Capitalisation, Depreciated Replacement Cost and Sales Comparison Approaches. The Directors have also reassessed the fair value as at 30 June 2025 and the valuation has been maintained.

The investment properties of the Group and the Company have generated rental income of **MUR 101,750,239** for the year (2024: MUR 100,504,627) which is included in investment and other income under Note 27. The direct operating expenses incurred during the year amounted to **MUR 10,288,989** (2024: MUR 10,804,509), analysed as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Expenses arising from:		
Investment properties that generated income	10,288,989	8,627,266
Investment properties that did not generate income	4,049,376	2,177,243
	14,338,365	10,804,509

The Group and the Company own several portions of freehold and leasehold lands and buildings which are kept for capital appreciation and rentals.

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:

	THE GROUP AND THE COMPANY		
	2025		
	MUR	MUR	MUR
	Level 2	Level 3	Total
Land	166,700,000	208,200,000	374,900,000
Buildings	386,700,000	1,737,400,000	2,124,100,000
Right of use asset - leasehold land	132,000,000	45,000,000	177,000,000
	685,400,000	1,990,600,000	2,676,000,000
	THE GROUP AND THE COMPANY		
	2024		
	MUR	MUR	MUR
	Level 2	Level 3	Total
Land	208,400,000	203,900,000	412,300,000
Buildings	372,600,000	1,668,400,000	2,041,000,000
Right of use asset - leasehold land	132,000,000	45,000,000	177,000,000
	713,000,000	1,917,300,000	2,630,300,000

The value of the investment properties encumbered as at 30 June 2025 is **MUR 323,700,000** (2024 : MUR 311,100,000).

11. INVESTMENT PROPERTIES (CONTINUED)

Below is a description of the valuation methodology used by the Independent Chartered Valuation Surveyor:

The Income Capitalisation Approach takes a property's forecast net operating income and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan to value ratios. Through a discounted cash flow and income capitalisation procedure, the value of each component is calculated. The total of the mortgage component and the equity component equals the value of the property.

The Sales Comparison Approach estimates the value of a property by comparing it to similar properties recently sold on the open market. For the purpose of this valuation, the Sales Comparison Approach has been used for the Land Element and the Depreciated Replacement Cost Approach has been used for the building and structures standing thereon.

The Depreciated Replacement Cost Approach estimates the value by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external (or economic) obsolescence. The value of the land, as though it was vacant and available, is then added to the depreciated value of the premises in order to produce a total value estimate.

Sensitivity analysis

A quantitative sensitivity analysis is shown below for the land on price per arpents and for buildings on price per square feet which are the unobservable inputs that management consider to be most significant.

Price per Arpents

Increase of 5% in price per Arpents would increase fair value gain by **MUR 6,655,000** (2024: MUR 8,730,000)

Decrease of 5% in price per Arpents would decrease fair value gain by **MUR 6,655,000** (2024: MUR 8,730,000)

Price per square feet

Increase of 5% in price per square feet would increase fair value gain by **MUR 625,000** (2024: MUR 625,000)

Decrease of 5% in price per square feet would decrease fair value gain by **MUR 625,000** (2024: MUR 625,000)

Discount rate

Increase of discount rate of 0.5% would decrease the fair value by **MUR 88,400,000** (2024: MUR 139,116,000)

Decrease of discount rate of 0.5% would increase the fair value by **MUR 94,400,000** (2024: MUR 125,432,000)

Reconciliation of level 3 investment properties

The movements in the opening balance and closing balance of the investment properties categorised in level 3 of the fair value hierarchy during the year are as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
	Level 3	Level 3
At 01 July,	1,917,300,000	403,500,000
Additions	29,635,409	68,676,408
Impairment	-	-
Increase in fair value	43,664,591	350,423,592
Transfer from investment properties level 2 hierarchy	-	1,094,700,000
Disposal	-	-
At June 30,	1,990,600,000	1,917,300,000

Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

12(a). INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2025	2024
	MUR	MUR
At cost:		
At 01 July / 30 June	100,000,100	100,000,100
Additions	-	-
At 30 June	100,000,100	100,000,100

Details of investment:

Name of subsidiary	Principal activity	Share Capital	Class of Shares	Country of incorporation and operation	% Holding
NIC Properties Co. Ltd	Real estate	MUR 100	Ordinary share	Mauritius	100
NIC Micro Finance Co. Ltd*	Micro Financial leasing	MUR 100,000,000	Ordinary share	Mauritius	100

12(b). ASSET CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
At 01 July / 30 June	1	1	1	1

Name of investee company	Principal activity	Class of Shares	Country of incorporation and operation	% Holding
NIC Healthcare Ltd *	Health care services	Ordinary share	Mauritius	100

* The Board of Directors approved the decision to wind up NIC Healthcare Ltd on 22 December 2021. Consequently the investment in NIC Healthcare Ltd was reclassified to "Assets-Held-for-Sale" in accordance with IFRS 5. The liquidation process has not been completed as at 30 June 2025.

13. FINANCIAL INVESTMENTS

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

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Equity instruments	2,967,957,341	2,389,020,901
Investment in mutual funds/collective investment schemes	1,558,401,697	1,687,651,104
Quoted investments in Exchange Traded Funds/Preference shares	211,847,635	183,534,956
	4,738,206,673	4,260,206,961
Analysed as:		
Quoted	3,853,650,321	3,244,034,234
Unquoted	884,556,352	1,016,172,727
	4,738,206,673	4,260,206,961

Financial assets held at FVTPL comprise of local and overseas quoted equities, local and overseas unquoted equities, quoted exchange traded funds and units of mutual funds.

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 (for example net asset value).

The Group and the Company have classified their investments in equity securities, mutual funds, collective investment schemes, exchange traded funds and preference shares, as financial assets at fair value through profit or loss.

	THE GROUP AND THE COMPANY			
	2025			
<u>Financial assets at FVTPL</u>	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
At 01 July 2024	3,244,034,234	994,052,666	22,120,061	4,260,206,961
Additions	541,365,503	16,620,274	-	557,985,777
Disposals	(142,346,454)	(130,957,556)	-	(273,304,010)
Foreign currency translation gains	(32,449,659)	(9,038,843)	(320,618)	(41,809,120)
Increase/(Decrease) in fair value	243,046,697	7,862,868	(15,782,500)	235,127,065
At 30 June 2025	3,853,650,321	878,539,409	6,016,943	4,738,206,673
	THE GROUP AND THE COMPANY			
	2024			
<u>Financial assets at FVTPL</u>	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
At 01 July 2023	2,418,700,932	704,477,912	35,973,398	3,159,152,242
Transfer from held to maturity financial assets on adoption of IFRS 9	-	478,606,979	-	478,606,979
Remeasurement on adoption of IFRS 9	-	33,773,265	-	33,773,265
Additions	733,056,243	15,848,696	-	748,904,939
Disposals	(209,195,968)	(352,496,257)	-	(561,692,225)
Foreign currency translation gains	49,996,174	10,104,172	223,217	60,323,563
Increase/(Decrease) in fair value	251,476,853	103,737,899	(14,076,554)	341,138,198
At 30 June 2024	3,244,034,234	994,052,666	22,120,061	4,260,206,961

- (i) Description of financial assets at FVPL are disclosed in Note 5.6.
- (ii) The maturity profile of financial assets is disclosed in Note 5.2.
- (iii) Financial assets by categories and fair values are disclosed in Notes 5.5 and 5.6 respectively.

13. FINANCIAL INVESTMENTS (CONTINUED)

(b) Investments in financial assets at amortised cost

THE GROUP AND THE COMPANY		
	2025	2024
	MUR	MUR
Government bonds	3,736,730,845	3,606,934,347
Treasury bills and treasury notes	-	9,991,700
Corporate bonds	1,223,754,129	1,247,397,622
Expected credit loss	(11,602,389)	(11,333,521)
	<u>4,948,882,585</u>	<u>4,852,990,148</u>
Analysed between:		
Non-current	4,858,604,273	4,118,070,888
Current	<u>90,278,312</u>	<u>734,919,260</u>
	<u>4,948,882,585</u>	<u>4,852,990,148</u>
THE GROUP AND THE COMPANY		
	2025	2024
	MUR	MUR
At 01 July	4,852,990,148	-
Transfer from held to maturity financial assets on adoption of IFRS 9	-	5,032,880,862
Remeasurement of ECL on adoption of IFRS 9	-	(11,579,257)
Additions	1,112,863,091	2,587,008,485
Disposals	(1,019,040,651)	(2,782,015,602)
Gain/(loss) on disposal	2,586,984	6,637,713
Currency translation	(8,208,144)	8,618,132
Interest accrued	268,292,532	249,068,212
Interest received	(260,332,507)	(237,874,133)
Movement in ECL	(268,868)	245,736
At 30 June	<u>4,948,882,585</u>	<u>4,852,990,148</u>

The Group and the Company have classified all of their quoted debt securities as debt instruments at amortised cost on the basis that they are now held to collect cash flows till maturity.

The Group's and the Company's investments in Government bonds, Treasury bills and notes, 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.

THE GROUP AND THE COMPANY			
2025			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual
	MUR	MUR	MUR
Performing high grade	<u>4,948,882,585</u>	-	-
	<u>4,948,882,585</u>		
THE GROUP AND THE COMPANY			
2024			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual
	MUR	MUR	MUR
Performing high grade	<u>4,852,990,148</u>	-	-
	<u>4,852,990,148</u>		

13. FINANCIAL INVESTMENTS (CONTINUED)

(b) Investments in financial assets at amortised cost (continued)

An analysis of changes in gross carrying amount and corresponding ECL is, as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	Stage 1	Stage 1
	Individual	Individual
	MUR	MUR
Gross carrying amount at 01 July 2024	4,864,323,669	-
Transfer from held to maturity financial assets on adoption of IFRS 9	-	5,032,880,862
New assets purchased	1,112,863,091	2,587,008,485
Assets derecognised or matured	(1,019,040,651)	(2,782,015,602)
Amortisation adjustments	10,547,009	17,831,792
Currency translation	(8,208,144)	8,618,132
At 30 June 2025	4,960,484,974	4,864,323,669

- (i) There was no transfer of assets between stages during the year.
- (ii) Stages 2 and 3 contain no gross carrying amounts or associated ECL.

	THE GROUP AND THE COMPANY	
	2025	2024
	Stage 1	Stage 1
	Individual	Individual
	MUR	MUR
ECL allowance at 01 July 2024	11,333,521	-
Remeasurement of ECL on adoption of IFRS	-	11,579,257
New assets purchased	277,013	1,881,889
Assets derecognised or matured	1,436,407	(1,413,556)
Amortisation adjustments	(1,444,552)	(714,069)
At 30 June 2025	11,602,389	11,333,521

- (i) There was no transfer of assets between stages during the year.
- (ii) Stages 2 and 3 contain no gross carrying amounts or associated ECL.

14. MORTGAGE AND OTHER LOANS

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Mortgage loans	406,442,380	357,743,795
Less: Allowances for ECL / impairment losses on mortgage loans	(19,779,730)	(15,028,725)
Other loans	246,372,593	195,768,046
Less: Allowances for ECL / impairment losses on other loans	(2,236,472)	(1,325,195)
	630,798,771	537,157,921
Analysed as: -		
Non-current	610,910,345	481,474,631
Current	19,888,426	55,683,290
	630,798,771	537,157,921

The table below shows the credit quality and maximum exposure to credit risk based on the Group's and Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	THE GROUP AND THE COMPANY			
	2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
<u>Performing</u>				
High Grade	468,201,517	-	-	468,201,517
Standard Grade	-	113,634,618	-	113,634,618
<u>Non-performing</u>				
Individually impaired	-	-	70,978,838	70,978,838
	468,201,517	113,634,618	70,978,838	652,814,973
	THE GROUP AND THE COMPANY			
	2024			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
<u>Performing</u>				
High Grade	382,875,578	-	-	382,875,578
Standard Grade	-	100,305,676	-	100,305,676
<u>Non-performing</u>				
Individually impaired	-	-	70,330,587	70,330,587
	382,875,578	100,305,676	70,330,587	553,511,841

An analysis of changes in the gross carrying amount and the corresponding ECLs allowances in relation to mortgage and other loans is as follows:

	THE GROUP AND THE COMPANY			
	2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Gross carrying amount as at 01 July 2024	382,875,578	100,305,676	70,330,587	553,511,841
New assets originated	217,975,479	-	-	217,975,479
Transfers on new assets originated	(5,727,043)	5,589,043	138,000	-
Effective interest rate ("EIR") adjustments	(24,899,723)	(1,270,217)	(1,699,327)	(27,869,267)
Assets derecognised or repaid (excluding write-off)	(71,348,136)	(19,790,166)	(687,147)	(91,825,449)
Transfer from Stage 1	(66,002,508)	63,623,006	2,379,502	-
Transfer from Stage 2	29,883,127	(36,179,760)	6,296,633	-
Transfer from Stage 3	5,444,743	1,357,036	(6,801,779)	-
Interest adjustments	-	-	1,022,369	1,022,369
At 30 June 2025	468,201,517	113,634,618	70,978,838	652,814,973

14. MORTGAGE AND OTHER LOANS (CONTINUED)

An analysis of changes in the gross carrying amount and the corresponding ECLs allowances in relation to mortgage and other loans is as follows:

	THE GROUP AND THE COMPANY			
	2024			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Gross carrying amount as at 01 July 2023	262,765,908	80,019,508	63,726,386	406,511,802
New assets originated	238,208,959	-	-	238,208,959
Transfers on new assets originated	(18,519,182)	17,562,671	956,511	-
Assets derecognised or repaid (excluding write-off)	(74,759,845)	(9,306,103)	(7,142,972)	(91,208,920)
Transfer from Stage 1	(50,113,638)	47,524,384	2,589,254	-
Transfer from Stage 2	23,966,207	(41,004,444)	17,038,237	-
Transfer from Stage 3	1,327,169	5,509,660	(6,836,829)	-
At 30 June 2024	382,875,578	100,305,676	70,330,587	553,511,841

	THE GROUP AND THE COMPANY			
	2025			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
ECL allowance as at 01 July 2024	118,797	47,695	16,187,428	16,353,920
Transfer from Stage 1	(3,278)	1,874	1,404	-
Transfer from Stage 2	-	-	-	-
Transfer from Stage 3	405,715	-	(405,715)	-
Remeasurement of loss allowance	(429,070)	3,901,031	2,190,321	5,662,282
At 30 June 2025	92,164	3,950,600	17,973,438	22,016,202

	THE GROUP AND THE COMPANY			
	2024			
	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
ECL allowance as at 01 July 2023	43,485	9,031	13,132,837	13,185,353
Transfer from Stage 1	(5,332)	3,917	1,415	-
Transfer from Stage 2	-	-	-	-
Transfer from Stage 3	-	839,791	(839,791)	-
Remeasurement of loss allowance	80,644	(805,044)	3,892,967	3,168,567
At 30 June 2024	118,797	47,695	16,187,428	16,353,920

The loans are secured and bear interest at rates varying between 3%-14% (2024: 3%-14%) per annum and have repayment terms varying between one month to thirty years.

The Group and the Company have granted unsecured loans.

Undrawn commitments in respect of mortgage loans & other loans for the year under review amounted to **MUR 31,157,100** (2024 : MUR 59,516,700)

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Remaining term to maturity		
Less than 1 year	19,888,426	55,683,290
Between 1 and 5 years	106,510,914	99,909,947
More than 5 years	460,217,764	364,651,261
No maturity	44,181,667	16,913,423
	630,798,771	537,157,921

15. OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2025 MUR	2024 MUR	2025 MUR	2024 MUR
Amount receivable from NIC General Insurance Co. Ltd (Note 34)	77,142,589	71,139,282	77,142,589	71,139,282
Amount receivable from subsidiary (Note 34)	-	-	6,994,974	5,550,432
Other receivables and prepayments	57,680,628	64,937,387	57,908,375	59,999,087
	134,823,217	136,076,669	142,045,938	136,688,801
Less provision for impairment on:				
Amount receivable from NIC General Insurance Co. Ltd	(65,580,227)	(65,580,227)	(65,580,227)	(65,580,227)
Amount receivable from subsidiary	-	-	(2,811,226)	(2,723,749)
Other receivables impaired	(6,447,702)	(15,016,075)	(6,447,702)	(15,103,552)
Net other receivables	62,795,288	55,480,367	67,206,783	53,281,273

- (a) The carrying amounts of other receivables approximate their fair values.
(b) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.
(c) Provision for impairment has been booked where management deemed recovery doubtful.
(d) The carrying value of other receivables which have been impaired is disclosed in Note 5.3.

16. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2025 MUR	2024 MUR	2025 MUR	2024 MUR
Short term deposits	115,000,000	251,162,785	25,000,000	251,162,785
Cash in hand and at bank	1,735,962,495	1,742,676,406	1,723,569,422	1,742,487,782
Cash and cash equivalents	1,850,962,495	1,993,839,191	1,748,569,422	1,993,650,567
(a) Short term deposits				
Statutory Deposits	115,000,000	25,000,000	25,000,000	25,000,000
Term deposits with commercial banks	-	376,162,785	-	376,162,785
Expected credit loss	-	(150,000,000)	-	(150,000,000)
	115,000,000	251,162,785	25,000,000	251,162,785
(b) Cash in hand and at bank				
Balances held with custodians	402,291,365	239,020,009	402,291,365	239,020,009
Cash in hand and at bank	1,333,671,130	1,503,656,397	1,321,278,057	1,503,467,773
Total cash in hand and at bank	1,735,962,495	1,742,676,406	1,723,569,422	1,742,487,782
Total cash and cash equivalents	1,850,962,495	1,993,839,191	1,748,569,422	1,993,650,567

- (i) The term deposits with commercial banks carry interest at a rate of **2.00%-5.05%** (2024: 1.00%-4.50%) per annum.
(ii) In compliance with the regulatory requirements of the Insurance Act 2005, statutory deposits amounting to **MUR 25,000,000** (2024: MUR 25,000,000) for the Group and the Company and earn interest of **4.5%** (2024: 4.5%) per annum and have maturity date in June 2026.

17. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
At 30 June:	5,949,000,000	5,949,000,000
(i) Analysis of ordinary shares in issue: Fully paid up	5,949,000,000	5,949,000,000
(ii) The share capital comprises 594,900,000 ordinary shares (2024: 594,900,000 ordinary shares).		
(iii) Each ordinary share carries one voting right and rights to dividends. The above ordinary shares are at no par value and fully paid.		

18. LEASE LIABILITIES

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
At 01 July	55,669,188	48,158,397
Additions	1,937,115	5,378,000
Effect of remeasurement	3,469,388	7,610,501
Interest expense (Note 32)	4,540,364	4,719,133
Lease payments	(11,666,819)	(10,196,843)
At 30 June	53,949,236	55,669,188
Analysed as follows:		
Non-current	45,047,458	49,466,624
Current	8,901,778	6,202,564
Total	53,949,236	55,669,188

The Group and the Company leases a number of properties in Mauritius from which it operates its branch offices. It is customary in Mauritius for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In addition the Group and the Company also hold leasehold land reported under Investment Property.

The Group and the Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The total interest relating to lease liabilities included under finance costs amounted to **MUR 4,540,364** (2024: MUR 4,719,133) for the Group and the Company. The total cash flows for leases in 2025 amounted to **MUR 11,666,818** (2024: MUR 10,196,843) for the Group and the Company.

Right-of-use assets held under lease are disclosed in Note 9 and Note 11.

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
19. TRADE AND OTHER PAYABLES				
Accruals	45,138,809	51,219,055	44,439,339	50,805,539
Amount payable on demand to subsidiary for issue of shares	-	-	-	100,000,000
Premium clearing account	66,740,331	43,817,505	66,740,331	43,817,505
Provisions and other payables	99,284,838	29,801,504	99,027,904	26,687,391
	211,163,978	124,838,064	210,207,574	221,310,435

- (i) The carrying amounts of trade and other payables approximate their fair values.
- (ii) The maturity analysis of trade and other payables (excluding accruals) is disclosed in Note 5.2.
- (iii) The currency analysis of trade and other payables is disclosed in Note 5.1.1.

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

A. Composition of the balance sheet

THE GROUP AND THE COMPANY		
2025		
Current portion MUR	Non-current portion MUR	Total MUR
Insurance contract liabilities		
- Insurance contract liabilities excluding Insurance acquisition cash flow assets	11,878,746,334	11,878,746,334
- Insurance acquisition cash flow assets	-	-
Insurance contract liabilities	11,878,746,334	11,878,746,334
Insurance contract assets		
- Insurance contract assets excluding Insurance acquisition cash flow assets	3,139,655	3,139,655
- Insurance acquisition cash flow assets	-	-
Insurance contract assets	3,139,655	3,139,655
Reinsurance contract assets	121,734,230	121,734,230
Reinsurance contract assets	121,734,230	121,734,230
Reinsurance contract liabilities	62,297,164	62,297,164
Reinsurance contract liabilities	62,297,164	62,297,164
THE GROUP AND THE COMPANY		
2024		
Current portion MUR	Non-current portion MUR	Total MUR
Insurance contract liabilities		
- Insurance contract liabilities excluding Insurance acquisition cash flow assets	11,583,987,128	11,801,621,455
- Insurance acquisition cash flow assets	-	-
Insurance contract liabilities	11,583,987,128	11,801,621,455
Insurance contract assets		
- Insurance contract assets excluding Insurance acquisition cash flow assets	2,323,180	2,737,180
- Insurance acquisition cash flow assets	-	-
Insurance contract assets	2,323,180	2,737,180
Reinsurance contract assets	122,227,584	122,227,584
Reinsurance contract assets	122,227,584	122,227,584
Reinsurance contract liabilities	59,890,421	59,890,421
Reinsurance contract liabilities	59,890,421	59,890,421

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

B. Reconciliation of the liability for remaining coverage and the liability for incurred claims

	THE GROUP AND THE COMPANY				
	LFRC		2025		Total
	Excluding loss component	Loss component	BEL	RA	
Total - Insurance contracts issued					
Insurance contract liabilities as at 1 July 2024	11,526,529,493	57,457,635	217,634,327	-	11,801,621,455
Insurance contract assets as at 1 July 2024	(3,151,180)	-	414,000	-	(2,737,180)
Net balances as at 1 July 2024	11,523,378,313	57,457,635	218,048,327	-	11,798,884,275
Insurance revenue					
Contracts measured under the fair value approach at transition	(322,877,025)	-	-	-	(322,877,025)
Contracts measured under the modified retrospective approach at transition	-	-	-	-	-
New contracts and contracts measured under the full retrospective approach at transition	(354,614,122)	-	-	-	(354,614,122)
Total insurance revenue	(677,491,147)	-	-	-	(677,491,147)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(44,237,529)	494,415,246	-	450,177,717
Other pre-recognition cash flows assets derecognised at the date of initial recognition	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	(49,001,954)	-	(49,001,954)
Losses on onerous contracts and reversals of those losses	-	214,474,117	-	-	214,474,117
Transfers between the LFRC and LIC	-	-	-	-	-
Insurance acquisition cash flows amortisation	28,489,593	-	-	-	28,489,593
Insurance acquisition cash flows assets impairment	-	-	-	-	-
Insurance other cash flows impairment	-	-	-	-	-
Total insurance service expenses	28,489,593	170,236,588	445,413,292	-	644,139,473
Insurance service result	(649,001,554)	170,236,588	445,413,292	-	(33,351,674)
Finance (income)/expenses from insurance contracts issued	178,930,216	(17,364,216)	(350,000)	-	161,216,000
Other operating expenses	-	-	-	-	-
Total amounts recognised in comprehensive income	(470,071,338)	152,872,372	445,063,292	-	127,864,326
Investment components	(1,266,888,148)	-	1,266,888,148	-	-
Cash flows					
Premiums received	1,753,410,784	-	-	-	1,753,410,784
Claims and other directly attributable expenses paid	-	-	(1,725,203,554)	-	(1,725,203,554)
Insurance acquisition cash flows paid	(79,349,152)	-	-	-	(79,349,152)
Total cash flows	1,674,061,632	-	(1,725,203,554)	-	(51,141,922)
Control Account	-	-	-	-	-
Insurance contract liabilities/(Insurance contract assets) as at 30 June 2025	11,460,480,459	210,330,007	204,796,213	-	11,875,606,679
Analysed As follows					
Insurance contract liabilities	11,463,799,114	210,330,007	204,617,213	-	11,878,746,334
Insurance contract assets	(3,318,655)	-	179,000	-	(3,139,655)

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

	THE GROUP AND THE COMPANY				
	2024				
	LFRC		LIC		
	Excluding loss component	Loss component	BEL	RA	Total
Total - Insurance contracts issued					
Insurance contract liabilities as at 1 July 2023	11,048,339,399	66,928,963	227,168,743	-	11,342,437,105
Insurance contract assets as at 1 July 2023	(3,321,508)	270,440	-	-	(3,051,068)
Net balances as at 1 July 2023	11,045,017,891	67,199,403	227,168,743	-	11,339,386,037
Insurance revenue					
Contracts measured under the fair value approach at transition	(403,096,280)	-	-	-	(403,096,280)
Contracts measured under the modified retrospective approach at transition	-	-	-	-	-
New contracts and contracts measured under the full retrospective approach at transition	(321,230,607)	-	-	-	(321,230,607)
Total insurance revenue	(724,326,887)	-	-	-	(724,326,887)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(8,594,903)	470,404,921	-	461,810,018
Other pre-recognition cash flows assets derecognised at the date of initial recognition	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	(39)	-	(39)
Losses on onerous contracts and reversals of those losses	-	(6,117,798)	-	-	(6,117,798)
Transfers between the LFRC and LIC	-	-	-	-	-
Insurance acquisition cash flows amortisation	37,349,053	-	-	-	37,349,053
Insurance acquisition cash flows assets impairment	-	-	-	-	-
Insurance other cash flows impairment	-	-	-	-	-
Total insurance service expenses	37,349,053	(14,712,701)	470,404,882	-	493,041,234
Insurance service result	(686,977,834)	(14,712,701)	470,404,882	-	(231,285,653)
Finance (income)/expenses from insurance contracts issued	629,558,076	4,970,933	-	-	634,529,009
Other operating expenses	-	-	-	-	-
Total amounts recognised in comprehensive income	(57,419,758)	(9,741,768)	470,404,882	-	403,243,356
Investment components	(1,252,615,191)	-	1,252,615,191	-	-
Cash flows					
Premiums received	1,865,067,836	-	-	-	1,865,067,836
Claims and other directly attributable expenses paid	-	-	(1,732,140,489)	-	(1,732,140,489)
Insurance acquisition cash flows paid	(76,672,465)	-	-	-	(76,672,465)
Total cash flows	1,788,395,371	-	(1,732,140,489)	-	56,254,882
Control Account	-	-	-	-	-
Insurance contract liabilities/(Insurance contract assets) as at 30 June 2024	11,523,378,313	57,457,635	218,048,327	-	11,798,884,275
Analysed As follows					
Insurance contract liabilities	11,526,529,493	57,457,635	217,634,327	-	11,801,621,455
Insurance contract assets	(3,151,180)	-	414,000	-	(2,737,180)

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

C. Reconciliation of the measurement components of insurance contract balances

THE GROUP AND THE COMPANY						
2025						
Contractual Service Margin						
Total - Insurance contracts issued	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the modified retrospective approach at transition	Contracts measured under the fair value approach at transition	New contracts and contracts measured under the full retrospective approach at transition	Total
Insurance contract liabilities as at 1 July 2024	10,248,530,849	184,853,319	-	312,352,220	1,055,885,067	11,801,621,455
Insurance contract assets as at 1 July 2024	(25,639,233)	3,440,609	-	-	19,461,444	(2,737,180)
Net Balances as at 1 July 2024	10,222,891,616	188,293,928	-	312,352,220	1,075,346,511	11,798,884,275
Changes that relate to current service	(36,111,761)	(17,104,477)	-	(27,515,228)	(118,092,371)	(198,823,837)
CSM recognised for the services provided	-	-	-	(27,515,228)	(118,092,371)	(145,607,599)
Change in the risk adjustment for non-financial risk for the risk expired	-	(16,789,303)	-	-	-	(16,789,303)
Experience adjustments - arising from premiums received in the period that relate to current service	(7,169,631)	-	-	-	-	(7,169,631)
Insurance revenue from contracts measured under the PAA	(4,631,907)	-	-	-	-	(4,631,907)
Other pre-recognition cash flows assets derecognised at the date of initial recognition for contracts measured under the PAA	-	-	-	-	-	-
Transfers between the LFRC and LIC	-	-	-	-	-	-
Insurance acquisition cash flows assets impairment	-	-	-	-	-	-
Insurance other cash flows impairment	-	-	-	-	-	-
Experience adjustments - relating to insurance service expenses	(24,310,223)	(315,174)	-	-	-	(24,625,397)
Changes that relate to future service	123,150,644	67,837,525	-	(120,810,650)	144,296,597	214,474,116
Changes in estimates that adjust the CSM	180,775,946	38,808,581	-	(226,778,205)	7,193,677	(1)
Changes in estimates that result in onerous contract losses or reversals of those losses	195,762,348	13,815,933	-	-	-	209,578,281
Impact of modification premiums received	-	-	-	-	-	-
Impact of notional modification premium outflows	-	-	-	-	-	-
Contracts initially recognised in the period	(107,106,654)	12,114,520	-	-	99,887,969	4,895,835
Experience adjustments - arising from premiums received in the period that relate to future service	(146,280,996)	3,098,491	-	105,967,555	37,214,951	1
Changes that relate to past services	(49,001,954)	-	-	-	-	(49,001,954)
Changes that relate to past service - changes in the FCFs relating to the LIC	(49,001,954)	-	-	-	-	(49,001,954)
Insurance service result	38,036,929	50,733,048	-	(148,325,878)	26,204,226	(33,351,675)
Finance (income)/expenses from insurance contracts issued	106,576,545	-	-	10,301,329	44,338,127	161,216,001
Investment return	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-
Total amounts recognised in comprehensive income	144,613,474	50,733,048	-	(138,024,549)	70,542,353	127,864,326
Investment components	-	-	-	-	-	-
Cash flows	-	-	-	-	-	-
Premiums received	1,753,410,784	-	-	-	-	1,753,410,784
Claims and other directly attributable expenses paid	(1,725,203,554)	-	-	-	-	(1,725,203,554)
Insurance acquisition cash flows paid	(79,349,152)	-	-	-	-	(79,349,152)
Total cash flows	(51,141,922)	-	-	-	-	(51,141,922)
Control Account	-	-	-	-	-	-
Insurance contract liabilities/(Insurance contract assets) as at 30 June 2025	10,316,363,168	239,026,976	-	174,327,671	1,145,888,864	11,875,606,679

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

THE GROUP AND THE COMPANY						
2024						
Contractual Service Margin						
Total - Insurance contracts issued	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the modified retrospective approach at transition	Contracts measured under the fair value approach at transition	New contracts and contracts measured under the full retrospective approach at transition	Total
Insurance contract liabilities as at 1 July 2023	9,829,846,330	161,126,412	-	493,708,739	857,755,625	11,342,437,106
Insurance contract assets as at 1 July 2023	(60,059,616)	8,752,798	-	3,841,026	44,414,725	(3,051,067)
Net balances as at 1 July 2023	9,769,786,714	169,879,210	-	497,549,765	902,170,350	11,339,386,039
Changes that relate to current service	(44,238,662)	(20,263,264)	-	(52,990,103)	(107,675,787)	(225,167,816)
CSM recognised for the services provided	-	-	-	(52,990,103)	(107,675,787)	(160,665,890)
Change in the risk adjustment for non-financial risk for the risk expired	-	(17,903,894)	-	-	-	(17,903,894)
Experience adjustments - arising from premiums received in the period that relate to current service	(14,734,420)	-	-	-	-	(14,734,420)
Insurance revenue from contracts measured under the PAA	(8,047,459)	-	-	-	-	(8,047,459)
Other pre-recognition cash flows assets derecognised at the date of initial recognition for contracts measured under the PAA	-	-	-	-	-	-
Transfers between the LFRC and LIC	-	-	-	-	-	-
Insurance acquisition cash flows assets impairment	-	-	-	-	-	-
Insurance other cash flows impairment	-	-	-	-	-	-
Experience adjustments - relating to insurance service expenses	(21,456,783)	(2,359,370)	-	-	-	(23,816,153)
Changes that relate to future service	(150,156,597)	38,677,982	-	(145,615,506)	250,976,321	(6,117,800)
Changes in estimates that adjust the CSM	222,152,895	30,670,234	-	(317,131,839)	64,308,710	-
Changes in estimates that result in onerous contract losses or reversals of those losses	568,152	(11,054,966)	-	-	-	(10,486,814)
Impact of modification premiums received	-	-	-	-	-	-
Impact of notional modification premium outflows	-	-	-	-	-	-
Contracts initially recognised in the period	(122,875,657)	16,514,589	-	-	110,730,084	4,369,016
Experience adjustments - arising from premiums received in the period that relate to future service	(250,001,987)	2,548,125	-	171,516,333	75,937,527	(2)
Changes that relate to past services	(39)	-	-	-	-	(39)
Changes that relate to past service - changes in the FCFs relating to the LIC	(39)	-	-	-	-	(39)
Insurance service result	(194,395,298)	18,414,718	-	(198,605,609)	143,300,534	(231,285,655)
Finance (income)/expenses from insurance contracts issued	591,245,318	-	-	13,408,064	29,875,627	634,529,009
Investment return	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-
Total amounts recognised in comprehensive income	396,850,020	18,414,718	-	(185,197,545)	173,176,161	403,243,354
Investment components	-	-	-	-	-	-
Cash flows						
Premiums received	1,865,067,836	-	-	-	-	1,865,067,836
Claims and other directly attributable expenses paid	(1,732,140,489)	-	-	-	-	(1,732,140,489)
Insurance acquisition cash flows paid	(76,672,465)	-	-	-	-	(76,672,465)
Total cash flows	56,254,882	-	-	-	-	56,254,882
Control Account	-	-	-	-	-	-
Insurance contract liabilities/(Insurance contract assets) as at 30 June 2024	10,222,891,616	188,293,928	-	312,352,220	1,075,346,511	11,798,884,275

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

THE GROUP AND THE COMPANY					
2025					
TOTAL - REINSURANCE CONTRACTS HELD					
D. Reconciliation of the remaining coverage and incurred claims					
	Remaining Coverage Component		Incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
Total - Reinsurance contracts held					
Reinsurance contract liabilities as at 1 July 2024	69,314,954	(1,826,239)	(7,598,294)	-	59,890,421
Reinsurance contract assets as at 1 July 2024	(119,682,330)	5,363,066	(7,908,320)	-	(122,227,584)
Net Balances as at 1 July 2024	(50,367,376)	3,536,827	(15,506,614)	-	(62,337,163)
Net (income)/expenses from reinsurance contracts held					
Reinsurance expenses	73,869,909	-	-	-	73,869,909
Other incurred directly attributable expenses	-	-	-	-	-
Incurred claims recovery	-	(1,410,352)	(20,670,482)	-	(22,080,834)
Amounts of other pre-recognition cash flows assets derecognised at the date of initial	-	-	-	-	-
Reinsurance other cash flows impairment	-	-	-	-	-
Transfers between the RCC and ICC	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-	-
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the Effect of changes in non-performance risk of reinsurers	-	5,796,130	-	-	5,796,130
Net (income)/expenses from reinsurance contracts held	73,869,909	4,385,778	(20,670,482)	-	57,585,205
Finance (income)/expenses from reinsurance contracts held	(5,273,888)	29,133	-	-	(5,244,755)
Other operating expenses	-	-	-	-	-
Total amounts recognised in comprehensive income	68,596,021	4,414,911	(20,670,482)	-	52,340,450
Investment components	-	-	-	-	-
Other changes	-	-	-	-	-
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(68,085,196)	-	-	-	(68,085,196)
Recoveries from reinsurance	-	-	18,644,844	-	18,644,844
Directly attributable expenses paid	-	-	-	-	-
Total cash flows	(68,085,196)	-	18,644,844	-	(49,440,352)
Control Account	-	-	-	-	-
Reinsurance contract liabilities/(assets) as at 30 June 2025	(49,856,551)	7,951,738	(17,532,252)	-	(59,437,065)
Analysed As follows					
Reinsurance contract liabilities	69,923,256	(2,416,465)	(5,209,627)	-	62,297,164
Reinsurance contract assets	(119,779,808)	10,368,203	(12,322,625)	-	(121,734,230)

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

THE GROUP AND THE COMPANY					
2024					
TOTAL - REINSURANCE CONTRACTS HELD					
Reconciliation of the remaining coverage and incurred claims					
	Remaining Coverage Component		Incurred claims		
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Total - Reinsurance contracts held					
Reinsurance contract liabilities as at 1 July 2023	3,996,265	1,092,760	-	-	5,089,025
Reinsurance contract assets as at 1 July 2023	(123,838,556)	153,722	(7,993,742)	-	(131,678,576)
Net Balances as at 1 July 2023	(119,842,291)	1,246,482	(7,993,742)	-	(126,589,551)
Net (income)/expenses from reinsurance contracts held					
Reinsurance expenses	93,403,173	-	-	-	93,403,173
Other incurred directly attributable expenses	-	-	-	-	-
Incurred claims recovery	-	(863,086)	(16,490,816)	-	(17,353,902)
Amounts of other pre-recognition cash flows assets derecognised at the date of initial	-	-	-	-	-
Reinsurance other cash flows impairment	-	-	-	-	-
Transfers between the RCC and ICC	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-	-
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the	-	3,378,342	-	-	3,378,342
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net (income)/expenses from reinsurance contracts held	93,403,173	2,515,256	(16,490,816)	-	79,427,613
Finance (income)/expenses from reinsurance contracts held	1,723,061	(224,911)	-	-	1,498,150
Other operating expenses	-	-	-	-	-
Total amounts recognised in comprehensive income	95,126,234	2,290,345	(16,490,816)	-	80,925,763
Investment components	-	-	-	-	-
Other changes	-	-	-	-	-
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(25,651,319)	-	-	-	(25,651,319)
Recoveries from reinsurance	-	-	8,977,944	-	8,977,944
Directly attributable expenses paid	-	-	-	-	-
Total cash flows	(25,651,319)	-	8,977,944	-	(16,673,375)
Control Account	-	-	-	-	-
Reinsurance contract liabilities/(assets) as at 30 June 2024	(50,367,376)	3,536,827	(15,506,614)	-	(62,337,163)
Analysed As follows					
Reinsurance contract liabilities	69,314,954	(1,826,239)	(7,598,294)	-	59,890,421
Reinsurance contract assets	(119,682,330)	5,363,066	(7,908,320)	-	(122,227,584)

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

THE GROUP AND THE COMPANY						
2025						
E. Reconciliation of the measurement components of reinsurance contract balances						
Total - Reinsurance contracts held	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the modified retrospective approach at transition	Contracts measured under the fair value approach at transition	New contracts and contracts measured under the full retrospective approach at transition	Total
Reinsurance contract liabilities as at 1 July 2024	58,905,599	(3,090,433)	-	486,995	3,588,260	59,890,421
Reinsurance contract assets as at 1 July 2024	(39,464,306)	7,579,526	-	(68,836,186)	(21,506,618)	(122,227,584)
Net Balances as at 1 July 2024	19,441,293	4,489,093	-	(68,349,191)	(17,918,358)	(62,337,163)
Changes that relate to current service						
CSM recognised for the services received	-	-	-	9,949,426	4,794,287	14,743,713
Change in the risk adjustment for non-financial risk for the risk expired	-	193,151	-	-	-	193,151
Reinsurance premium (and other related cash flows) experience adjustments relating to current service	113,465,319	-	-	-	-	113,465,319
Reinsurance expenses - contracts measured under the PAA	-	-	-	-	-	-
Other pre-recognition cash flows assets derecognised at the date of initial recognition for contracts measured under the PAA	-	-	-	-	-	-
Reinsurance other cash flows impairment	-	-	-	-	-	-
Transfers between the RCC and ICC	-	-	-	-	-	-
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(75,381,183)	(1,231,927)	-	-	-	(76,613,110)
	38,084,136	(1,038,776)	-	9,949,426	4,794,287	51,789,073
Changes that relate to future service						
Changes in estimates that adjust the CSM	11,765,344	(331,034)	-	(1,787,150)	(9,647,160)	-
Contracts initially recognised in the period	8,023,217	1,852,197	-	-	(9,858,871)	16,543
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(314,597)	6,094,184	-	-	-	5,779,587
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	(119,839)	1,222,864	-	(1,573,267)	470,243	1
	19,354,125	8,838,211	-	(3,360,417)	(19,035,788)	5,796,131
Changes that relate to past service - changes in the FCF relating to the incurred claims recovery	-	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
Net (income)/expenses from reinsurance contracts held	57,438,261	7,799,435	-	6,589,009	(14,241,501)	57,585,204
Finance (income)/expenses from reinsurance contracts held	(1,517,766)	-	-	(2,600,227)	(1,126,762)	(5,244,755)
Other operating expenses	-	-	-	-	-	-
Total amounts recognised in comprehensive income	55,920,495	7,799,435	-	3,988,782	(15,368,263)	52,340,449
Investment components	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(68,085,196)	-	-	-	-	(68,085,196)
Recoveries from reinsurance	18,644,844	-	-	-	-	18,644,844
Directly attributable expenses paid	-	-	-	-	-	-
Total cash flows	(49,440,352)	-	-	-	-	(49,440,352)
Control Account	-	-	-	-	-	-
Reinsurance contract liabilities/(assets) as at 30 June 2025	25,921,436	12,288,528	-	(64,360,409)	(33,286,621)	(59,437,066)

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

THE GROUP AND THE COMPANY						
2024						
Reconciliation of the measurement components of reinsurance contract balances						
Total - Reinsurance contracts held	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the modified retrospective approach at transition	Contracts measured under the fair value approach at transition	New contracts and contracts measured under the full retrospective approach at transition	Total
Reinsurance contract liabilities as at 1 July 2023	2,257,072	(1,928,660)	-	3,111,149	1,649,463	5,089,024
Reinsurance contract assets as at 1 July 2023	(55,159,220)	1,053,441	-	(66,106,977)	(11,465,820)	(131,678,576)
Net Balances as at 1 July 2023	(52,902,148)	(875,219)	-	(62,995,828)	(9,816,357)	(126,589,552)
Changes that relate to current service						
CSM recognised for the services received	-	-	-	11,479,836	2,498,700	13,978,536
Change in the risk adjustment for non-financial risk for the risk expired	-	1,372,776	-	-	-	1,372,776
Reinsurance premium (and other related cash flows) experience adjustments relating to current service	127,716,565	-	-	-	-	127,716,565
Reinsurance expenses - contracts measured under the PAA	-	-	-	-	-	-
Other pre-recognition cash flows assets derecognised at the date of initial recognition for contracts measured under the PAA	-	-	-	-	-	-
Reinsurance other cash flows impairment	-	-	-	-	-	-
Transfers between the RCC and ICC	-	-	-	-	-	-
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(65,443,959)	(1,574,646)	-	-	-	(67,018,605)
	62,272,606	(201,870)	-	11,479,836	2,498,700	76,049,272
Changes that relate to future service						
Changes in estimates that adjust the CSM	10,650,023	3,751,670	-	(14,606,752)	205,059	-
Contracts initially recognised in the period	9,202,466	1,065,982	-	-	(10,268,448)	-
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	3,670,646	(292,303)	-	-	-	3,378,343
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	(488,326)	1,040,833	-	(539,108)	(13,399)	-
	23,034,809	5,566,182	-	(15,145,860)	(10,076,788)	3,378,343
Changes that relate to past service - changes in the FCF relating to the incurred claims recovery	-	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-
Net (income)/expenses from reinsurance contracts held	85,307,415	5,364,312	-	(3,666,024)	(7,578,088)	79,427,615
Finance (income)/expenses from reinsurance contracts held	3,709,402	-	-	(1,687,339)	(523,913)	1,498,150
Other operating expenses	-	-	-	-	-	-
Total amounts recognised in comprehensive income	89,016,817	5,364,312	-	(5,353,363)	(8,102,001)	80,925,765
Investment components	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	(25,651,319)	-	-	-	-	(25,651,319)
Recoveries from reinsurance	8,977,943	-	-	-	-	8,977,943
Directly attributable expenses paid	-	-	-	-	-	-
Total cash flows	(16,673,376)	-	-	-	-	(16,673,376)
Control Account	-	-	-	-	-	-
Reinsurance contract liabilities/(assets) as at 30 June 2024	19,441,293	4,489,093	-	(68,349,191)	(17,918,358)	(62,337,163)

20. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES (CONTINUED)

F. Expected recognition of the contractual service margin

THE GROUP AND THE COMPANY					
2025					
Projection years	Insurance contracts issued			Reinsurance contracts held	
	Life Risk	Direct Participating Contracts	Total CSM for insurance contracts issued	Life Risk	Total CSM for reinsurance contracts held
1	(122,273,720)	(25,023,349)	(147,297,069)	14,627,470	14,627,470
2	(118,197,375)	(19,962,643)	(138,160,018)	13,224,735	13,224,735
3	(114,461,191)	(16,769,538)	(131,230,729)	12,045,824	12,045,824
4	(110,896,168)	(14,498,557)	(125,394,725)	11,040,729	11,040,729
5	(106,990,799)	(12,702,919)	(119,693,718)	10,131,036	10,131,036
6-10	(474,022,724)	(45,755,949)	(519,778,673)	39,164,681	39,164,681
>10	(1,078,932,104)	(43,686,892)	(1,122,618,996)	44,233,256	44,233,256
Total	(2,125,774,081)	(178,399,847)	(2,304,173,928)	144,467,731	144,467,731
THE GROUP AND THE COMPANY					
2024					
Projection years	Insurance contracts issued			Reinsurance contracts held	
	Life Risk	Direct Participating Contracts	Total CSM for insurance contracts issued	Life Risk	Total CSM for reinsurance contracts held
1	(146,376,326)	(14,833,701)	(161,210,027)	14,058,422	14,058,422
2	(137,301,802)	(11,738,797)	(149,040,599)	12,425,979	12,425,979
3	(131,113,132)	(9,439,103)	(140,552,235)	11,076,203	11,076,203
4	(125,469,215)	(7,731,304)	(133,200,519)	9,912,515	9,912,515
5	(120,135,605)	(6,500,274)	(126,635,879)	8,925,350	8,925,350
6-10	(517,969,036)	(22,110,061)	(540,079,097)	32,949,657	32,949,657
>10	(1,170,066,406)	(19,309,446)	(1,189,375,852)	33,040,178	33,040,178
Total	(2,348,431,522)	(91,662,686)	(2,440,094,208)	122,388,304	122,388,304

21. DEFERRED TAX ASSETS

Deferred income taxes are calculated on all temporary differences under the liability method at **19%** (2024: 17%).

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:

		THE GROUP AND THE COMPANY	
		2025	2024
		MUR	MUR
Deferred tax assets		88,518,609	69,793,981

(a) The movement on the deferred income tax account is as follows:		THE GROUP AND THE COMPANY	
		2025	2024
		MUR	MUR
At 01 July,		69,793,981	44,262,039
Impact of adoption of IFRS 9		-	1,480,120
Credit to profit and loss (Note 24 (b))		18,478,008	23,961,552
Credit to other comprehensive income (Note 24 (c))		246,620	90,270
At 30 June,		88,518,609	69,793,981

(b) At the end of year 2025, the Group and the Company have unused tax losses of **MUR 1,282,107,458** (2024: MUR 1,876,125,363) to offset against future profits.

(c) No deferred tax asset has been recognised in respect of the unused tax losses. The tax losses expire on a rolling basis of 5 years. However, the Company is applying the tax regulation, as per the Income Tax Act 1995 Section 50 (1A), with regard to Relevant Profit for Insurance Company, which stipulates that the tax payable by a company deriving income from life insurance business, shall be (a) the normal tax payable or (b) 10 per cent of the relevant profit, whichever is the higher. The fact that the Company falls under category (b), the unutilised tax losses are being foregone for the purpose of deferred tax calculation.

(d) 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:

	THE GROUP AND THE COMPANY				
	At 01 July 2024	Impact of adoption of IFRS 9	Credited to profit or loss	Credited to other comprehensive income	At 30 June 2025
<u>Deferred tax assets:</u>	MUR	MUR	MUR	MUR	MUR
Retirement benefit obligations	4,880,700	-	942,230	246,620	6,069,550
Provisions for impairment on loans and receivables	38,608,404	-	12,033,209	-	50,641,613
Gratuity paid as exceptional cost in 2021	20,767,453	-	(1,418,693)	-	19,348,760
Lease Liabilities	9,463,762	-	786,592	-	10,250,354
<u>Deferred tax liabilities:</u>					
Accelerated tax depreciation	(2,105,697)	-	5,818,259	-	3,712,562
Right of use asset	(1,820,641)	-	316,411	-	(1,504,230)
Net deferred tax assets	69,793,981	-	18,478,008	246,620	88,518,609

	At 01 July 2023	Impact of adoption of IFRS 9	Credited to profit or loss	Credited to other comprehensive income	At 30 June 2024
<u>Deferred tax assets:</u>					
Retirement benefit obligations	3,597,880	-	1,192,550	90,270	4,880,700
Provisions for impairment on loans and receivables	10,945,288	1,480,120	26,182,996	-	38,608,404
Gratuity paid as exceptional cost in 2021	24,106,101	-	(3,338,648)	-	20,767,453
Lease Liabilities	8,186,927	-	1,276,835	-	9,463,762
<u>Deferred tax liabilities:</u>					
Accelerated tax depreciation	(1,130,112)	-	(975,585)	-	(2,105,697)
Right of use asset	(1,444,045)	-	(376,596)	-	(1,820,641)
Net deferred tax assets	44,262,039	1,480,120	23,961,552	90,270	69,793,981

22. RETIREMENT BENEFIT OBLIGATIONS

National Insurance Co. Ltd participates in the NIC Multi-Employer Pension Scheme. Its contributions for Defined Contribution (DC) employees are expensed to the income statement and amounted to **MUR 2,025,000** for the year ended 30 June 2025 (2024: MUR 9,442,000).

The Group and the Company have recognised a defined benefit liability of **MUR 87,000** in its balance sheet as at 30 June 2025 (2024: MUR 76,000) in respect of any retirement, death and withdrawal gratuities for employees who are not members of any pension plan as per the Workers' Rights Act (WRA) 2019.

The Group and the Company has recognised estimated plan assets of **MUR 54,000** as at 30 June 2025 (2024: MUR 34,000) in respect of the accumulated contributions to the Portable Retirement Gratuity Fund (PRGF) for those employees who are not covered under any pension scheme.

The Group and the Company have recognised a defined benefit liability of **MUR 13,008,000** in its balance sheet as at 30 June 2025 (2024: MUR 9,271,000) in respect of employees under the pension plan who are entitled to residual retirement gratuities because their pension plan benefits are not expected to fully offset the Company's retirement gratuity obligations under the Workers' Rights Act (WRA) 2019.

The Group and the Company have also recognised a net defined benefit liability of **MUR 16,036,000** as at 30 June 2025 (2024: MUR 16,535,000) in respect of pensions to be paid out of the Company's cashflow for some former employees who were members of BAI Group Pension Fund.

The Group and the Company have recognised a net defined benefit liability of **MUR 2,814,000** in its balance sheet as at 30 June 2025 (2024: MUR 2,828,000) in respect of any vacation leave that are expected to be paid out of the Company's cashflow to its employees who are entitled to vacation leave under WRA 2019.

The Group and the Company are subject to a partly funded defined benefit plan for their employees. The plan exposes the Group and the Company to normal risks described below:

Investment risk: The Group and the Company have a residual obligation imposed by WRA on top of the DC plan. It is therefore exposed to investment underperformance of the DC plan, as well as that of PRGF.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by a decrease in inflationary pressures on salary and pension increases.

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Pension risk (applicable to unfunded pensioners): The plan liability is calculated by reference to the future pensions payable to the pensioners. As such, an increase in the pension payable to pensioners above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year except for the past service costs in respect of employee transfers to and from the Company and an employee becoming unfunded pensioner during the year.

	THE GROUP AND THE COMPANY			
	Opening balance	Movement		Closing balance
	MUR	P&L MUR	OCI MUR	MUR
2025				
Retirement Gratuities (WRA Gratuities)	76,000	6,000	5,000	87,000
Residual Retirement Gratuities	9,271,000	2,025,000	1,712,000	13,008,000
Unfunded Pensioners	16,535,000	(80,000)	(419,000)	16,036,000
Vacation Leave	2,828,000	(14,000)	-	2,814,000
	28,710,000	1,937,000	1,298,000	31,945,000
		THE GROUP AND THE COMPANY		
	Opening balance	Movement		Closing balance
	MUR	P&L MUR	OCI MUR	MUR
2024				
Retirement Gratuities (WRA Gratuities)	8,154,000	(8,116,000)	38,000	76,000
Residual Retirement Gratuities	-	9,442,000	(171,000)	9,271,000
Unfunded Pensioners	13,010,000	2,861,000	664,000	16,535,000
Vacation Leave	-	2,828,000	-	2,828,000
	21,164,000	7,015,000	531,000	28,710,000

22. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Full WRA Gratuities		
Reconciliation of net defined benefit liability/(asset)		
Opening balance	76,000	8,154,000
Amount recognised in profit or loss	26,000	(8,039,000)
Amount recognised in other comprehensive income	5,000	38,000
Less employer contributions	(20,000)	(77,000)
Closing balance	87,000	76,000
Reconciliation of fair value of plan assets		
Opening balance	34,000	42,000
Interest income	2,000	2,000
Employer contributions	20,000	77,000
Employee contributions	-	-
(Benefits paid)	-	(85,000)
Exchange differences	-	-
Effect of business combination/disposal	-	-
Return on plan assets excluding interest income	(2,000)	(2,000)
Closing balance	54,000	34,000
Reconciliation of present value of defined benefit obligation		
Opening balance	110,000	8,196,000
Current service cost	22,000	17,000
Employee contributions	-	-
Interest expense	6,000	5,000
Past service cost	-	(8,059,000)
Settlement (gain)/loss	-	-
(Benefits paid on settlement)	-	-
(Other benefits paid)	-	(85,000)
Exchange differences	-	-
Effect of business combination/disposal	-	-
Liability experience (gain)/loss	18,000	32,000
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	(15,000)	4,000
Closing balance	141,000	110,000
Components of amount recognised in profit or loss		
Current service cost	22,000	17,000
Past service cost	-	(8,059,000)
Settlement (gain)/loss	-	-
Service cost	22,000	(8,042,000)
Net interest on net defined benefit liability/(asset)	4,000	3,000
Total	26,000	(8,039,000)
Components of amount recognised in OCI		
- Return on plan assets (above)/below interest income	2,000	2,000
- Liability experience (gain)/loss	18,000	32,000
- Liability (gain)/loss due to change in demographic assumptions	-	-
- Liability (gain)/loss due to change in financial assumptions	(15,000)	4,000
- Total	5,000	38,000

22. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	THE GROUP AND THE COMPANY	
	2025	2024
Full WRA Gratuities (continued)		
Allocation of Plan assets at End of Year	%	%
- Equity - overseas quoted	3.40	-
- Equity - overseas unquoted	1.90	-
- Debt - local unquoted	94.70	-
- Cash and other	-	100.00
Total	100.00	100.00

*Since no information was available on the investment mix of the PRGF last year, we had assumed 100% cash. This year's asset split is based the allocation disclosed on the Ministry of Social Security's website as at 31 December 2024.

Allocation of Plan Assets at End of Period	%	%
- Reporting entity's own transferable financial instruments	-	-
- Property occupied by reporting entity	-	-
- Other assets used by reporting entity	-	-

Principal Assumptions used at End of Period		
- Discount rate	6.00%	5.5%
- Rate of salary increases	4.50%	4.5%
- Average retirement age (ARA)	65 years	65 years
- Annuity rates:		
- Male at ARA	N/A	N/A
- Female at ARA	N/A	N/A

Sensitivity Analysis on Defined Benefit Obligation at End of Period	MUR	MUR
- Increase due to 1% decrease in discount rate	32,000	27,000
- Decrease due to 1% increase in discount rate	24,000	20,000

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

Future cashflows

- The funding policy is pay contributions to PRGF and top-up benefits out of the reporting entity's cashflow as and when due.		
- Expected contributions to PRGF and any top-up benefits for the next year	MUR 21,000	MUR 17,000
- Weighted average duration of the defined benefit obligation	20 years	31 years

22. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Residual Retirement Gratuities (NMEPS)		
Reconciliation of net defined benefit liability/(asset)		
Opening balance	9,271,000	-
Amount recognised in profit or loss	2,025,000	9,442,000
Amount recognised in other comprehensive income	1,712,000	(171,000)
Less Employer contributions	-	-
Closing balance	13,008,000	9,271,000
Reconciliation of present value of defined benefit obligation		
Opening balance	9,271,000	-
Current service cost	1,481,000	938,000
Employee contributions	-	-
Interest expense	512,000	459,000
Past service cost	32,000	8,045,000
Settlement (gain)/loss	-	-
(Benefits paid on settlement)	-	-
(Other benefits paid)	-	-
Exchange differences	-	-
Effect of business combination/disposal	-	-
Liability experience (gain)/loss	4,001,000	(1,027,000)
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	(2,289,000)	856,000
Closing balance	13,008,000	9,271,000
Components of amount recognised in profit or loss		
Current service cost	1,481,000	938,000
Past service cost	32,000	8,045,000
Settlement (gain)/loss	-	-
Service cost	1,513,000	8,983,000
Net interest on net defined benefit liability/(asset)	512,000	459,000
Total	2,025,000	9,442,000
Components of amount recognised in other comprehensive income		
Liability experience (gain)/loss	4,001,000	(1,027,000)
Liability (gain)/loss due to change in financial assumptions	(2,289,000)	856,000
Total	1,712,000	(171,000)
Principal Assumptions used at end of period		
Discount rate	6.00%	5.5%
Rate of salary increases	4.50%	4.5%
Average retirement age (ARA)	65 years	65 years
Annuity rates:		
- Male at ARA	12.211	12.211
- Female at ARA	14.447	14.447
Sensitivity analysis on defined benefit obligation at end of period		
	MUR	MUR
Increase due to 1% decrease in discount rate	4,859,000	3,813,000
Decrease due to 1% increase in discount rate	3,829,000	2,888,000

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. The results are particularly sensitive to a change in discount rate due to the nature of the liabilities being the difference between the pure retirement gratuities under the Workers Rights Act 2019 and the deductions allowable, being five times the annual pension provided and half the lump sum received by the member at retirement from the pension fund with reference to the Company's share of contributions. The latter amount is MUR 67,043,000 as at 30 June 2025.

Future cash flows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

Expected employer contribution for the next year	-	-
Weighted average duration of the defined benefit obligation	19 years	21 years

22. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Unfunded Pensioners		
Reconciliation of net defined benefit liability/(asset)		
Opening balance	16,535,000	13,010,000
Amount recognised in profit or loss	1,415,000	4,094,000
Amount recognised in other comprehensive income	(419,000)	664,000
Less Employer contributions	(1,495,000)	(1,233,000)
Closing balance	16,036,000	16,535,000
Reconciliation of present value of defined benefit obligation		
Opening balance	16,535,000	13,010,000
Current service cost	-	-
Employee contributions	-	-
Interest expense	821,000	747,000
Past service cost	594,000	3,347,000
Settlement (gain)/loss	-	-
(Benefits paid on settlement)	-	-
(Other benefits paid)	(1,495,000)	(1,233,000)
Exchange differences	-	-
Effect of business combination/disposal	-	-
Liability experience (gain)/loss	238,000	134,000
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	(657,000)	530,000
Closing balance	16,036,000	16,535,000
Components of amount recognised in profit or loss		
Current service cost	-	-
Past service cost	594,000	3,347,000
Settlement (gain)/loss	-	-
Service cost	594,000	3,347,000
Net interest on net defined benefit liability/(asset)	821,000	747,000
Total	1,415,000	4,094,000
Components of amount recognised in other comprehensive income		
Liability experience (gain)/loss	238,000	134,000
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	(657,000)	530,000
Total	(419,000)	664,000
Principal assumptions used at end of period		
Discount rate	5.60%	5.10%
Rate of salary increases	0.00%	0.00%
	2025	2024
	MUR	MUR
Sensitivity analysis on defined benefit obligation at end of period		
Increase due to 1% decrease in discount rate	1,362,000	1,467,000
Decrease due to 1% increase in discount rate	1,183,000	1,270,000
The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would show smaller variations in the defined benefit obligation.		
Future cash flows		
The funding policy is to pay benefits out of the reporting entity's cash flow as and when due.		
Expected employer contribution for the next year	MUR 1,510,000	MUR 1,472,000
Weighted average duration of the defined benefit obligation	8 years	8 years

22. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Vacation Leave		
Reconciliation of net defined benefit liability/(asset)		
Opening balance	2,828,000	-
Amount recognised in profit or loss	(14,000)	2,828,000
Amount recognised in other comprehensive income	-	-
Less Employer contributions	-	-
Closing balance	2,814,000	2,828,000
Reconciliation of present value of defined benefit obligation		
Opening balance	2,828,000	-
Current service cost	356,000	523,000
Employee contributions	-	-
Interest expense	99,000	-
Past service cost	(9,000)	2,305,000
Settlement (gain)/loss	-	-
(Benefits paid on settlement)	-	-
(Other benefits paid)	-	-
Exchange differences	-	-
Effect of business combination/disposal	-	-
Liability experience (gain)/loss	(442,000)	-
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	(18,000)	-
Closing balance	2,814,000	2,828,000
Components of amount recognised in profit or loss		
Current service cost	356,000	523,000
Past service cost	(9,000)	2,305,000
Settlement (gain)/loss	-	-
Service cost	347,000	2,828,000
Net interest on net defined benefit liability/(asset)	99,000	-
Total recognised in profit or loss	446,000	2,828,000
Components of amount recognised in other comprehensive income		
Return on plan assets (above)/ below interest income	-	-
Liability experience (gain)/loss	(442,000)	-
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	(18,000)	-
Total	(460,000)	-

22. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
<u>Vacation Leave (continued)</u>		
Principal Assumptions used at end of period		
Discount rate	4.80%	3.50%
Rate of salary increases	4.50%	4.50%
Average retirement age (ARA)	65 years	65 years
Sensitivity analysis on defined benefit obligation at end of period		
Increase due to 1% decrease in discount rate	13,000	23,000
Decrease due to 1% increase in discount rate	13,000	22,000
The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged.		
Future cash flows		
- The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.		
- Expected employer contribution for the next year	MUR 1,907,000	MUR 2,405,000
- Weighted average duration of the defined benefit obligation	0.5 years	0.8 years

23. ENCUMBRANCES

Encumbrances on the Group's and the Company's investment properties, for which no provision has been recognised, are as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
SBM Bank (Mauritius) Ltd	287,800,000	287,800,000
The Mauritius Commercial Bank Limited	6,200,000	9,575,000
	294,000,000	297,375,000

Following an agreement with SBM Bank (Mauritius) Ltd ("SBM"), a final payment was made, post the reporting period to the latter for the removal of all the encumbrances in their favour. The residual encumbrances in favour of the Mauritius Commercial Bank Limited are inscribed on a pari passu basis with SBM; hence these encumbrances will be erased accordingly, as reported in Note 41.

24. INCOME TAX

Income Tax

Income tax is calculated at the rate of 15% on the profit for the year as adjusted for income tax purposes.

(a) Amounts recognised in the statements of financial position

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
At 01 July	-	9,941,922	-	9,941,922
Tax charge for the year	2,982,644	-	2,982,644	-
Amount paid during the year	-	(9,941,922)	-	(9,941,922)
Payment under Advance Payment System (APS)	-	-	-	-
Adjustment to tax	-	-	-	-
Tax deducted at source (TDS)	-	-	-	-
At 30 June	2,982,644	-	2,982,644	-

(b) Amounts recognised in the statements of profit or loss

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Current tax on Relevant Profit	2,982,644	-	2,982,644	-
Deferred tax credit (Note 21 (a))	(18,478,008)	(23,961,552)	(18,478,008)	(23,961,552)
	(15,495,364)	(23,961,552)	(15,495,364)	(23,961,552)

(c) Amounts recognised in other comprehensive income

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Current tax	-	-	-	-
Deferred tax	246,620	90,270	246,620	90,270
	246,620	90,270	246,620	90,270

(d) Tax reconciliation

(i) Chargeable Income Method

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Profit before taxation	432,304,218	505,700,638	434,072,494	506,961,160
Tax calculated at rate of 15%	64,845,633	75,855,096	65,110,874	76,044,174
Income not subject to tax	(87,889,870)	(49,967,856)	(87,889,870)	(49,967,856)
Other allowable deductions	(4,948,741)	(5,955,778)	(4,948,741)	(5,955,778)
Expenses not deductible for tax purposes	51,198,772	(66,471,656)	51,198,772	(66,471,656)
Deferred tax asset not recognised	-	-	(23,471,035)	-
Tax charge for the year	23,205,794	(46,540,194)	-	(46,351,116)
Tax losses carried forward	(192,644,490)	(124,943,020)	(192,316,119)	(124,943,020)
Net Tax charge for the year	-	-	-	-

24. INCOME TAX (CONTINUED)

(d) Tax reconciliation (continued)

(ii) *Relevant Profit Method (Income Tax Act Section 50(1A))*

Calculated at 10% on the profit attributable to shareholders adjusted for capital gains or losses

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Profit Attributable to Shareholders	432,304,218	505,700,638	434,072,494	506,961,160
Adjustment for profit of subsidiary not falling under Income Tax Act Section 50(1A)	1,768,276	1,260,522	-	-
	434,072,494	506,961,160	434,072,494	506,961,160
Less: Capital gain attributable to shareholders				
Dividend Income from resident companies	(116,172,596)	(81,989,493)	(116,172,596)	(81,989,493)
Net unrealised fair value gains on financial assets	(235,127,065)	(341,138,198)	(235,127,065)	(341,138,198)
Net unrealised fair value gains on investment properties	(52,687,389)	(349,711,481)	(52,687,389)	(349,711,481)
Gain/(loss) on disposal of financial assets at fair value through profit or loss	(59,900,239)	(66,307,308)	(59,900,239)	(66,307,308)
Gain on disposal of investments in financial assets at amortised cost	(2,586,984)	(7,954,238)	(2,586,984)	(7,954,238)
Gain on disposal of property, plant and equipment and investment property	(77,874)	(335,651)	(77,874)	(335,651)
Net unrealised foreign currency losses on investments in financial assets	-	(69,019,346)	-	(69,019,346)
Net unrealised foreign currency losses on cash and cash equivalents	-	(4,999,898)	-	(4,999,898)
Add: Capital loss attributable to shareholders				
Gains/(losses) on disposal of financial assets	-	-	-	-
equipment and investment property	-	-	-	-
Realised foreign currency losses	3,006,970	-	3,006,970	-
Net unrealised foreign currency losses on investments in financial assets	50,017,261	-	50,017,261	-
Net unrealised foreign currency losses on cash and cash equivalents	35,699,889	-	35,699,889	-
Net unrealised fair value gains on investment properties	-	-	-	-
Relevant Profit	56,244,467	(414,494,453)	56,244,467	(414,494,453)
% Attributable to life Insurance Business	53%	53%	53%	53%
Relevant Profit for Life Insurance Business rate only	29,826,441	(219,682,060)	29,826,441	(219,682,060)
10% of the relevant profit	2,982,644	(21,968,206)	2,982,644	(21,968,206)

No deferred tax was recognised on the tax loss for the financial year.

25. Insurance revenue and insurance service result

2025	Life Risk	THE GROUP AND THE COMPANY		Total
		Direct Participating Contracts	PAA	
	MUR	MUR	MUR	MUR
(a) Insurance revenue				
Contracts not measured under the PAA				
Amounts relating to changes in LRC				
Expected incurred claims and other directly attributed expenses	452,558,654	22,348,476	-	474,907,130
Change in the risk adjustment for non-financial risk for the risk expired	14,596,797	2,192,503	-	16,789,300
CSM recognised for the services provided	122,486,640	23,120,959	-	145,607,599
Experience adjustments - arising from premiums received in the period other than those that relate to future service	(12,065,713)	19,235,346	-	7,169,633
Other amounts, including other pre-recognition cash flow assets derecognised at the date of initial recognition	-	-	-	-
Insurance acquisition cash flow recovery	20,100,926	8,284,651	-	28,385,577
Insurance revenue from contracts not measured under the PAA	597,677,304	75,181,935	-	672,859,239
Insurance revenue from contracts measured under the PAA	-	-	4,631,907	4,631,907
Total insurance revenue	597,677,304	75,181,935	4,631,907	677,491,146
(b) Insurance service expenses				
Incurred claims and other directly attributable expenses	(429,624,767)	(20,552,950)	-	(450,177,717)
Amounts of other pre-recognition cash flows assets derecognised at the date of initial recognition	-	-	-	-
Changes that relate to past service - changes in the FCF relating to the LIC	48,368,696	633,259	-	49,001,955
Losses on onerous contracts and reversal of those losses	(214,474,117)	-	-	(214,474,117)
Insurance acquisition cash flows amortisation	(20,204,942)	(8,284,651)	-	(28,489,593)
Insurance acquisition cash flows assets impairment	-	-	-	-
Insurance other cash flows impairment	-	-	-	-
Total insurance service expenses	(615,935,130)	(28,204,342)	-	(644,139,472)
(c) Net income/(expenses) from reinsurance contracts held				
Amounts relating to the changes in the remaining coverage				
Expected incurred claims and other directly attributable expenses recovery	54,532,275	-	-	54,532,275
Change in the risk adjustment for non-financial risk for the risk expired	(193,151)	-	-	(193,151)
CSM recognised for the services received	(14,743,713)	-	-	(14,743,713)
Other amounts, including other pre-recognition reinsurance cash flow assets derecognised at the date of initial recognition	-	-	-	-
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service	(113,465,319)	-	-	(113,465,319)
Reinsurance expenses - contracts not measured under the PAA	(73,869,908)	-	-	(73,869,908)
Reinsurance expenses - contracts measured under the PAA	-	-	-	-
Total expenses from reinsurance contracts held	(73,869,908)	-	-	(73,869,908)
Other incurred directly attributable expenses	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	-
Claims recovered	22,080,834	-	-	22,080,834
Amounts of other pre-recognition cash flows assets derecognised at the date of initial recognition	-	-	-	-
Reinsurance other cash flows impairment	-	-	-	-
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(5,796,130)	-	-	(5,796,130)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-
Total income from reinsurance contracts held	16,284,704	-	-	16,284,704
Net expenses from reinsurance contracts held	(57,585,204)	-	-	(57,585,204)
Total insurance service result	(75,843,030)	46,977,593	4,631,907	(24,233,530)

25. Insurance revenue and insurance service result (continued)

<u>2025</u>			
	Profitable contracts	Onerous contracts	Total
(d) Total - Insurance contracts issued	issued	issued	
Estimates of the present value of future cash outflows	618,540,866	24,218,263	642,759,129
Insurance acquisition cash flows	59,114,337	883,006	59,997,343
Claims and other directly attributable expenses	559,426,529	23,335,257	582,761,786
Estimates of the present value of future cash inflows	(730,259,781)	(19,606,001)	(749,865,782)
Risk adjustment for non-financial risk	11,830,946	283,574	12,114,520
Premium that would have been charged on modification for new contracts recognised in group	-	-	-
CSM	99,887,969	-	99,887,969
Increase in insurance contract liabilities from contracts recognised in the period	-	4,895,836	4,895,836

<u>2025</u>			
	THE GROUP AND THE COMPANY		Total
(e) Total - Reinsurance contracts held	Contracts originated not in a net gain	Contracts originated in a net gain	
Estimates of present value of cash inflows	36,866,056	23,786,150	60,652,206
Estimates of present value of cash outflows	(24,074,714)	(28,554,275)	(52,628,989)
Risk adjustment of non-financial risk	306,205	1,545,992	1,852,197
Premium that would have been charged on modification for new contracts recognised in group	-	-	-
CSM	(13,097,547)	3,238,676	(9,858,871)
Increase in reinsurance contract liabilities from contracts recognised in the period	-	16,543	16,543

	Life Risk	Direct Participating Contracts	PAA	Total
	MUR	MUR	MUR	MUR
2024				
(a) Insurance revenue				
Contracts not measured under the PAA				
Amounts relating to changes in LRC				
Expected incurred claims and other directly attributed expenses	475,681,583	12,033,967	-	487,715,550
Change in the risk adjustment for non-financial risk for the risk expired	13,895,169	4,008,724	-	17,903,893
CSM recognised for the services provided	146,171,896	14,493,994	-	160,665,890
Experience adjustments - arising from premiums received in the period other than those that relate to future service	(15,041,751)	29,776,173	-	14,734,422
Other amounts, including other pre-recognition cash flow assets derecognised at the date of initial recognition	-	-	-	-
Insurance acquisition cash flow recovery	30,202,530	5,057,143	-	35,259,673
Insurance revenue from contracts not measured under the PAA	650,909,427	65,370,001	-	716,279,428
Insurance revenue from contracts measured under the PAA	-	-	8,047,459	8,047,459
Total insurance revenue	650,909,427	65,370,001	8,047,459	724,326,887
(b) Insurance service expenses				
Incurred claims and other directly attributable expenses	(457,807,901)	(4,002,117)	-	(461,810,018)
Amounts of other pre-recognition cash flows assets derecognised at the date of initial recognition	-	-	-	-
Changes that relate to past service - changes in the FCF relating to the LIC	316,150	(316,111)	-	39
Losses on onerous contracts and reversal of those losses	6,077,891	39,907	-	6,117,798
Insurance acquisition cash flows amortisation	(32,291,910)	(5,057,143)	-	(37,349,053)
Insurance acquisition cash flows assets impairment	-	-	-	-
Insurance other cash flows impairment	-	-	-	-
Total insurance service expenses	(483,705,770)	(9,335,464)	-	(493,041,234)

25. Insurance revenue and insurance service result (continued)

2024	Life Risk	THE GROUP AND THE COMPANY		
		Direct Participating Contracts	PAA	Total
	MUR	MUR	MUR	MUR
(c) Net income/(expenses) from reinsurance contracts held				
Amounts relating to the changes in the remaining coverage				
Expected incurred claims and other directly attributable expenses recovery	49,664,704	-	-	49,664,704
Change in the risk adjustment for non-financial risk for the risk expired	(1,372,776)	-	-	(1,372,776)
CSM recognised for the services received	(13,978,536)	-	-	(13,978,536)
Other amounts, including other pre-recognition reinsurance cash flow assets derecognised at the date of initial recognition	-	-	-	-
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service	(127,716,563)	-	-	(127,716,563)
Reinsurance expenses - contracts not measured under the PAA	(93,403,171)	-	-	(93,403,171)
Reinsurance expenses - contracts measured under the PAA	-	-	-	-
Total expenses from reinsurance contracts held	(93,403,171)	-	-	(93,403,171)
Other incurred directly attributable expenses	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	-
Claims recovered	17,353,901	-	-	17,353,901
Amounts of other pre-recognition cash flows assets derecognised at the date of initial recognition	-	-	-	-
Reinsurance other cash flows impairment	-	-	-	-
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(3,378,343)	-	-	(3,378,343)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	-	-
Total income from reinsurance contracts held	13,975,558	-	-	13,975,558
Net expenses from reinsurance contracts held	(79,427,613)	-	-	(79,427,613)
Total insurance service result	87,776,044	56,034,537	8,047,459	151,858,040

(d) 2024				
Total - Insurance contracts issued		Profitable contracts issued	Onerous contracts issued	Total
Estimates of the present value of future cash outflows		749,453,009	21,535,611	770,988,620
Insurance acquisition cash flows		55,729,327	1,127,378	56,856,705
Claims and other directly attributable expenses		693,723,682	20,408,233	714,131,915
Estimates of the present value of future cash inflows		(876,380,509)	(17,483,768)	(893,864,277)
Risk adjustment for non-financial risk		16,197,416	317,173	16,514,589
Premium that would have been charged on modification for new contracts recognised in group		-	-	-
CSM		110,730,084	-	110,730,084
Increase in insurance contract liabilities from contracts recognised in the period		-	4,369,016	4,369,016

		THE GROUP AND THE COMPANY		
(e) 2024		Contracts originated not in a net gain	Contracts originated in a net gain	Total
Total - Reinsurance contracts held				
Estimates of present value of cash inflows		36,982,851	13,258,655	50,241,506
Estimates of present value of cash outflows		(24,128,550)	(16,910,490)	(41,039,040)
Risk adjustment of non-financial risk		(225,431)	1,291,413	1,065,982
Premium that would have been charged on modification for new contracts recognised in group		-	-	-
CSM		(12,628,870)	2,360,422	(10,268,448)
Increase in reinsurance contract liabilities from contracts recognised in the period		-	-	-

26. Acquisition costs

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
Commissions	64,946,256	67,494,414
Benefits and allowances	39,387,382	32,516,972
Others	10,837,118	5,199,285
Total acquisition costs	115,170,756	105,210,671
Less :		
Acquisition expenses attributable to insurance service expenses	(66,607,614)	(64,568,649)
Maintenance expenses attributable to insurance service expenses	(26,537,161)	(25,653,828)
	(93,144,775)	(90,222,477)
Non attributable acquisition costs	22,025,981	14,988,194

27. INVESTMENT AND OTHER INCOME

THE GROUP 2025				
	Life Risk	Direct Participating Contracts	PAA	Total
	MUR	MUR	MUR	MUR
Interest income:				
Interest on bank accounts	40,817,742	-	-	40,817,742
Interest on fixed deposits	4,886,926	-	-	4,886,926
Interest on financial assets at amortised cost	262,307,458	4,442,288	-	266,749,746
Mortgage and other loans interest	34,253,638	-	-	34,253,638
Rental income	101,750,239	-	-	101,750,239
Dividend income	121,591,537	4,033,917	-	125,625,454
Administration fees*	1,200,191	4,476,901	-	5,677,092
Other income	30,557,551	-	-	30,557,551
	597,365,282	12,953,106	-	610,318,388
THE GROUP 2024				
	Life Risk	Direct Participating Contracts	PAA	Total
	MUR	MUR	MUR	MUR
Interest income:				
Interest on bank accounts	30,854,142	-	-	30,854,142
Interest on fixed deposits	11,995,978	-	-	11,995,978
Interest on financial assets at amortised cost	242,563,764	4,416,832	-	246,980,596
Mortgage and other loans interest	12,131,007	-	-	12,131,007
Rental income	100,926,808	-	-	100,926,808
Dividend income	85,527,379	3,905,992	-	89,433,371
Administration fees*	600,000	8,159,818	-	8,759,818
Other income	23,542,048	-	-	23,542,048
	508,141,126	16,482,642	-	524,623,768
THE COMPANY 2025				
	Life Risk	Direct Participating Contracts	PAA	Total
	MUR	MUR	MUR	MUR
Interest income:				
Interest on bank accounts	37,454,361	-	-	37,454,361
Interest on fixed deposits	4,886,926	-	-	4,886,926
Interest on financial assets at amortised cost	262,307,458	4,442,288	-	266,749,746
Mortgage and other loans interest	34,253,638	-	-	34,253,638
Rental income	101,750,239	-	-	101,750,239
Dividend income	121,591,537	4,033,917	-	125,625,454
Administration fees*	1,200,191	4,476,901	-	5,677,092
Other income	30,504,819	-	-	30,504,819
	593,949,169	12,953,106	-	606,902,275

27. INVESTMENT AND OTHER INCOME (CONTINUED)

THE COMPANY 2024				
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Interest income:				
Interest on bank accounts	30,854,142	-	-	30,854,142
Interest on fixed deposits	11,995,978	-	-	11,995,978
Interest on financial assets at amortised cost	242,563,764	4,416,832	-	246,980,596
Mortgage and other loans interest	12,131,007	-	-	12,131,007
Rental income	100,926,808	-	-	100,926,808
Dividend income	85,527,379	3,905,992	-	89,433,371
Administration fees*	600,000	8,159,818	-	8,759,818
Other income	23,333,352	-	-	23,333,352
	<u>507,932,430</u>	<u>16,482,642</u>	<u>-</u>	<u>524,415,072</u>

*Administration fees relate to ongoing administrative services provided to customers under contractual arrangements. These services are performed continuously, and customers receive and consume the benefits as the services are rendered. Revenue from administration fees is therefore recognised over time, with amounts becoming receivable at the end of each month as the performance obligations are satisfied.

28. FINANCE INCOME/EXPENSES FROM INSURANCE AND REINSURANCE CONTRACTS

THE GROUP AND THE COMPANY 2025				
Finance Income/(Expenses) from insurance (a) contracts	Life Risk MUR	Direct Participating MUR	PAA MUR	Total MUR
Finance (income)/expenses from insurance contracts issued				
Changes in value of underlying assets of contracts measured under the VFA	-	-	-	-
Interest accreted	440,969,638	-	-	440,969,638
Effect of changes in interest rates and other financial assumptions	(187,731,397)	-	-	(187,731,397)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	(92,022,241)	-	-	(92,022,241)
Foreign exchange differences	-	-	-	-
Finance expenses from insurance contracts issued	161,216,000	-	-	161,216,000

THE GROUP AND THE COMPANY 2024				
Finance Income/(Expenses) from insurance contracts	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Finance (income)/expenses from insurance contracts issued				
Changes in value of underlying assets of contracts measured under the VFA	3,888,212	-	-	3,888,212
Interest accreted	498,663,476	-	-	498,663,476
Effect of changes in interest rates and other financial assumptions	214,928,552	-	-	214,928,552
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	(82,951,231)	-	-	(82,951,231)
Finance expenses from insurance contracts issued	634,529,009	-	-	634,529,009

28. FINANCE INCOME/EXPENSES FROM INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

Finance Income/(Expenses) from reinsurance contracts	THE GROUP AND THE COMPANY 2025			
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Finance (income)/expenses from insurance contracts issued				
Interest accreted	(2,889,031)	-	-	(2,889,031)
Effect of changes in interest rates and other financial assumptions	(2,771,295)	-	-	(2,771,295)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	415,571	-	-	415,571
Finance expenses from insurance contracts issued	(5,244,755)	-	-	(5,244,755)
Finance Income/(Expenses) from reinsurance contracts	THE GROUP AND THE COMPANY 2024			
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Finance (income)/expenses from insurance contracts issued				
Interest accreted	158,846	-	-	158,846
Effect of changes in interest rates and other financial assumptions	1,304,316	-	-	1,304,316
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	34,988	-	-	34,988
Finance expenses from insurance contracts issued	1,498,150	-	-	1,498,150

29. NET REALISED / UNREALISED GAINS

	THE GROUP AND THE COMPANY 2025			
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Gain/(loss) on disposal of financial assets at fair value through profit or loss	59,914,502	(14,263)	-	59,900,239
Gain on disposal of investments in financial assets at amortised cost	2,585,874	1,110	-	2,586,984
Gain on disposal of property, plant and equipment and investment property	77,874	-	-	77,874
Realised foreign currency losses	(3,006,970)	-	-	(3,006,970)
Net unrealised fair value gains on financial assets (Note 13)	225,735,966	9,391,099	-	235,127,065
Net unrealised fair value gains on investment properties	52,687,389	-	-	52,687,389
Net unrealised foreign currency losses on investments in financial assets	(50,002,998)	(14,263)	-	(50,017,261)
Net unrealised foreign currency losses on cash and cash equivalents	(35,667,585)	(32,304)	-	(35,699,889)
	252,324,052	9,331,379	-	261,655,431

29. NET REALISED / UNREALISED GAINS (CONTINUED)

	THE GROUP AND THE COMPANY 2024			
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Gain on disposal of financial assets at fair value through profit or loss	66,105,902	201,406	-	66,307,308
Gain on disposal of investments in financial assets at amortised cost	7,963,078	(8,840)	-	7,954,238
Gain on disposal of property, plant and equipment and investment property	335,651	-	-	335,651
Net unrealised fair value gains/(losses) on financial assets (Note 13)	331,609,207	9,528,991	-	341,138,198
Net unrealised fair value (losses)/ gains on investment properties	349,711,481	-	-	349,711,481
Amortisation adjustment (Note 13)	-	-	-	-
Foreign currency gains	71,600,708	2,418,536	-	74,019,244
	<u>827,326,027</u>	<u>12,140,093</u>	<u>-</u>	<u>839,466,120</u>

30. NET OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2025 MUR	2024 MUR	2025 MUR	2024 MUR
Staff costs	172,753,960	153,245,866	168,531,334	151,191,866
Directors' fees and related costs	1,455,723	3,746,083	1,258,848	3,061,083
Rental and related costs	31,543,750	29,813,322	31,308,411	29,796,522
Office service costs	53,364,643	45,221,032	53,357,728	45,221,032
Depreciation and amortisation:				
Property, plant & equipment	12,598,305	12,737,045	12,598,305	12,737,045
Intangible assets	13,881	446,129	5,080	446,129
Right-of-use assets	6,842,025	6,007,425	6,842,025	6,007,425
Travel and entertainment	5,413,565	5,830,402	4,751,737	5,691,202
Advertising	8,161,990	7,167,012	8,161,990	7,000,904
Legal and professional fees	62,557,469	57,421,841	65,809,098	59,021,008
Investment costs	34,626,893	32,875,569	34,626,893	32,875,569
Other expenses	3,284,131	3,301,012	3,001,843	3,301,012
	<u>392,616,335</u>	<u>357,812,738</u>	<u>390,253,292</u>	<u>356,350,797</u>
Less :				
Acquisition expenses attributable to insurance service expenses	(12,741,538)	(12,103,808)	(12,741,538)	(12,103,808)
Maintenance expenses attributable to insurance service expenses	(182,299,382)	(159,156,429)	(182,299,382)	(159,156,429)
	<u>(195,040,920)</u>	<u>(171,260,237)</u>	<u>(195,040,920)</u>	<u>(171,260,237)</u>
Net other operating and administrative expenses	<u>197,575,415</u>	<u>186,552,501</u>	<u>195,212,372</u>	<u>185,090,560</u>
Staff costs are analysed as follows:				
Wages and salaries	137,415,857	119,588,660	134,161,820	117,961,060
Pension costs	12,436,660	14,241,766	12,053,700	14,191,672
Social security costs	6,069,121	4,516,099	5,944,141	4,418,071
Employee development costs	6,307,919	5,078,383	6,307,919	5,035,031
Other costs	10,524,403	9,820,958	10,063,754	9,586,032
	<u>172,753,960</u>	<u>153,245,866</u>	<u>168,531,334</u>	<u>151,191,866</u>
Number of employees at end of the year	<u>172</u>	<u>180</u>	<u>167</u>	<u>179</u>

31. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

THE GROUP 2025				
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Provision for doubtful debts	2,875,807	-	-	2,875,807
Expected Credit Losses on Loans (Note 14)	(5,662,282)	-	-	(5,662,282)
Expected Credit Losses on investment in financial assets at amortised costs (Note 13(b))	(236,357)	(32,511)	-	(268,868)
Others	(437,402)	-	-	(437,402)
	<u>(3,460,234)</u>	<u>(32,511)</u>	<u>-</u>	<u>(3,492,745)</u>
THE GROUP 2024				
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Provision for doubtful debts	(158,418,598)	-	-	(158,418,598)
Expected Credit Losses on Loans (Note 14)	(3,168,567)	-	-	(3,168,567)
Expected Credit Losses on investment in financial assets at amortised costs (Note 13(b))	251,964	(6,228)	-	245,736
Others	(387,564)	-	-	(387,564)
	<u>(161,722,765)</u>	<u>(6,228)</u>	<u>-</u>	<u>(161,728,993)</u>
THE COMPANY 2025				
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Provision for doubtful debts	2,875,807	-	-	2,875,807
Expected Credit Losses on Loans (Note 14)	(5,662,282)	-	-	(5,662,282)
Expected Credit Losses on investment in financial assets at amortised costs (Note 13(b))	(236,357)	(32,511)	-	(268,868)
Others	2,381,878	-	-	2,381,878
	<u>(640,954)</u>	<u>(32,511)</u>	<u>-</u>	<u>(673,465)</u>
THE COMPANY 2024				
	Life Risk MUR	Direct Participating Contracts MUR	PAA MUR	Total MUR
Provision for doubtful debts	(158,418,598)	-	-	(158,418,598)
Expected Credit Losses on Loans (Note 14)	(3,168,567)	-	-	(3,168,567)
Expected Credit Losses on investment in financial assets at amortised cost (Note 13(b))	251,964	(6,228)	-	245,736
Others	(387,564)	-	-	(387,564)
	<u>(161,722,765)</u>	<u>(6,228)</u>	<u>-</u>	<u>(161,728,993)</u>

32. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
Interest expense on lease liabilities (Note 18)	4,540,364	4,719,133	4,540,364	4,719,133
Effective interest rate adjustments	27,869,267	(1,136,001)	27,869,267	(1,136,001)
Bank charges	2,603,919	2,601,504	2,601,853	2,594,227
	35,013,550	6,184,636	35,011,484	6,177,359

33. NOTES TO THE CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	MUR	MUR	MUR	MUR
(a) Non-cash items				
Non-cash transactions are as follows:				
Additions to right-of-use assets (Note 9)	(1,937,114)	(5,378,000)	(1,937,114)	(5,378,000)
	(1,937,114)	(5,378,000)	(1,937,114)	(5,378,000)

(b) Reconciliation of liabilities arising from financing activities

	THE GROUP AND THE COMPANY			
	At 01 July 2024	Additions	Cash flows	Non-cash changes
Lease liabilities (Note 18)	55,669,188	1,937,115	(11,666,819)	8,009,752
	55,669,188	1,937,115	(11,666,819)	8,009,752
	At 01 July 2023	Additions	Cash flows	Non-cash changes
Lease liabilities (Note 18)	48,158,397	5,378,000	(10,196,843)	12,329,634
	48,158,397	5,378,000	(10,196,843)	12,329,634
	55,669,188			

34. RELATED PARTY DISCLOSURES

(a) Related parties transactions

THE GROUP

	2025					
	Remuneration and benefits	Sale of goods or services	Purchase of goods or services	Expenses paid on behalf of related party	Loans balance	Amount payable related parties
	MUR	MUR	MUR	MUR	MUR	MUR
Ultimate holding company	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-
Fellow subsidiary	-	5,410,962	9,393,563	-	-	77,142,589
Associates	-	-	-	-	-	-
Related parties	-	-	-	-	-	-
Provision for impairment	-	-	-	-	-	(65,580,227)
Directors	1,415,523	-	-	-	-	-
Key management personnel	48,409,191	-	-	-	30,841,202	-
	<u>49,824,714</u>	<u>5,410,962</u>	<u>9,393,563</u>	<u>-</u>	<u>30,841,202</u>	<u>11,562,362</u>

Key management personnel

	MUR
- Short-term employee benefits	45,955,383
- Post-employment benefits	2,453,808
- Termination benefits	-
	<u>48,409,191</u>

34. RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related parties transactions (continued)

THE COMPANY	2025					
	Remuneration and benefits	Sale of goods or services	Purchase of goods or services	Expenses paid on behalf of related party	Loans balance	Amount payable to related parties
	MUR	MUR	MUR	MUR	MUR	MUR
Ultimate holding company	-	-	-	-	-	-
Subsidiaries	-	-	3,600,000	546,148	-	6,994,974
Fellow subsidiary	-	5,410,962	9,393,563	-	-	77,142,589
Associates	-	-	-	-	-	-
Related parties	-	-	-	-	-	-
Provision for impairment	-	-	-	-	-	(68,391,453)
Directors	1,218,648	-	-	-	-	-
Key management personnel	46,161,041	-	-	-	29,216,218	-
	<u>47,379,689</u>	<u>5,410,962</u>	<u>12,993,563</u>	<u>546,148</u>	<u>29,216,218</u>	<u>15,746,110</u>
Key management personnel	Key Personnel					
	MUR					
- Short-term employee benefits	43,707,233					
- Post-employment benefits	2,453,808					
- Termination benefits	-					
	<u>46,161,041</u>					

34. RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related parties transactions (continued)

THE GROUP	2024					
	Remuneration and benefits	Sale of goods or services	Purchase of goods or services	Expenses paid on behalf of related party	Loans balance	Amount payable to related parties
	MUR	MUR	MUR	MUR	MUR	MUR
Ultimate holding company	-	-	-	-	-	-
Subsidiary	-	-	-	-	-	-
Fellow subsidiary	-	5,630,210	12,381,013	-	-	71,139,282
Associates	-	-	-	-	-	-
Related parties	-	-	-	-	-	-
Provision for impairment	-	-	-	-	-	(65,580,227)
Directors	3,614,001	-	-	-	3,599,506	-
Key management personnel	36,080,162	-	-	-	23,690,758	-
	<u>39,694,163</u>	<u>5,630,210</u>	<u>12,381,013</u>	<u>-</u>	<u>27,290,264</u>	<u>5,559,055</u>
Key management personnel	MUR					
- Short-term employee benefits	34,669,906					
- Post-employment benefits	1,410,256					
- Termination benefits	-					
	<u>36,080,162</u>					

34. RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related parties transactions (continued)

THE COMPANY	2024					
	Remuneration and benefits	Sale of goods or services	Purchase of goods or services	Expenses paid on behalf of related party	Loans balance	Amount payable to related parties
	MUR	MUR	MUR	MUR	MUR	MUR
Ultimate holding company	-	-	-	-	-	-
Subsidiaries	-	-	2,400,000	2,683,426	-	100,000,000
Fellow subsidiary	-	5,630,210	12,381,013	-	-	-
Associates	-	-	-	-	-	-
Related parties	-	-	-	-	-	-
Provision for impairment	-	-	-	-	-	(68,391,453)
Directors	2,929,001	-	-	-	3,599,506	-
Key management personnel	36,080,162	-	-	-	23,690,758	-
	<u>39,009,163</u>	<u>5,630,210</u>	<u>14,781,013</u>	<u>2,683,426</u>	<u>27,290,264</u>	<u>100,000,000</u>
<u>Key management personnel</u>	MUR					
- Short-term employee benefits	34,669,906					
- Post-employment benefits	1,410,256					
- Termination benefits	-					
	<u>36,080,162</u>					

34. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Loans to Directors and Key Management Personnel

	THE GROUP AND THE COMPANY	
	2025	2024
	MUR	MUR
<u>Capital Element</u>		
At 01 July	27,290,264	21,283,367
Additions	9,415,461	8,500,000
Repayments	(1,897,057)	(2,493,103)
Adjustments	(3,967,465)	-
At 30 June	30,841,202	27,290,264
	2025	2024
	MUR	MUR
<u>Interest Receivable</u>		
Outstanding interest repayment at 01 July	-	-
Receivable for the year	897,405	998,340
Received during the year	(897,405)	(998,340)
Outstanding interest repayment at 30 June	-	-

The loan balances receivable from key management personnel and directors are secured, bear interest at rates varying between 3.00% and 4.00% per annum and are repayable as per the terms of the loan agreements.

Terms and conditions of transactions

Transactions with the related parties have been made at arm's length, on normal commercial terms and in the ordinary course of business.

The amounts receivable and payable to related parties are unsecured, interest free and repayable on demand.

The loan balances receivable from key management personnel and directors are secured, bear interest at rates varying between 3.00% and 4.00% per annum and are repayable as per the terms of the loan agreements. The fair value of the collateral on the loan granted to Directors and Key Management Personnel for the Group and Company are considered greater than the carrying value of the loans. For the year ended 30 June 2025, no provision for impairment was made on in respect of these loans.

For the year ended 30 June 2025, the Group and the Company have recorded an impairment of their receivables from their related parties of **MUR 68,391,453** (2024: MUR 68,391,453). This assessment is undertaken each financial year through examining the ageing of the amount receivable.

* Adjustment relates to change in interest rates.

35. SHARED SERVICE AGREEMENT

There is a Shared Service Agreement between the Company and its related company, NIC General Insurance Co. Ltd. The latter is being recharged a proportion of administrative costs incurred by the Company and a rental for occupation of the Company's offices and branches. The amount recharged is at arm's length.

36. COMMITMENTS

Capital Commitments

Capital expenditure contracted as at the reporting date amounted to **MUR 2,868,500** (2024 : MUR 1,018,569).

37. GOING CONCERN

The Directors have made an assessment of the Group's and the Company's ability to continue as a going concern and are satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, the Directors and management are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern.

38. COMPLIANCE WITH INSURANCE ACT 2005

As per the Insurance Act 2005, the Company is required to maintain a minimum surplus of assets over liabilities being the Minimum Capital Requirement (MCR).

As at the reporting date, the Company is in Compliance with the Insurance Act 2005.

39. HOLDING COMPANY AND ULTIMATE SHAREHOLDER

The Directors of the Company regard the National Property Fund Ltd as its holding company and the Government of Mauritius as its Ultimate Shareholder.

40. CONTINGENT LIABILITIES

In common practice with the insurance industry in general, the Group and the Company is subject to litigations arising in the normal course of insurance business. The Directors are of the opinion that these litigations will not have a material effect on the financial position or results of the Group and the Company.

As at 30 June 2025, there were contingent liabilities amounting to **MUR 12,325,000** (2024: MUR 12,325,000) in respect of court cases entered by policy holders against the Group and the Company.

41. EVENTS AFTER THE REPORTING PERIOD

Encumbrances

Following an agreement with SBM Bank (Mauritius) Ltd ("SBM"), a final payment was made, post the reporting period to the latter for the removal of all the encumbrances in their favour. The residual encumbrances in favour of the Mauritius Commercial Bank Limited are inscribed on a pari passu basis with SBM; hence these encumbrances will be erased accordingly, as reported in Note 23.

There are no other material events after the reporting date which would require disclosures or adjustments in the consolidated and separate financial statements for the year ended 30 June 2025.

42. GEOPOLITICAL DEVELOPMENTS – MIDDLE EAST

During March 2026, military hostilities escalated in the Middle East following military operations involving Iran and other regional actors. The situation has resulted in heightened geopolitical tensions and increased uncertainty in global financial and commodity markets.

These developments may affect global economic conditions, including energy prices, inflation, exchange rates and financial market volatility. The extent to which the conflict may impact the Group's and the Company's operations and financial performance will depend on future developments, including the duration and scope of the conflict and responses by governments and regulators.

The Directors have considered the potential implications of the ongoing conflict on the Group's and the Company's operations, financial position and future cash flows based on information available at the date of approval of these financial statements. Based on this assessment, the Directors are of the opinion that the conflict has not had a material impact on the Group's and the Company's financial position or results of operations as at the reporting date, and that no adjustments are required to these financial statements.

The Group and the Company will continue to monitor the situation closely.

43. DISCONTINUED OPERATIONS

During the year ended 30 June 2025, the discontinued operation was as follows:

In December 2021, a decision was taken to wind up NIC Healthcare Ltd. The operational results of NIC Healthcare Ltd were classified as held-for-sale and have not been consolidated since the Group does not have control on its activities.

44. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Legal matter arising during the financial year ended 30 June 2025

During the financial year ended 30 June 2024, the National Insurance Co. Ltd ("NICL") became a party to legal proceedings entitled Mr. Dawood Ajum Rawat v. National Property Fund Ltd, National Insurance Co. Ltd, Bank of Mauritius & Ors before the Supreme Court of Mauritius. On 13 March 2025, an Interim Order restraining and prohibiting NICL from disposing certain assets was issued by the Judge in Chambers, amongst other related restrictions. On 21 March 2025, NICL obtained a variation to the Interim Order. The Company continues to be guided by its legal counsels in resolving this matter.

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 **2025-2026 was MUR Nil** (2024-2025 - MUR Nil) for the Group and the Company.

45. FINANCIAL SUMMARY

	THE COMPANY					
	2025	2024	2023	2022	2021	2020
	MUR	MUR	MUR	MUR	MUR	MUR
Stated capital	5,949,000,000	5,949,000,000	5,949,000,000	5,949,000,000	5,949,000,000	30,000,000
Actuarial (losses)/gains	(5,629,000)	(4,331,000)	(3,800,000)	(4,848,000)	(7,000,000)	(13,163,000)
Revaluation reserve	82,999,891	78,001,471	56,404,593	57,050,593	45,436,856	39,599,859
Other reserves	982,890	736,270	646,000	(646,000)	-	-
Revenue deficit	(2,654,609,522)	(3,104,177,380)	(3,609,177,366)	(4,036,155,305)	(4,230,402,291)	(4,372,777,233)
Total assets	15,612,872,211	15,086,430,860	14,129,290,045	10,343,566,313	10,130,354,279	4,190,025,195
Total liabilities	12,240,127,952	12,167,201,499	11,736,216,818	8,379,165,025	8,373,319,714	8,506,365,569
Gross premiums written	-	-	-	1,563,995,056	1,615,188,468	1,543,891,435
Insurance revenue	677,491,146	724,326,887	672,989,324	-	-	-
Profit/(loss) before taxation	434,072,494	506,961,160	601,543,902	194,246,986	142,374,942	142,150,017
Taxation	15,495,364	23,961,552	23,093,337	-	-	-
Profit/(loss) attributable to Shareholders	449,567,858	530,922,712	624,637,239	194,246,986	142,374,942	142,150,017
Dividends	-	-	-	-	-	-

	Non-Linked MUR	2025 Linked MUR	Total MUR	Non-Linked MUR	2024 Linked MUR	Total MUR
ASSETS						
Non-current assets						
Property, plant and equipment	478,200,160	-	478,200,160	453,370,351	-	453,370,351
Right-of-use assets	7,916,996	-	7,916,996	10,709,654	-	10,709,654
Intangible assets	3,698,226	-	3,698,226	5,139	-	5,139
Investment properties	2,676,000,000	-	2,676,000,000	2,630,300,000	-	2,630,300,000
Investment in subsidiaries	100,000,100	-	100,000,100	100,000,100	-	100,000,100
Insurance contract assets	3,139,655	-	3,139,655	2,323,180	-	2,323,180
Reinsurance contract assets	121,734,230	-	121,734,230	122,227,584	-	122,227,584
Financial assets at fair value through profit or loss	4,605,033,197	133,173,476	4,738,206,673	4,137,012,242	123,194,719	4,260,206,961
Investments in financial assets at amortised cost	4,775,930,694	82,673,579	4,858,604,273	4,041,918,658	76,152,230	4,118,070,888
Mortgage and other loans	610,910,345	-	610,910,345	481,474,631	-	481,474,631
Deferred tax assets	88,518,609	-	88,518,609	69,793,981	-	69,793,981
	<u>13,471,082,212</u>	<u>215,847,055</u>	<u>13,686,929,267</u>	<u>12,049,135,520</u>	<u>199,346,949</u>	<u>12,248,482,469</u>
Current assets						
Held to maturity financial assets	-	-	-	-	-	-
Investments in financial assets at amortised cost	90,278,312	-	90,278,312	734,919,260	-	734,919,260
Mortgage and other loans	19,888,426	-	19,888,426	55,683,290	-	55,683,290
Insurance contract assets	-	-	-	414,000	-	414,000
Reinsurance contract assets	-	-	-	-	-	-
Other receivables	67,206,783	-	67,206,783	53,281,273	-	53,281,273
Cash and cash equivalents	<u>1,745,774,995</u>	<u>2,794,427</u>	<u>1,748,569,422</u>	<u>1,987,227,277</u>	<u>6,423,290</u>	<u>1,993,650,567</u>
	<u>1,923,148,516</u>	<u>2,794,427</u>	<u>1,925,942,943</u>	<u>2,831,525,100</u>	<u>6,423,290</u>	<u>2,837,948,390</u>
Asset classified as held-for-sale	1	-	1	1	-	1
Total assets	<u>15,394,230,729</u>	<u>218,641,482</u>	<u>15,612,872,211</u>	<u>14,880,660,621</u>	<u>205,770,239</u>	<u>15,086,430,860</u>
EQUITY AND LIABILITIES						
Equity						
Share capital	5,949,000,000	-	5,949,000,000	5,949,000,000	-	5,949,000,000
Retained earnings	(2,695,521,785)	40,912,263	(2,654,609,522)	(3,267,753,636)	163,576,256	(3,104,177,380)
Other reserves	78,353,781	-	78,353,781	74,406,741	-	74,406,741
Total equity	<u>3,331,831,996</u>	<u>40,912,263</u>	<u>3,372,744,259</u>	<u>2,755,653,105</u>	<u>163,576,256</u>	<u>2,919,229,361</u>
Non-current liabilities						
Insurance contract liabilities	11,707,547,766	171,198,568	11,878,746,334	11,759,427,472	42,193,983	11,801,621,455
Reinsurance contract liabilities	62,297,164	-	62,297,164	59,890,421	-	59,890,421
Lease liabilities	45,047,458	-	45,047,458	49,466,624	-	49,466,624
Retirement benefit obligations	31,945,000	-	31,945,000	28,710,000	-	28,710,000
	<u>11,846,837,388</u>	<u>171,198,568</u>	<u>12,018,035,956</u>	<u>11,897,494,517</u>	<u>42,193,983</u>	<u>11,939,688,500</u>
Current liabilities						
Lease liabilities	8,901,778	-	8,901,778	6,202,564	-	6,202,564
Trade and other payables	203,676,923	6,530,651	210,207,574	221,310,435	-	221,310,435
Current tax liabilities	2,982,644	-	2,982,644	-	-	-
	<u>215,561,345</u>	<u>6,530,651</u>	<u>222,091,996</u>	<u>227,512,999</u>	<u>-</u>	<u>227,512,999</u>
Total equity and liabilities	<u>15,394,230,729</u>	<u>218,641,482</u>	<u>15,612,872,211</u>	<u>14,880,660,621</u>	<u>205,770,239</u>	<u>15,086,430,860</u>

NATIONAL INSURANCE CO. LTD
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME-LIFE ASSURANCE FUND
FOR THE YEAR ENDED 30 JUNE 2025

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	2025			2024		
	Non-Linked MUR	Linked MUR	Total MUR	Non-Linked MUR	Linked MUR	Total MUR
Revenue						
Insurance Revenue	602,309,210	75,181,936	677,491,146	658,956,886	65,370,001	724,326,887
Insurance service expenses	(615,935,129)	(28,204,343)	(644,139,472)	(483,705,769)	(9,335,465)	(493,041,234)
Net expenses from reinsurance contracts held	(57,585,204)	-	(57,585,204)	(79,427,614)	-	(79,427,614)
Insurance service result	(71,211,123)	46,977,593	(24,233,530)	95,823,503	56,034,536	151,858,039
Net finance income/(expense) from insurance contracts	(161,216,000)	-	(161,216,000)	(630,640,797)	(3,888,212)	(634,529,009)
Net finance income/(expense) from reinsurance contracts	5,244,755	-	5,244,755	(1,498,150)	-	(1,498,150)
Net insurance finance expenses	(155,971,245)	-	(155,971,245)	(632,138,947)	(3,888,212)	(636,027,159)
Investment and other income	593,949,169	12,953,106	606,902,275	516,092,249	8,322,823	524,415,072
Other revenue	593,949,169	12,953,106	606,902,275	516,092,249	8,322,823	524,415,072
Net insurance and investment result	366,766,801	59,930,699	426,697,500	(20,223,195)	60,469,147	40,245,952
Acquisition costs	(19,581,734)	(2,444,247)	(22,025,981)	(13,747,492)	(1,240,702)	(14,988,194)
Net acquisition costs	(19,581,734)	(2,444,247)	(22,025,981)	(13,747,492)	(1,240,702)	(14,988,194)
Net Other operating and administrative costs	(186,664,787)	(8,547,585)	(195,212,372)	(181,651,096)	(3,439,464)	(185,090,560)
Net realised/unrealised gains	252,324,052	9,331,379	261,655,431	827,326,027	12,140,093	839,466,120
Net impairment losses on financial assets	(673,465)	-	(673,465)	(161,728,993)	-	(161,728,993)
Effects of remeasurement	(1,357,135)	-	(1,357,135)	(4,765,806)	-	(4,765,806)
Finance costs	(35,011,484)	-	(35,011,484)	(6,177,359)	-	(6,177,359)
Other expenses	28,617,181	783,794	29,400,975	473,002,773	8,700,629	481,703,402
Total benefits, claims, reserves, acquisition costs and other expenses	9,035,447	(1,660,453)	7,374,994	459,255,281	7,459,927	466,715,208
Profit from operations	375,802,248	58,270,246	434,072,494	439,032,086	67,929,074	506,961,160
Exceptional costs	-	-	-	-	-	-
Profit before taxation	375,802,248	58,270,246	434,072,494	439,032,086	67,929,074	506,961,160
Income tax	13,415,254	2,080,110	15,495,364	20,750,880	3,210,672	23,961,552
Profit for the year	389,217,502	60,350,356	449,567,858	459,782,966	71,139,746	530,922,712