



ANNUAL
REPORT
2025

Celebrating **50** *Years*
ANNIVERSARY

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Corporate Profile

Our Mission, Shared Values and Objectives



Corporate Profile

Our Locations

PORT MATHURIN

RODRIGUES

MAURITIUS

SICOM Offices

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

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

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

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

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

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

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

*For Motor Insurance only

PostAssurance Hubs

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

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

Corporate Profile

Corporate Information

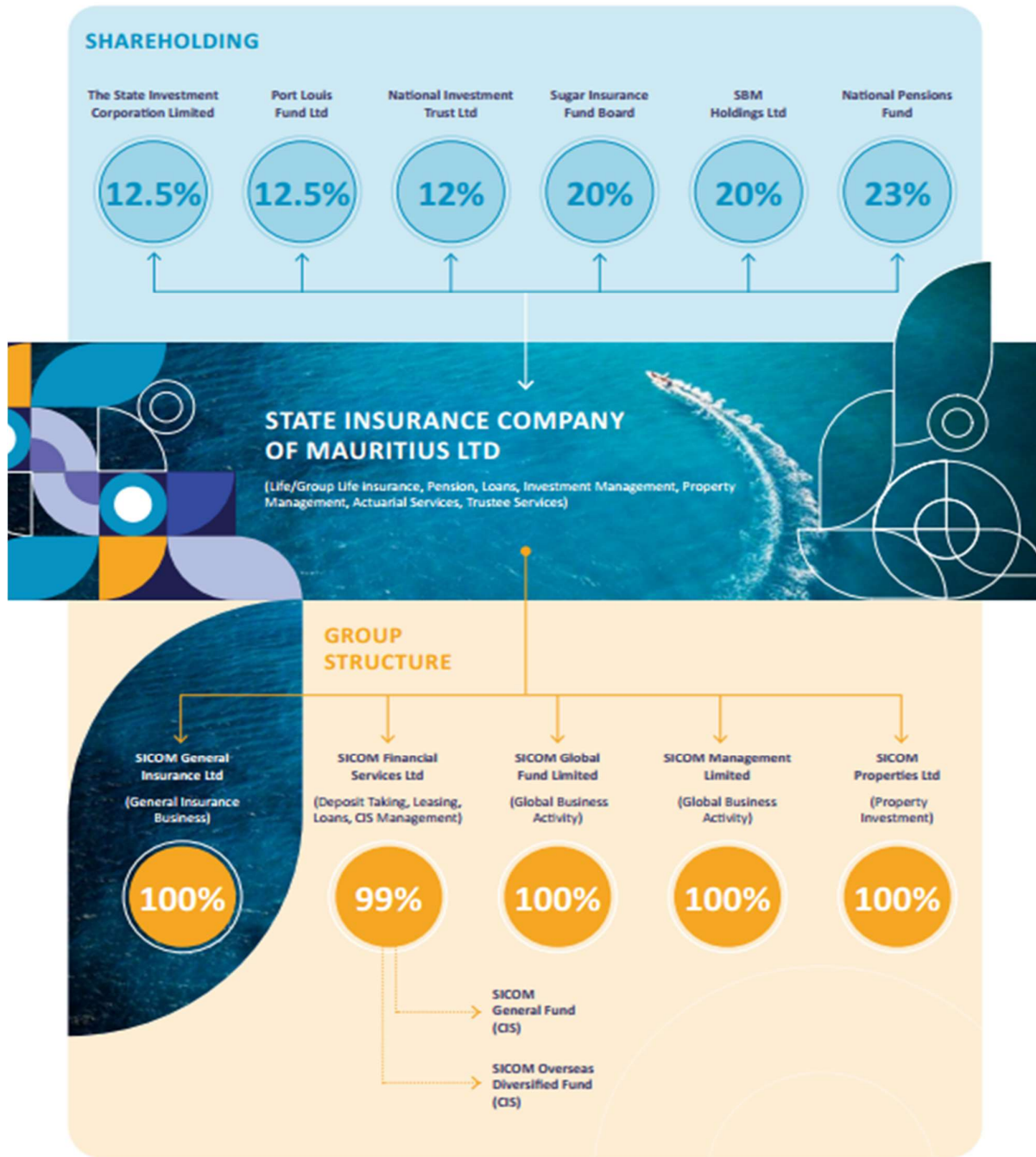
 <p>Registered Office</p>	<p>SICOM General Insurance Ltd SICOM Building Sir Célicourt Antelme Street, Port Louis, Mauritius Telephone: (230) 203 8400 Fax: (230) 203 8502 Email Address: sicomgin@sicom.mu Website: www.sicom.mu</p>
 <p>Auditor</p>	<p>Deloitte 7th-8th Floors, Standard Chartered Tower 19-21 Bank Street, Cybercity, Ebène, 72201 Mauritius</p>
 <p>Consulting Actuary</p>	<p>QED Actuaries & Consultants (Mauritius) Ltd The Pod Vivea Business Park Moka Mauritius</p>
 <p>Main Bankers</p>	<p>Absa Bank (Mauritius) Limited AfrAsia Bank Limited MauBank Ltd MCB Ltd SBI (Mauritius) Ltd SBM Bank (Mauritius) Ltd</p>



Corporate Profile

Our Group Structure & Shareholding

SHAREHOLDING & GROUP STRUCTURE



Corporate Profile

Our Offerings



Directors' Report

The Board of Directors is pleased to present the comprehensive Annual Report and the Audited Financial Statements for the financial year ended 30 June 2025. This report provides an overview of the global and local market environments in which the Company operates and outlines the strategic response to the prevailing opportunities and challenges.

The Global Insurance Sector: A Landscape of Resilience and Evolution

The global insurance industry demonstrated remarkable resilience and growth in 2025, with premium income growing by 6%. This period of growth, the fastest since the global financial crisis, was more significant given the backdrop of geopolitical tensions, persistent macroeconomic uncertainty, and evolving consumer behaviours.

Key global trends continue to shape the industry. The rapid adoption of technology, particularly Artificial Intelligence (AI) and generative AI, is transforming the end-to-end value chain from underwriting and pricing to claims processing and customer service. Climate change remains a primary concern, leading to an increase in natural catastrophe-related risks and driving a shift towards innovative and more comprehensive risk transfer solutions. Furthermore, changing demographics and the rise of digital-native consumers are prompting insurers to develop more personalized, usage-based, and embedded products. These forces collectively underscore the need for continuous innovation, data-driven strategies, and a focus on operational efficiency to sustain profitability and remain competitive.

The Mauritian Economic Landscape

The local economy moderated during 2025 as the strong post-pandemic rebound eased and external demand softened. According to Statistics Mauritius, real GDP growth is projected to slow to 3.1% in 2025, down from 4.9% in 2024, reflecting weaker investment activity and a more measured contribution from the tourism sector. Private investment is expected to contract, while public investment remains broadly flat, with gross fixed capital formation estimated at 19.8% of GDP. Household consumption continues to underpin growth, though net exports remain a drag on overall performance. Inflationary pressures subsided compared to the previous year, with headline inflation declining to 2.9% for the twelve months ended June 2025, compared to 4.5% in June 2024. The Bank of Mauritius projects headline inflation to average around 4.0% in 2025, remaining within its target range of 2%–5%. The Bank of Mauritius raised the Key Repo Rate by 50 basis points to 4.50% in February 2025 to anchor inflation expectations and address external pressures. The Mauritian rupee appreciated by 5.1% against the US dollar over the financial year, supported by central bank interventions and favourable flows, while depreciating by 3.3% against the euro and 2.4% against the pound sterling.

On the policy front, the National Budget 2025/26 underscored the twin priorities of fiscal consolidation and social equity, with the primary deficit expected to remain elevated. Risks to the domestic outlook are tilted to the downside, stemming from global trade tensions, tariff-related pass-through, and potential climate-related shocks. On balance, the domestic economy remains resilient, though navigating softer growth and elevated uncertainty will require careful policy calibration.

The Mauritian Insurance Sector

The Mauritian insurance industry has maintained a robust growth trajectory during the current fiscal period. Supported by a stable regulatory environment, increasing financial literacy, and rising demand for comprehensive insurance coverage, the sector has seen an expansion in both life and non-life insurance segments. The government's initiatives to promote financial inclusion and insurance penetration, alongside easing of regulatory requirements, have contributed positively towards industry development. The industry is also adapting to significant regulatory developments, including the implementation of IFRS 17, which is reshaping the accounting and reporting landscape for insurers. Nevertheless, the sector remains vigilant to risks such as economic volatility, climate-related events, and regulatory compliance challenges.

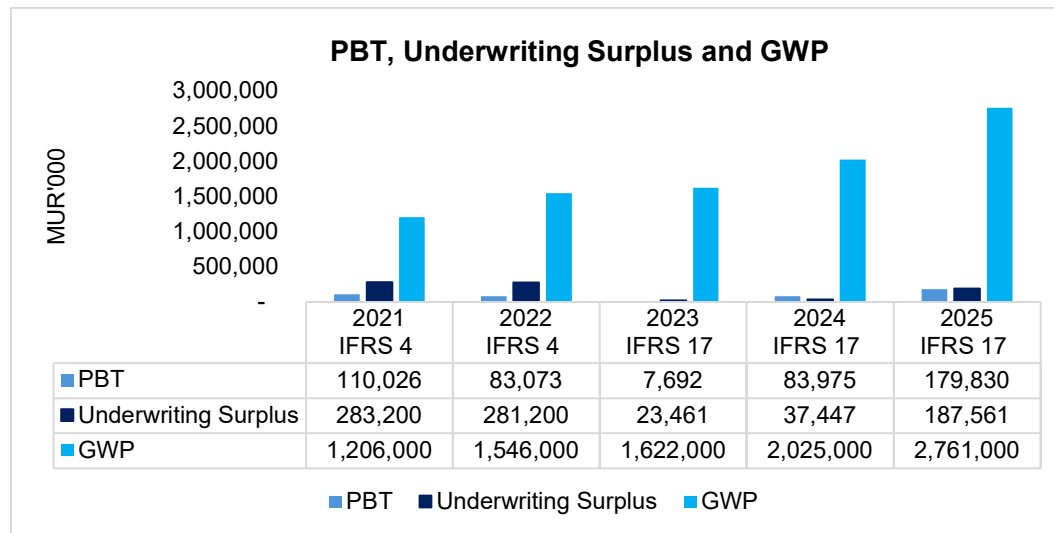
Directors' Report (Continued)

Financial Performance

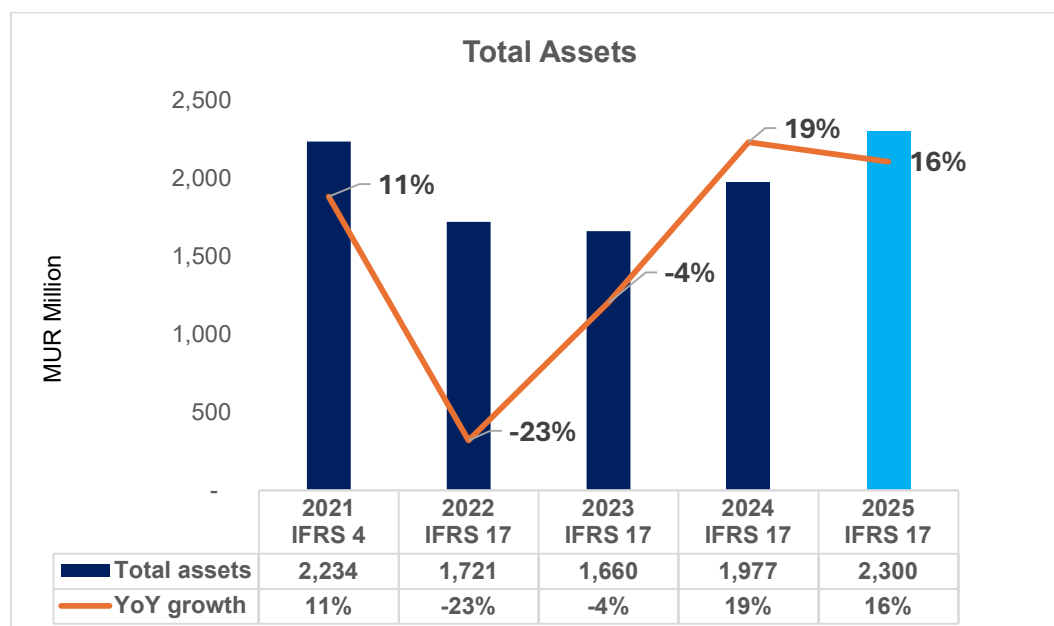
The Company achieved a strong financial performance in FY2025, with insurance revenue growing by 28% to reach Rs 2.40 billion and profit after tax rising by 115% to Rs 149.3 million. This reflects improved underwriting discipline, portfolio management and investment performance.

Insurance Operations: Underwriting results improved significantly, climbing from Rs 37.4 million in FY2024 to Rs 187.6 million in FY2025. Insurance service expenses increased by 8%, and reinsurance expenses rose to Rs 535 million, reflecting greater risk transfer but contributing to stability in results. The underwriting margin improved to 6%.

Profitability: PBT reached Rs 179.8 million, doubling year-on-year. Investment income grew by 26% to Rs 59.6 million. Overall, profitability was supported by technical gains and prudent expense management.



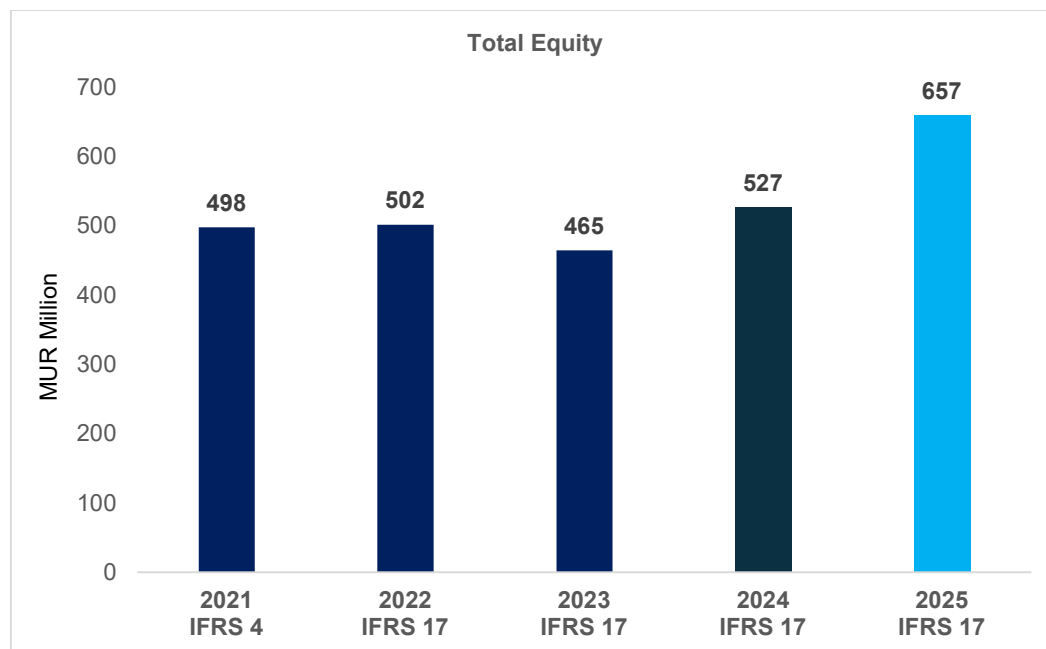
Financial Position: Total assets stood at Rs 2.3 billion as of 30 June 2025 while Total equity increased to Rs 657 million.



Directors' Report (Continued)

Financial Performance (Continued)

Capital & Dividend: Solvency and capitalisation remain solid with equity representing 29% of total assets. A dividend of Rs 37.3 million was proposed, representing around 25% of profit after tax, consistent with a balanced approach to shareholder returns and capital retention.



Business Mix: The premium portfolio remains well diversified across multiple business lines. Motor insurance remained the largest contributor with over Rs 1.13 billion in written premium. Medical insurance contributed Rs 764 million, while property insurance brought in Rs 270 million. Other segments, including accident & health, liability, transport, and guarantee, added further balance to the portfolio, underscoring a broad-based revenue model.

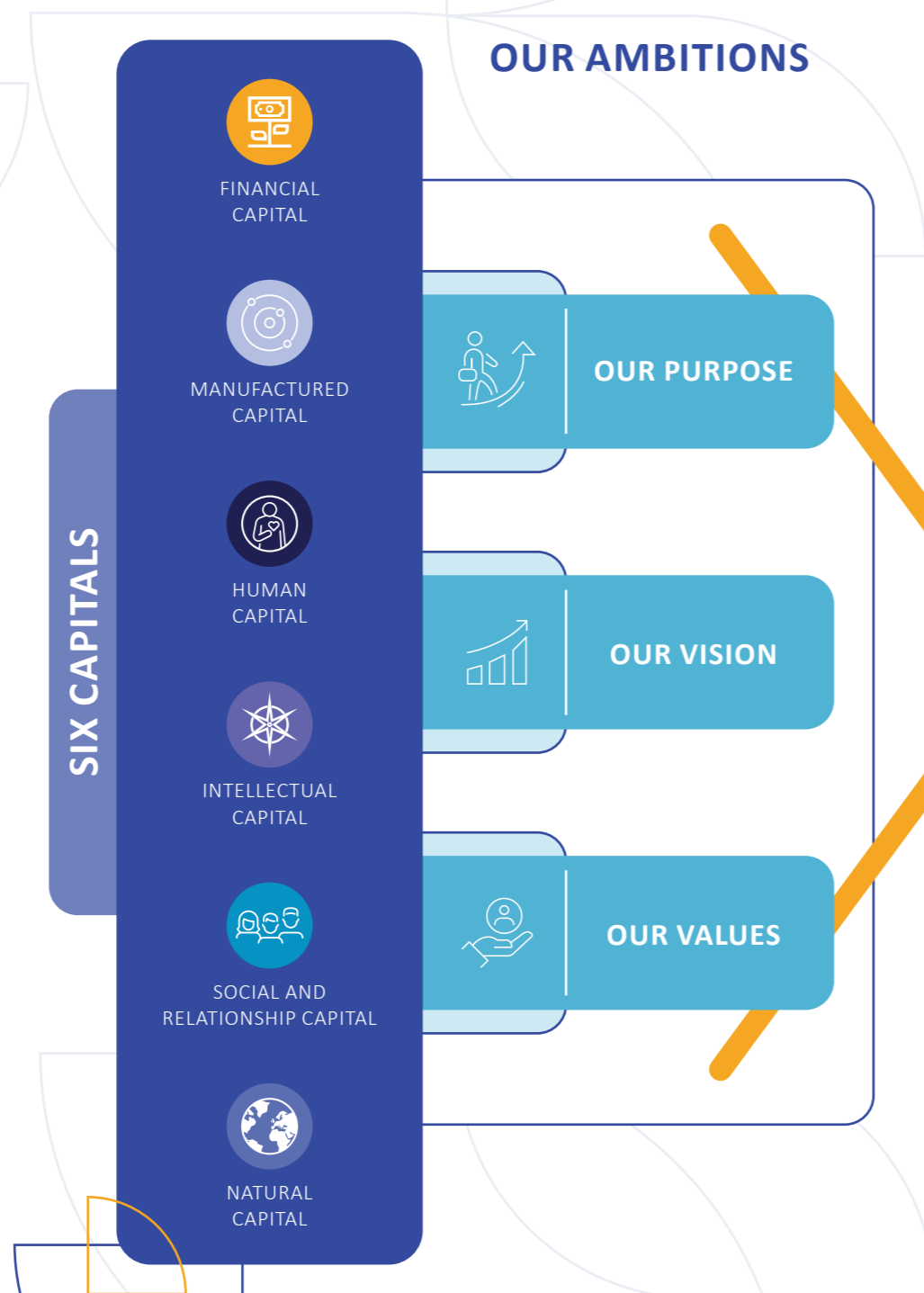
AI Project

To further improve Customer Experience, the Company has recently implemented AI solution whereby computer vision models analyse images of accident vehicles to identify and quantify damages. With this AI platform, the claims team can accurately detect dents, scratches, broken parts, and other issues, providing objective damage assessments. This solution enhances accuracy, speed, and efficiency, leading to improved customer experience and cost savings.

Conclusion

The Company enters FY2026 from a position of strength, with enhanced underwriting capability, robust capitalisation, and healthy liquidity. In the context of domestic and global trends, the Company has navigated the financial year with strategic foresight and agility. Our focus on prudent underwriting, diversified product offerings, and customer-centric digital solutions has enabled us to deliver a solid performance. We remain committed to leveraging technology, fostering a culture of innovation, and upholding the highest standards of governance to create sustainable value for all our stakeholders. The Board extends its sincere gratitude to our valued customers, partners, and dedicated employees for their unwavering trust and support.

OUR VALUE CREATION PROCESS



OUR RESOURCES

FINANCIAL

- Strong financial stability, supported by robust liquidity and a diversified portfolio, with Assets under Management of MUR 2.3 bn)
- A diversified investment portfolio
- CareEdge AAA rating, denoting highest degree of safety regarding servicing of debt obligations

MANUFACTURED

- Head Office and 4 branches across the country
- Digital Experience Platform
- IT infrastructure

HUMAN

- Talented and committed team members at Company level
- 63% women in employment
- A human capital strategy centred on well-being and inclusivity
- Enhanced learning and development opportunities through the Performance Management System which recognises ability and merit

INTELLECTUAL

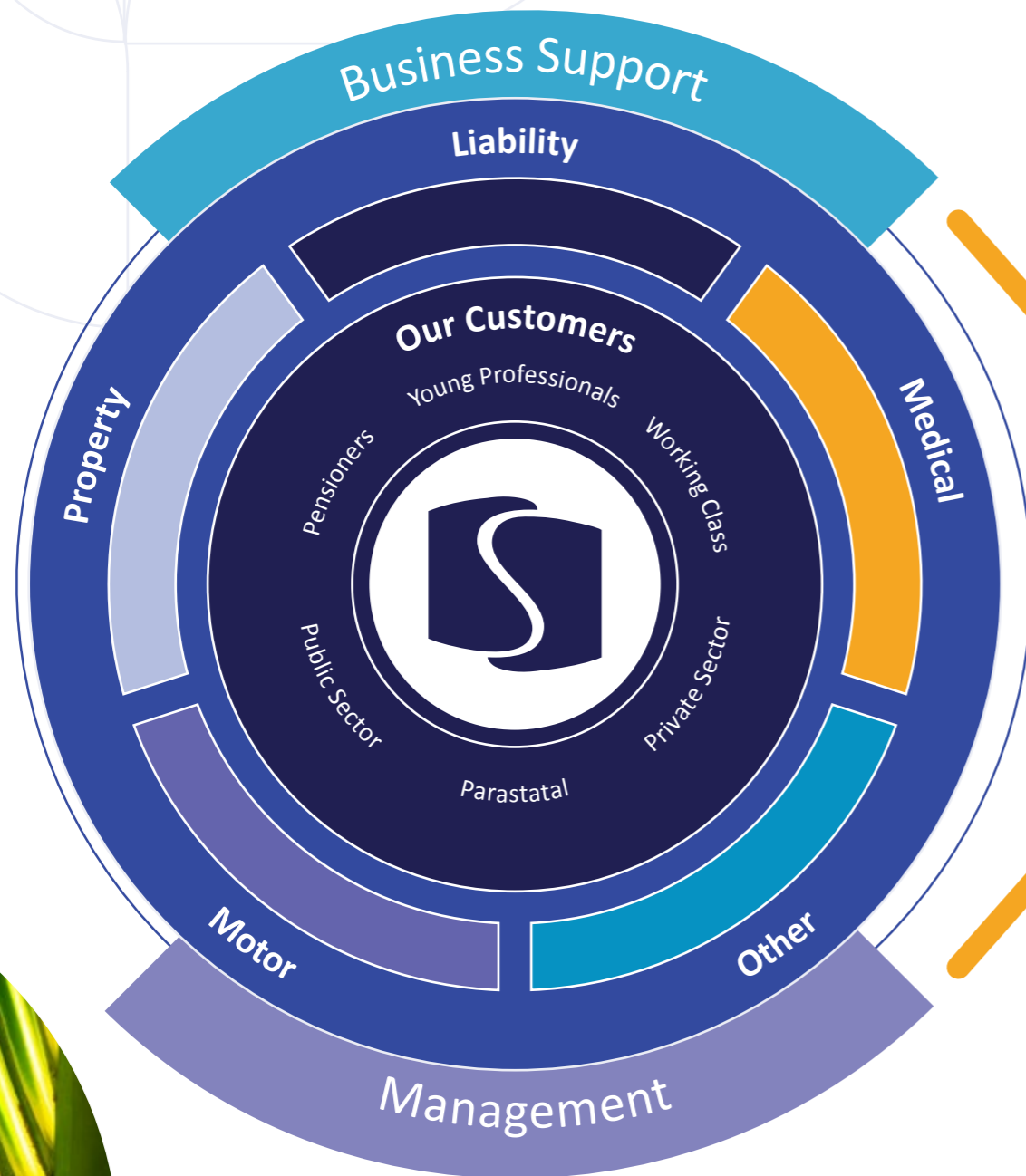
- Specialist expertise and knowledge in insurance and investment
- Structured talent management and development programmes
- Digital platform incorporating process optimisation
- Branding and marketing strategies that strengthen visibility
- Collaborative partnerships that expand capabilities
- Use of data analytics and insights to inform decision-making
- A strong governance and enterprise risk management framework

SOCIAL AND NATURAL

- Training initiatives on sustainability and awareness of responsible farming practices
- Affiliation with and reporting to local and international frameworks supporting the UN SDGs (SigneNatur, UN Global Compact, UN Principles of Responsible Investment)
- Sponsorship of sustainability projects
- Green building initiatives, including the installation of inverter air conditioners and LED lighting
- Other social and environmental initiatives

OUR VALUE CREATION PROCESS (CONTINUED)

OUR BUSINESS ACTIVITIES



OUR OUTPUT



FINANCIAL

- Profit Before Tax (MUR 179.8 bn), with growth in profitability and market share
- Dividends to shareholders and strong ROI
- Greater visibility as a strong brand, with increased business opportunities



MANUFACTURED

- Leveraging expertise to expand internationally
- Increased cross-selling opportunities across business lines
- Enhanced customer experience and new business opportunities
- Greater use of business intelligence in decision-making
- Proactive governance and effective risk management



HUMAN

- An engaged and satisfied workforce
- A stronger organisational culture
- Improved work-life balance
- Enhanced technical, soft and digital skills to prepare employees for the future of work
- Fostering innovation and creativity
- Developing better leaders and higher-skilled employees



INTELLECTUAL

- Wider customer reach across the country
- Seamless service across distribution channels, with 24/7 availability
- Higher customer satisfaction
- Improved productivity and cost savings



SOCIAL AND NATURAL

- A corporate culture that embraces sustainability, with greater awareness among employees
- Capacity building by Sustainability Consultant
- Group strategy aligned to leading ESG practices
- Implementation of reporting frameworks and governance structure for the UN PRI and UN Global Compact
- Youth empowerment through support to NGOs working with vulnerable children and young people, including Ecole des Métiers, ANFEN and SAFIRE, fostering long-term social and economic stability
- Execution of joint projects with other partners and NGOs, such as the Learning with Nature Project by the Mauritian Wildlife Foundation, agroforestry initiatives in Rodrigues by FORENA and partnerships with Mission Verte and Mafta International Ltd
- Carbon footprint measurement through emission assessment
- Recognition as a responsible corporate citizen

Corporate Governance Report 2024-2025

SICOM General Insurance Ltd (the Company or SGIN) is a wholly owned subsidiary of the State Insurance Company of Mauritius Ltd (the Holding Company or SICOM) and forms part of the SICOM Group of entities (the SICOM Group or the Group). SGIN started its operations in July 2010 in conformity with the Insurance Act 2005, taking over the General Insurance business which until then had been transacted under SICOM. The Company is a Public Interest Entity as defined by the Financial Reporting Act 2004.

This Corporate Governance Report for the year ended 30 June 2025 (the Report) depicts how the Company’s Board of Directors (the Board) remains committed to applying high standards of corporate governance with a view to fostering the organisation’s long-term business sustainability and creating value for all its stakeholders whilst acting for the good of society.

Our Corporate Governance Philosophy

Aligned with its Holding Company’s objectives, the corporate governance framework of SGIN is anchored on the eight (8) principles of the National Code of Corporate Governance for Mauritius (2016) (the Code), which are as follows:

Principle 1	Governance Structure
Principle 2	The Structure of the Board and its Committees
Principle 3	Director Appointment Procedures
Principle 4	Director Duties, Remuneration and Performance
Principle 5	Risk Governance and Internal Control
Principle 6	Reporting with Integrity
Principle 7	Audit
Principle 8	Relations with Shareholders and Other Key Stakeholders

Disclosures pertaining to the eight (8) principles of the Code have been made in appropriate sections of the Report.

Corporate Governance Report 2024-2025

SGIN enjoys a solid reputation as a well-managed, well-structured, reputable and trusted insurance company holding a General Insurance Business License and provides a variety of insurance services to both individual and corporate clients.

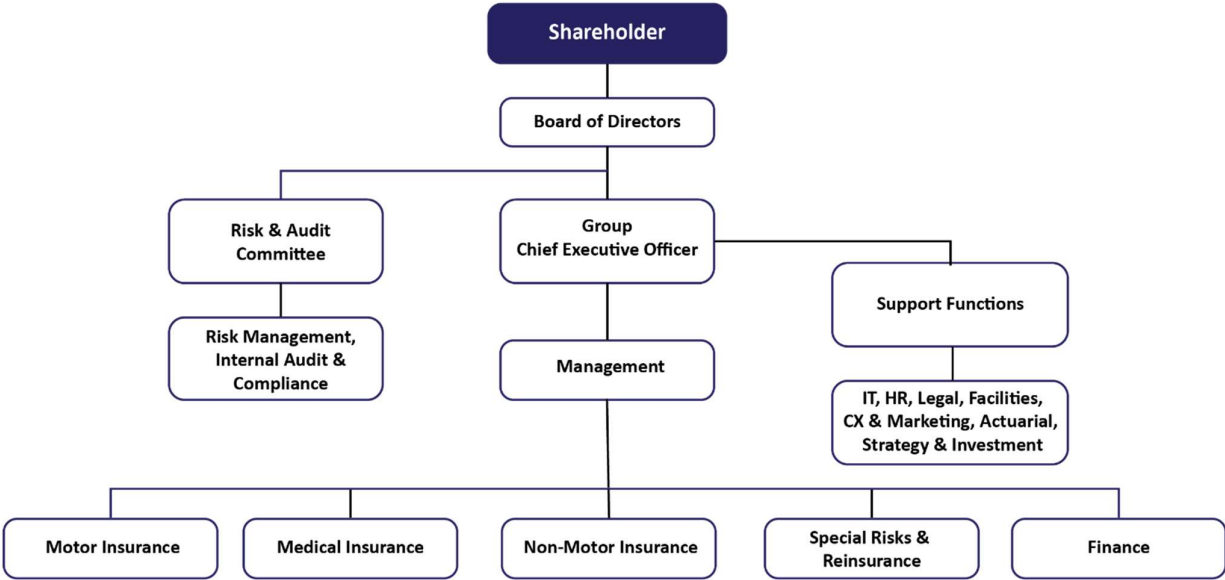
Principle 1 - Governance Structure

Governance Framework, an evolution

Over the years, SGIN has gained experience and adopted corporate governance practices which, to a large extent, align with SICOM’s governance framework. Essentially, the governance operating model adopted by the Group has the potential to increase its effectiveness by enhancing the Board’s ability to exercise proper oversight and Management’s ability to implement sound corporate governance practices.

Corporate Governance Infrastructure

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



Support Functions are provided by the Holding Company, SICOM. Service-Level Agreements are in place, and are reviewed and updated as required.

Our Governance Structure

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

Statement of Accountabilities

The Company is led by a committed and unitary Board, which has the collective responsibility for leadership, oversight and long-term success of the organisation. The Board assumes responsibility for meeting relevant legal and regulatory requirements of the Company and works towards the achievement of the Company’s strategy. As outlined in the above visuals, the Company operates within a clearly defined governance framework, which enables delegation of authority, where appropriate, and clear lines of responsibility, whilst allowing the Board to retain effective control.

The Board is supported by one (1) Committee, namely the Risk and Audit Committee, which has been set up in accordance with the provisions of the Code, to assist the Board in the discharge of its duties and responsibilities by providing an in-depth focus on specific areas. In fulfilling his role of offering oversight and guidance, the Chairperson of the Risk and Audit Committee escalates all significant matters affecting the affairs and reputation of the Company to the Board.

The roles and responsibilities of the Chairperson, the Group Chief Executive Officer (the Group CEO) as well as the Company Secretary are clearly defined in the Position Statements, which have been approved by the Board, reviewed as required, and posted on the Group’s website.

Chairperson

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

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

Group CEO

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

The profile of the Senior Management team/Management team is published on the Group's website.

Company Secretary

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

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

Corporate Governance Report 2024-2025

SGIN's Board Members

Directors in Office

Members	Category
Nureshkumar Prayag <i>(Director as from 16 May 2025 and Chairperson as from 23 May 2025)</i>	Non-Executive Director
Dev Kumar Gopy <i>(as from 3 Oct 2025)</i>	Executive Director
Mohammad Riad Shamimuddin Fuzurally <i>(as from 6 Jun 2025)</i>	Independent Director
Girshan Jheelan <i>(as from 16 May 2025)</i>	Independent Director
Hansraj Panchoo <i>(as from 16 May 2025)</i>	Independent Director
Nandita Ramdewar	Executive Director
Mohammad Junaid Sairally <i>(as from 16 May 2025)</i>	Non-Executive Director
Karuna G Bhoojedhur-Obeegadoo <i>(Director and Chairperson up to 18 Nov 2024)</i>	Non-Executive Director
Surendranath Ancharaz <i>(up to 28 Aug 2025)</i>	Executive Director
Yasheel Kumar Aukhojee (Dr) <i>(up to 15 Nov 2024)</i>	Independent Director
Anandjaye Chummun <i>(up to 22 Nov 2024)</i>	Independent Director
Chandradeo Dabeea <i>(up to 18 Nov 2024)</i>	Non-Executive Director
Chandrek Dussoye <i>(up to 30 Dec 2024)</i>	Independent Director
Vinod Kumar Koonjoo <i>(up to 28 Oct 2024)</i>	Independent Director
José Moonien <i>(up to 18 Nov 2024)</i>	Independent Director
Dharmanand Ramkallawon <i>(up to 15 Nov 2024)</i>	Independent Director

Corporate Governance Report 2024-2025

The profile of Directors who held office as at 30 June 2025 is as follows:

Profile of Directors

Nureshkumar (Ashok) PRAYAG (Chairperson)

(Director as from 16 May 2025 and Chairperson as from 23 May 2025)

Fellow of the Faculty of Actuaries, Edinburgh, Scotland, UK

BSc (Hons) Actuarial Mathematics & Statistics, Heriot-Watt University, Edinburgh, Scotland, UK

Mr Prayag was appointed Chairperson of SICOM General Insurance Ltd in May 2025. In the 1990s, he played a key role in the African expansion of the local branch of Munich RE, the German insurer. Prior to that, he served as the Controller of Insurance, the former regulatory authority overseeing the insurance sector under the aegis of the Ministry of Finance. He has over forty years of experience in the financial and insurance sectors.

Surendranath ANCHARAZ (Kiran)

(up to 28 Aug 2025)

Holder of an Executive MBA

Degree in Economics, Delhi University, India

Kiran Ancharaz joined SICOM General Insurance Ltd in 2019 after gaining more than twenty-two years of experience in the Insurance sector. He has a sound knowledge of General Insurance products, Underwriting, Claims and Marketing, among others. Kiran is well acquainted with most forms of distribution for insurance companies, while driving top line growth and profitability.

In his present post, Kiran is responsible for the management of the overall General Insurance Business operations of SICOM General Insurance Ltd.

Mr Dev K GOPY

(as from 03 October 2025)

Diplôme d'Etude Approfondies (DEA) in Finance from Institut d'Administration des Entreprises (IAE), University of Montpellier II, France

Maîtrise in Financial Management from Institut d'Administration des Entreprises (IAE), University of Montpellier II, France

Qualified Stockbroker

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

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

Corporate Governance Report 2024-2025

Mohammad Riad Shamimuddin FUZURALLY

(as from 6 Jun 2025)

Fellow of the Association of Chartered Certified Accountants

Mr Riad Fuzurally is a finance and governance professional with over 25 years of experience in accounting, financial analysis, management auditing, and public sector governance.

He began his career as a Customs and Excise Officer before transitioning into accounting in 1998 as an Accounting Technician at the Management Audit Bureau. Through consistent performance, he progressed to Senior Accounting Technician (1999) and later assumed the role of Financial and Management Analyst. Between 2003 and 2009, Mr Fuzurally expanded his expertise internationally, working with various companies in Canada in accounting and financial analysis.

Upon returning to Mauritius in 2009, he joined the Ministry of Finance and Economic Development as an Analyst in the Macroeconomic Section. In 2015, he moved to the Office of Public Sector Governance (OPSG), where he served as a Financial and Governance Analyst before being promoted to Lead Financial and Governance Analyst in 2024.

In his current role, he conducts organisational, financial, and management reviews across government ministries and departments, assesses governance frameworks, and leads special inquiries into cases of alleged fraud and mismanagement.

Girshan JHEELAN

(as from 16 May 2025)

Masters in Business Administration

BSc (Hons) Human Resource Management

Mr Jheelan is currently posted at the Ministry of Financial Services and Economic Planning as Assistant Permanent Secretary. He began his career in 2011 at the Private office of the Prime Minister's Office. He has served on numerous boards in various capacities and has 14 years of experience in the Public Service.

Corporate Governance Report 2024-2025

Hansraj PANCHOO

(as from 16 May 2025)

BSc (Hons) Finance (Minor Law)

Member of CFA Institute

Mr Panchoo currently serves as Lead Analyst in the Economic Planning Division of the Ministry of Financial Services and Economic Planning, where he is contributing to the development of a national socio-economic transformation plan. He brings nearly a decade of experience in public sector debt management.

Nandita RAMDEWAR (Group CEO)

Fellow of the Association of Chartered Certified Accountants

Masters in Business Administration - specialization in Finance, Manchester Business School

Fellow of the Mauritius Institute of Directors

Member of the International Fiscal Association (Mauritius)

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

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

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

Mohammad Junaid SAIRALLY

(as from 16 May 2025)

Mr Sairally currently serves as an Accountant at Batimex Ltd, where he is responsible for financial reporting. He also leads a team aimed at streamlining operations within the accounting department. He is also a member of the Strategic and Policy and Procedures Committee.

Corporate Governance Report 2024-2025

Other Directorships held by Members of the Board who held office until 30 June 2025

Directors	Other Directorships and Types of Directorships	Additional Chair	Additional Committee Responsibilities
Nureshkumar Prayag	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd, Independent ▪ SICOM Financial Services Ltd, Non-Executive ▪ SICOM Management Limited, Non-Executive ▪ SICOM Global Fund Limited, Non-Executive 	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd ▪ SICOM Management Limited ▪ SICOM Global Fund Limited 	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd - Corporate Governance, Sustainability, Nomination and Remuneration Committee (Chairperson), Strategy and Investment Committee (Chairperson), Risk Committee (Member), Human Resource Committee (Member) ▪ SICOM Financial Services Ltd - Investment Committee (Member)
Nandita Ramdewar	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd, Executive ▪ SICOM Financial Services Ltd, Executive ▪ SICOM Management Limited, Executive ▪ SICOM Global Fund Limited, Executive ▪ SICOM Properties Ltd, Executive ▪ National Housing Development Co. Ltd, Non- Executive 		<ul style="list-style-type: none"> ▪ SICOM Financial Services Ltd – Risk Management Committee (Member) ▪ National Housing Development Co. Ltd – Risk and Audit Committee (Chairperson), Corporate Governance Committee (Member)
Mr Mohammad Junaid Sairally	<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd, Independent 		<ul style="list-style-type: none"> ▪ State Insurance Company of Mauritius Ltd – Audit Committee (Member), Corporate Governance, Sustainability, Nomination and Remuneration Committee (Member), Risk Committee (Member)

The other Directors do not hold external directorships.

Principle 2 - The Structure of the Board and its Committee

During the period from November 2024 until May 2025, the Company temporarily did not have a complete unitary Board in place which is the preferred governance structure to ensure strategic oversight.

In the absence of a Board, the two Executive Directors who remained in office, continued to manage the affairs of the Company during the period in accordance with its Constitution and Governance charter while the Board was being reconstituted.

The Board acknowledges that while it is of fundamental importance to have a combination of executive, non-executive and independent directors to ensure good governance in line with the spirit of the Code, it strongly believes that independence is characterized by a director's ability to make impartial decisions with independence of mind, character and judgment. The Board confirms that the two Executive Directors who continued in office during the reconstitution period, had adequate set of expertise, mix of competencies and knowledge to exercise independence of mind in managing the affairs of the Company.

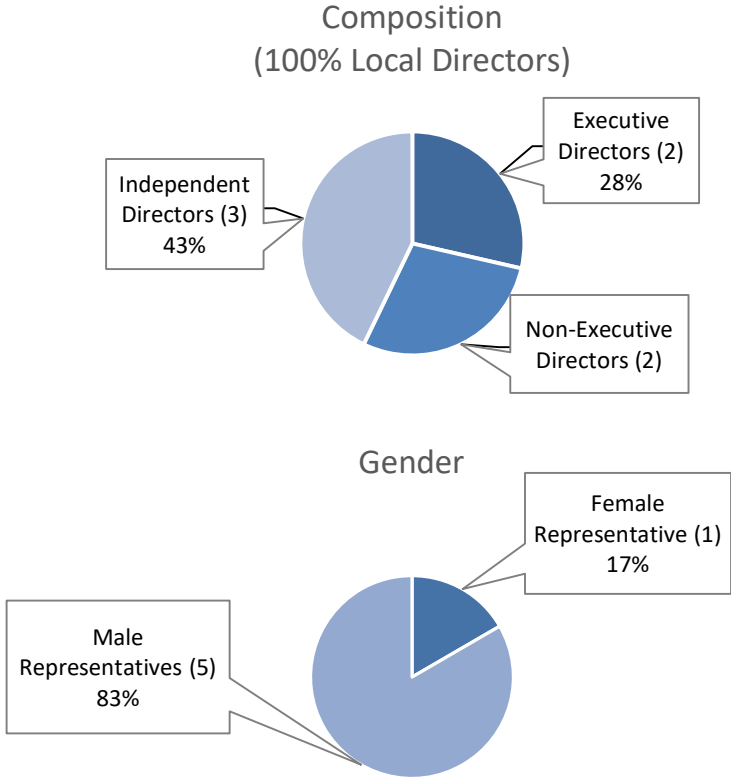
Following the resignations of the majority of Directors during the financial year, the Company initiated the process to replace the outgoing Directors in accordance with the provisions of the Board's Charter. This process also requires prior clearance from the Financial Services Commission. The Board was accordingly reconstituted in May 2025, and the Risk and Audit Committee in June 2025. As such, the Company was unable to hold the number of Board and Committee meetings prescribed under its respective Charters during the financial year. The Company is committed to upholding high standards of corporate governance and is taking the necessary steps to restore full alignment with the National Code of Corporate Governance for Mauritius (2016).

Board Size and Composition

The Board is headed by a unitary Board. The latter has been reconstituted and, as at 30 June 2025, was composed of seven (7) Directors, out of which there were six (6) male representatives and one (1) female representative. The Company had a judicious mix of two (2) Executive Directors, two (2) Non-Executive Directors and three (3) Independent Directors, who are all residents of Mauritius. There are no alternate directors on the Board.

Corporate Governance Report 2024-2025

The Board composition at financial year end is shown hereunder.



The Board is broad-based and consists of individuals with a diverse mix of skills, knowledge, experience and diversity, and as at 30 June 2025, the Company complies with the statutory number of directors. It has a Board Charter which has been approved by the Board, reviewed as required, and posted on the Group’s website.

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

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

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

Corporate Governance Report 2024-2025

Board Meetings

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

Board meetings are set in advance according to the terms of the Company’s Board Charter. Additional meetings can be convened to consider urgent matters. The Company held three (3) Board meetings during this financial year. The required number of meetings could not be held during the reporting period, as the Board was in the process of being reconstituted. There were no significant matters which required Board approval during the period under consideration.

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

Board Meetings Process

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

Information Provided to Directors

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

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

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Board Oversight

The Board provides strategic oversight of the organisation's operations, ensuring that its activities align with its long-term goals. The Board is instrumental in setting the overall direction, approving key decisions, and monitoring performance to keep the Company aligned with its strategic objectives. Key priorities, in line with the Group's initiatives, are as follows:

- Business Growth and Development;
- Customer Focus;
- Enhanced Operational Excellence;
- Employee Engagement and Development; and
- Environmental, Social and Governance (ESG).

During this reporting period 2024/2025, the Board met three (3) times, as per hereunder attendance:

Members	Category	Meeting Attendance
Nureshkumar Prayag <i>(Director as from 16 May 2025 and Chairperson as from 23 May 2025)</i>	Non-Executive Director	2 of 2
Mohammad Riad Shamimuddin Fuzurally <i>(as from 6 Jun 2025)</i>	Independent Director	1 of 1
Girshan Jheelan <i>(as from 16 May 2025)</i>	Independent Director	2 of 2
Hansraj Panchoo <i>(as from 16 May 2025)</i>	Independent Director	2 of 2
Nandita Ramdewar	Executive Director	3 of 3
Mohammad Junaid Sairally <i>(as from 16 May 2025)</i>	Non-Executive Director	2 of 2
Karuna G Bhoojedhur-Obeegadoo <i>(Director and Chairperson up to 18 Nov 2024)</i>	Non-Executive Director	1 of 1
Surendranath Ancharaz <i>(up to 28 Aug 2025)</i>	Executive Director	3 of 3
Yasheel Kumar Aukhojee (Dr) <i>(up to 15 Nov 2024)</i>	Independent Director	1 of 1
Anandjaye Chummun <i>(up to 22 Nov 2024)</i>	Independent Director	0 of 1
Chandradeo Dabeea <i>(up to 18 Nov 2024)</i>	Non-Executive Director	1 of 1
Chandrek Dussoye <i>(up to 30 Dec 2024)</i>	Independent Director	1 of 1
Vinod Kumar Koonjoo <i>(up to 28 Oct 2024)</i>	Independent Director	1 of 1
José Moonien <i>(up to 18 Nov 2024)</i>	Independent Director	0 of 1
Dharmanand Ramkallawon <i>(up to 15 Nov 2024)</i>	Independent Director	1 of 1

Key Focus Areas
✓ Appointment of Chairperson
✓ Approval of Annual Reports, including Financial Statements
✓ Dividend payment
✓ Re-appointment of External Auditors
✓ Actuarial Valuation Reports
✓ Risk Management Framework and Own Risk and Solvency Assessment (ORSA)
✓ HR Matters
✓ Evaluation of the Performance of the Board and its Committee
✓ Reconstitution of the Risk and Audit Committee

Board Committee

The Board has delegated authority to the Risk and Audit Committee to provide focused guidance and make recommendations through established reporting mechanisms, on areas and matters entrusted to it. The Committee comprises of members with a wealth of knowledge and experience in fields relevant to the operations of the Company, including accounting, business administration and finance.

The Risk and Audit Committee has its own Charter, approved by the Board, which is published on the Group’s website and reviewed as and when required. The Charter sets out, *inter alia*, its roles, responsibilities, composition of the Risk and Audit Committee as well as the meeting requirements. The responsibilities of the Chairperson of the Risk and Audit Committee have been clearly defined in his position statement.

Risk and Audit Committee

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

During the financial year 2024/2025, there was no meeting of the Committee as new members were appointed on the Board. The items usually considered by the Risk and Audit Committee were being dealt with at the Board level. The risk and Audit Committee has been reconstituted and is currently composed of:

Members	Category
Mohammad Riad Shamimuddin Fuzurally	Chairperson
Girshan Jheelan	Member
Hansraj Panchoo	Member

Principle 3 - Director Appointment Procedures

Active Monitoring

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

Appointment of Directors

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

Objective Criteria:

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

The Corporate Governance, Sustainability, Nomination and Remuneration Committee (established under the Board of SGIN’s Holding Company) is the body responsible for reviewing the profile of prospective Directors and for making recommendations to the Board and the Shareholder for subsequent approval. Each Director is elected by a separate shareholder’s resolution to hold office until the next Annual Meeting of Shareholder at which he/she may be eligible for re-election.

The Shareholder can make an addition to the existing Directors subject to the number thereof not exceeding ten (10).

The Induction Process

The Company has an induction process for newly appointed Directors. The objective of that process is to ensure that the new directors are able to rapidly acquire sufficient knowledge of the Company and its internal corporate governance processes.

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Upon appointment, Non-Executive Directors are given a letter of appointment, and all new Directors attend a comprehensive induction and orientation programme to facilitate their understanding of the Company's structure, business operations, strategic priorities and current challenges. The objective of the programme is to enable newly appointed directors to be well equipped from the outset to contribute effectively to strategic discussion and oversight of the Company. To that end, all new Directors are provided with an induction pack.

- ✓ An overview of the Company
- ✓ Board Charter
- ✓ Charter of the Risk and Audit Committee
- ✓ Code of Ethics for Directors
- ✓ The Insurance Act 2005
- ✓ The Financial Services Act 2007
- ✓ Relevant extracts of the Companies Act 2001
- ✓ The National Code of Corporate Governance for Mauritius (2016)
- ✓ The latest Annual Report
- ✓ AML/CFT Compliance Manual

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

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

Directors' Professional Development

The continuous development of Directors is deemed essential to maintaining a highly engaged, well-informed and effective Board. As such the development needs of the Directors are identified and appropriate training is provided to enhance their skills and knowledge. Directors are also given the opportunity to request specific training, which they consider necessary to assist them in carrying out their duties effectively.

During the financial year 2024/2025, as part of the training and development programme, the Directors received AML/CFT training and followed informational sessions.

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

Succession Planning

The Board ensures a structured and effective succession plan is in place for the Board and Senior Executive positions, with the aim of maintaining an appropriate balance of knowledge, skills and experience on the Board and within the Company. To support this objective, the Corporate Governance, Sustainability, Nomination and Remuneration Committee, established under the Board of SGIN's Holding Company, has been delegated the task by the Board to consider succession planning for Directors and other Senior Executives. This exercise takes into account the challenges and opportunities facing the Company, as well as the future competencies required. As part of the Company's succession plan, the situation at Board and Senior Management levels is assessed as and when necessary, and appropriate action is taken to fill any identified gaps.

Principle 4 – Directors' Duties, Remuneration and Performance

Legal Duties

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

Access to Information

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

Information, Information Technology and Information Security Governance

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

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

The Holding Company benchmarks itself against best practice frameworks to continuously improve the security posture of the Group.

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

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

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

Assessment and Evaluation of Board Members

The Board consists of Directors, who are appointed based on their skill, knowledge, time commitment to the Company and experience in the industry.

The Code encourages the Board to undertake an evaluation of its own performance and of its individual Directors. The Board also acknowledges that a continuous and constructive review of its performance is an important factor in achieving its objectives and realising its full potential.

Given that the Board has been reconstituted during the financial year 2024/2025, the assessment exercise was last performed in May 2025, and the next exercise will be carried out at the end of the financial year 2025/2026.

Remuneration

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

As per the Group's Remuneration Policy for Directors and Senior Executives, which is referred to on page 140 of the Report, remuneration for Non-Executive Directors consists of fixed fees for acting as member of the Board of the Company and as member of the Board Committee if applicable, and benefits and allowances as approved by the Shareholder. The Non-Executive Directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance.

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

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

Details on Directors' remuneration are found on page 140 of the Annual Report under Statutory Disclosures (Section 221 of the Companies Act 2001).

Principle 5 – Risk Governance and Internal Control

Board Opinion

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

Risk Management

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

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

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

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

The comprehensive Risk Management Report can be found at pages 47 to 67 of the Annual Report.

Internal Controls

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

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

Internal control covers all material processes of the Company. Key areas of effective internal controls include the following:

- a. An effective organisation structure, including the delegation of appropriate responsibilities to the Board Committee, the Group CEO, Senior Management and to Heads of Operating Units;
- b. Reports of the Internal Auditor, Statutory Actuary and the External Auditor are considered when assessing the effectiveness of internal controls;
- c. A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;
- d. A Compliance function is in place, at the level of the Holding Company, under the leadership of the Compliance Officer/Money Laundering Reporting Officer, and compliance policies and procedures have been established to ensure compliance with applicable laws, regulations, codes and guidelines; and
- e. Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits.

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

The Board, through the Risk and Audit Committee and Senior Management, is regularly apprised of such assessments. Deficiencies, if any, are promptly considered by Management, and remedial actions taken and/or action plans devised to address the weaknesses. Both the Internal and External Auditors have direct access to the Risk and Audit Committee. The items usually considered by the Risk and Audit Committee were being dealt with at the Board level prior to the reconstitution of the Risk and Audit Committee.

Principle 6 - Reporting with Integrity

As the Board of SGIN, we acknowledge our accountability for the integrity of the 2025 Annual Report. In close collaboration with management, we have applied our collective expertise to ensure that the information disclosed herein aligns with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB), International Accounting Standards (IAS), the Financial Services Commission's regulations, and the Companies Act 2001. The report presents a fair, balanced and comprehensive assessment of the organisation's financial, environmental, social and governance performance, as well as its current position and future outlook.

Our Annual Report is available on the Group's website at <https://www.sicom.mu/en/about/about-sicom>

SGIN is part of the Group which is a trusted and well-diversified financial services group committed to contributing to Mauritius' economic development. It does so by promoting the interests of its customers while embedding sustainability into strategy and operations. The Group manages its clients' funds responsibly and engages consistently with stakeholders to uphold service excellence.

The Group firmly believes that sustainable success transcends financial results and is intrinsically linked to the health of the broader economic, social, and environmental systems in which it operates. With this perspective, it actively drives initiatives that promote health and wellbeing, improve financial literacy, empower the youth, and conserve biodiversity. These efforts reflect the Group's commitment to fostering inclusive growth, environmental stewardship, and long-term resilience.

Sustainability

SICOM reaffirms its commitment to sustainability by submitting yearly annual progress reports aligned with the principles of the UN Global Compact and the UN Principles for Responsible Investment. Details of the projects and initiatives undertaken during the financial year ended 30 June 2025 are presented in the Sustainability section of this Integrated Report. These initiatives focus on key areas including, youth empowerment through education (UN SDG 4), addressing SICOM's environment impact (UN SDG 13) and biodiversity preservation (UN SDG 15). To further enhance transparency, consistency, and credibility, SICOM's sustainability report, published independently, follows the principles of Global Reporting Initiative (GRI) aligning disclosures with internationally recognized standards. This approach enables stakeholders to easily identify and assess key Environmental, Social and Governance (ESG) information, supports regulatory compliance, strengthens comparability across organisations, and reinforces SICOM's accountability and commitment to sustainable and responsible business practices.

Safety and Health

At SICOM, the safety, health and wellbeing of our employees and stakeholders remain a top priority. We are committed to fostering a proactive safety culture that is embedded across all levels of the organisation. SICOM adopts the Occupational Safety and Health Act (OSHA) 2005, regulations and integrated safety objectives into daily operations across all business units and locations. By aligning with best practices, SICOM aims to systematically identify, assess, and mitigate risks, thereby ensuring a secure and accident-free work environment.

During the financial year 2024/2025, SICOM implemented a series of targeted initiatives to further strengthen safety and health awareness across the Group. These included enhanced hygiene protocols, fumigations, quality water checks, pest controls, workplace safety audits, the training and certification of additional first aid responders, and the organisation of safety simulations fire response drills, fire evacuation exercises and road safety awareness sessions. These actions reflect our unwavering commitment to building a resilient, safe and health-conscious workplace for all.

Human Rights

SICOM is firmly committed to upholding the highest standards of ethics, compliance, and corporate responsibility. The Group adheres to all applicable laws, regulations and internal policies, and expects every employee to uphold these standards in their daily conduct. This commitment extends beyond legal compliance to encompass a deep respect for human rights and dignity across all operations

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As a signatory to the UN Global Compact since 2023, SICOM continues to advance its alignment with the Ten Principles, particularly in the areas of human rights and labour practices. The Group has progressively refined its internal policies to reflect these global standards, with a focus on preventing all forms of discrimination—whether based on race, gender, religion, age, or other status - and promoting a fair, inclusive, and respectful work environment.

In line with the principles-based approach to the Sustainable Development Goals (SDGs) advocated by the UN Global Compact, SICOM remains committed to embedding these values into its core strategy and culture. This includes identifying and mitigating risks related to human rights violations, and continuously improving its practices through learning, stakeholder engagement, and transparent communication, including through the annual Communication on Progress (COP).

Political Donations

The Company did not make any political donations during the financial year 2024/2025 (2024 : Nil).

SGIN's Board Policies

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

These documents are reviewed as and when required. These not only evidence SGIN's compliance with applicable local laws, but also demonstrate its intent to go beyond the adherence to recommendations, best practices and trends in corporate governance, both at national and international levels.

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Summary of the Main Governance Documents

Board Charter	The Company's Board Charter sets out the objectives, roles and responsibilities and composition of the Board. The Board Charter is reviewed as and when required.
Corporate Governance Policy for the Group	The Group's Corporate Governance Policy establishes, along with the Company's Charters and other policies, a framework of good governance practices for the Group.
Remuneration Policy for Directors and Senior Executives	The Group's Remuneration Policy for Directors and Senior Executives provides a structured basis for determining the remuneration of Board members and Senior Executives of the Group.

The Company has also in place the following governance documents:

- ✓ Risk and Audit Committee Charter;
- ✓ Position Statements of the Chairperson of the Board, Chairperson of the Risk and Audit Committee, Group CEO and Company Secretary;
- ✓ Director's Orientation and Induction Process;
- ✓ Group's Privacy Policy;
- ✓ Group's Records Retention and Disposal Policy; and
- ✓ Group's Anti-Corruption Policy.

Ethics Framework

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

1. Leadership commitment

The Board of Directors and Senior Executives of the Group prioritise ethics as a core value of the organisation and hold themselves and others accountable for upholding ethical standards. To ensure strong commitment to ethics, an Ethics Officer has been appointed at the level of the Holding Company.



2. Code of Ethics for Directors and Employees

The Group has established a Code of Ethics for Directors and a Code of Ethics and Business Conduct for Employees, both of which are in line with the National Code of Corporate Governance for Mauritius (2016). Both Codes are published on the Group's website.

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

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

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

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

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

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

3. Ethics training and education

Ethics training for Directors and employees is conducted on a yearly basis.

4. Reporting of ethical and other issues

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

5. Conflicts of interest and related party transactions

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

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

The interest register may be made available to the Shareholder of the Company upon request to the Company Secretary. For this reporting year, no conflict of interest has been reported.

Details on related party transactions are available under Note 30 to the financial statements.

Principle 7 - Audit

Directors' Responsibilities

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

Internal Audit

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

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

The Internal Audit function is adequately staffed, and the members have the necessary qualifications, appropriate tools and experience to perform their duties and responsibilities. The function is also committed to continuous improvement by ensuring training in relevant fields and ongoing professional development for its members. During the financial year ended 30 June 2025, members of the Internal Audit function have had the opportunity to attend several internal and external workshops including:

- 1 IIA Annual Mauritius Conference;
- 2 AML/CFT Compliance Audit organised by Financial Services Institute;
- 3 Management Masterclass organised by Corporate Leadership Center Ltd;
- 4 Training on Procurement organised in-house with the collaboration of the Civil Service College;
- 5 Essentials of VAT and Business Taxation; and
- 6 Artificial Intelligence Impact Assessment and AI-Inspired Soft Skills organised in-house with a Consultant.

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

The profile of the Manager – Internal Audit is available on the Group’s website. He is a Fellow of the Association of Chartered Certified Accountants (FCCA).

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

- Significant business risks, both internal and external, that can impact business processes.
- Key controls and measures in place that are aligned with customers’ needs and key business objectives;

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- Continuous improvement of existing processes and information systems to bring performance closer to best practices; and
- Regulatory and legal provisions (for e.g., AML/CFT framework, guidelines from regulators, amendments in Finance Act etc.).

Ad hoc internal audit inspections/reviews are also conducted for the purpose of identifying areas for process improvement.

During the financial year 2024/2025, the following internal audit reviews were carried out and covered the undermentioned areas:

- Effectiveness of Business Risk Assessment and compliance with AML/CFT regulatory framework;
- Effectiveness of the online sales platform to improve customer service and to digitalise processes for General Insurance;
- Effectiveness of monitoring procedures and follow-up on outstanding recoveries from third parties and third party insurers;
- Ad-hoc review on documented controls for data processing related to IFRS 17;
- Ad-hoc review on processing and monitoring of medical claims; and
- Ad-hoc review on payment processing and accounts reconciliation status.

As included in the Internal Audit Plan 2024/2025, an audit on the Effectiveness of the Group's Compliance function was additionally carried out by an external Consultant. Subsequent to the findings of these audits, appropriate recommendations are made to the Risk and Audit Committee and Management to address the issues noted. The Risk and Audit Committee regularly monitors the achievements of the Internal Audit function and Management's responsiveness to the recommendations made by the Internal Audit function based on set targets. The Risk and Audit Committee reviews the independence and effectiveness of the Internal Audit function, in the context of the Company's overall risk management framework.

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

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External Audit

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

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

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

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

External Auditor fees and fees for other services were as follows:

	COMPANY	
	2025	2024
	<u>Rs'000</u>	<u>Rs'000</u>
Statutory audit	2,042	3,782
Review of tax computation	136	129
Other services*	228	240

* Other services for 2024 and 2025 relate mainly to the review of the Statutory Insurance Returns, as per the Insurance (Risk Management) Rules 2016.

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Principle 8 - Relations with Shareholders and Other Key Stakeholders

The Group's commitment extends to addressing all material matters impacting stakeholders across the businesses, ensuring that it is accessible through its various engagement platforms. It is of utmost importance to manage stakeholder relations and to observe effective industry and international governance practices in managing and responding to the requirements and views of the Group's stakeholders.

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2024/2025?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
<p>Customers (Individual and Corporate)</p> <p>Our customers generate revenue through the purchase of our products and services. We offer them quality advice and fairly priced products to help meet their needs, protect risks and achieve their financial goals.</p>	<ul style="list-style-type: none"> • Omnichannel experience and ease of use on online platforms • Responsible and appropriate advice • Fast and efficient customer service • Innovative and flexible product solutions • Relief in times of significant financial difficulty • Access to quality services 	<ul style="list-style-type: none"> • Digitalisation initiatives to enhance our customer service • Provided value-for-money financial solutions to our customers in a responsible way • Use of robotics to simplify our processes, giving back time to customers through reduction in servicing and processing time • Call centre services for greater availability • Enhanced digital platform channels including digital app for Health Insurance and a main app (SICOM MyLink) under SICOM Group to drive digital engagement • Tie-up with hospitals in India • New bancassurance partnerships 	<ul style="list-style-type: none"> • Traditional distribution channels (including branches and worksites) • Mobile App • Customer portal • Customer satisfaction surveys • Online Sales Platform • Agents interaction • Brokers interaction • E-mails
<p>Shareholder</p> <p>Our sole shareholder provides for our financial capital so that our businesses can compete in their chosen markets and support sustainable growth.</p>	<ul style="list-style-type: none"> • Strong governance, ethics and transparency • Long-term sustainable financial returns and distributions • Clear strategic direction and consistency in operational execution • Experienced management team • Transparent reporting and disclosures • Strong financial control environment, including corporate governance and ethics frameworks 	<ul style="list-style-type: none"> • Strong delivery on our operational objectives • Strategy and Budget Validation Exercise • Maintained transparent reporting and disclosures in line with our reporting standards and internal policies and procedures • Frequent updates to the Board about major projects 	<ul style="list-style-type: none"> • Annual Meeting • Quarterly Board Meetings • Annual Report • Website • Customer portal • Digital tools • Media channels

Corporate Governance Report 2024-2025

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2024/2025?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
<p>Employees</p> <p>Our people are our greatest competitive advantage and their welfare is our highest priority.</p> <p>We rely on our highly motivated and engaged employees to put our customers first in everything they do and to act as brand custodians, enabling us to execute on our strategic priorities and generate long-term value for our investors.</p>	<ul style="list-style-type: none"> Competitive reward structures and benefits Career growth and development opportunities An inclusive culture that is safe and enabling Addressing health and overall wellness Flexibility – work/life balance 	<ul style="list-style-type: none"> Benchmarked rewards to industry and linked to business performance and outcomes Learning culture and continued professional development are encouraged by way of various schemes to motivate employees to pursue their self-development. Invested in various employee skills development and mentorship initiatives, including technical courses Various communication channels e.g. SMS and conducted wellness initiatives 	<ul style="list-style-type: none"> Communication via intranet Creation of a Learning Zone Internal communication Annual Report Salary review Performance bonus Intranet for internal communications and sharing of info
<p>Intermediaries</p> <p>They serve as a crucial link between our customers and us. By establishing relationships with new customers, providing appropriate advice based on their needs, and providing a service to them through a combination of face-to-face and digital channels, they optimise and enhance the customer experience. They play a vital role in attracting new business and in retaining existing customers.</p>	<ul style="list-style-type: none"> Ease of doing business Digital capabilities that enable engagement sales, and servicing Product sales and regulatory training Fair incentives that reward efforts Association with a brand that delivers on its promises Innovative products that suit customer needs 	<ul style="list-style-type: none"> Improved our digital servicing capabilities, such as tracking tools, and sales and servicing platforms, to drive ease of use of our digital solutions Provided ongoing training to improve the experience of our intermediaries Set up trainings on new products Created a dedicated sales unit to serve intermediaries Timely processing of commissions Developed sustainable relationships Digitalised service between SICOM and Intermediaries for General Insurance 	<ul style="list-style-type: none"> Branches and worksites Digital tools Annual Report Salesmen Awards ceremony
<p>Business partners (Reinsurers, Valuers, Car Dealers, Legal Advisors, Consultants, Suppliers)</p>	<ul style="list-style-type: none"> Fair payment practices Compliance with the terms of Service Level Agreements Fair tender process Supplier relationship management Adapting to their needs and expectations 	<ul style="list-style-type: none"> Timely payment to suppliers and other business partners, such as consultants Developed sustainable relationships Worked as a team with a common goal Timely communication and consultation 	<ul style="list-style-type: none"> Digital tools Email, phone communications, letters Regular meetings Annual Report Physical Visits Meet up at regional Conferences

Corporate Governance Report 2024-2025

WHY ARE THESE STAKEHOLDERS IMPORTANT TO US?	WHAT ARE THEIR CONCERNS/ INTERESTS?	HOW DID WE ADDRESS THEIR CONCERNS/ INTERESTS IN 2024/2025?	CHANNELS USED TO ENGAGE OUR STAKEHOLDERS
<p>Government and Regulators</p>	<ul style="list-style-type: none"> • Good governance • Compliance with regulations • Proactively engagement with regulators • Responsible development of insurance sector • Effectiveness of the control functions 	<ul style="list-style-type: none"> • Monitored our solvency capital at levels above regulatory requirements • Stringent risk management and controls systems and regular self-assessment for Actuarial, Risk and Compliance functions • Focused on dealing with future pandemics as part of business as usual, with Management taking the requisite steps to risk-proof the business • Complied with new laws and created Organisation-wide awareness 	<ul style="list-style-type: none"> • Direct communication including submissions of required reports and returns, attendance at solicited meetings and training updates on attending to complaints and queries
<p>Community We recognise the interdependence with the communities we serve. We go beyond our operations and focus on contributing to socio-economic development that is impactful and sustainable to uplift our communities.</p>	<ul style="list-style-type: none"> • Financial education and inclusion • Access to supplier development opportunities • Skills development and employment opportunities • Education support 	<ul style="list-style-type: none"> • Supported CSR projects • Trainees periodically onboarded for short-term training within the organisation • Supported the communities through various initiatives, such as sponsorships related to education, road safety, health, environment embellishment, skills development initiatives, etc. 	<ul style="list-style-type: none"> • Media channels • Annual Report • Community projects and campaigns
<p>Environment</p>	<ul style="list-style-type: none"> • Sustainable initiatives • Engaging sustainability conscious partners • Applying best ESG practices 	<ul style="list-style-type: none"> • Signatory to UN-PRI, UN Global Compact and SigneNatir • Followed training by Sustainability consultant 	<ul style="list-style-type: none"> • Meeting with relevant environmental projects stakeholders • Sustainability sections in the Annual Report • Social media channels • Events on World Environmental day

Shareholder's Diary

Details	Date
Financial year-end	30 June 2025
Audited Financial Statements (year ended 30 June 2025)	October 2025
Statutory Returns to Financial Services Commission	October 2025
Annual Meeting of Shareholder	November 2025
Dividend Payment	November 2025

Shareholder's Communication

The Company holds an Annual Meeting of Shareholder with prior notice (in line with the provisions of the Companies Act 2001) and the latter is required to express its vote on matters which include the approval of accounts, approval of dividends and appointment/re-appointment of Directors.

Dividend Policy

The Company's objective is to provide value to its Shareholder through an optimum return on equity. When determining the appropriateness of a dividend, the Company considers the profit after taxation, technical provisions and appropriations to statutory and other reserves for ongoing operational activities as well as the Group's strategy.

Corporate Governance Report 2024-2025

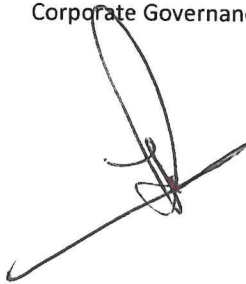
Statement of Compliance

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

Name of Public Interest Entity ('PIE'): SICOM General Insurance Ltd

Reporting Period: Year ended 30 June 2025

On behalf of the Board of Directors of SICOM General Insurance Ltd (the Company), we confirm that, to the best of our knowledge, the Company has complied with the obligations and principles of the National Code of Corporate Governance for Mauritius (2016) (the Code) in all material aspects.



PRAYAG Nureshkumar
Chairperson



FUZURALLY Mohammad Riad Shamimuddin
Director

Date: 15 October 2025

SICOM General Insurance Ltd

Secretary's Certificate

In terms of Section 166(d) of the Mauritius Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has lodged with the Registrar of Companies, for the financial year ended 30 June 2025, all such returns as are required of the Company under the Mauritius Companies Act 2001.



DTOS Ltd

Company Secretary

Date: **15 October 2025**

Risk Management Report

In an increasingly complex and uncertain operating environment, effective risk management remains fundamental to the long-term sustainability and performance of general insurers. The risk landscape in 2025 continued to be shaped by macroeconomic volatility, rising inflation, regulatory evolution, technological disruption and growing climate-related exposures. For the insurance sector, these forces not only introduce new and emerging risks but also intensify existing ones demanding more agile, forward-looking and integrated approaches to risk oversight.

As a leading player in the general insurance space, SGIN or the Company recognises that managing risk is not merely a compliance exercise but a strategic priority. In the general insurance business, risks are inherent in product design, pricing, underwriting and claims handling activities. The Company's ERM framework serves as a critical foundation for identifying, assessing, mitigating and monitoring risks across the organisation. This framework enables the Company to respond proactively to external pressures, safeguard its financial soundness, protect policyholders' interests and support the delivery of sustainable value to stakeholders in an evolving risk landscape.

Against a backdrop of shifting macro-economic condition, including elevated living cost pressures, the industry faces continued uncertainty amid high living costs, economic volatility, inflation and ongoing technological disruption.

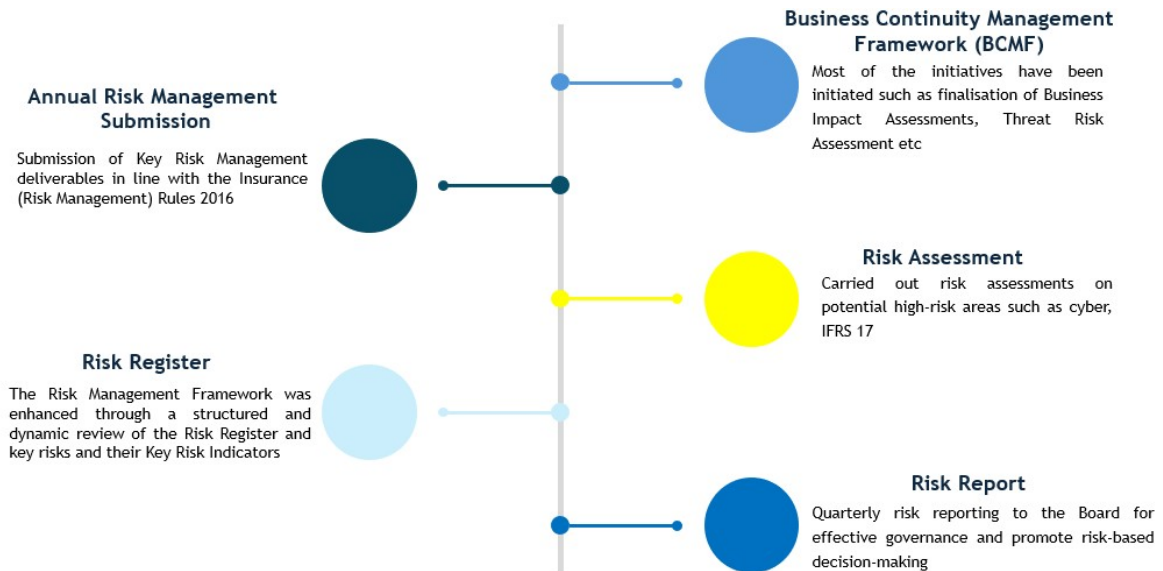
The Company's approach to risk management is underpinned by a strong risk culture, clear governance structures, and defined accountability at all levels of the organisation. The Board of Directors has ultimate oversight of the risk management function, supported by dedicated management committees and independent assurance functions. Risk appetite statements, policies, and controls are regularly reviewed to remain aligned with regulatory requirements, industry standards and the Company's evolving strategic objectives.

Each employee is responsible for contributing to the management of risks within their area of work, while the ultimate oversight and accountability rest with the Board of Directors. The Company's risk appetite outlines the levels and types of risks it is willing to seek, accept or tolerate in pursuit of its strategic objectives. Our risk management is governed by a mandated Board of Directors and Management Committees. The Company's frameworks, risk appetite, principles, policies, controls and reporting requirements are regularly reviewed and updated to ensure they remain in line with regulations, law, corporate governance and industry standards.

Risk Management Report

Achievement For The Year

The year 2025 marked a period of progress and resilience for the Company's risk management efforts. Against a backdrop of evolving risks and challenges, we reinforced our commitment to safeguard value and ensure sustainable growth. By leveraging a robust ERM Framework, we have navigated economic uncertainties, regulatory shifts and emerging market dynamics. Key strategic enhancements during the year include the following:



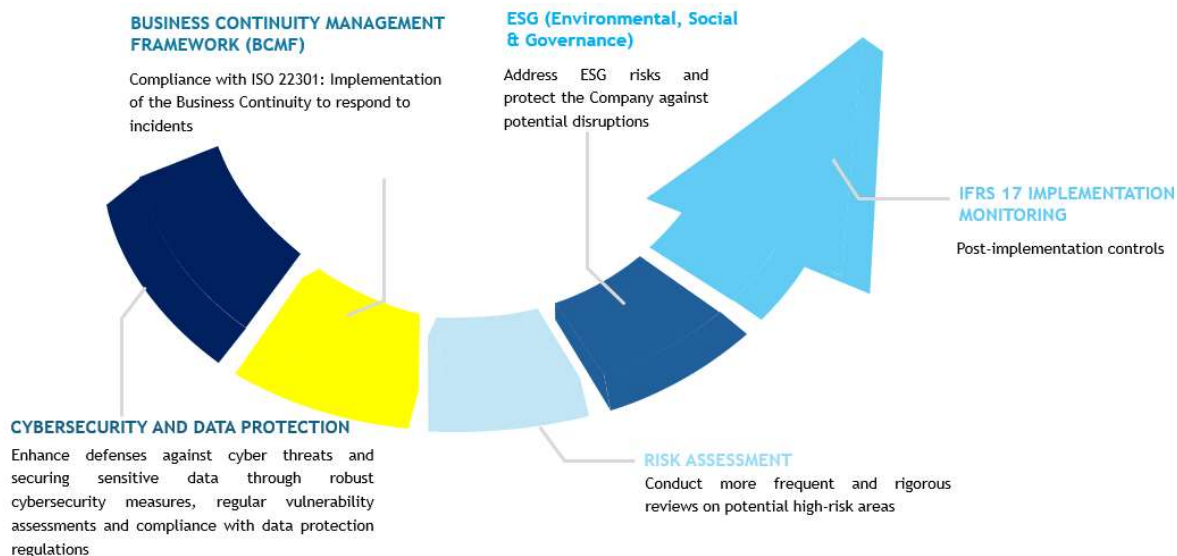
Reflecting on our Risk Strategy and Road Map

Aligned with industry's best practices, strong corporate governance standards and applicable statutory and regulatory requirements, SGIN prioritises prudent and informed risk-taking at the core of its decision-making processes. In the context of a recovering yet uncertain economic environment in Mauritius marked by inflationary pressures, evolving regulatory expectations and increasing digital and climate-related risks, the Company remains committed to proactively identifying, assessing and monitoring risks while managing them within clearly defined thresholds. Our approach seeks to strengthen resilience, safeguard long-term value and enhance the risk-return profile of our activities, while enabling us to capitalise on emerging growth and market development opportunities.

Risk Management Report

Reflecting on our Risk Strategy and Road Map (Continued)

It will achieve this through implementing the following objectives:



Managing Risk in Line with our Strategy

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

Enterprise Risk Management Framework

The ERM Framework defines the Company's strategic approach to risk management, ensuring alignment with the evolving business landscape and organisational objectives for 2025 and beyond. It sets out the principles, practices and governance structures necessary to proactively identify, assess, manage and monitor risks that could impact both strategic goals and day-to-day operations. Designed to support dynamic, risk-informed decision-making, the ERM Framework enables the Company to remain resilient and capitalise on emerging opportunities in an increasingly complex and dynamic environment.

Risk Management Report

Enterprise Risk Management Framework (Continued)

Aligned with the three lines of defence model outlined in the Risk Governance Framework, the ERM Framework ensures a structured, integrated approach to high-standard risk management. At its core, the Risk Management Process (RMP) underpins the development and maintenance of an accurate and forward-looking risk profile, promoting consistency and accountability across SGIN or the Company. For 2025, the RMP leverages advanced capabilities, including predictive analytics and AI to identify and assess risks with greater precision. These enhancements enable real-time monitoring and more agile responses to potential threats. The RMP also ensures comprehensive reporting, empowering stakeholders to make informed decisions and maintain alignment with the Group's strategic priorities.

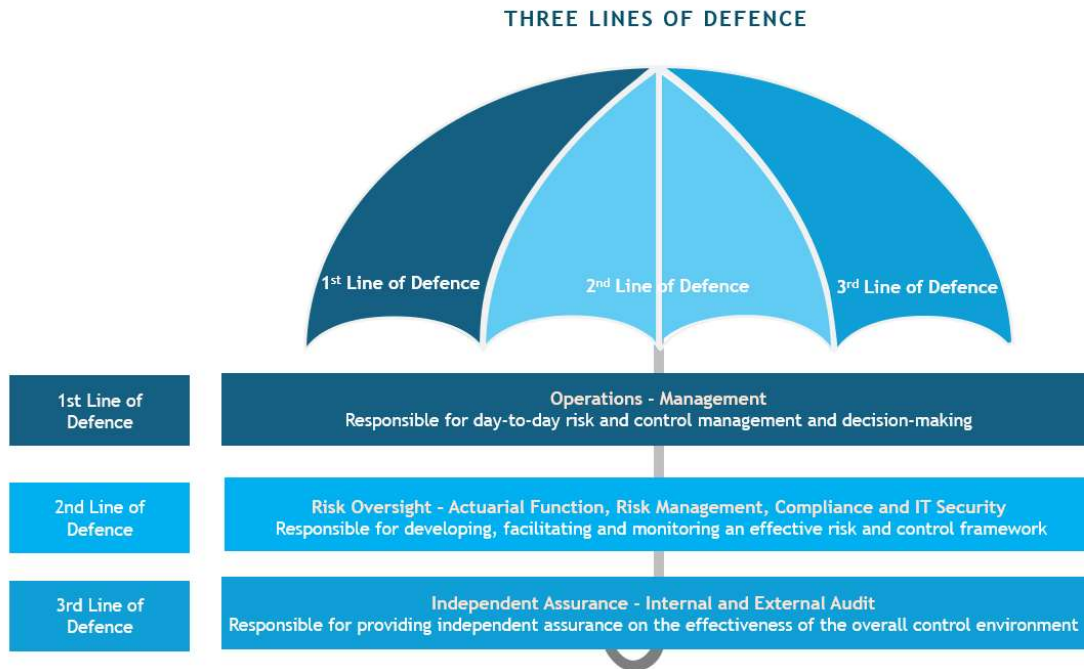
This forward-looking approach strengthens the SGIN's ability to mitigate risks effectively while positioning it to seize opportunities arising from global trends such as digital transformation, climate action and regulatory shifts. By embedding proactive risk management practices into the organisational culture, the ERM Framework continues to serve as a cornerstone for resilience, adaptability, and sustainable growth.

Our Risk Governance Framework

The Risk function has adopted the widely recognised 'Three Lines of Defence' model, ensuring that risk ownership is embedded at all levels of the organisation. This model clearly delineates risk management responsibilities across business units, supporting a robust governance structure and aligns with the prevailing regulatory risk-based approach, incorporating sound corporate governance principles, systems and internal controls.

Risk Management Report

Our Risk Governance Framework (Continued)



Regulatory Requirements

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

Risk Management Report



Our Risk Management Process

SGIN's strong risk management system underpins its ability to create long-term value and achieve strategic objectives. Through continuous monitoring of internal and external factors, risks are identified, assessed and managed in alignment with the Company's risk appetite. The Risk Management Plan (RMP), embedded in a formal Risk Register, is central to the ERM framework. Risks are consistently classified using the Company's Risk Taxonomy and evaluated based on likelihood and impact. Residual risks are rated with corresponding controls and improvement actions. By regularly measuring both financial and non-financial risks, SGIN or the Company ensures a balanced approach to risk and opportunity, supporting sustainable growth and resilience.

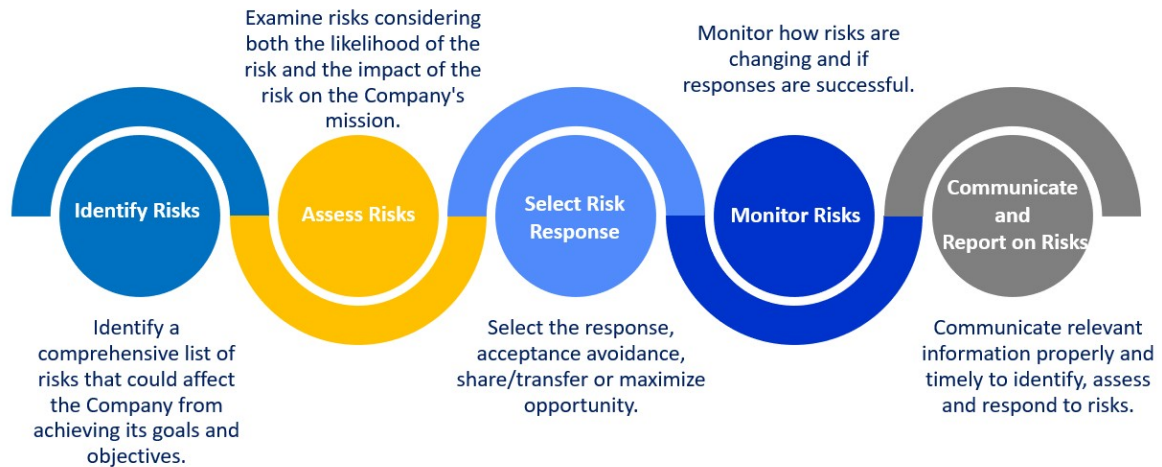
The RMP is the cornerstone of any ERM framework and is formalised in a Risk Register. Below is a depiction of the ERM processes embedded within day-to-day operations to manage the Company's risk exposure.

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

Risk Management Report

Our Risk Management Process (Continued)

SGIN has a list of key risks it is willing to take or tolerate in pursuing its strategic objectives and business plans. The Company regularly measures and quantifies material risks to which it is exposed, using financial and non-financial metrics.



Our Risk Appetite

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

Our risk appetite statements are documented and include:

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

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

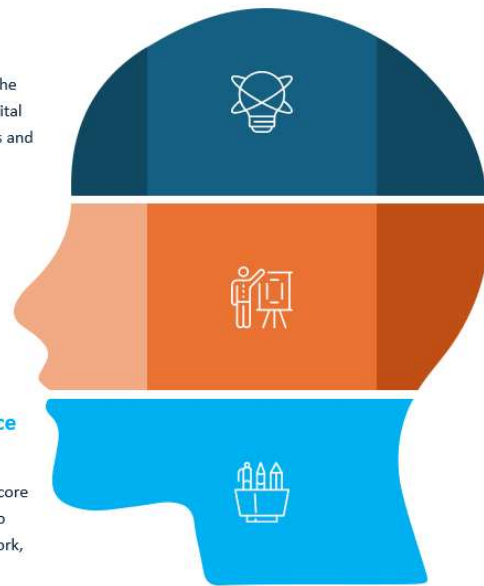
Risk Management Report

Overarching Risk Objective

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

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

- 1 Strengthen Capital and Liquidity Management to Safeguard Financial Resilience**
Reinforce our capital and liquidity management frameworks to ensure the SGIN remains financially resilient across a range of stress scenarios. Capital planning will be closely aligned with our risk appetite, growth ambitions and regulatory obligations.
- 2 Enhance Risk Detection and Response Through Digitalisation**
Integrate advanced technology, automation and analytics to enable faster and more accurate risk identification.
- 3 Embed Business Continuity and Operational Resilience Across the Organisation**
Embed business continuity planning and operational resilience into our core risk management practices to ensure the SGIN can respond effectively to disruptions. This includes strengthening our crisis management framework, conducting regular business impact analyses and testing.



Our Risk Culture

SGIN has a robust and pervasive risk culture to ensure that its employees are trained to make appropriate risk-based decisions. SGIN's risk-intelligent culture is characterised below:

- Employees' individual interests, values, and ethics are aligned with those of the Company's risk strategy, appetite, tolerance and approach.
- Risk is considered in all activities, from strategic planning to day-to-day operations, in every part of the Company.

Risk Management Report

Our Risk Culture (Continued)

- The collective ability of the Company to manage risk more effectively is continuously improving.
- Employees understand, and enthusiastically articulate, the value that effective risk management brings to the Company.
- For building and maintaining a resilient and sustainable Company that can navigate uncertainties and challenges while staying true to its values and purpose.

Risk Management Roles and Responsibilities

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

RISK AND AUDIT COMMITTEE (At Company Level)	INTERNAL RISK COMMITTEE (At Group Level)	CYBER SECURITY COMMITTEE (At Group Level)	CRISIS COMMITTEE (At Group Level)
<ul style="list-style-type: none"> • Assists the Board in its oversight responsibilities. • Reviews and recommends the ERM Policy, Own Risk Solvency Assessment, Risk Appetite and Risk Tolerance Level to the Board for approval. • Reviews and ensures that Cyber Security risk is managed effectively. • Considers stress testing and reverse stress testing scenarios and their impact on the Company. • Reviews current and projected capital and liquidity position risk environment and risk profile relative to appetite. • Reviews adequacy of insurance coverage, material outsourcing arrangements, the Disaster Recovery Plan and Business Continuity Plan. 	<ul style="list-style-type: none"> • Reports to the Risk Committee of the Board. • Has an understanding of the key risks to which the Group is exposed and oversees the effective management of these risks. • Reviews the ERM Framework including the Risk Management Strategy and Policies, Risk Appetite Statements and Risk Tolerance Levels. • Ensures that the recommendations made by Internal and External Auditors, Statutory Actuary, Regulator and other relevant agencies on matters pertaining to Risk Management are implemented. 	<ul style="list-style-type: none"> • Oversees the Group's risk assessment and management processes with regards to Cyber Risks. • Designs the cybersecurity strategy in line with expectations from key stakeholders. • Participates in design and review of security policies and procedures. • Reviews threat intelligence outputs and makes recommendations to the IRC on the organisation's exposure to current and emerging information security threats. 	<ul style="list-style-type: none"> • Coordinates and ensures smooth intervention of any required action. • Ensures that physical infrastructures are secured and to ensure prompt intervention. • Ensures that IT Infrastructure is secured to ensure prompt intervention wherever required. • Communicate with staff of any decision taken. • Provide regular updates to the Senior Management. • Identify lessons learnt. • Activate crisis management plan.

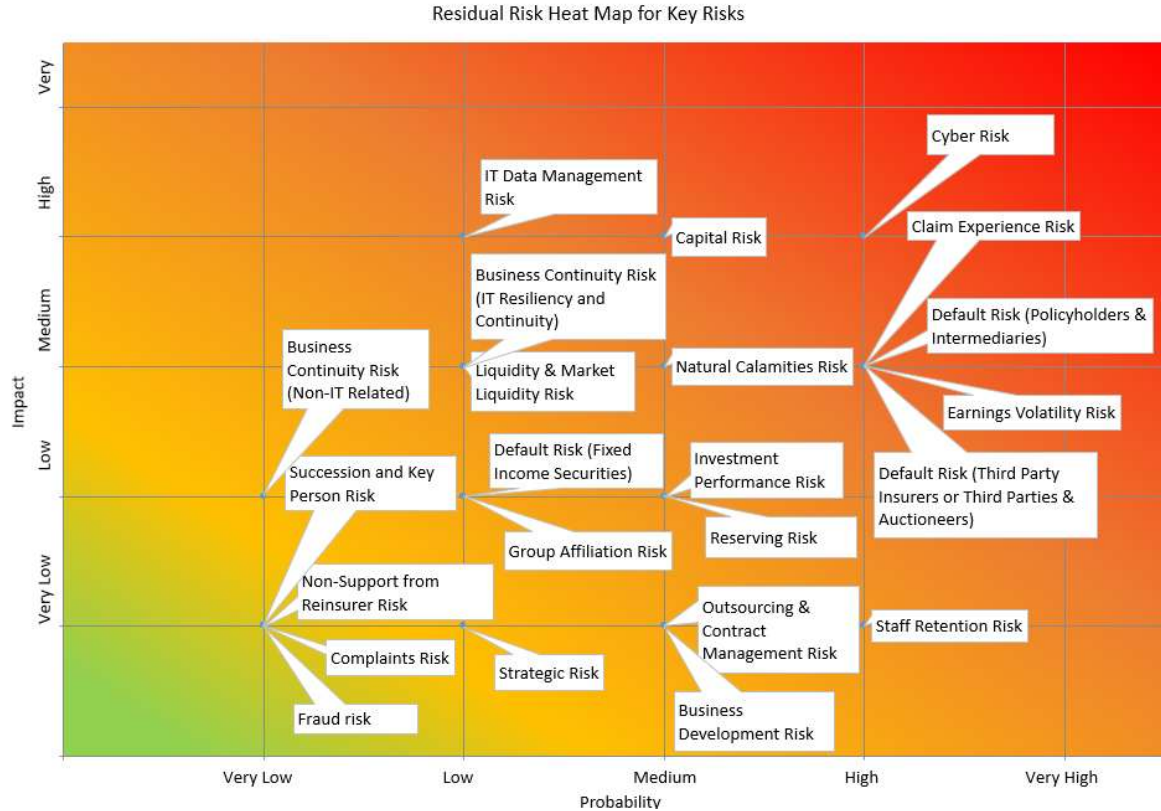
Management of Key Risks

A Risk Register is in place, listing all the risks pertaining to the Company. They are assessed on an inherent basis before any controls and on a residual basis after documenting the controls for each of these risks. Following the assessment, a list of main risks is derived and monitored on a quarterly basis.

Risk Management Report

Management of Key Risks (Continued)

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

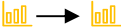



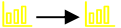

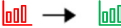













Principal Risks

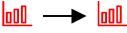
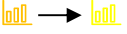


The symbols in the table below indicate the perceived change in risk profile of the main risks faced during financial year 2024-2025:











	Very high	High	Medium	Low	Very Low	After Control Measure
	RISK NAME AND DEFINITION		HOW WE MANAGE IT			RISK RATING BEFORE AND AFTER MITIGATION
Market and Investment Risks	Investment Performance Risk Due to market volatility, changes in economic conditions, misalignment of Fund's asset allocation relative to its composite benchmark, excess cash holding, currency valuation fluctuations and unbalanced/undiversified portfolio, SGIN may be exposed to the risk that actual investment return are lower than market indices/composite benchmarks stipulated in Investment Guidelines which could negatively affect shareholder confidence in terms of dividend pay-out and if injections are required to maintain/increase capital adequacy.		<ul style="list-style-type: none"> Investments in allowable securities only (as per Investment Guidelines). Investments are aligned to the Strategic Asset Allocation. Prioritise a diversified equity portfolio, even though equity allocation is expected to be very minimal. Favour blue chips domestic stocks with attractive valuations and stable dividend payers. Close monitoring of equity markets. Dynamic management of equity investments by reducing exposure on specific investments with negative outlook. 			

	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
Counterparty Default Risk		<ul style="list-style-type: none"> Close monitoring of the standard deviation of return of the Fund over time. Close monitoring of the evolution of inflation rate, interest rate and excess liquidity in the market in order to determine expected path of future interest rate. Diversify debt instruments in terms of floating and fixed rates. 	
	Liquidity & Market Liquidity Risk Due to a lack of buyers or an inefficient market, SGIN may be unable to convert an asset into cash without giving up capital and income which could result in inability to meet payment obligations and financial losses from selling assets at depressed market values to meet cash outflows.	<ul style="list-style-type: none"> Annual budgeting and regular update of cash flow projections, Ongoing Cash Flow monitoring, A certain portion of assets are in liquid assets (cashable immediately) which are not subject to liquidity risks. Diversified investments across maturities. Liquidity Coverage Ratio in normal and stressed scenarios. 	
	Default Risk (Fixed Income Securities) As a result of reduced repayment capacity arising from economic instability, deteriorating economic/operating environment and poor assessment of issuer's financial health, SGIN may be exposed to the risk that issuers default on coupon payments and maturity proceeds which may lead to financial losses and cash flows disruption.	<ul style="list-style-type: none"> Monitoring of % of deposits with Banks as compared to <ol style="list-style-type: none"> total assets of bank, and total investments of company. Investment in Fixed Income instruments are made after a detailed analysis on capacity of counter party to repay, Transaction only with counterparties, including reinsurers with strong financial credentials. Monitoring the covenant attached to the bond issues. 	
	Default Risk (Policyholders & intermediaries) As a result of reduced repayment capacity arising from any cause, SGIN may be exposed to the risk that policyholders and intermediaries default on their contractual obligations which may lead to an increase in collection costs, financial losses, cash flows disruption, reduction in investment income and worsen solvency position.	Policyholders: Premium recovery procedures are in place. <ul style="list-style-type: none"> Updated Statements of Arrears and Ageing Reports each month being currently sent by emails to clients – both direct and through intermediaries Monitoring of arrears is done closely at management level Dedicated team to follow up for arrears. Guidelines on Premium payment due dates and Premium recovery. As far as possible premium to be paid upfront and arrears procedures to be applied rigorously. Meetings held with Permanent Secretaries of Ministries and relevant officers. Consideration for the application of penalty fee for overdue payments. Intermediaries: <ul style="list-style-type: none"> Payments from intermediaries brokers and agents are constantly monitored and in the event of premium being in arrears, recovery procedures are implemented. Including debt recovery and call centre subcontracted. 	
	Default Risk (Third Party Insurers or Third Parties & Auctioneers) As a result of liquidity issues, SGIN may be exposed to the risk that Third Party Insurers or Third Parties and auctioneers default on their contractual obligations which may lead to an increase in collection costs, financial losses, cash	Third Party Insurers or Third Parties: <ul style="list-style-type: none"> Dedicated staff to the recovery function. Close monitoring and regular meetings with TP Insurers, MVIAC and Mauritius Police Force Legal action or reporting to Regulator can be considered if necessary. FSC solicited for intervention whenever required. 	

	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
	flows disruption, reduction in investment income and worsen solvency position.	Auctioneers: <ul style="list-style-type: none"> Auctioneers are required to submit a bank guarantee. 	
General Underwriting Risks	Claim Experience Risk Due to extreme/exceptional events or accumulation of risk arising from natural calamities, new legal precedence/judgements for liability claims and non-CAT event (e.g. inflation, depreciation of rupee, further abuse of the monopoly situation of car dealers and over-billing by private clinics), SGIN may be exposed to losses/claims which could lead to an increase in claims reserves, adversely impacting the solvency position.	<ul style="list-style-type: none"> Adequate reinsurance programme in place in line with annual ORSA. Review of pricing and policy conditions. Enhance claims vetting Regular meetings with car dealers and private clinics. In-house motor claims surveyor recruited. 	 → 
	Reserving risk Due to inadequate reserving for both IBNR and OCR and unprecedented legal judgements for liability claims, SGIN may be exposed to the risk of higher pay-out than originally provisioned which could lead to a financial strain and solvency position.	<ul style="list-style-type: none"> Working Excess of Loss reinsurance programme in place. Frequent monitoring of insurance result, including loss causation; monitoring of the loss ratio on a monthly basis, followed by remedial actions as required, including pricing adjustment. 	 → 
	Natural Calamities Risk Due to the aggregation of claims from one major climatic event such as cyclone, tsunami, flood and other natural calamities, SGIN may be exposed to the risk that multiple claims arise across different business lines (reinsurance treaties) which could lead to financial strain associated with accumulation of claim/risk and increase in reinsurance cost.	<ul style="list-style-type: none"> Regular review of reinsurance arrangements. CAT modelling by Reinsurance brokers, with CAT reinsurance covering the Estimated Maximum Loss event for predefined limit. Reinsurance Strategy formalised with increased understanding of CAT exposure. Analysis of past CAT losses. Claims system has the functionality to identify CAT claims and store this in the claims data. 	 → 
	Non-support from reinsurer Risk Due to lack of reinsurance support, SGIN may be exposed to the risk of withdrawal of facultative reinsurance coverage or unresponsive facultative reinsurance coverage which could result in financial loss and reputational loss.	<ul style="list-style-type: none"> Follow-up of Premium Payment Warranty through a reminder system involving more than one staff. 	 → 
Operations Risks	Earnings Volatility Risk Due to increase in support cost and adverse changes in market conditions such as changes in interest rates and monetary/fiscal policy, SGIN may be exposed to the risk that actual Profit Before Tax is subject to excessive volatility which could result in significant deviation from budgeted profit, long-term impact on reserves and a reduction in shareholder value and/or confidence.	<ul style="list-style-type: none"> Monthly monitoring and review of cost of claims. Monthly monitoring of claims paid by TPAs. Application of 'Guidelines for Premium Due Dates and Premium Payments Terms'. Review risk retention on Reinsurance Treaties at renewal. Cost control through digitalisation. Review of pricing. 	 → 
	Staff Retention Risk Due to better conditions of employment offered by other institutions, SGIN may be exposed to the risk of failing to retain	<ul style="list-style-type: none"> Flexibility in reviewing conditions of service (counteroffer). 	 → 

RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
employees which could lead to loss of competency.		
<p>Succession and key person risk</p> <p>Due to wide skills gap, SGIN may be exposed to the risk of poor succession planning which could lead to the loss of know-how and knowledge to drive results, disruption of business continuity and a decrease in customer satisfaction or client base.</p>	<ul style="list-style-type: none"> • Proactive on-the-job training or other developmental initiatives including coaching. • Identification of key resources and alternates. 	 → 
<p>Fraud risk</p> <p>As a result of employees with poor integrity and non-adherence to payment processing procedures, SGIN may be exposed to the risk of embezzlement and fraudulent claims including false billing by sourcing partners or other-third party which could lead to financial losses and adverse reputational, legal and regulatory impact.</p>	<ul style="list-style-type: none"> • There is a hierarchy for approval of payments, procedure for reconciliation of bank accounts, access rights for transactions, etc. • In the event a risk materialises, there is an insurance policy to indemnify the Company. • Claims staff are trained to spot potential fraudulent claims. • Sharing of information among Insurers, especially regarding organised fraudulent schemes. • Regular training of underwriting/claims staff. • Bills from Doctors, laboratories and reassurers are verified before payments are made. • Various documents are collected from clients to verify the validity of the claims; these are: <ul style="list-style-type: none"> ▪ Death certificate; ▪ Identity document; ▪ Medical examination report confirming cause of death; ▪ Medical reports for treatment details; • Police declaration wherever applicable. • Promote the highest levels of integrity during induction sessions. • Zero Tolerance towards those who fail to work with integrity. • Access rights review on IT systems applications - review to be performed and monitored by HODs as per roles and responsibilities of every user, including timely removal / update whenever required. 	 → 
<p>Outsourcing & Contract Management Risk</p> <p>Due to inadequate due diligence on potential service providers, poor contract terms drafting, non-compliance with contractual terms, disputes and absence of ongoing monitoring of service providers' performance, SGIN may be exposed to the risk of poor third-party contract management and non-performance or poor performance by service providers under outsourcing arrangements which could result in operational failures unforeseen and hidden costs, adverse legal, reputational and regulatory impacts and delay in project completion.</p>	<ul style="list-style-type: none"> • Suppliers are vetted before being signed up to panel and only credible and experienced suppliers are signed up. • Half-yearly Supplier evaluation. • Clients' complaints are monitored and responded to and in the event of valid complaints, suppliers are required to provide explanation. • Unsatisfactory suppliers may be removed from the panel. 	 → 

RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
<p>Cyber Risk</p> <p>Due to increased sophistication of cyber criminals, employee inattention/negligence, insufficient/outdated security measures and insufficient external activity monitoring, SGIN may be exposed to the risk of cyber- attacks on critical systems or related infrastructure including telecommunication systems which could lead to shutdown of IT systems, severe disruption of ICT services or loss of vital organisational records for a prolonged period of time, loss/corruption of data, stolen identities, loss of intellectual property or unavailability of critical systems/services, misuse of information assets to attack third party systems or to communicate inappropriate information and ransom demands.</p>	<ul style="list-style-type: none"> • Periodic security assessment and penetration testing of critical systems. • Use of Back up. • Threat Intelligence solution implemented (DarkTrace). • Security Awareness. • Regular Phishing simulation & training for all employees. • Installation of Mobile security. • Implementation of end-point anti-virus protection. • Minimising use of accounts with administrative privileges. • SentinelOne Antivirus implemented. • Data loss prevention. • Multi factor Authentication. • Web security implementation on laptop. • Disable automatic execution of code, macros, rendering of graphics and reloading mailed links at the mail clients and update them frequently. • Implementation of Web application firewall (WAF). • Implementation of Microsoft defender to protect mobile phones. • Threat Hunting & Endpoint Detection Rate. 	
<p>IT Data management risk</p> <p>Due to data breaches arising from hacking and cyber-attacks, human error during file migration, damage to or misuse of IT equipment/systems, SGIN may be exposed to the risk of customer and confidential corporate data losses which could lead to reputational damage, legal fines, regulatory sanctions and loss of client.</p>	<ul style="list-style-type: none"> • Encryption solution has been deployed for USB levels. • Facilities to encrypt emails. • Facilities to encrypt files on fileserver. • Auditing has been enabled for sensitive Business Applications. • Capturing of logs from servers and desktops with endpoint anti-virus protection. • External Auditor regularly audit IT Systems. • Information security awareness program. • Policies are in place. • Data loss prevention • Threat Intelligence to monitor dark web and implementation of Security Scorecard to monitor continuous assessment of SICOM domains. • Implement Network access control. 	
<p>Business Continuity Risk (IT Resiliency and Continuity)</p> <p>As a result of computer or data system failure and security breaches, SGIN may be exposed to the possibility of critical business operation disruptions which could result in financial losses, and reputational damage.</p>	<ul style="list-style-type: none"> • SLAs with providers in event of equipment failure. • Generators & UPS in place for power disruptions. • Offsite IT backups in place. • Annual DR Mock Drill. • Solution to monitor IT Infrastructure has been implemented. • Implementation of Email back up and archive. • Cisco Jabber in cloud. • Some services are being shifted into the Cloud. 	
<p>Business Continuity Risk (Non-IT Related)</p> <p>As a result of power failure, restricted/no access to work areas, damage to work equipment and loss of key staff arising from natural calamities or man-made</p>	<ul style="list-style-type: none"> • Business Impact analysis done. • Back-up of core system is kept offsite. In the immediate term, business can be carried out from the branches. • Work from Home in place, with needed hardware and software access to many 	

	RISK NAME AND DEFINITION	HOW WE MANAGE IT	RISK RATING BEFORE AND AFTER MITIGATION
	disasters, SGIN may be exposed to critical business operation disruptions. It could result in financial losses and reputational damage.	staff.	
	Complaints Risk Due to poor product/service performance, SGIN may be exposed to the risk of receiving and poor handling of valid complaints from clients which could lead to regulatory queries, reputational damage and loss of business.	<ul style="list-style-type: none"> Complaints handling policy and procedure in place. 	 → 
Strategic & Environmental Risk	Capital Risk Due to increase in top line, inaccurate model/assumption for business planning and solvency projections as well as stress testing scenario selection to assess resilience from a capital and liquidity perspective, SGIN may be exposed to the risk of insufficient capital to support new business plans, failure to meet regulatory solvency, stress test and future capital requirements which could lead to financial, reputational and regulatory impacts.	<ul style="list-style-type: none"> Annual Actuarial Valuation carried out by Statutory Actuary. Quarterly MCR calculation carried out internally. Quarterly ALCO. Monitoring of Investment portfolios, particularly Disallowed Assets. Monitoring of reinsurers' Financial Strength & Credit ratings. Experience monitoring. Annual ORSA process and review by Statutory Actuary. Quarterly ORSA review. Quarterly reporting to Risk Committee. 	 → 
	Group Affiliation Risk As a result of volume and value of intercompany transactions, inadequate support from Holding Company and poor performance of companies within the Group, SGIN may be exposed to group affiliation risk which could lead to financial losses, business operation disruption, loss of vendors and clients, regulatory sanctions and negative brand image.	<ul style="list-style-type: none"> Quarterly reporting of consolidated accounts to the Board. Senior Management meetings at Group level. Communications are handled at Group level. 	 → 
	Business Development Risk Due to the inability to keep pace with technological advancements, increasing competition, lack of innovative products, soft insurance cycle, change in legislation, inadequate responses to business opportunities, absence of right skillset/agile structure and poor economic conditions, SGIN may be exposed to the risk of slow or no business expansion which could lead to low revenue growth and negatively impact brand image.	<ul style="list-style-type: none"> Keep track of market conditions including competition. Review of product offerings. Aggressive marketing. Regular Management meetings to monitor business growth. 	 → 
	Strategic Risk Due to deviation from strategic assumptions, unclear or poor strategic planning, change in senior management and leadership, failure to adapt to market/industry changes, financial challenges and reputational damage, SGIN may be exposed to the risk of failing to achieve strategic business objectives which could lead to financial, reputational and regulatory impacts.	<ul style="list-style-type: none"> Monthly strategic projects monitoring. Quarterly Reporting to the Board. Quarterly financial performance monitoring for new strategic diversification projects. 	 → 

Risk Management Report

Risk Mitigation Strategies

In today's dynamic business environment, organisations face numerous risks that can impact their operations, financial performance and reputation. Mitigation strategies play a crucial role in risk management within the Company, helping to assess the effectiveness of measures in place to reduce potential risks. The rating process involves both qualitative assessment and quantitative analysis, which are tailored to the specific nature of the risks involved.

Annually, the risk register undergoes a comprehensive review serving as a central source of identified risks within the Company to capture relevant information about each risk, including its potential impact and likelihood. During the review process, the register risks are evaluated on an inherent basis, meaning their potential impact and likelihood are assessed without considering any control measures that may already be in place.

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

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

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

Residual Risks

In 2025, SGIN continues its risk monitoring process, evaluating residual risks quarterly by aligning them with Risk Appetite Statements, monitoring Key Risk Indicators, and assessing the risk levels against predefined Risk Tolerance Levels. Any breaches or deviations from the desired risk profile are promptly identified. When breaches occur, appropriate management actions are implemented to address the issues and bring the risks back within acceptable limits. These

Risk Management Report

Residual Risks (Continued)

actions may include revising control measures, enhancing risk mitigation strategies or making necessary adjustments to operational processes.

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

Strategies to Address Key Risks

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

Business Planning and Own Risk and Solvency Assessment

Every year, the Board considers the Business Plan (the "Plan") and an Own Risk and Solvency Assessment ("ORSA") for the Company. The Plan makes certain assumptions about future market conditions in which the Company operates. A strategic plan inherently comprises a series of underlying assumptions which can be uncertain in nature and rely on judgement. Each year, the Company's Risk function assesses the Plan and prepares the ORSA Report to provide comfort to the Board that the Plan will not jeopardise the sustainability and viability of the Company. The Board has assessed the principal risks to which SGIN is exposed over the duration of the planning cycle. The Company's principal risks, as presented earlier, were reviewed as part of the preparation of the ORSA and the outlook for those risks over the period covered by the Plan was considered to derive the risk profile of the Company. The Board recognises that, in a Business Plan, uncertainty increases over time and therefore, future outcomes cannot be guaranteed or accurately predicted. As the Plan and ORSA are used for planning over a timeframe of three years to 30 June 2027, this has been selected as the most suitable period for the Board to review the Company's viability.

Risk Management Report

Business Planning and Own Risk and Solvency Assessment (Continued)

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

Stress Testing and Scenario Analysis

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

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

Business Continuity

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

The Company recognises the critical importance of business continuity as a key element of our comprehensive management framework. This is designed to ensure the ongoing viability of essential business functions in the event of disruptions or emergencies. With this goal in mind, SGIN is implementing a tailored approach to business continuity management that matches the nature and scale of our operations. Most phases of the implementation have been completed and the ISO 22301 certification is expected to be achieved by the end of the year. Our strategy enhances our resilience against disruptions, from both internal and external events, potentially reducing the impact on our operations, reputation, profitability, policyholders and other stakeholders.

Risk Management Report

Climate Change

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

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

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

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

Emerging Risks

In today's increasingly complex and interconnected global environment, 2025 has continued to bring forward a range of emerging risks that present both significant challenges and opportunities for businesses. Emerging risks are defined as those that are either newly developing or existing risks evolving rapidly in terms of nature, frequency or potential impact. Key areas of concern include ongoing supply chain vulnerabilities, tightening financial and credit conditions, escalating cyber threats, heightened ESG and climate-related expectations, workforce and talent constraints, large-scale project execution risks and increasing regulatory scrutiny. These risks are often characterised by a high level of uncertainty and the potential for widespread impact across insurance operations, investment strategies and organisational resilience.

Risk Management Report

Emerging Risks (Continued)

The Company remains committed to strengthening its capabilities to anticipate and respond to emerging risks in a timely and structured manner. This includes embedding horizon scanning, scenario analysis and cross-functional collaboration within its risk management framework to support informed decision-making and long-term sustainability.

Our Areas of Focus

Over the past year, the Risk Management function has prioritised several key areas to enhance the Company's resilience and support sustainable growth. These focus areas reflect both emerging industry challenges and the evolving risk landscape specific to our business environment:

- **Digital Disruption and Technology Risks**

As the insurance industry continues its digital transformation, managing technology-related risks has become increasingly critical. At SGIN, we recognise that while AI, automation and emerging technologies offer significant opportunities for efficiency and innovation, they also introduce new vulnerabilities. Cybersecurity and data protection remain top priorities as our reliance on digital platforms grows. The risk of cyberattacks, data breaches and ransomware incidents are escalating, requiring strong security controls and rapid response capabilities. Furthermore, increased digitisation heightens exposure to fraud and cybercrime, underscoring the need for robust governance, monitoring and secure infrastructure. The Company is committed to strengthening its cyber resilience and ensuring that digital innovation is implemented securely, ethically and responsibly.

- **Geopolitical Uncertainty and Macroeconomic Risks**

Mauritius, as a small and open economy, remains vulnerable to external shocks stemming from geopolitical instability and macroeconomic volatility. Global tensions such as conflicts, trade disruptions, shifting alliances and sanctions can have far-reaching consequences on supply chains, investment flows and economic stability. Coupled with persistent inflationary pressures, interest rate fluctuations and currency volatility, these dynamics can significantly impact the financial services sector. It is therefore essential for the country to maintain a proactive risk management posture by continuously monitoring global economic developments, assessing their potential implications for the local economy and formulating timely and adaptive response strategies. Strengthening economic resilience, enhancing fiscal discipline and fostering diversified international partnerships will be key to mitigating these evolving risks and sustaining long-term growth in an increasingly unpredictable global environment.

Risk Management Report

Our Areas of Focus (Continued)

- **Human Capital Risk**

Human capital remains one of the most critical drivers of business performance and long-term sustainability. For insurance companies and other financial institutions, managing risks related to talent acquisition, retention and development has become increasingly important in a competitive and evolving labour market. The ability to attract and retain skilled professionals, in key areas such as actuarial science, risk management, data analytics and digital transformation directly impacts business continuity, innovation and service delivery. Talent management, workforce diversity and succession planning are not just HR priorities but strategic risk areas that require ongoing oversight by risk management functions. Inadequate succession planning can expose the organisation to leadership gaps, loss of institutional knowledge and operational disruption. Recognising these challenges, the

Company continues to embed human capital considerations into its risk management framework, ensuring alignment between people strategy and enterprise risk. Ongoing workforce planning, leadership development programmes and initiatives that promote employee engagement and inclusive culture are key components in strengthening organisational resilience against human capital risks.

Statement of Directors' Responsibilities

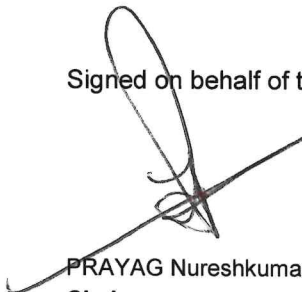
The Directors acknowledge responsibility for:

- (i) maintaining adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements that fairly present the state of affairs of the Company as at the end of the financial year 2024/2025 and the results of its operations and cash flows for that period and which comply with IFRS Accounting Standards as issued by IASB; and
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The Directors report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) they are responsible for safeguarding the assets of the Company;
- (iii) reasonable steps have been taken for the prevention and detection of fraud and other irregularities;
- (iv) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (v) applicable IFRS Accounting Standards as issued by IASB have been adhered to and any departure has been disclosed, explained and quantified; and
- (vi) the National Code of Corporate Governance for Mauritius (2016) has been complied with and reasons have been provided where applicable to justify non-compliance.

Signed on behalf of the Board of Directors.



PRAYAG Nureshkumar
Chairperson



FUZURALLY Mohammad Riad Shamimuddin
Director

Date: **15 October 2025**

**Independent auditor’s report to the Shareholder of
 SICOM General Insurance Ltd**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **SICOM General Insurance Ltd** (the “Company”) set out on pages 74 to 139, which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standard Board (IASB) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the “IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Application of IFRS 17 Insurance Contracts</p> <p>The ongoing application of IFRS 17 – Insurance Contracts, requires significant judgement and complex actuarial and financial modelling, particularly in relation to:</p> <ul style="list-style-type: none"> The use of actuarial assumptions, and estimation techniques for fulfilment cashflows and the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). 	<p>Our audit procedures comprised the following:</p> <ul style="list-style-type: none"> Assessing design and operating effectiveness of management’s controls over the IFRS 17 processes, including actuarial and finance interfaces, updates to accounting policies, models and assumptions used. Challenging management’s judgements regarding contract boundaries, discount rates, risk adjustment, and treatment of any onerous contracts. Performing detailed testing of the PAA eligibility assessments and calculations. Engaging our actuarial specialists to assess the methodologies used for calculating the fulfilment cashflows and risk adjustment.

Independent auditor’s report to the Shareholder of SICOM General Insurance Ltd (Continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Application of IFRS 17 Insurance Contracts (continued)	
<ul style="list-style-type: none"> • The determination of contract boundaries, discount rates and eligibility of the premium allocation approach (PAA). • The determination and recognition of onerous contracts. • The determination of the risk adjustment for non-financial risk. • Enhanced disclosures under IFRS 17. <p>Given the continued complexity of the standard and the significant judgements and estimates applied, the application of IFRS 17 continues to be a key audit matter.</p>	<ul style="list-style-type: none"> • Testing the completeness and accuracy of data inputs into the IFRS 17 models. • Checking the mathematical accuracy of a sample of calculations supporting the measurement of insurance contract liabilities and reinsurance assets. • Assessing the clarity and adequacy of the IFRS 17 disclosures.
Valuation of insurance contract liability balances	
<p>As at 30 June 2025, the value of Insurance contract liabilities balances was Rs 1.20 billion for the Company. The insurance contract liability balance reflects, within the Liability for Remaining Coverage (LRC) component, the premiums received for which insurance cover should still be provided and outstanding premiums for which cover has already been provided. It also includes a Liability for Incurred Claims (LIC) element, which represents the discounted estimate of unsettled claims for which the insured event has occurred plus a risk adjustment for non-financial risk.</p> <p>In valuing the insurance contract liability balances, management applied significant judgment. Various assumptions are made including best estimate assumptions regarding the expected claims on insurance contracts, expected expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.</p> <p>The most significant assumptions made in the valuation of insurance contract liability balances arising from the Company’s insurance contracts relate to:</p> <ul style="list-style-type: none"> • Discount rates. • Confidence levels applied in determining the risk adjustment for non-financial risk. 	<p>We tailored our testing of the insurance contract liability balances with reference to the various portfolios of contracts and the various measurement models applied. With the assistance of our internal IFRS 17 and actuarial specialists the procedures performed comprise of:</p> <ul style="list-style-type: none"> • Assessing the valuation methodology for the LRC and reviewed assumptions for compliance against the requirements of the Standard, generally accepted actuarial principles, applicable legislation and approved Company’s policies. • Assessing the valuation methodology of the LIC, focusing on reasonability of key assumptions and the valuation methodologies applied. • For the valuation of the Liability for Incurred Claims (LIC) for PAA contracts across the Company, assessing management’s valuation models. We also assessed the adequacy of the assumptions applied by management, e.g., claims ratio, claims triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with reference to prior years and key ratios. • Challenging the assumptions around the discount rate and the confidence levels applied in the determination of the risk adjustment for non-financial risk.

Independent auditor’s report to the Shareholder of SICOM General Insurance Ltd (Continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liability balances (continued)	
<p>We considered the valuation of insurance contract liability balances to be a key audit matter in our audit of the financial statements because of the following:</p> <ul style="list-style-type: none"> The significant judgments and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions applied in valuing it; and <p>The material nature of the insurance contract liability balances on the Company’s statement of financial position and resultant impact on the statement of profit or loss and other comprehensive income for the year ended 30 June 2025.</p>	<ul style="list-style-type: none"> Assessing the appropriateness of management’s allocation of groups of contracts into the various measurement buckets as required by IFRS 17. Where management applied the Premium Allocation Approach (PAA) to measure a group of contracts, we also assessed the coverage period of these groups with the eligibility criteria in IFRS 17. Evaluating the reasonability of the risk adjustment, including calculation method, and its related release.

Other information

The directors are responsible for the other information. The other information comprises Corporate Profile, Directors’ Report, Value Creation Process, Corporate Governance Report, Secretary’s Certificate, Risk Management Report, Statement of Directors’ Responsibilities and Statutory Disclosures but does not include the financial statements, and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by IASB and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and the Insurance Act 2005 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company’s financial reporting process.

Independent auditor's report to the Shareholder of SICOM General Insurance Ltd (Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacities as auditor and tax advisor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Independent auditor's report to the Shareholder of SICOM General Insurance Ltd (Continued)

Report on other legal and regulatory requirements (continued)

Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified in the FSC Rules and Guidelines of the Financial Services Commission.

Financial Reporting Act 2004

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Use of this report

This report is made solely to the Company's shareholder, 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 shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.


Deloitte

Chartered Accountants

30 October 2025


R, Srinivasa Sankar, FCA

Licensed by FRC

SICOM GENERAL INSURANCE LTD
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 Rs'000	2024 Rs'000
NON-CURRENT ASSETS			
Equipment	6	2,176	2,943
Intangible assets	7	30,386	33,304
Right of use assets	8 (a)	59,798	70,049
Equity Instruments at FVTPL	9 (a)	54,962	45,538
Debt Instruments at FVTPL	9 (b)	940,342	564,785
Loans and advances	10	8,693	7,634
Deferred tax assets	11	31,152	35,295
		1,127,509	759,548
CURRENT ASSETS			
Debt Instruments at FVTPL	9 (b)	248,088	366,526
Loans and advances	10	2,728	2,382
Other receivables	12	32,212	18,714
Insurance contract assets	14	14,844	16,502
Reinsurance contract assets	15	594,294	556,942
Cash and cash equivalents		280,569	256,861
		1,172,735	1,217,927
TOTAL ASSETS		2,300,244	1,977,475
EQUITY AND LIABILITIES			
Stated capital	19	25,000	25,000
Reserves	20	290,104	160,637
Subordinated loan	21	341,625	341,625
TOTAL EQUITY		656,729	527,262
NON-CURRENT LIABILITIES			
Lease liabilities	8 (b)	51,777	61,228
Pension benefit obligations	22	185,449	212,223
		237,226	273,451
CURRENT LIABILITIES			
Insurance contract liabilities	14	1,202,400	1,047,179
Reinsurance contract liabilities	15	48,656	22,111
Other payables	17	86,268	77,469
Lease liabilities	8 (b)	9,450	9,057
Dividend payable	18	37,327	17,397
Current tax liabilities	16 (a)	22,188	3,549
TOTAL CURRENT LIABILITIES		1,406,289	1,176,762
TOTAL LIABILITIES		1,643,515	1,450,213
TOTAL EQUITY AND LIABILITIES		2,300,244	1,977,475

These financial statements have been approved for issue by the Board of Directors on **15 October 2025**


 PRAYAG Nureshkumar

Chairperson


 FUZURALLY Mohammad Riad Shamimuddin

Director

The notes on pages 79 to 139 form an integral part of these financial statements.
 Auditors' report on pages 69 to 73

SICOM GENERAL INSURANCE LTD
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025	2024
		Rs'000	Rs'000
Insurance revenue	13 (a)	2,402,784	1,880,602
Insurance service expenses	13 (b)	(1,680,183)	(1,551,565)
Net expenses from reinsurance contracts held	13 (c)	(535,040)	(291,590)
Insurance service result		187,561	37,447
Investment income	23	59,581	47,375
Net (loss)/ gain on financial assets at fair value through profit or loss	9(a) & (b)	(19,805)	26,382
Net investment income		39,776	73,757
Finance expenses from insurance contracts issued	14 (a)	(16,101)	(21,652)
Finance income from reinsurance contracts held	15 (a)	10,928	13,613
Net insurance finance expenses		(5,173)	(8,039)
Net insurance and investment result		222,164	103,165
Other (expenses)/ Income	24	(3,997)	10,153
Revenue from contract with customers	25	360	350
Non attributable expenses	26 (b)	(38,698)	(29,693)
PROFIT BEFORE TAX		179,829	83,975
Income tax expenses	16 (b)	(30,522)	(14,387)
PROFIT FOR THE YEAR		149,307	69,588

The notes on pages 79 to 139 form an integral part of these financial statements.
Auditors' report on pages 69 to 73

SICOM GENERAL INSURANCE LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		Rs'000	Rs'000
Profit for the year		149,307	69,588
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations	(22 (a)(vii) & 22 (b)(vi))	21,068	11,638
Deferred tax relating to components of other comprehensive income	11	(3,581)	(1,978)
Other comprehensive income		17,487	9,660
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		166,794	79,248

The notes on pages 79 to 139 form an integral part of these financial statements.
Auditors' report on pages 69 to 73

SICOM GENERAL INSURANCE LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Stated Capital	Retained Earnings	Actuarial Losses	Subordinated Loan*	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 30 June 2024		25,000	308,309	(147,672)	341,625	527,262
Profit for the year		-	149,307	-	-	149,307
Other comprehensive income for the year		-	-	17,487	-	17,487
Total comprehensive income		-	149,307	17,487	-	166,794
Dividend	18	-	(37,327)	-	-	(37,327)
Balance at 30 June 2025		25,000	420,289	(130,185)	341,625	656,729
Balance at 01 July 2023		25,000	256,118	(157,332)	341,625	465,411
Profit for the year		-	69,588	-	-	69,588
Other comprehensive income for the year		-	-	9,660	-	9,660
Total comprehensive income		-	69,588	9,660	-	79,248
Dividend	18	-	(17,397)	-	-	(17,397)
Balance at 30 June 2024		25,000	308,309	(147,672)	341,625	527,262

* Refer to Note 21 of the financial statements.

The notes on pages 79 to 139 form an integral part of these financial statements.
Auditors' report on pages 69 to 73

SICOM GENERAL INSURANCE LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		Rs'000	Rs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		179,829	83,975
<i>Adjustments for:</i>			
Depreciation of Equipment	6 (a)	812	1,131
Equipment written off	6	75	16
Depreciation of right of use assets	8(c)	10,251	8,413
Interest expense on lease liabilities	8(c)	2,770	2,705
Amortisation of intangible assets	7 (a)	5,519	5,415
Loss on disposal of Intangible assets		144	250
Pension benefit obligations	22(a)(vi) & 22(b)(v)	19,798	21,578
Net gain/ (loss) on Financial assets at Fair Value Through Profit or Loss		19,805	(26,382)
Investment income	23	(59,581)	(47,375)
Operating cash flows before working capital changes		179,422	49,726
(Increase) in insurance and other receivables and prepayments	12	(13,498)	(1,926)
(Increase) in reinsurance assets	15	(37,352)	(126,733)
Decrease/ (Increase) in insurance assets	14	1,658	(4,717)
Increase in trade and other payables	17	8,799	30,558
Increase in reinsurance contract liabilities	15	26,545	10,236
Increase in insurance contract liabilities	14	155,221	207,225
Net cash flows generated from operations		320,795	164,369
Interest received		56,765	44,957
Dividend received		2,816	2,418
Income tax paid	16(a)	(11,321)	(13,203)
Contribution paid on pension benefit obligations	22(a)(ii) & 22(b)(ii)	(25,504)	(25,528)
Net cash flows generated from operating activities		343,551	173,013
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Equipment	6 (a)	(120)	(147)
Purchase of intangible assets	7 (a)	(2,745)	(3,555)
Purchase of Lease	8	-	(3,473)
Proceeds on disposal /maturity of financial assets - Debt instruments	9(b)	505,607	493,754
Purchase of financial assets - Debt instruments	9(b)	(788,609)	(492,172)
Proceeds on disposal /maturity of financial assets through FVTPL - Equity	9(a)	2,852	-
Purchase of financial assets through FVTPL - Equity	9(a)	(6,198)	-
Loans advanced	10	(4,623)	(4,161)
Loans repaid	10	3,218	4,220
Net cash flows used in investing activities		(290,618)	(5,534)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion - lease liabilities	8(b)	(11,828)	(10,184)
Dividend paid	18	(17,397)	-
Net cash flows used in financing activities		(29,225)	(10,184)
Net increase in cash and cash equivalents		23,708	157,295
CASH AND CASH EQUIVALENTS AT 01 JULY		256,861	99,566
CASH AND CASH EQUIVALENTS AT 30 JUNE		280,569	256,861
<u>CASH AND CASH EQUIVALENTS</u>			
Bank and cash balances		280,569	256,861

The notes on pages 79 to 139 form an integral part of these financial statements.
Auditors' report on pages 69 to 73

1. GENERAL INFORMATION

SICOM General Insurance Ltd (“the Company”, “SGIN”) is a Public Limited Company, incorporated in the Republic of Mauritius on 22 April 2010. Its registered office is situated at Sir Celicourt Antelme Street, Port Louis, Mauritius. The principal activity of the Company is to transact General Insurance Business.

The Company has started trading as a separate company as from 01 July 2010, when the transfer of assets and liabilities has been finalised.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholder of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

The financial statements have been prepared under the historical cost basis except for financial assets, which are stated at their fair value.

The financial statements are presented in Mauritian Rupees (Rs) and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

As required by IAS 1 Presentation of financial statements and IFRS 17 Insurance Contracts, the Company has disclosed the results of the Company on the face of the Statement of Profit or Loss and Other Comprehensive Income such that it will help the users of the financial statements to understand the amounts disclosed in the financial statements that arises from insurance contracts.

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

Statement of compliance

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

2.2 INSURANCE CONTRACTS

A. Key types of insurance contracts issued and reinsurance contracts held

The Company issues the following type of contracts that are accounted for in accordance with IFRS 17 Insurance Contracts.

- General insurance policies:

Except for the contracts such as Inherent Defects Insurance (IDI) policy, Single project professional Indemnity (SPPI) Insurance, Contractors All Risks (CAR) Insurance, Security Bonds and contingency – Kidnap and Ransom (K&R) Insurance, all other insurance contracts held by SGIN are annual in nature (with provision for extension of odd period not exceeding 15 months). IFRS 17 allows for the choice of simplifying the Liability for Remaining Coverage (‘LFRC’) calculation using the Premium Allocation Approach (PAA) for such contracts.

The Company accounts for these contracts applying PAA as they have passed the PAA eligibility testing.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

A. Key types of insurance contracts issued and reinsurance contracts held (Continued)

The Company also holds the following types of reinsurance contracts to mitigate risk exposure.

For general insurance business, the Company reinsures either on a treaty basis (proportional or non-proportional) or on a facultative basis, both accounted for applying the PAA.

Proportional reinsurance may be either in the form of a quota share whereby the proportion of each risk reinsured is fixed, or in the form of surplus whereby the Company can retain a part of a risk within a fixed limit, and the reinsurer accepts part of the risk as a multiple of the Company's retention.

Under the non-proportional type of reinsurance, the Company uses the Excess of Loss treaty whereby in consideration for a premium, the reinsurer agrees to pay claims in excess of a specified amount (the retention), up to a specified maximum amount.

Under facultative reinsurance, risks are offered to the reinsurer on an individual basis and can be accepted or rejected by the reinsurer.

B. Definitions and classifications

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

C. Separating components from insurance and reinsurance contracts

An insurance contract may contain one or more components that would be within the scope of another standard if they were separate contracts. For example, an insurance contract may include an investment component or a service component.

Towing services

The travel (road) assistance service provided to all comprehensive private motor vehicles and commercial comprehensive vehicles (less than 2.5 tons) forms part of the claim handling. Therefore, the cash flows and risks are highly interrelated with those of the insurance benefits and the company is providing a significant service in integrating the assistance with the insurance benefits.

Towing services are not distinct and has been accounted as per IFRS 17.

Investment components

The Company has neither distinct nor non-distinct investment components for the underlying insurance contracts.

The non-proportional reinsurance treaties and/ or other reinsurance contracts do not have either distinct or non-distinct investment components.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

D. Level of aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

The Company has considered existing loss ratios, historical data and performance analysis to assess profitability of contracts and has also considered the effect under IFRS 17 arising from a more accurate allocation of expenses.

For general insurance contracts accounted for applying the PAA, the Company determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the Company will perform a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined applying the PAA is less than the fulfilment cash flows related to remaining coverage determined applying the General Model. If the fulfilment cash flows related to remaining coverage determined applying the General Model exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

E. Recognition

The Company recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group of contracts becomes onerous

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

F. Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

The contract boundary of the Company's products was deemed to be the full policy term. For most of the policies, the term, and thus the contract boundary, is one year. There are some products with terms more than one year. Their contract boundaries will be as per the respective policy term.

In some contracts, the Company has a right to cancel the contract after 30 days of non-payment of premium. This right arises from the Mauritius Civil Code. This law allows an insurer to cancel a contract after 30 days in the event of non-payment of premium, or to review or cancel the policy in the case of aggravation of risk. Therefore, this is dependent on the policyholder's behaviour and does not represent a unilateral right of the Company. As such, the existence of the 30-days cancellation does not create a contract boundary. The Company's obligation is for the term of the policy and that will be the contract boundary.

The Company assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations.

G. Measurement of insurance contracts issued

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period unless the Company has elected the accounting policy to present the time value of money separately in profit or loss and other comprehensive income.

Cash flows varying with underlying items are not applicable for SGIN. The yield curve was derived using the Nelson-Siegel-Svensson (NSS) model and secondary market rates at the relevant date.

Risk adjustment for non-financial risk

The Company measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk. The Company uses the SAM (Solvency and Assessment Management) model calibrated at the 85% Confidence Interval. The chosen confidence level is expected to be influenced by the following:

- The risk appetite of the various business units;
- The expected emergence of profit over time; and
- Evolving market practice (for example the confidence level disclosed by market participants could converge over time).

Insurance acquisition cash flows

- 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 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, claims handling expenses and non-attributable expenses.
- All the acquisition expenses (commission and management expenses) are deferred as per coverage period of the contract.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

G. Measurement of insurance contracts issued (Continued)

Changes in fulfilment cash flows

At the end of each reporting period, the Company updates the fulfilment cash flows for LIC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Contracts with cash flows not dependent on underlying items

In determining the number of coverage units, the Company applies the following method:

- The general insurance contracts are accounted for using the PAA.
- For facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.

On initial recognition, the Company measures the LFRC at the amount of premiums received in cash and the acquisition costs. Contracts of terms greater than one year have been tested for PAA eligibility and passed the test. Accordingly all contracts are measured under PAA.

Commission payable to intermediaries, receivable from reinsurers and acquisition management expenses are deferred as per coverage period of the contract.

Premiums due to the Company for insurance contract services already provided in the period but not yet received at the end of the reporting period, the provision for bad debts and Deferred Acquisition cost are included in the LFRC. The carrying amount of the LFRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received, the acquisition costs in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Company has determined that there is no significant financing component in general insurance contracts and does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

G. Measurement of insurance contracts issued (Continued)

Contracts with cash flows not dependent on underlying items (Continued)

The Company also applies the PAA to the all-quota share, surplus and Facultative general insurance and reinsurance contracts held. The coverage period of such reinsurance contracts held is usually one year or less. For contracts where coverage period exceeds one year, the Company at initial recognition assesses whether the PAA is a reasonable approximation of the General Model.

For General insurance contracts issued and reinsurance contracts held, the carrying amount of the LIC is measured applying the PAA:

- The Company adjusts its future cash flows for the time value of money and the effects of financial risks on all outstanding claim reserves.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time.

When facts and circumstances indicate that a group of contracts has become onerous, the Company performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

The Company has considered existing loss ratios, historical data and performance analysis to assess profitability of contracts and has also considered the effect under IFRS 17 arising from a more accurate allocation of expenses.

H. Reinsurance contracts held

H.1 Recognition

The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Company determines portfolios in the same way as it determines portfolios of underlying insurance contracts issued. The Company considers that each product line reinsured at the ceding entity level to be a separate portfolio. The Company disaggregates a portfolio of its reinsurance contracts held into three groups of contracts

- Contracts that on initial recognition have a net gain
- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently
- Any remaining reinsurance contracts held in the portfolio

For general quota share, surplus and Facultative reinsurance contracts held accounted for applying the PAA, the Company assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

H. Reinsurance contracts held (Continued)

H.1 Recognition (Continued)

In determining the timing of initial recognition of a reinsurance contract held, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Company recognises a group of reinsurance contracts held that provides proportionate coverage:

- At the start of the coverage period of that group of reinsurance contracts held
- At the initial recognition of any of the underlying insurance contracts, whichever is later

The Company recognises a group of reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract held. This includes cash flows from insurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

H.2 Reinsurance contracts held measured under the PAA

The Company measures quota share, surplus and Facultative General insurance reinsurance contracts by applying the PAA.

Under the PAA, the initial measurement of the asset for remaining coverage equals the reinsurance premium paid.

The Company measures the amount relating to remaining service by allocating the premium paid over the coverage period of the group. For all reinsurance contracts held, the allocation is based on the passage of time.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

I. Modification and derecognition

The Company derecognises the original contract and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

- If the modified terms were included at contract inception and the Company would have concluded that the modified contract:

- Is outside of the scope of IFRS 17
- Results in a different insurance contract due to separating components from the host contract
- Results in a substantially different contract boundary
- Would be included in a different group of contracts

- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

I. Modification and derecognition (Continued)

If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the PAA, the Company adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognises an insurance contract when, and only when the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)
- Modified and the derecognition criteria are met.

J. Presentation

The Company has presented in the statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Company will present separately the amounts recovered from the reinsurer and an allocation of the premiums paid in line items separate from insurance revenue and insurance service expenses.

The Company includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. It includes the entire change as part of the insurance service result.

J.1 Insurance revenue

As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

J. Presentation (Continued)

J.2 Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)
- Other directly attributable insurance service expenses incurred in the period
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue
- Loss component of onerous groups of contracts initially recognised in the period
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

J.3 Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

J.4 Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

The Company has an accounting policy choice to present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, the Company examines the assets held for that portfolio and how they are accounted for. The accounting policy choice not to disaggregate insurance finance income or expenses so that part is recognised in profit or loss and part in OCI is applied on a portfolio-by-portfolio basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

J. Presentation (Continued)

J.4 Insurance finance income and expenses (Continued)

For PAA contracts

When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for general insurance policies. However, claims payable are discounted applying the discount rate at the time the incurred claim is initially recognised.

For reinsurance contracts held

For all general reinsurance contracts held measured applying the PAA, the Company does not disaggregate total insurance finance income or expenses. The amount presented in profit or loss is based on a systematic allocation of the expected total insurance finance income or expenses over the duration of the contracts in the group.

Exchange differences

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held are recognised in profit or loss in the period in which they arise.

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held included in other comprehensive income, if any, are recognised in other comprehensive income.

The group of insurance contracts with cash flows in different foreign currencies is assessed to be denominated in a single currency.

At the end of each reporting period, the carrying amount of the group of insurance contracts denominated in a foreign currency is translated into the functional currency.

The amounts arising from changes in exchange rates between the currency of the cash flows and the currency of the group of contracts are considered as changes in financial risk and are accounted for as insurance finance income or expenses.

The amounts arising from changes in exchange rates between the currency of the group of contracts and the functional currency are considered as exchange differences and are recognised in profit or loss in the period in which they arise.

K. Contracts existing at transition date

The Company has applied the Modified Retrospective Approach as per the transition requirements due to impracticability reason.

PAA eligibility assessment has also been undertaken and confirmed successful for both insurance and reinsurance contracts having a coverage period of more than one year.

L. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

M. Critical judgements in applying the company's accounting policies

The following are the critical judgements:

• **Assessment of significance of insurance risk:** The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk.

A contract transfers significant insurance risk only if an insured event could cause the 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 latter being the smaller benefit provided.

• **Consideration whether there are investment components:** The Company considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances.

The Company considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder.

• **Determination of the contract boundary:** The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices.

Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

The Company considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.

• **Identification of portfolios:** The Company defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement.

Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Company determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

M. Critical judgements in applying the group's accounting policies (Continued)

- **Level of aggregation:** The Company applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts

- **Assessment of directly attributable cash flows:** The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cash flows, the Company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

- **Assessment of eligibility for PAA:** For insurance contracts, quota share, surplus and Facultative general reinsurance contracts with a coverage period extending beyond one year, the Company elects to apply the PAA if at the inception of the group, the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Model. The Company exercises judgement in determining whether the PAA eligibility criteria are met at initial recognition.

- **Assessment of significance of modification:** the Company derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Company applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition

- **Level of aggregation for determining the risk adjustment for non-financial risk:** IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Company considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Company uses the confidence level to determine the risk adjustment for non-financial risk.

- **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 Company selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Company considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder.

Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 INSURANCE CONTRACTS (CONTINUED)

Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Company has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

Every area, including the Company's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below. At 30 June 2025 the Company's total carrying amount of:

- Insurance contracts issued that are assets was Rs 14,844,000
- Insurance contracts issued that are liabilities was Rs 1,202,400,000
- Reinsurance contracts issued that are assets was Rs 594,294,000
- Reinsurance contracts issued that are liabilities was Rs 48,656,000

2.3 New and revised IFRS Accounting Standards and IFRICs that are effective for the financial year

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 July 2024.

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

- IAS 1 - Presentation of Financial Statements - Amendments regarding classification of liabilities
- IAS 1 - Presentation of Financial Statements - Amendments regarding the classification of debt with covenants
- IFRS 16 – Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 New and revised IFRS Accounting Standards and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- IFRS 7-Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)
- IFRS 9 -Financial Instruments - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026)
- IFRS 18 -Presentation and Disclosures in Financial Statements - Original issue (effective 1 January 2027)
- IAS 21 -Lack of exchangeability

The directors anticipate that these IFRS Accounting Standards will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

2.5 Leases

(a) Right-of-use assets

The Company ("Lessee") recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Short-term leases and low value assets

The Company did not have short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and lease of low-value assets on the date of initial application of IFRS 16. Subsequently, lease payments on short-term leases and leases of low-value assets shall be recognised as expense on a straight-line basis over the lease term.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Leases (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2.6 Equipment

Equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount 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 Company and the cost of the item can be measured reliably.

Depreciation is calculated to write off the cost of the assets on a straight-line basis over their estimated useful lives at the following rates: -

Furniture and fittings	10%-20%
Office equipment	10%-20%
Computer equipment	10%-33%

The assets' residual values, useful lives and depreciation method are reviewed and adjusted prospectively if appropriate at the end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.7 Intangible assets - Computer Software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful lives of 2 - 9 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Foreign currencies

The financial statements of Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Mauritian rupees, which is the functional currency and the presentation currency for the Company's financial statements. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at that date. Profits and losses arising on exchange are included in profit or loss for the year.

2.9 Financial assets

Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, and subsequently measured at 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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Premium receivables are recognized and measured under IFRS 17 Insurance Contracts and are outside the scope of IFRS 9.

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 as Financial assets at fair value through profit or loss.

Equity instruments at fair value through profit or loss (FVTPL)

Upon initial recognition, the Company elects to classify irrevocably its investment in equity securities as equity instruments at FVTPL 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 recognised through profit. Dividends are recognised in profit or loss as other operating income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case such gains are recorded in Profit or loss account.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or;
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial assets (Continued)

Derecognition of financial assets (Continued)

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

Overview of the ECL principles

From 1 July 2018, the Company has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 4.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment at the end of each reporting period of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process the Company groups its loans and other debt instruments into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When exposures are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 instruments also include facilities where the credit risk has improved, and the instrument has been reclassified from Stage 2.
- Stage 2: When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 instruments also include facilities, where the credit risk has improved, and the instrument has been reclassified from Stage 3.
- Stage 3: Debt instruments considered credit-impaired. The Company records an allowance for the LTECLs.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial assets (Continued)

The calculation of ECLs

The ECL on financial assets at amortised cost has been calculated using the PD times the LGD times the EAD. The PD was determined using the provision matrix for converting the credit rating of the country into a PD. The Company has used the Basel rate for the LGD. The portfolio of financial assets at amortised cost comprise of investment grade bonds and deposits issued by reputable financial institutions. 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:

- **PD** The *Probability of Default* 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.
- **EAD** The *Exposure at Default* 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.
- **LGD** The *Loss Given Default* 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. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method are summarised below:

These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

- **Stage 1:** The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL 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 Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3:** For instruments considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Significant accounting estimates

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows 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.

Wrong estimation of the Probability of Default and Loss Given Default can impact the Company's assessment of ECL. The Company is using reliable sources, such as Standards & Poor and Moody's transitional matrix and Basel to determine the PD and the LGD respectively. The Company will continue to rely on these sources as the portfolio of financial assets at amortised cost comprise mainly of investment grade assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial liabilities

The adoption of IFRS 9 has not materially impacted the initial recognition, classification and measurement of financial liabilities.

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in case of amortised cost, directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and amount due to holding company.

Subsequent measurement

Financial Liabilities at amortised cost.

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Fair value measurement (Continued)

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

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. Management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.13 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.14 Dividends

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Taxation

Current income tax

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

Deferred income tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable and there is convincing evidence 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 utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Taxation (Continued)

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

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

In accounting for the deferred tax relating to the lease, the Company considers both the lease asset and liability separately. The Company separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition, are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

Corporate Climate Responsibility (CCR) Levy

In line with the definition within the Income Tax Act 1995, Corporate Climate Responsibility (CCR) Levy is regarded as a tax and is therefore subsumed with the income tax shown within the profit or loss and the income tax liability on the statement of financial position. The CCR Levy applies to companies having a turnover exceeding MUR 50 million.

The CCR Levy is applicable at the rate of 2% of a company's chargeable income. The CCT Levy applies as from the year of assessment beginning 1 July 2024.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with maturities less than 3 months from inception date and bank overdraft. 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 overdraft is shown in current liabilities in the statement of financial position. Cash and cash equivalents are measured at amortised cost.

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

2.17 Pension benefit obligations

Defined Contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitles them to the contributions.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Pension benefit obligations (Continued)

Defined Benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined 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.

Guaranteed Pension Plan

In addition to the Defined Benefit Plan the Company also provides benefits outside the pension funds to members of the "DB" funds. The liability recognised in the statement of financial position in respect of unfunded benefits is the present value of the unfunded obligation at the end of the reporting period. The unfunded obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net unfunded liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Company determines the interest expense on the unfunded liability for the period by applying the discount rate used to measure the unfunded obligation at the beginning of the annual period to the unfunded liability, taking into account any changes in the unfunded liability during the period as a result of benefit payments. Interest expense is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements, are recognised immediately in profit or loss.

State plan and Defined Contribution plan

Contributions to the National Pension Scheme and defined contribution pension plan are expensed to profit or loss in the period in which they fall due.

2.18 Revenue recognition

(i) Investment and other income

Investment and other income comprise of dividend and interest for the year. Dividend income is accounted when the right for payment is established. Interest income is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Administrative and other expenses

Administrative and other expenses are recognised on an accrual basis in the statement of profit or loss and other comprehensive income. As per IFRS 17, expenses are classified into four categories namely Attributable Acquisition expense, Attributable Maintenance expense, Claims Handling expense and Non Attributable expense. The Attributable acquisition expenses are deferred as per the coverage period of the contract.

2.20 Related Party Transactions

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

3. MANAGEMENT OF INSURANCE RISKS

The Company's activities expose it to a variety of insurance risks. A description of the significant risk factors is given below together with the risk management policies applicable.

3.1 Insurance risk

Insurance risk is transferred when an insurer agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, the risk is random and therefore unpredictable.

The main risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

3.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant claims result from accident, liability claims awarded by the Court, cyclone, flooding, fire and allied perils and their consequences. Inflation is also a significant factor due to the long period typically required to settle some claims.

The Company's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Company has in place underwriting criteria to ensure that risk accepted are as per acceptance guidelines. Management reviews performance of individual insurance policies and the Company reserves the right to review terms and conditions at renewal or not to renew an insurance.

Reinsurance arrangements under treaties and facultative basis mitigate the severity of claims as risk retained is predetermined.

The Company can impose deductibles and has the right to reject the payment of a fraudulent claim.

Where relevant, the Company may pursue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are closely monitored.

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.2 Sources of uncertainty

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims.

Most claims on short term insurance contracts are payable on a claims-occurrence basis. Under claims occurrence basis, the Company is liable for insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims may be settled over a long period of time and a significant element of the claims provision relates to incurred but not reported claims (IBNR).

The estimated costs of claims include direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries. The Company ensures that claims provisions are determined using the best information available of claims settlement patterns, court awards and forecast inflation. However, given the uncertainty in determining claims provisions, it is likely that the final claim settlement will differ from the original liability estimate.

The Company has ensured that liabilities as stated in the statement of financial position are adequate.

	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before tax	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
2025					
Average claim cost	10%	76,023	43,851	32,172	26,702
	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before tax	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
2024					
Average claim cost	10%	78,659	45,960	32,699	27,140

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
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3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.3 Gross claims development

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on gross of reinsurance basis as at 30 June 2025

	Accident year							Total
	2019	2020	2021	2022	2023	2024	2025	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)								
At end of accident year	641,955	634,974	682,316	816,017	847,145	1,224,443	1,485,787	6,332,637
1 year later	529,973	546,404	630,341	824,370	841,132	1,145,948		4,518,168
2 years later	476,195	543,212	640,676	815,388	879,454			3,354,925
3 years later	452,088	525,080	654,089	791,953				2,423,210
4 years later	450,800	521,613	622,318					1,594,731
5 years later	488,213	518,062						1,006,275
6 years later	487,692							487,692
Cumulative gross claims and other directly attributable expenses paid	<u>(440,118)</u>	<u>(504,401)</u>	<u>(533,570)</u>	<u>(776,428)</u>	<u>(841,078)</u>	<u>(1,119,508)</u>	<u>(1,037,479)</u>	<u>(5,252,582)</u>
Gross cumulative claims liabilities - accident years from 2019 to 2025	47,574	13,661	88,748	15,525	38,376	26,440	448,308	678,632
Gross cumulative claims liability - prior accident years								60,074
Effect of discounting								(43,271)
Effect of risk adjustment margin for non financial risk								64,792
Gross LIC for the contracts originated								<u>760,227</u>

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.4 Net claims development

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on net basis as at 30 June 2025

	Accident year							Total
	2019	2020	2021	2022	2023	2024	2025	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)								
At end of accident year	315,009	341,381	411,519	557,964	694,239	823,453	1,106,888	4,250,453
1 year later	306,700	320,690	383,381	595,679	717,101	806,895		3,130,446
2 years later	308,389	324,646	386,846	606,839	755,834			2,382,554
3 years later	314,617	317,961	391,542	581,088				1,605,208
4 years later	312,191	316,765	379,952					1,008,908
5 years later	319,705	313,807						633,512
6 years later	319,391							319,391
Cumulative gross claims and other directly attributable expenses paid	<u>(305,625)</u>	<u>(300,779)</u>	<u>(369,083)</u>	<u>(579,683)</u>	<u>(732,519)</u>	<u>(833,653)</u>	<u>(857,303)</u>	<u>(3,978,645)</u>
Gross cumulative claims liabilities - accident years from 2019 to 2025	13,766	13,028	10,869	1,405	23,315	(26,758)	249,585	285,210
Gross cumulative claims liability - prior accident years								16,408
Effect of discounting								(16,672)
Reinsurer's Risk of Non-Performance								4,045
Effect of risk adjustment margin for non financial risk								<u>32,725</u>
NET LIC for the contracts originated								<u>321,716</u>

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

3.1 Insurance risk (Continued)

3.1.5 Reinsurance strategy

Reinsurance purchases are reviewed annually to verify that the levels of protection being bought reflect any developments in exposure and risk appetite of the Company. The Company is exposed to risks of default by reinsurers in respect of their share of reinsurance liabilities and there may be disputes in contract wordings, especially on facultative reinsurance placements. To minimise the reinsurance credit exposure, reinsurance is placed with top-rated and/or credit-worthy reinsurers who meet the Company's counterparty security requirements and the Company regularly monitors its exposure.

4. FINANCIAL RISK

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Company's financial performance.

The main risks to which the Company is exposed are as follows:

- Market risk (which includes foreign exchange risk, interest rate risk and equity price risk);
- Credit and liquidity risks.

4.1 Market risk

4.1.1 Foreign currency risk

The Company's financial assets, insurance liabilities and reinsurance assets, which are exposed to foreign currency risks, consist mainly of deposits, trade receivables, deferred assets, unearned premium, outstanding claim reserves, IBNR and reinsurance premium payables. Management monitors the Company's currency position on a regular basis. Financial liabilities including trade and other payables. The carrying amount of the Company's foreign currency denominated financial assets at the reporting date is as follows:

Concentration of assets under:

	2025	2024
	Rs'000	Rs'000
<u>Financial assets</u>		
MUR	1,236,855	989,513
USD	320,073	267,094
GBP	370	387
EUR	7,725	4,390
	<u>1,565,023</u>	<u>1,261,384</u>
<u>Financial liabilities</u>		
MUR	<u>185,250</u>	<u>149,918</u>

Insurance and reinsurance contracts

	<u>Insurance contracts issued</u>		<u>Reinsurance contracts held</u>	
	In asset position	In liability position	In asset position	In liability position
	Rs'000	Rs'000	Rs'000	Rs'000
<u>30 June 2025</u>				
MUR	10,546	1,039,180	533,097	28,889
USD	-	95,146	60,205	10,741
GBP	-	14	56	-
AUD	-	397	-	-
EUR	4,298	67,663	936	9,026
	<u>14,844</u>	<u>1,202,400</u>	<u>594,294</u>	<u>48,656</u>

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

4. FINANCIAL RISK (CONTINUED)

4.1 Market risk (Continued)

4.1.1 Foreign currency risk (Continued)

	Insurance contracts issued		Reinsurance contracts held	
	In asset position	In liability position	In asset position	In liability position
<u>30 June 2024</u>	Rs'000	Rs'000	Rs'000	Rs'000
MUR	9,692	949,200	516,248	11,289
USD	2,576	70,280	18,672	6,441
GBP	-	13	56	-
EUR	4,234	27,686	21,966	4,381
	<u>16,502</u>	<u>1,047,179</u>	<u>556,942</u>	<u>22,111</u>

Categories of financial instruments

	Financial assets at Amortised cost	Financial assets at FVTPL	Financial liabilities at Amortised Cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
As at 30 June 2025				
Financial assets at Fair Value Through Profit or Loss (Note 9 (b) &(c))	-	1,243,392	-	1,243,392
Loans and advances (Note 10)	11,421	-	-	11,421
Other receivables (Note 12)	29,641	-	-	29,641
Cash and Cash equivalents	280,569	-	-	280,569
	<u>321,631</u>	<u>1,243,392</u>	<u>-</u>	<u>1,565,023</u>
Lease liabilities (Note 8)	-	-	61,227	61,227
Other payables	-	-	86,696	86,696
Dividend payable (Note 18)	-	-	37,327	37,327
	<u>-</u>	<u>-</u>	<u>185,250</u>	<u>185,250</u>
As at 30 June 2024				
Financial assets at Fair Value Through Profit and Loss (Note 9(c))	-	976,849	-	976,849
Loans and advances (Note 10)	-	10,016	-	10,016
Other receivables	17,658	-	-	17,658
Cash and Cash equivalents	256,861	-	-	256,861
	<u>274,519</u>	<u>986,865</u>	<u>-</u>	<u>1,261,384</u>
Lease liabilities (Note 8)	-	-	70,285	70,285
Other payables	-	-	62,236	62,236
Dividend payable (Note 18)	-	-	17,397	17,397
	<u>-</u>	<u>-</u>	<u>149,918</u>	<u>149,918</u>

Insurance and reinsurance contracts

	2025	2024
	Rs'000	Rs'000
As at 30 June		
Reinsurance contracts assets	594,294	556,942
Insurance contracts assets	14,844	16,502

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

4. FINANCIAL RISKS (CONTINUED)

4.1. Market risk (Continued)

4.1.1 Foreign currency risk (Continued)

Insurance and reinsurance contracts (Continued)

	2025	2024
	Rs'000	Rs'000
As at 30 June		
Insurance contracts liabilities	1,202,400	1,047,179
Reinsurance contracts liabilities	48,656	22,111

Consequently, the Company is 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 Company's net assets including net insurance contracts which is denominated in currencies other than the Mauritian Rupee. The following table details the Company's sensitivity to a 5% increase/decrease of the USD, GBP and EUR, against the Mauritian Rupee.

		2025		2024	
Changes in variables		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
USD	+5%	16,004	16,004	13,355	13,355
	-5%	(16,004)	(16,004)	(13,355)	(13,355)
GBP	+5%	18	18	19	19
	-5%	(18)	(18)	(19)	(19)
EUR	+5%	386	386	219	219
	-5%	(386)	(386)	(219)	(219)

The following analysis is performed to show the Company's sensitivity to a 5% increase/decrease of the USD, GBP, AUD and EUR, against the Mauritian Rupee on profit before tax and equity due to changes in net insurance and reinsurance contracts.

		2025		2024	
Changes in variables		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
		Rs' 000	Rs' 000	Rs' 000	Rs' 000
USD	+5%	2,284	2,284	2,774	2,774
	-5%	(2,284)	(2,284)	(2,774)	(2,774)
GBP	+5%	(2)	(2)	(2)	(2)
	-5%	2	2	2	2
AUD	+5%	20	20	-	-
	-5%	(20)	(20)	-	-
EUR	+5%	3,573	3,573	293	293
	-5%	(3,573)	(3,573)	(293)	(293)

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
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4. FINANCIAL RISKS (CONTINUED)

4.1 Market risk (Continued)

4.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or the future cash flows related to financial instruments, insurance liabilities and reinsurance assets will change due to a change in interest rates. The Company is exposed to interest rate fluctuations on the international and domestic markets. The Company monitors closely interest rate trends and related impact on investment income and financing components of the liabilities for performance evaluation and better management.

The interest rate risk arises on Loan receivables, Mauritius Government securities, fixed deposits, Corporate Bonds, cash and cash equivalents, bank overdrafts, short term deposits, insurance liabilities and reinsurance assets.

The interest rate profile of the Company at 30 June 2025 and 2024 was:

	2025		2024	
	% per annum	Maturity dates	% per annum	
Government bonds	3.78 - 9.25	Aug 2025 - April 2035	3.77 - 9.25	
Treasury notes	3.92 - 5.41	Oct 2026 - May 2028	2.02 - 3.92	
Treasury Bills	-		3.22 - 4.11	
Preference shares	6.00 - 12.00		-	
	Repo +		Repo +	
Corporate bonds - Floating	(0.35 - 2.05)	Aug 2026 - Jun 2031	(0.35 - 2.05)	
Corporate bonds - Fixed	3.20 - 6.10	Dec 2025 - Jun 2032	3.20 - 6.00	
Fixed deposits - Local:				
Non-current	3.85 - 4.95	Jul 2025 - Oct 2027	4.25 - 4.95	
Current	-		3.50 - 5.12	
Fixed deposits - Foreign - USD				
Non-Current	3.85 - 4.68	Jul 2026 - Aug 2027	-	
Current	4.10 - 5.55	Jul 2025 - Jun 2026	4.65 - 5.70	
Foreign currency call deposits:				
USD	0.02		0.50	
GBP	0.02		0.50	
EUR	0.01		0.25	
Local call deposits:				
MUR	2.00 - 3.60		0.00 - 3.60	

Interest rates on the above instruments vary from 0.35% to 12.00% p.a with maturities varying from 2025 to 2035.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity.

	2025		2024	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Changes in interest rate				
+ 250 basis points	214	214	188	188
- 250 basis points	(214)	(214)	(188)	(188)

The increase or decrease in the interest rate sensitivity is due to fluctuations in the interest rate of local and foreign currency call deposits and local floating corporate bonds at 30 June 2025 as compared to 30 June 2024

The interest rate sensitivity analysis excludes:

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

SICOM GENERAL INSURANCE LTD
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4. FINANCIAL RISKS (CONTINUED)

4.1 Market risk (Continued)

4.1.2 Interest rate risk (Continued)

Interest Rate Risk

	2024	Maturity Dates
Government Bonds	3.77 - 9.25 2.05) (4.85 - 6.55)	Aug 2024 - April 2034 Nov 2024 - Jun 2031
Corporate Bonds - Floating	3.20 - 6.00	Oct 2024 - Jun 2032
Corporate Bonds - Fixed	2.02 - 3.92	Jul 2024 - Oct 2026
Treasury Notes	3.22 - 4.11	Aug 2024 - Nov 2024
Treasury Bills	6.00 - 12.00	6.00 - 12.00
Preference Shares		
Fixed Deposits Local		
Long Term	4.25 - 4.95	Jul 2026 - Mar 2027
Short Term	3.50 - 5.12	Oct 2024 - Mar 2025
Foreign Currency Fixed Deposits	4.65 - 5.70	Jul 2024 - Jul 2026
Foreign Currency Call Deposits		
USD	0.50	
GBP	0.50	
EUR	0.25	

Interest rates on the above instruments vary from 2.02% to 12.00% p.a with maturities varying from 2024 to 2034.

Local Call Deposits

	<u>2025</u>	<u>2024</u>
Afrasia Bank Ltd	2.90 - 3.60	2.90 - 3.60
Absa Bank (Mauritius) Ltd	2.15	2.15
MauBank Ltd	2.55	2.55
SBI (Mauritius) Ltd	2.00 - 2.50	2.00 - 2.50
SBM Bank (Mauritius) Ltd	3.00	3.00

Changes in discount rates

	<u>2025</u>	<u>2024</u>
	Impact on contract assets and liabilities	Impact on contract assets and liabilities
	Rs' 000	Rs' 000
+1%	7,417	3,055
-1%	(7,700)	(3,226)

4.1.3 Price risk

Price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company's price policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each industry sector and markets. The Company has invested in equities quoted on the Stock Exchange of Mauritius as illustrated below:

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Financial Assets at Fair Value Through Profit or Loss		
Quoted Equities	54,918	45,501
Quoted Preference Shares	248	252
Quoted Corporate Bonds	54,419	46,318
	109,585	92,071

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4. FINANCIAL RISKS (CONTINUED)

4.1.3 Price risk (Continued)

The following table details the Company's sensitivity to 5 % increase/decrease in the prices of the quoted shares.

	<u>2025</u>	<u>2024</u>
<u>Changes in share price</u>	<u>Impact on equity</u>	<u>Impact on equity</u>
	<u>Rs' 000</u>	<u>Rs' 000</u>
+5%	5,479	4,604
-5%	(5,479)	(4,604)

4.2 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when due. The Company's credit risk is primarily attributable to its reinsurance assets, loan receivables, insurance and other receivables (premium receivables, Third party receivables, Reinsurers receivables and others) and investment in debt securities. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and the current economic environment.

The Credit Control department assesses the creditworthiness of brokers, agents and of contract holders based on details of recent payment history, past experience and by taking into account their financial position. The Company is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers and has policies in place to ensure that risks are ceded to top-rated and credit-worthy reinsurers only. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Company also has exposure to credit risk on its securities. The Investment Committee assesses the credit quality of the issuers based on past experience the Company had with those issuers. The Investment Committee recommends investment in entities with which the Company had good experience within the past years and with good standing. The financial performance and position of the issuers are assessed in detail prior to approval is obtained for investment by the Company. The table shows the maximum exposure to credit risk for the components of the financial position.

Financial assets	<u>2025</u>	<u>2024</u>
	<u>Rs'000</u>	<u>Rs'000</u>
Financial assets at FVTPL*	1,188,430	931,311
Loan receivables	11,421	10,016
Other receivables***	29,641	17,658
Cash and bank balances	280,569	256,861
	<u>1,510,061</u>	<u>1,215,846</u>

* Excludes equity instruments.

***Excludes sundry deposits, prepayments and deferred expenses

Insurance and reinsurance contracts

	<u>2025</u>	<u>2024</u>
	<u>Rs'000</u>	<u>Rs'000</u>
Reinsurance assets	594,294	556,942
Insurance contract assets	14,844	16,502

4.3 Liquidity risk

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

The Company is exposed to daily payments of benefits to clients and to repayment of financial liabilities.

The Company's liquidity position is monitored on a regular basis. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets.

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4. FINANCIAL RISKS (CONTINUED)

4.3 Liquidity risk (Continued)

The table below summarises the Company's trading liabilities at amortised cost, categorised by the earlier of contractual repricing or maturity dates.

	Not Stated Maturity *	1 to 3 months	3 months to 1 year	More than 1 year	On demand	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2025						
<u>Financial liabilities</u>						
Trade and other payables**	-	6,997	72,490	7,209	-	86,696
Lease liabilities ***	-	2,325	7,125	51,777	-	61,227
Dividend payable	-	-	37,327	-	-	37,327
Total liabilities	-	9,322	116,942	58,986	-	185,250
At 30 June 2024	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<u>Financial liabilities</u>						
Trade and other payables**	-	15,655	40,138	6,443	-	62,236
Lease liabilities ***	-	2,228	6,829	61,228	-	70,285
Dividend payable	-	-	17,397	-	-	17,397
Total liabilities	-	17,883	64,364	67,671	-	149,918

Other risks not arising from financial instruments

	Not Stated Maturity *	1 to 3 months	3 months to 1 year	More than 1 year	On demand	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2025						
Insurance contract liabilities	1,202,400	-	-	-	-	1,202,400
Reinsurance contract liabilities	48,656	-	-	-	-	48,656
At 30 June 2024						
Insurance contract liabilities	1,047,179	-	-	-	-	1,047,179
Reinsurance contract liabilities	22,111	-	-	-	-	22,111

* Insurance contract liabilities are outstanding claims where significant delays can be expected in the notification and settlement of these claims and the ultimate cost of which cannot be known with certainty at the end of the reporting period. Reinsurance contract liabilities are outstanding claim recoveries where significant delays can be expected in the notification and settlement of these recoveries of which cannot be known with certainty at end of the reporting period. Given the uncertainty involved in timing of repayment and recoveries of these liabilities, the entity's normal operating cycle is not clearly identifiable. Consequently, the insurance and reinsurance contract liabilities have been disclosed as current under 'Not Stated' maturity.

** Excludes sundry deposits.

*** The lease liabilities payable after 1 year include Rs. 9,859,401 payable between 1 and 2 years, Rs. 10,286,685 payable between 2 and 3 years, Rs. 10,732,486 payable between 3 and 4 years, Rs.11,197,607 payable between 4 and 5 years and Rs. 9,701,157 payable after 5 years

4.4 Reinsurers' default

The Company is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers.

4.5 Capital risk management

The Company's objectives when managing capital are :

- To comply with the minimum capital requirements of the Insurance Act 2005 and the Insurance Rules and Regulation 2007;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for its policyholders; and
- To provide an adequate return to shareholders by pricing insurance contracts in line with the level of risk and also be solvent.

SICOM GENERAL INSURANCE LTD
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4. FINANCIAL RISKS (CONTINUED)

4.5 Capital risk management (Continued)

The Company manages the minimum capital requirement as follows:

Different target levels are set above the statutory requirements, providing a buffer in order to remain solvent at all times and this is monitored on a quarterly basis. Capital planning is done to ensure we minimise the risk of being below the minimum required and these calculations are done under different stress test scenarios using parameters in different areas of risks such as equity risk, interest rate risk, credit risk, business risk and currency risk. Reinsurance is used to reduce the volatility of our results, thus reducing our capital needs. This risk is further reduced by using rated reinsurers in our panel.

The operation of the Company is also subject to regulatory requirements. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g capital adequacy) to minimise the risk of default and insolvency to meet unforeseen liabilities. In reporting financial strength, capital and solvency is measured using the rules prescribed by the Insurance Act.

For the year ended 30 June 2025, the Company has satisfied the minimum capital requirement of 150% which is as per the Insurance (General Insurance Business Solvency) Rules 2007 made by the Financial Services Commission under Sections 23 and 130 of the Insurance Act 2005.

4.6 Fair value measurements

Financial assets at Fair Value Through Profit or Loss (FVTPL)

	2025	2024
	Rs'000	Rs'000
Equity Securities		
Quoted	54,918	45,501
Unquoted	44	37
	54,962	45,538
Debt Securities		
Quoted	54,667	46,262
Unquoted	1,133,763	885,049
	1,188,430	931,311

	Fair value hierarchy	Valuation approach	Observable input	Fair Value	Fair Value
	2024-2025	approach	input	2025	2024
				Rs'000	Rs'000
Loans and receivables:					
Loans and advances	Level 3	DCF	Floating market rate	11,421	10,016
Debt Instrument at FVTPL:					
Government and other bonds	Level 3	YTM		762,644	606,589
Term deposits	Level 3	YTM		371,119	324,722
				1,145,184	941,327
Debt Securities at FVTPL					
				2025	2024
				Rs'000	Rs'000
Government Bonds				602,200	408,033
Treasury Bills and Treasury Notes				138,634	110,964
Corporate Bonds and notes				76,229	87,340
Preference shares				248	252
Term Deposits				371,119	324,722
				1,188,430	931,311
Analysed between:					
Current				248,088	366,526
Non Current				940,342	564,785
				1,188,430	931,311

5. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Valuation of insurance contract liabilities

The uncertainty inherent in the financial statements of the Company arises mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards to the eventual outcome of claims. As a result, the Company applies estimation techniques to determine the appropriate provisions.

These estimates are described below:

The estimation of ultimate liability arising from the claims made under insurance contracts is one of the Company's most critical accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Company will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the significant part of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain-Ladder and Cape Cod. For each class of business, the decision to use a Chain Ladder and Cape Cod approach was made based on the observed claims development to date. A rule of thumb was applied: for loss years where observed claims development was less than 75% the Cape Cod method was used on the basis that the observed claims are not felt to be credible enough on their own to form the basis of an estimate; for loss years where observed claims development was more than 75% the Chain-Ladder method was used.

Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modeled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

The Company adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved.

Recoverable amount on insurance and other receivables

In preparing those financial statements, the directors have made estimates of the recoverable amounts of insurance and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involve an assessment of the financial condition of the debtors concerned and estimate of the timing and the extent of cash flows likely to be received by the Company.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

5. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Reinsurance

The Company is exposed to disputes on, and defects in, contract wordings and the possibility of default of its Reinsurers. The Company monitors the financial strength of their Reinsurers. Allowance will be made in the financial statements for non-recoverability in case of Reinsurer's default.

Pension benefits

The present value of the pension obligations depend 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 Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

Significant increase in credit risk

The Company continuously monitors all assets subject to Expected Credit Losses ("ECLs"). In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when the IFRS 9 lifetime PD has doubled since initial recognition and has increased by more than 20 bps a year. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g a change in business strategy).

The Company recognised rent expense of Rs 11.8million for the year under review (2024: Rs 10.2million).

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Company's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

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NOTES TO THE FINANCIAL STATEMENTS
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5. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Leases - Estimating the incremental borrowing rate (Continued)

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

6. EQUIPMENT

(a) COST	Furniture & Fittings	Office Equipment	Computer Equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2023	3,248	705	5,296	9,249
Additions	-	122	25	147
Written off	-	-	(171)	(171)
At 01 July 2024	3,248	827	5,150	9,225
Additions	-	120	-	120
Written off	-	(24)	(827)	(851)
At 30 June 2025	3,248	923	4,323	8,494
DEPRECIATION				
At 01 July 2023	1,945	479	2,882	5,306
Charge for the year	326	112	693	1,131
Written off	-	-	(155)	(155)
At 01 July 2024	2,271	591	3,420	6,282
Charge for the year	319	97	396	812
Written off	-	(24)	(752)	(776)
At 30 June 2025	2,590	664	3,064	6,318
NET BOOK VALUE				
At 30 June 2025	658	259	1,259	2,176
At 30 June 2024	977	236	1,730	2,943

(b) Depreciation charge of Rs 812,000 (2024: Rs 1,131,000) has been included in insurance service expenses.

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7. INTANGIBLE ASSETS

	Computer Software	
	2025	2024
	Rs'000	Rs'000
(a) COST		
At 01 July	50,803	48,727
Additions	2,745	3,555
Disposal	(3,977)	(1,479)
At 30 June	49,571	50,803
 AMORTISATION		
At 01 July	17,499	13,313
Charge for the year	5,519	5,415
Disposal	(3,833)	(1,229)
At 30 June	19,185	17,499
 NET BOOK VALUE		
At 30 June	30,386	33,304

(b) Amortisation charge of Rs 5,519,000 (2024: Rs 5,415,000) has been included in insurance service expenses.

8. LEASES

The Company leases buildings with lease terms exceeding one year.

Amounts recognised in the Statement of Financial Position

The Company as lessee

(a) Right of use assets

Set out below are the carrying amounts of right-of-use assets recognised and movement during the year:

	Buildings	
	2025	2024
	Rs'000	Rs'000
COST		
At 30 June	95,897	80,465
Addition	-	71,757
Disposal	-	(56,325)
At 30 June	95,897	95,897
 ACCUMULATED DEPRECIATION		
At 01 July	25,848	17,435
Charge for the year	10,251	8,413
At 30 June	36,099	25,848
 NET BOOK VALUE		
At 30 June	59,798	70,049

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8. LEASES (CONTINUED)

(b) Lease liabilities

Set out below are the carrying amounts of the lease liabilities and movement during the year:

	Buildings
	Rs'000
At 01 July 2023	65,805
Repayment	(10,184)
Accretion of interest	2,705
Addition	71,757
Derecognition	<u>(59,798)</u>
At 30 June 2024	70,285
Repayment	(11,828)
Accretion of interest	2,770
At 30 June 2025	<u>61,227</u>

	Buildings	
	2025	2024
	Rs'000	Rs'000
Analysed as:		
Non-current	51,777	61,228
Current	9,450	9,057
	<u>61,227</u>	<u>70,285</u>

The maturity analysis of lease liabilities are disclosed in note 4.3.

(c) Amounts recognised in the statement of profit or loss

The following are the amounts recognised in the statement of profit or loss:

	Buildings	
	2025	2024
	Rs'000	Rs'000
Depreciation expense of right-of-use assets	10,251	8,413
Interest expense on lease liabilities	2,770	2,705
Total amount recognised in profit or loss	<u>13,021</u>	<u>11,118</u>

The total cash outflow for leases in year ended 30 June 2025 was Rs 11,828,000 (2024: Rs 10,184,000) which includes principal portion of Rs 9,058,000 and interest portion of Rs 2,770,000

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity.

	2025	
	Impact on	Impact on
	profit before	equity
	tax	Rs'000
	Rs'000	Rs'000
<u>Changes in interest rate</u>		
+100 basis points	(130)	(130)
-100 basis points	130	130

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8. LEASES (CONTINUED)

<u>Changes in interest rate</u>	2024	
	Impact on profit before tax	Impact on equity
	Rs'000	Rs'000
+100 basis points	(111)	(111)
-100 basis points	111	111

A 100 basis points increase in interest rate would increase interest expense and depreciation charge, which is a decrease in profits and vice versa.

9. FINANCIAL ASSETS

(a) Equity instruments at Fair Value Through Profit or Loss (FVTPL)

	2025	2024
	Rs'000	Rs'000
At 1 July	45,538	40,501
Additions during the year	6,198	-
Disposals during the year	(2,852)	-
Increase in Fair Value	6,078	5,037
At 30 June	<u>54,962</u>	<u>45,538</u>

The Company accounts for all its equity investments at FVTPL following the adoption of IFRS 17.

During the current financial year, the Company purchased equity instruments through FVTPL of Rs 6,198,000 (2024: Nil). The net fair value gain amounted to Rs 6,078,000 (2024: Rs 5,037,000) and are disclosed in the statement of profit or loss for the year.

(b) Debt instruments at Fair Value Through Profit or Loss

	2025	2024
	Rs'000	Rs'000
At 1 July	931,311	911,548
Additions during the year	788,609	492,172
Disposals during the year	(505,607)	(493,754)
(Decrease)/ Increase in Fair Value	(25,883)	21,345
At 30 June	<u>1,188,430</u>	<u>931,311</u>

The Company accounts all its debt instruments at FVTPL.

Analysed between:

Current	248,088	366,526
Non Current	<u>940,342</u>	<u>564,785</u>
	<u>1,188,430</u>	<u>931,311</u>

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9. FINANCIAL ASSETS (CONTINUED)

(c) Fair value measurements recognised in the statement of financial position

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2025				
Financial assets at FVTPL				
Equity instruments:				
Equity securities (listed)	54,918	-	-	54,918
Equity securities (not Listed)	-	-	44	44
Debt instruments:				
Preference shares	248	-	-	248
Quoted bonds	54,419	-	-	54,419
Other debt instruments	-	-	1,133,763	1,133,763
	<u>109,585</u>	<u>-</u>	<u>1,133,807</u>	<u>1,243,392</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2024				
Financial assets at FVTPL				
Equity instruments:				
Equity securities (listed)	45,501	-	-	45,501
Equity securities (not Listed)	-	-	36	36
Debt instruments:				
Preference shares	252	-	-	252
Quoted Bonds	46,010	-	-	46,010
Other Debt instruments	-	-	885,049	885,049
	<u>91,763</u>	<u>-</u>	<u>885,085</u>	<u>976,849</u>

(d) Reconciliation of Level 3 fair value measurements of financial assets

	Unquoted Equities 2025 Rs'000	Other debt instruments 2025 Rs'000	Total 2025 Rs'000
Opening Balance	36	885,049	885,085
Issues	-	775,009	775,009
Settlements	-	(500,548)	(500,548)
Fair Value adjustments	8	(25,747)	(25,739)
Closing Balance	<u>44</u>	<u>1,133,763</u>	<u>1,133,807</u>

The table below shows the credit quality and maximum exposure to credit risk. The amounts presented are gross of impairment allowances.

At 30 June 2025	Stage 1 Individual Rs'000	Stage 2 Individual Rs'000	Stage 3 Individual Rs'000	Total Rs'000
Performing high grade	1,188,430	-	-	1,188,430
Past due but not impaired	-	-	-	-
Non-performing	-	-	-	-
	<u>1,188,430</u>	<u>-</u>	<u>-</u>	<u>1,188,430</u>
At 30 June 2024				
Performing high grade	931,311	-	-	931,311
Past due but not impaired	-	-	-	-
Non-performing	-	-	-	-
	<u>931,311</u>	<u>-</u>	<u>-</u>	<u>931,311</u>

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9. FINANCIAL ASSETS (CONTINUED)

(e) Financial assets at Fair Value Through Profit or Loss

An analysis of changes in gross carrying amount and corresponding ECL is, as follows:

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying value at 1 July 2024	931,311	-	-	931,311
New assets purchased	788,609	-	-	788,609
Asset derecognised or matured	(505,607)	-	-	(505,607)
Fair Value adjustments	(25,883)	-	-	(25,883)
At 30 June 2025	<u>1,188,430</u>	<u>-</u>	<u>-</u>	<u>1,188,430</u>
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying value at 1 July 2023	911,548	-	-	911,548
New assets purchased	492,172	-	-	492,172
Asset derecognised or matured	(493,754)	-	-	(493,754)
Fair Value adjustments	21,345	-	-	21,345
At 30 June 2024	<u>931,311</u>	<u>-</u>	<u>-</u>	<u>931,311</u>

There is no transfer of assets between stages during the year.

10. LOANS AND ADVANCES

	Total Rs'000
At 01 July 2023	10,075
Additions	4,161
Repayments	(4,220)
At 30 June 2024	10,016
Additions	4,623
Repayments	(3,218)
At 30 June 2025	<u>11,421</u>
Analysed as follows:	
	Total Rs'000
2025	
Non-current	8,693
Current	2,728
	<u>11,421</u>
2024	
Non-current	7,634
Current	2,382
	<u>10,016</u>

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10. LOANS AND ADVANCES (CONTINUED)

During the year under review, the Company has provided loans to employees amounting Rs 4,623,000 (2024 : Rs 4,161,000) as per terms and conditions set in the contract of employment. The Loans are at preferential rates varying from 2% to 4% per annum.

Below is a reconciliation of the ECL allowance between the opening and closing balance:

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance at 1 July 2024	9	-	-	9
Movement in ECL	2	-	-	2
ECL allowance at 30 June 2025	11	-	-	11
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	Rs'000	Rs'000	Rs'000	Rs'000
ECL allowance at 1 July 2023	10	-	-	10
Movement in ECL	(1)	-	-	(1)
ECL allowance at 30 June 2024	9	-	-	9

11. DEFERRED TAX ASSETS

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 19% (2024: 17%).

The movement on the deferred income tax account is as follows:

	2025	2024
	Rs'000	Rs'000
At 01 July	35,295	37,598
Debited to profit or loss (note 16(b))	(562)	(325)
Debited to other comprehensive income	(3,581)	(1,978)
At 30 June	31,152	35,295

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11. DEFERRED TAX ASSETS (CONTINUED)

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Deferred tax liabilities	(1,972)	(2,469)
Deferred tax assets	33,124	37,764
	<u>31,152</u>	<u>35,295</u>

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 amounts are shown in the Statement of Financial Position.

Deferred tax assets and liabilities are attributable to the following:

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
<u>Deferred tax liabilities</u>		
Accelerated tax depreciation	<u>(1,972)</u>	<u>(2,469)</u>

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
<u>Deferred tax assets arise on:</u>		
Pension benefit obligations	31,527	36,078
Provision for expected credit loss	2	2
Provision for impairment of insurance receivables	1,421	1,187
Provision for credit impairment on reinsurer's receivables	174	497
	<u>33,124</u>	<u>37,764</u>

12. OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Dividend receivables	774	820
Interest receivables	25,445	15,721
Prepayments	2,571	1,056
Amount due from shareholder	2,163	227
Other receivables	1,259	890
	<u>32,212</u>	<u>18,714</u>

The carrying amounts of other receivables approximate their fair values. Other receivables include study loans.

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13. INSURANCE SERVICE RESULT

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Insurance revenue		
(a) Insurance revenue from contracts measured under the PAA	2,402,784	1,880,602
(b) Insurance service expenses		
Incurred claims and other directly attributable expenses	(1,563,435)	(1,321,331)
Changes that relate to past service - changes in the FCF relating to the LIC	144,391	29,463
Losses on onerous contracts and reversal of those losses	(10,993)	(31,090)
Insurance acquisition cash flows amortisation	(250,146)	(228,607)
Total insurance service expenses	(1,680,183)	(1,551,565)
(c) Net income/(expenses) from reinsurance contracts held		
Reinsurance expenses - contracts measured under the PAA	(809,737)	(673,210)
Effect of changes in the risk of reinsurers non-performance	125	(233)
Claims recovered	369,945	406,381
Recoveries of loss on recognition of underlying onerous contracts	5,496	8,413
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(100,869)	(32,941)
Total expenses from reinsurance contracts held	(535,040)	(291,590)
Total insurance service result	187,561	37,447

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14. INSURANCE CONTRACTS ISSUED

	<u>30 June 2025</u>				
	<u>Liability for Remaining Coverage (LRC)</u>		<u>Liability for incurred Claims (LIC)</u>		
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>RA</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance contract liabilities/assets as at 1 July 2024	394,248	16,650	565,319	54,460	1,030,677
Insurance Contract Liabilities as at 1 July 2024	457,945	16,650	524,369	48,215	1,047,179
Insurance Contract Assets as at 1 July 2024	(63,697)	-	40,950	6,245	(16,502)
Insurance revenue					
New contracts and contracts measured under the modified retrospective approach at transition	(2,402,784)	-	-	-	(2,402,784)
Insurance service expenses					
Incurring claims and other incurred insurance service expenses	-	(21,070)	1,544,789	39,716	1,563,435
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	(115,007)	(29,384)	(144,391)
Losses on onerous contracts and reversals of those losses	-	10,993	-	-	10,993
Insurance acquisition cash flows amortisation	250,146	-	-	-	250,146
Total insurance service expenses	250,146	(10,077)	1,429,782	10,332	1,680,183
Insurance service results	(2,152,638)	(10,077)	1,429,782	10,332	(722,601)
(a) Insurance finance income	-	-	16,101	-	16,101
Total amounts recognised in statement of comprehensive income	(2,152,638)	(10,077)	1,445,883	10,332	(706,500)
Cash flows					
Premiums received	2,462,857	-	-	-	2,462,857
Claims and other directly attributable expenses paid	-	-	(1,315,766)	-	(1,315,766)
Insurance acquisition cash flows paid	(283,712)	-	-	-	(283,712)
Total cash flows	2,179,145	-	(1,315,766)	-	863,379
Insurance contract liabilities/assets as at 30 June 2025	420,755	6,573	695,436	64,792	1,187,556
Insurance contract liabilities as at 30 June 2025	435,599	6,573	695,436	64,792	1,202,400
Insurance contract assets as at 30 June 2025	(14,844)	-	-	-	(14,844)
Insurance finance income/(expenses)from insurance contracts issued					2025
					Rs'000
Interest accreted to insurance contracts using locked in rate					18,584
Effect of changes in interest rates and other financial assumptions					(2,483)
Total insurance finance income/(expenses)from insurance contracts issued					16,101

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14. INSURANCE CONTRACTS ISSUED (CONTINUED)

	30 June 2024				
	<u>Liability for Remaining Coverage (LRC)</u>			<u>Liability for Incurred Claims (LIC)</u>	
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of present value of future cash flows</u>	<u>RA</u>	<u>Total</u>
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Insurance contract liabilities/assets as at 1 July 2023	319,895	-	465,606	42,668	828,169
Insurance Contract Liabilities as at 1 July 2023	331,988	-	465,318	42,648	839,954
Insurance Contract Assets as at 1 July 2023	(12,093)	-	288	20	(11,785)
Insurance revenue					
New contracts and contracts measured under the modified retrospective approach at transition	(1,880,602)	-	-	-	(1,880,602)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	(14,440)	1,281,311	54,460	1,321,331
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	13,205	(42,668)	(29,463)
Losses on onerous contracts and reversals of those losses	-	31,090	-	-	31,090
Insurance acquisition cash flows amortisation	228,607	-	-	-	228,607
Total insurance service expenses	228,607	16,650	1,294,516	11,792	1,551,565
Insurance service results	(1,651,995)	16,650	1,294,516	11,792	(329,037)
(a) Insurance finance (expenses)/ income	-	-	21,652	-	21,652
Total amounts recognised in statement of comprehensive income	(1,651,995)	16,650	1,316,168	11,792	(307,385)
Cash flows					
Premiums received	1,970,916	-	-	-	1,970,916
Claims and other directly attributable expenses paid	-	-	(1,216,455)	-	(1,216,455)
Insurance acquisition cash flows paid	(244,568)	-	-	-	(244,568)
Total cash flows	1,726,348	-	(1,216,455)	-	509,893
Insurance contract liabilities/assets as at 30 June 2024	394,248	16,650	565,319	54,460	1,030,677
Insurance contract liabilities as at 30 June 2024	457,945	16,650	524,369	48,215	1,047,179
Insurance contract assets as at 30 June 2024	(63,697)	-	40,950	6,245	(16,502)
Insurance finance income/(expenses) from insurance contracts issued					2024
					Rs'000
Interest accreted to insurance contracts using locked in rate					17,623
Effect of changes in interest rates and other financial assumptions					4,029
Total insurance finance income/(expenses) from insurance contracts issued					<u>21,652</u>

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15. REINSURANCE CONTRACTS HELD

Reconciliation of the remaining coverage and incurred claims

	<u>30 June 2025</u>				
	<u>Remaining Coverage Component (RCC)</u>			<u>Incurred claims</u>	
	Excluding loss recovery component Rs'000	Loss recovery component Rs'000	Present value of future cash flows Rs'000	Risk adjustment for non-financial risk Rs'000	Total Rs'000
Reinsurance contract assets/ liabilities as at 1 July 2024	(81,594)	(4,505)	(425,776)	(22,956)	(534,831)
Reinsurance contract assets as at 1 July 2024	(126,297)	(4,505)	(404,665)	(21,475)	(556,942)
Reinsurance contract liabilities as at 1 July 2024	44,703	-	(21,111)	(1,481)	22,111
Net (income)/expenses from reinsurance contracts held					
Reinsurance expenses	809,737	-	-	-	809,737
Incurred claims recovery	-	6,715	(362,200)	(14,460)	(369,945)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	95,520	5,349	100,869
Recoveries of loss on recognition of underlying onerous contracts	-	(5,496)	-	-	(5,496)
Effect of changes in non-performance risk of reinsurers	-	-	(125)	-	(125)
Net (income)/expenses from reinsurance contracts held	809,737	1,219	(266,805)	(9,111)	535,040
(a) Reinsurance finance income/(expenses)	-	-	(10,928)	-	(10,928)
Total amounts recognised in comprehensive income	809,737	1,219	(277,733)	(9,111)	524,112
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(831,986)	-	-	-	(831,986)
Recoveries from reinsurance	-	-	297,067	-	297,067
Total cash flows	(831,986)	-	297,067	-	(534,919)
Reinsurance contract assets/ liabilities as at 30 June 2025	(103,843)	(3,286)	(406,442)	(32,067)	(545,638)
Reinsurance contract assets as at 30 June 2025	(191,107)	(3,286)	(371,333)	(28,568)	(594,294)
Reinsurance contract liabilities as at 30 June 2025	87,264	-	(35,110)	(3,498)	48,656
Reinsurance finance income/(expenses) from reinsurance contracts held					2025
Interest accreted to reinsurance contracts using locked in rate					Rs'000
Interest accreted to reinsurance contracts using locked in rate					(12,441)
Effect of changes in interest rates and other financial assumptions					1,513
Total reinsurance finance income/(expenses) from reinsurance contracts held					(10,928)

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15. **REINSURANCE CONTRACTS HELD (CONTINUED)**

Reconciliation of the remaining coverage and incurred claims (Continued)

30 June 2024

	<u>Remaining Coverage Component (RCC)</u>		<u>Incurred claims</u>		Total Rs'000
	Excluding loss recovery component Rs'000	Loss recovery component Rs'000	Present value of future cash flows Rs'000	Risk adjustment for non-financial risk Rs'000	
Reinsurance contracts held					
Reinsurance contract assets/ liabilities as at 1 July 2023	(79,788)	-	(323,412)	(15,134)	(418,334)
Reinsurance contract assets as at 1 July 2023	(91,811)	-	(323,269)	(15,129)	(430,209)
Reinsurance contract liabilities as at 1 July 2023	12,023	-	(143)	(5)	11,875
Net (income)/expenses from reinsurance contracts held					
Reinsurance expenses	673,210	-	-	-	673,210
Incurred claims recovery	-	3,908	(387,333)	(22,956)	(406,381)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	17,807	15,134	32,941
Recoveries of loss on recognition of underlying onerous contracts	-	(8,413)	-	-	(8,413)
Effect of changes in non-performance risk of reinsurers	-	-	233	-	233
Net (income)/expenses from reinsurance contracts held	673,210	(4,505)	(369,293)	(7,822)	291,590
(a) Reinsurance finance income/(expenses)	-	-	(13,613)	-	(13,613)
Total amounts recognised in comprehensive income	673,210	(4,505)	(382,906)	(7,822)	277,977
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(675,016)	-	-	-	(675,016)
Recoveries from reinsurance	-	-	280,542	-	280,542
Total cash flows	(675,016)	-	280,542	-	(394,474)
Reinsurance contract assets/ liabilities as at 30 June 2024	(81,594)	(4,505)	(425,776)	(22,956)	(534,831)
Reinsurance contract assets as at 30 June 2024	(126,297)	(4,505)	(404,665)	(21,475)	(556,942)
Reinsurance contract liabilities as at 30 June 2024	44,703	-	(21,111)	(1,481)	22,111

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15. REINSURANCE CONTRACTS HELD (CONTINUED)

Reconciliation of the remaining coverage and Incurred claims (Continued)

Reinsurance finance income/(expenses)from reinsurance contracts held	2025	2024
	Rs'000	Rs'000
Interest accreted to reinsurance contracts using locked in rate	(12,441)	(10,489)
Effect of changes in interest rates and other financial assumptions	1,513	(3,124)
Total reinsurance finance income/(expenses)from reinsurance contracts held	<u>(10,928)</u>	<u>(13,613)</u>

16. TAXATION

Income tax

Income tax is calculated at the rate of 19% (2024: 17%) on the profit for the year as adjusted for income tax purposes.

(a) Statement of financial position

	2025	2024
	Rs'000	Rs'000
At 01 July	3,549	2,690
Income tax charge for the year (note 16(b))	29,960	13,985
Under provision of income tax	-	77
CSR paid during the year	(1,543)	(516)
Tax paid during the year	(9,778)	(12,687)
At 30 June	<u>22,188</u>	<u>3,549</u>
Analysed as follows:		
Current tax liabilities	<u>22,188</u>	<u>3,549</u>

(b) Statement of profit or loss

	2025	2024
	Rs'000	Rs'000
Current tax expense	29,960	13,985
Under provision of income tax	-	77
Deferred tax (note 11)	562	325
	<u>30,522</u>	<u>14,387</u>

Tax reconciliation

	2025	2024
	Rs'000	Rs'000
Profit before taxation	<u>179,829</u>	<u>83,975</u>
Impact of adopting IFRS 17	-	(9,897)
Tax calculated at 19% (2024: 17%)	34,168	12,593
CSR	1,543	516
Income not subject to tax	(16,714)	(589)
Expenses not deductible for tax purposes	11,525	1,790
Under provision in previous year	-	77
Tax charge	<u>30,522</u>	<u>14,387</u>

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17. OTHER PAYABLES

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Other payables and accruals	85,993	67,201
Amount due to holding company	275	10,268
	<u>86,268</u>	<u>77,469</u>

The above amounts payable are interest free, unsecured and repayable at their stated maturities (note 4.3). The carrying amounts of trade and other payables approximate their fair values.

18. DIVIDEND PAYABLE

Dividend of Rs 37,326,870 (Rs 149.31 per share) has been proposed for the current financial year ended 30 June 2025 (2024- Rs 17,397,252 / Rs 69.59 per share).

19. STATED CAPITAL

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Issued and fully paid		
250,000 ordinary shares at no par value	<u>25,000</u>	<u>25,000</u>

Pursuant to section 8 "Restriction on Composite Insurance Business" of the Insurance Act 2005, the Shareholders of State Insurance Company of Mauritius Ltd, by a resolution dated 13th of April 2010, resolved to incorporate a wholly-owned subsidiary company, SICOM General Insurance Ltd, to transact Short Term Business only. The Company has one class of ordinary no par value shares, which carries a right to vote and a right to dividend.

20. RESERVES

Reserves represent retained earnings, accumulated gains and losses arising on revaluation of financial assets at FVOCI that have been recognised in Other Comprehensive Income (OCI) and the cumulative remeasurement of defined benefit obligations recognised in OCI.

21. SUBORDINATED LOAN

All the assets and liabilities of the General Insurance Business of State Insurance Company of Mauritius Ltd, the holding company, were transferred to SICOM General Insurance Ltd on 01 July 2010. The accumulated reserves were converted into share capital and the remaining as subordinated loan which is unsecured and interest free. The loan is considered as quasi-equity. The loan does not carry any obligation to repay cash or another financial asset to the holder.

22. PENSION BENEFIT OBLIGATIONS

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Defined Benefit plan (Note 22 (a))	162,524	190,183
Guaranteed Pension plan (Note 22 (b))	<u>22,925</u>	<u>22,040</u>
	<u>185,449</u>	<u>212,223</u>

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22. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan

- (i) The Company operates a defined benefit pension plan which is fully funded. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at 30 June 2025 by QED Actuaries and Consultants (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- (ii) The amounts recognised in the statement of financial position are as follows:

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Present value of funded obligations	444,277	440,486
Fair value of plan assets	<u>(281,753)</u>	<u>(250,303)</u>
Liability recognised in the statement of financial position	<u><u>162,524</u></u>	<u><u>190,183</u></u>

The movement of amounts recognised in the statement of financial position are as follows:

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
At 01 July	190,183	205,647
Profit or loss charge	17,958	19,635
Other comprehensive income charge	<u>(20,452)</u>	<u>(9,831)</u>
Contributions paid	<u>(25,165)</u>	<u>(25,268)</u>
At 30 June	<u><u>162,524</u></u>	<u><u>190,183</u></u>

- (iii) The movement in the defined benefit obligations over the year is as follows:

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
At 01 July	440,486	431,429
Current service cost	7,433	7,529
Administration Expenses	<u>(211)</u>	<u>(273)</u>
Risk Premiums	<u>(321)</u>	<u>(316)</u>
Employee contributions	3,008	3,049
Interest expense	24,957	25,758
Benefits paid	<u>(17,366)</u>	<u>(24,238)</u>
Liability experience gains	2,651	2,926
Actuarial gains on economic assumptions	<u>(16,360)</u>	<u>(5,378)</u>
At 30 June	<u><u>444,277</u></u>	<u><u>440,486</u></u>

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22. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

	<u>2025</u>	2024
	<u>Rs'000</u>	Rs'000
(iv) Split of Defined Benefit Obligation		
Actives	284,620	276,242
Pensioners	157,437	162,143
Deferred Pensioners	369	349
Benefits due	1,851	1,752
At 30 June	<u>444,277</u>	<u>440,486</u>

(v) The movement in the fair value of plan assets of the year is as follows:

	<u>2025</u>	2024
	<u>Rs'000</u>	Rs'000
At 01 July	250,303	225,782
Interest income on plan assets	14,432	13,652
Administration expenses	(211)	(273)
Risk premiums	(321)	(316)
Employer contributions	25,165	25,268
Employee contributions	3,008	3,049
Benefits paid	(17,366)	(24,238)
Actuarial Losses on Plan Assets	6,743	7,379
At 30 June	<u>281,753</u>	<u>250,303</u>

(vi) The amounts recognised in profit or loss are as follows:

	<u>2025</u>	2024
	<u>Rs'000</u>	Rs'000
Current service cost	7,433	7,529
Net interest on net defined benefit liabilities	10,525	12,106
Total included in "employee benefit expense" (note 22(a))	<u>17,958</u>	<u>19,635</u>
Actual return on plan assets	<u>21,175</u>	<u>21,031</u>

(vii) The amounts recognised in Other Comprehensive Income are as follows:

	<u>2025</u>	2024
	<u>Rs'000</u>	Rs'000
Return on plan assets below interest income	(6,743)	(7,379)
Liability experience loss	2,651	2,926
Liability loss due to change in economic assumptions	<u>(16,360)</u>	<u>(5,378)</u>
	<u>(20,452)</u>	<u>(9,831)</u>

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22. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

(viii) The fair value of the plan assets at the end of the reporting period for each category are as follows:

	2025	2024
	Rs'000	Rs'000
Equity - local quoted	43,165	33,415
Equity - local unquoted	2,987	3,179
Debt - local quoted	2,592	2,803
Debt - local unquoted	122,788	121,122
Investment Funds	90,724	77,168
Property - local	1,437	1,252
Loans and advances	8,763	7,584
Cash and others	7,326	3,780
Total	279,782	250,303

(ix) Principal actuarial assumptions at end of period for Defined benefit plan.

	2025	2024
	%	%
Discount rate	6.10	5.65
Salary increase rate	4.00	3.50
Pension increase rate	3.50	3.50
Inflation rate	3.50	3.50
Average retirement age (ARA) (years)	65	65
Average life expectancy for:		
-Male at ARA	16.0	16.0
-Female at ARA	19.1	19.1

(x) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	2025		2024	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate (1% movement)	64,449	76,222	65,814	78,241
Salaries assumptions (1% movement)	24,896	23,106	27,490	25,232
Pension assumptions (1% movement)	50,460	45,052	49,662	44,180

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit plan (Continued)

- (x) Sensitivity analysis on defined benefit obligations at end of the reporting date (Continued)

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- (xi) The risks to the Company in respect of the benefits are summarised and described below:

- Inflation risk: if salary increases are significantly higher than assumed;
- Longevity risk: if actual post-retirement mortality is lower than assumed;
- Administrative risk: if the data provided in respect of the employees or benefits is incomplete or incorrect;
- Exclusion risk: the risk of discontent of employees who are ineligible for these benefits;
- Investment risk: the risk that the return earned by plan assets is lower than expected; and
- Default risk: The risk of default on the instruments underpinning the plan assets.

- (xii) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

- (xiii) The Company expects to pay Rs 43,110,000 in contributions to its post-employment benefit plans for the year ending 30 June 2026 (2025: Rs 25,534,000).

- (xiv) The weighted average duration of the defined benefit obligation is 18 years at the end of the reporting period (2024: 18 years).

(b) Guaranteed pension plan

- (i) In 2016, the Salary Report of SICOM Group introduced the following benefits:

- (a) A guaranteed pension of 12.5 years in case of death for employees before retirement, current pensioners and for active members who will retire in future; and
- (b) Additional pensions for employees who left on Voluntary Retirement Scheme.

The benefit is a defined benefit scheme which is wholly unfunded.

As per the requirement of the IAS 19 (Employee Benefits) accounting standard, the liability in respect of these benefit improvements are being recognised in the Financial Statements.

- (ii) The movements in the statement of financial position are as follows:

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Present value of unfunded obligations	<u>22,925</u>	<u>22,040</u>
Liability in the statement of financial position	<u><u>22,925</u></u>	<u><u>22,040</u></u>

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(b) Guaranteed pension plan (Continued)

	2025	2024
	Rs'000	Rs'000
At 1 July	22,040	22,164
Profit or loss charge	1,840	1,943
Other comprehensive income charge	(616)	(1,807)
Contributions paid	(339)	(260)
At 30 June	22,925	22,040
(iii) The movement in the defined benefit obligations over the year is as follows:	2025	2024
	Rs'000	Rs'000
At 01 July	22,040	22,164
Current service cost	573	586
Interest expense	1,267	1,357
Benefits paid	(339)	(260)
Liability experience loss	179	(1,469)
Liability loss due to change in financial assumption	(795)	(338)
At 30 June	22,925	22,040
	2025	2024
	Rs'000	Rs'000
(iv) Split of Defined Benefit Obligation:		
Actives Guarantee	16,753	16,335
Pensioners Guarantee	2,900	3,283
Additional Pensions	3,272	2,422
At 30 June	22,925	22,040
	2025	2024
	Rs'000	Rs'000
(v) The amounts recognised in profit or loss are as follows:		
Current service cost	573	586
Net interest on net defined benefit liabilities	1,267	1,357
Total included in "employee benefit expense"	1,840	1,943
	2025	2024
	Rs'000	Rs'000
(vi) The amounts recognised in the defined benefit obligations in Other Comprehensive Income (OCI):		
Liability experience loss	179	(1,469)
Liability loss due to change in economic assumptions	(795)	(338)
	(616)	(1,807)

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. PENSION BENEFIT OBLIGATIONS (CONTINUED)

(b) Guaranteed pension plan (Continued)

(vii) Principal actuarial assumptions at end of period for Guaranteed pension plan

	<u>2025</u>	<u>2024</u>
	%	%
Discount rate	6.10	5.65
Salary Increase rate	4.00	3.50
Inflation rate	3.50	3.50
Pension Increase rate	3.50	3.50
Average retirement age (ARA) (years)	65	65
Average life expectancy for:		
-Male at ARA	16.0	16.0
-Female at ARA	19.1	19.1

(viii) Sensitivity analysis on Guaranteed pension plan at end of the reporting date:

	<u>2025</u>		<u>2024</u>	
	Increase Rs'000	Decrease Rs'000	Increase Rs'000	Decrease Rs'000
Discount rate (1% movement)	3,367	4,006	3,265	3,899
Salaries assumptions (1% movement)	1,714	1,594	1,779	1,640
Pension assumptions (1% movement)	2,459	2,226	2,345	2,118

(c) Defined contribution plan

The Company also operates a defined contribution pension plan.

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Contribution for the year	2,175	2,026

23. INVESTMENT INCOME

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Interest income using effective interest rate	56,765	44,957
Dividend income	2,816	2,418
	<u>59,581</u>	<u>47,375</u>

24. OTHER INCOME/ (EXPENSES)

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Exchange (loss)/ gain	(8,536)	3,431
Others	4,539	6,722
	<u>(3,997)</u>	<u>10,153</u>

The net exchange loss arise mainly on deposits, insurance and other receivables. The others relate mainly to stale cheques credited back and miscellaneous receipts.

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

25. REVENUE FROM CONTRACT WITH CUSTOMERS

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Breakdown of revenue from contract with customers		
Management fee income	<u>360</u>	<u>350</u>

Revenue from management services are recognised over time.

Management fees are received from Managed Medical Fund for managing the assets backing this Fund.

26. ADMINISTRATIVE EXPENSES

(a) Employees benefit expenses

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Wages and salaries, including termination benefits	115,059	124,249
Social security costs	669	623
Pension cost - defined benefit plan (note 22(a))	17,958	19,635
Pension cost - guaranteed pension plan (note 22(b)(v))	1,840	1,943
Pension cost - defined contribution plan (note 22(c))	2,175	2,026
	<u>137,701</u>	<u>148,476</u>

(b) Non attributable expenses

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Audit fees	2,043	3,782
Advertising & Sponsorship	10	579
Directors' and Secretary's Fee	1,588	3,833
Entertainment Expenditure	85	200
Training	442	1,239
Subscription fees	724	604
Rent, Rates & Licenses	224	168
Professional fees	1,388	3,816
Provision for Bad Debts	1,380	1,548
VRS Benefits	12,804	4,054
Management fees	10,863	9,482
Other expenses	7,147	388
	<u>38,698</u>	<u>29,693</u>

27. MANAGED MEDICAL FUND

The financial statements of the Company exclude the net assets of the Managed Medical Fund amounting to Rs 2,643,924 (2024: Rs 2,884,165) as the assets backing this fund do not belong to the Company.

28. CAPITAL COMMITMENTS

Capital expenditure contracted for at reporting date, but not yet incurred is as follows:

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Computer Software	<u>241</u>	<u>298</u>

29. HOLDING COMPANY

The Directors regard the State Insurance Company of Mauritius Ltd, a Company incorporated in Mauritius, as the Holding Company.

SICOM GENERAL INSURANCE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

30. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
(i) Holding Company		
Pension contribution payable	9,680	9,650
Rent payable	13,021	11,118
Other contributions payable	1,147	1,189
Management fees payable	10,870	9,486
Support service cost payable	69,825	79,935
Dividend payable	37,327	17,397
Premium and contribution receivable	<u>19,535</u>	<u>24,232</u>

(ii) Key management personnel (including Directors) of the Company

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Premium receivable	377	307
Salaries and other short term benefits	<u>16,005</u>	<u>19,108</u>

(iii) Key management personnel (including Directors) of the Holding Company

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
Premium receivable	<u>1,205</u>	<u>783</u>

(b) Outstanding balances with related parties

	<u>2025</u>	<u>2024</u>
	Rs'000	Rs'000
(i) Holding company		
Support service cost to Holding Company	(275)	(10,270)
Management fees due to Holding Company	(1,067)	(829)
Amount due from Holding Company	2,163	227
Capital expenditure and other expenses due to Holding Company	(277)	(325)
Dividend payable	(37,327)	(17,397)
Premium receivable	<u>1,329</u>	<u>2,542</u>

(ii) Key management personnel (including Directors) of the Company

Premium receivable	<u>377</u>	<u>307</u>
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(iii) Key management personnel (including Directors) of the Holding Company

Premium receivable	<u>217</u>	<u>91</u>
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30. RELATED PARTY DISCLOSURES (CONTINUED)

Terms and conditions of transactions with the related parties

The transactions from related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free except for loan granted to key management personnel (including directors) and settlement occur in cash. There have been no guarantees provided or received for any related party receivables and payables. At each financial year end, an assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates.

31. EVENTS AFTER THE REPORTING PERIOD

The following subsequent events were noted for the Company which did not result in any adjustment to the figures as at reporting date:

Subsequent to the reporting period, the Government of Mauritius introduced the Alternative Minimum Tax (AMT) and the Fair Share Contribution (FSC) under the Finance Act 2025. The AMT mandates certain companies to pay a minimum tax of 10% on adjusted book profits where their regular tax liability is lower. The FSC applies to companies with chargeable income exceeding MUR 24 million, at a rate of 5% on their chargeable income. These developments are non-adjusting events and may affect the Company's future tax obligations and financial position.

32. DISCLOSURE ON POTENTIAL VAT LIABILITY

On 3 October 2024, the Mauritius Revenue Authority (MRA) issued a letter asserting that, based on their interpretation, the Company's sales of Insured's damaged vehicles constitute taxable supplies. The MRA indicated that these sales have exceeded the VAT registration threshold, resulting in compulsory VAT registration.

In response, the Company, has contested this interpretation. It argued that the sale of salvage vehicles involves subrogation rather than ownership rights, and that such sales, conducted as part of claims settlements, should not be classified as taxable supplies under the VAT Act 1998.

Following legal advice, SICOM General Insurance has assessed that the probability of settlement in favor of the MRA is low. Consequently, no provision has been made in the financial statements for this matter as of the reporting date. As per the assessment procedure, an objection has been filed with the ARC.

33. GOING CONCERN

The directors and management have made an assessment of the Company's ability to continue as a going concern and are satisfied that 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 Company's ability to continue as a going concern. Hence, the financial statements continue to be prepared on the going concern basis.

34. LIQUIDITY RISK

The liquidity position of the Company has remained strong as at 30 June 2025. Based on the projected business operations, interest income, dividend income, maturing investments over the next one year, Management does not expect any liquidity concerns in the foreseeable future.

STATUTORY DISCLOSURES FOR THE YEAR ENDED 30 JUNE 2025

(Pursuant to Section 221 of the Companies Act 2001)

Principal Activities

The Company is mainly engaged in General Insurance business.

Directors

The Directors of SICOM General Insurance Ltd during the financial year 2024-2025 were as follows:

Nureshkumar Prayag (Director as from 16 May 2025 and Chairperson as from 23 May 2025)

Karuna G.Bhoojedhur-Obeegadoo (Director and Chairperson up to 18 November 2024)

Nandita Ramdewar (Group CEO)

Surendranath Ancharaz (up to 28 August 2025)

Mohammad Junaid Sairally (as from 16 May 2025)

Girshan Jheelan (as from 16 May 2025)

Hansraj Panchoo (as from 16 May 2025)

Mohammad Riad Shamimuddin Fuzurally (as from 6 June 2025)

Yasheel Kumar Aukhojee (Dr) (up to 15 November 2024)

Anandjaye Chummun (up to 22 November 2024)

Chandrek Dussoye (SIC Representative up to 30 December 2024)

Vinod Kumar Koonjoo (up to 28 October 2024)

José Moonien (up to 18 November 2024)

Dharmanand Ramkallawon (up to 15 November 2024)

Chandradeo Dabeea (up to 18 November 2024)

Directors' Service Contracts

The Executive Directors have service contracts with the Parent Company without expiry date.

Directors' Emoluments

The total remuneration and benefits for the directors of the Company were as follows:

Non-Executive		Executive	
2025	2024	2025	2024
Rs'000	Rs'000	Rs'000	Rs'000
1,473	3,718	4,686	5,060

The remuneration as mentioned above, received by the Directors during the financial year they held office were as follows: K G Bhoojedhur-Obeegadoo (Non-Executive Chairperson, Rs 175,817), C Dussoye (Independent Director and SIC Representative Rs 223,850), V K Koonjoo (Independent Director, Rs 150,040), A Chummun (Independent Director, Rs 176,297), Dr Y K Aukhojee (Independent Director, Rs 167,545), S Ancharaz (Executive Director, Rs 3,843,030 as emoluments and Rs 843,634 as pension related contributions made by the Company and other benefits), J Moonien (Independent Director, Rs 171,296), C Dabeea (Non-Executive Director, Rs 125,583), D Ramkallawon (Independent Director, Rs 167,545).

Mr N Prayag (appointed on 16/05/2025 – Rs 44,742), Mr M J Sairally (appointed on 16/05/2025 – Rs 19,710), Mr G Jheelan (appointed on 16/05/2025 - Rs 19,710), Mr H Panchoo (appointed on 16/05/2025 – Rs 19,710) and Mr M R S Fuzurally (appointed on 06/06/2025 – Rs 10,833).

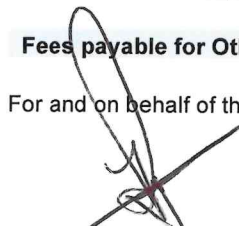
The Executive Directors do not receive directors' fees.

Audit fees:

The fees payable to the auditors for audit and other services were:

	2025	2024
	Rs'000	Rs'000
Deloitte		
Audit fees payable	2,042	3,782
Review of tax computation	136	129
Fees payable for Other Services	228	240

For and on behalf of the Board of Directors


PRAYAG Nureshkumar
Chairperson


FUZURALLY Mohammad Riad Shamimuddin
Director

Date: 15 October 2025



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