



INTEGRATED  
REPORT  
2025

*Celebrating* **50** Years  
ANNIVERSARY



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# ABOUT OUR REPORT

The Board of Directors of SICOM Group (SICOM) is proud to present its Annual Integrated Report for the year ended 30 June 2025. This year marks a significant milestone as we celebrate our Golden Jubilee, commemorating 50 years of partnership with Mauritius as a financial ally. Having successfully delivered on our 2022-2025 strategic plan, which focused on revenue growth, optimising operational efficiency and cost structures, accelerating our digitalisation journey and advancing our sustainability agenda, we are now in the process of outlining a comprehensive strategic orientation for the next three years.

The overall purpose of this document is to share insights into SICOM's value-creation process. This year's theme reflects on our achievements since our inception in 1975 while paving the way for a future defined by innovation, growth and sustainable success.

SICOM's Integrated Report encompasses the importance placed on our stakeholders – employees, customers, shareholders, suppliers and society at large – by integrating their perspectives into all our decision-making processes. Through this vital communication tool, we aim to elaborate on how the Group creates value over time.

## BOARD RESPONSIBILITY

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

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

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

## REPORTING FRAMEWORKS

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

This is a non-exhaustive list.

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

As part of our ongoing commitment to reducing our carbon footprint, this Integrated Report is made available on SICOM Group's website: [www.sicom.mu](http://www.sicom.mu)

## REPORTING SCOPE AND BOUNDARIES

This report covers the financial performance and activities of SICOM Group for the financial year from 1 July 2024 to 30 June 2025, along with any material updates until the date of issue. It provides an overview of our strategy, business model, operating context, approach to risk management, governance and activities aimed at creating value for the Group.

## ASSURANCE

Management has produced the information contained in this report and ensured the accuracy of the reporting, with the Board and its subcommittees providing oversight. This report has also been vetted by our External Auditors, Deloitte Mauritius, who have issued a clean audit opinion.

## MATERIALITY

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

## FORWARD-LOOKING STATEMENTS

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

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

# ABBREVIATIONS & ACRONYMS

|                |  |
|----------------|--|
| <b>AI</b>      | Artificial intelligence                                    |
| <b>AML/CFT</b> | Anti-Money Laundering/Combating the Financing of Terrorism |
| <b>ANFEN</b>   | Adolescent Non-Formal Education Network                    |
| <b>CAGR</b>    | Compound Annual Growth Rate                                |
| <b>CIS</b>     | Collective Investment Scheme                               |
| <b>CSR</b>     | Corporate Social Responsibility                            |
| <b>CX/UX</b>   | Customer Experience/User Experience                        |
| <b>DMS</b>     | Document Management System                                 |
| <b>DXP</b>     | Digital Experience Platform                                |
| <b>EoC</b>     | Employer of Choice   |
| <b>ERMF</b>    | Enterprise Risk Management Framework                       |
| <b>ESG</b>     | Environmental, Social and Governance                       |
| <b>EVP</b>     | Employer Value Proposition                                 |
| <b>FSC</b>     | Financial Services Commission                              |
| <b>FVTPL</b>   | Fair Value Through Profit and Loss                         |
| <b>FY</b>      | Financial Year   |
| <b>GDP</b>     | Gross Domestic Product                                     |
| <b>GRI</b>     | Global Reporting Initiative                                |
| <b>IFRS</b>    | International Financial Reporting Standards                |
| <b>LED</b>     | Light-Emitting Diode                                       |

|               |  |
|---------------|--|
| <b>LP</b>     | Limited Partner                                      |
| <b>MCR</b>    | Minimum Capital Requirement                          |
| <b>MITD</b>   | Mauritius Institute of Training and Development      |
| <b>MQA</b>    | Mauritius Qualifications Authority                   |
| <b>NGO</b>    | Non-Governmental Organisation                        |
| <b>ORSA</b>   | Own Risk and Solvency Assessment                     |
| <b>PIE</b>    | Public Interest Entity                               |
| <b>RMP</b>    | Risk Management Process                              |
| <b>ROE</b>    | Return on Equity                                     |
| <b>SFSL</b>   | SICOM Financial Services Ltd                         |
| <b>SGIN</b>   | SICOM General Insurance Ltd                          |
| <b>SGFL</b>   | SICOM Global Fund Limited                            |
| <b>SICOM</b>  | State Insurance Company of Mauritius Ltd             |
| <b>SML</b>    | SICOM Management Limited                             |
| <b>SPPPF</b>  | SICOM Pooled Private Pension Fund                    |
| <b>UNGC</b>   | United Nations Global Compact                        |
| <b>UN PRI</b> | United Nations Principles for Responsible Investment |
| <b>UN SDG</b> | United Nations Sustainable Development Goal          |
| <b>VPN</b>    | Virtual Private Network                              |



# NAVIGATING OUR REPORT

## OUR STAKEHOLDERS

-  CUSTOMERS (INDIVIDUAL AND CORPORATE)
-  SHAREHOLDERS
-  EMPLOYEES
-  BUSINESS PARTNERS
-  INTERMEDIARIES
-  GOVERNMENT AND REGULATORS
-  COMMUNITY
-  ENVIRONMENT

## OUR CAPITALS

-  NATURAL CAPITAL
-  HUMAN CAPITAL
-  INTELLECTUAL CAPITAL
-  FINANCIAL CAPITAL
-  MANUFACTURED CAPITAL
-  SOCIAL CAPITAL

## OUR BUSINESS VERTICALS

-  LIFE INSURANCE
-  GENERAL INSURANCE
-  PENSIONS
-  INVESTMENT
-  FINANCIAL SERVICES
-  ACTUARIAL
-  PROPERTY

### NAVIGATING MENU



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# ABOUT SICOM GROUP

## WHO ARE WE?

As a leading insurance and financial services provider in Mauritius, SICOM Group has built a strong legacy of trust, resilience and innovation spanning over five decades.

Through comprehensive business lines, our Group has been committed to protecting what matters most to Mauritians. Over the past three years, we have successfully delivered on our **2022-2025 Strategic Plan** themed:

**“CONSOLIDATION, EXECUTION & SUSTAINABILITY.”**

## OUR BUSINESS LINES



### GROUP PENSION ADMINISTRATION

Administration of pensions for both public and private companies



### GENERAL INSURANCE

Motor, property and commercial coverage



### LIFE & HEALTH INSURANCE

Family protection and health solutions



### INVESTMENT MANAGEMENT

Investment Management, Investment Advisory and Trustee services



### PROPERTY DEVELOPMENT

Real estate and development projects



### FINANCIAL SERVICES

Loans, leasing and deposit-taking



## SICOM: A LEADER IN MAURITIUS

### TOTAL ASSETS

MUR **30.4**BN

### INVESTMENTS MANAGED

MUR **86.8**BN

### BUSINESS CLUSTERS

**6**

### YEARS OF SERVICE

**50**

## MARKET POSITION



**AAA CREDIT RATING**  
by CARE Ratings Africa



Among the **TOP 3**  
Insurance providers in Mauritius



**STRONG CAPITAL ADEQUACY**  
above regulatory requirements



**TRUSTED PARTNER**  
with over 170,000 customer accounts



# OUR PURPOSE AND STRATEGIC INTENT

## OUR PURPOSE

“PROTECTING WHAT MATTERS MOST WHILE BUILDING A SUSTAINABLE FUTURE FOR MAURITIUS.”

## OUR FOUNDATION

This purpose drives everything we do, including developing innovative insurance products, customising our pricing to meet evolving customer needs and investing in sustainable projects that benefit our island nation.

We believe that true success comes from creating value not just for our shareholders, but for all our stakeholders and the broader Mauritian community.



TRUST & RELIABILITY



SUSTAINABILITY FOCUS



INNOVATION & EXCELLENCE



COMMUNITY PARTNERSHIP

## CREDIT RATING

# AAA

by CARE Ratings



In August 2025, SICOM Group’s AAA rating was reaffirmed by CARE Ratings (Africa) Private Limited, a leading regional rating agency renowned for assessing the majority of Mauritius’ blue-chip companies. This reaffirmation underscores the Group’s strong financial position, high degree of safety in meeting obligations, and exceptionally low credit risk. SICOM remains the first insurance company in Mauritius to achieve this prestigious grade and only the second local company to hold a triple-A rating, reflecting its enduring financial strength and reputation for excellence.



# OUR PURPOSE AND STRATEGIC INTENT (CONTINUED)



## OUR STRATEGIC POSITION

SICOM Group stands as a pillar of the Mauritian financial services sector, with deep roots in the country, with one of the biggest market share in the insurance sector and the leader in Pension Fund Administration and Management.

- ✔ Successfully delivered “Consolidation, Execution & Sustainability” strategy

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- ✔ Achieved digital transformation across all business lines

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- ✔ Strengthened governance and risk management frameworks

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- ✔ Integrated sustainability principles into business operations

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- ✔ Maintained strong financial performance and market leadership

## OUR ESG PARTNERSHIPS

The Group's engagement towards sustainable development is brought forward by its recent pledge to adhere to local and international agreements such as the UN-PRI, UN Global Compact and SigneNatir. Sustainability and ESG initiatives are also high on the company's agenda to reframe SICOM's set of standards for a behavioural pattern that promotes socially conscious endeavours.



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



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



Our commitment extends to the United Nations Principles of Responsible Investment ("UN PRI") as we assume the role of a signatory. We are the first insurance company to be a member of the UNPRI, effective June 2023. This global initiative encourages investment practices aligned with ESG considerations to promote sustainable and responsible financial outcomes. Our unwavering dedication lies in upholding all six guiding principles, a testament to our resolute mission of aligning our investments with sustainable and ethical values.



We have joined SigneNatir, a dynamic community initiative led by Business Mauritius to strengthen our island's dedication to its people and the environment. In collaboration with SigneNatir, Business Mauritius has identified five crucial priority areas, pivotal for the advancement of a sustainable and inclusive Mauritius. Through our affiliation, we are committed to aligning with these areas, fostering positive change, and contributing to our country's progress and well-being.





# OUR PROMISE



## MISSION



At **SICOM**, our commitment to customer satisfaction runs deep in our DNA. Our success lies, in part, in our long history of going beyond the immediate needs of all Mauritians who put their trust in us. Our focus on high-quality, competitive products and excellent customer care is an ongoing journey, fuelled by our passion to surpass expectations.

## OBJECTIVES



- Provide a customer journey centred on excellence
- Actively listen and respond to new customer needs
- Increase market share
- Maximise profit and shareholder returns
- Invest in effective staff and agents
- Identify diversification opportunities

## SHARED VALUES



- **Our Customers:** The focus of all our actions
- **Our Employees:** The source of our success
- **Our Products and Services:** Competitive and first-class solutions
- **Our Commitment:** Innovation and Teamwork
- **Our Community:** Supporting development



# OUR PROMISE (CONTINUED)

## UNLOCKING VALUE

### PARTNERSHIPS & STRATEGIC ALLIANCES

- Formed a strategic alliance to expand our footprint in the leasing market.
- Collaborated with a leading bank to broaden access to International medical insurance offerings.
- Explored new opportunities in the real estate and silver economy sector.

### DIVERSIFYING OUR OFFERING

- New business under Investment Advisory, medical insurance, pensions, leasing and property lines of business.
- Launched the wellness insurance product.
- Boosted sales of MaxInvest (unit-linked).

### ENHANCING OUR CUSTOMER SERVICE AND EXPERIENCE

- Implemented a new lead management system.
- Improved branch service efficiency and proactivity.
- Group Medical portals launched.

### UNLOCKING POTENTIAL, TOGETHER

- Attracting and retaining top talent, enhancing team capabilities and cultivating a culture of excellence.

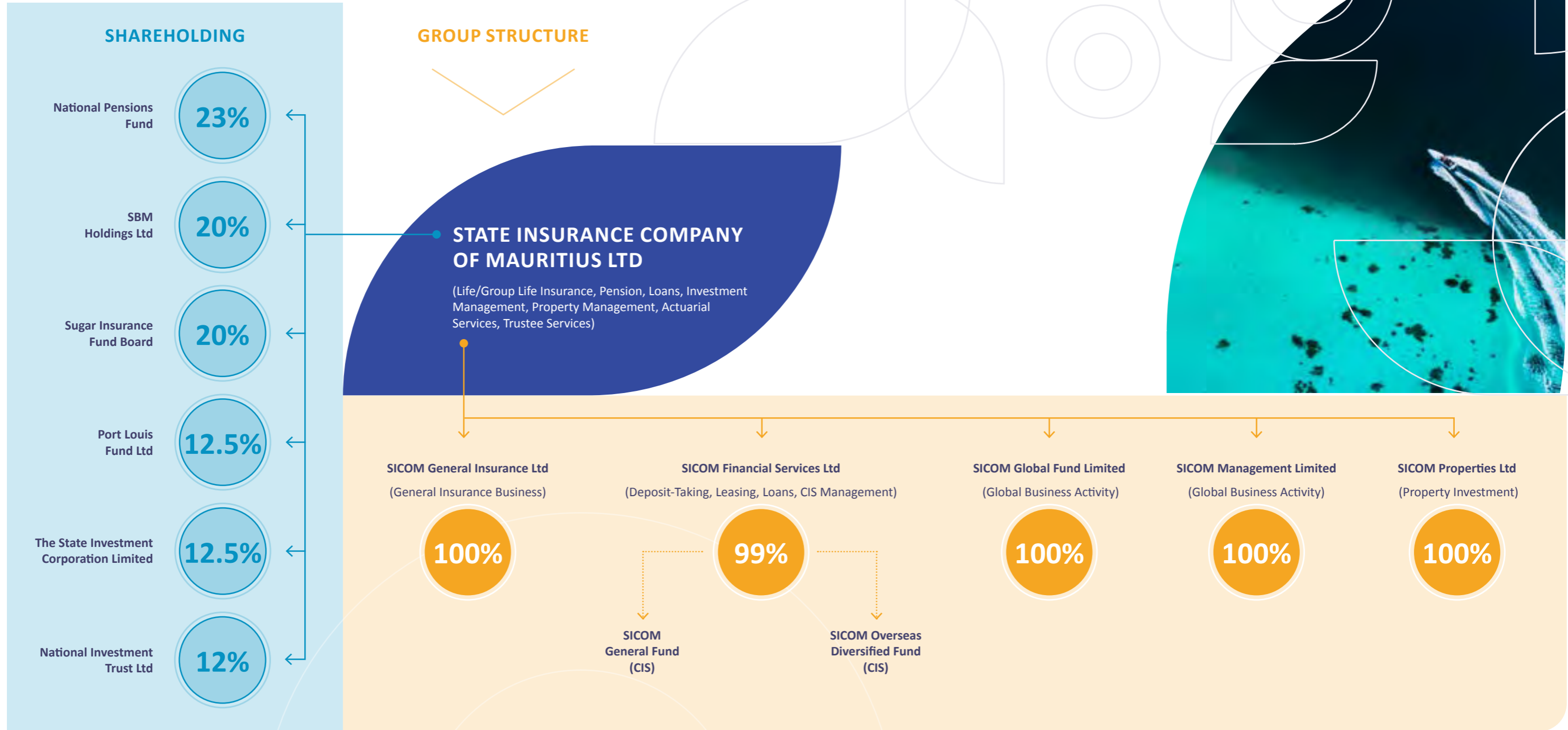
### PRUDENT AND FORWARD-LOOKING CAPITAL MANAGEMENT

- Disciplined execution and reinvestment to drive long-term growth.
- ESG scoring framework for investment.





# SHAREHOLDING & GROUP STRUCTURE





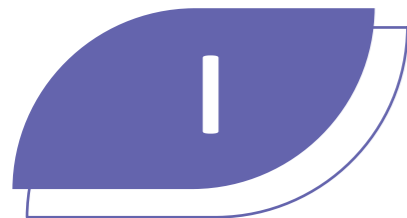
# SICOM WAY



## SYNERGY

We believe in the collective potential of everyone within the organisation to achieve exceptional results.

We actively pursue cooperative and innovative approaches to enhance value. We are a unified team that strives to consistently deliver high-level performance.



## INCLUSIVITY

We take pride in our talented people. We emphasise the power of working together to drive our success.

We embrace diversity and safeguard the values of the SICOM brand.



## CUSTOMER-CENTRIC

We owe our existence to our valued customers.

We are dedicated to exceeding customer satisfaction.

We place customers at the forefront of all our endeavours.



## OPPORTUNITY-DRIVEN

We believe in the capabilities of our people. We invest in the personal development of our team members.

We encourage our people to embrace new opportunities, take on challenges and explore different horizons.



## MORAL RESPONSIBILITY

We uphold unwavering integrity and ethics. We operate in accordance with established standards and rules.

We cultivate a collaborative and professional ethos.



## CORPORATE INFORMATION

### REGISTERED OFFICE

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

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

### AUDITORS

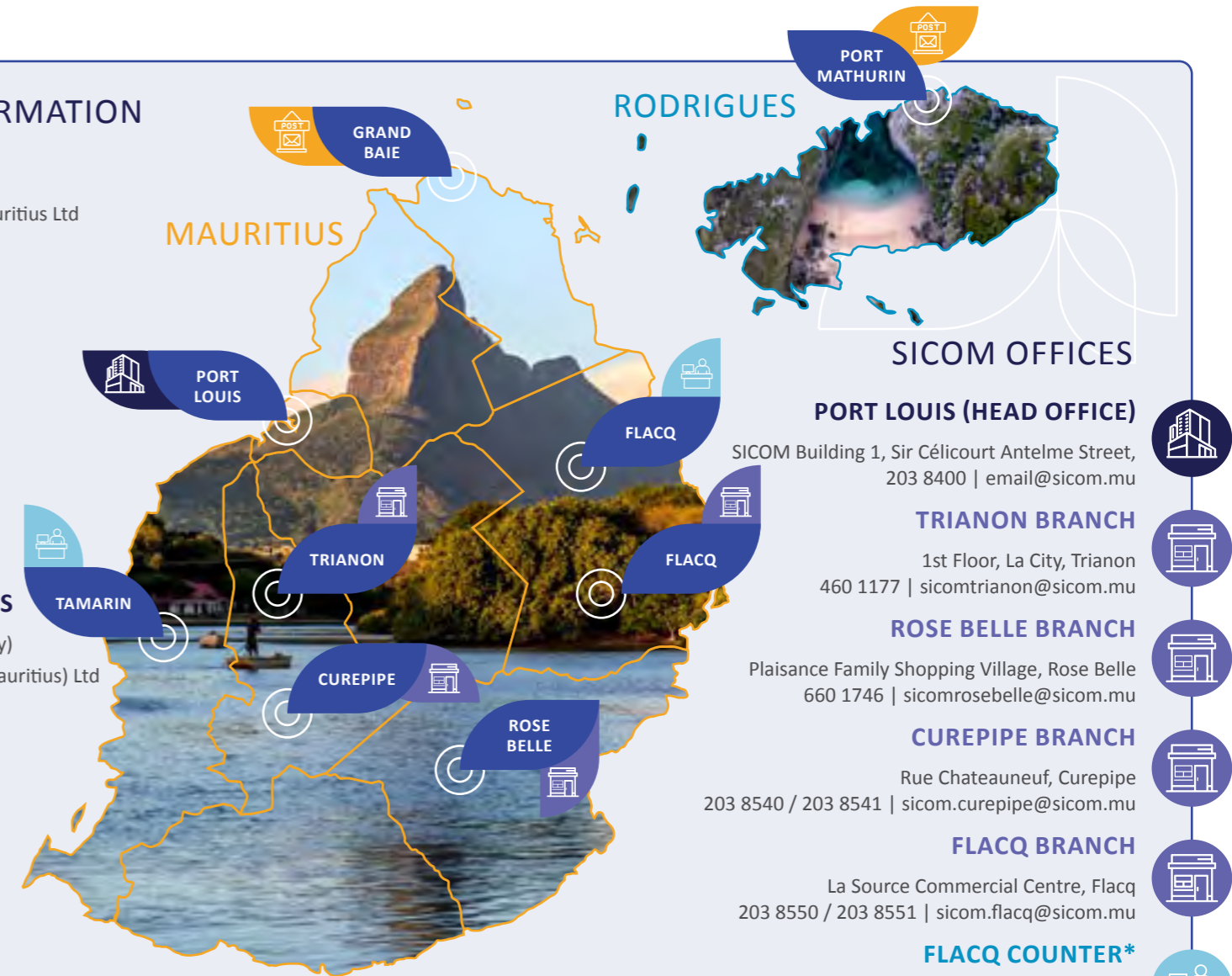
Deloitte Mauritius

### CONSULTING ACTUARIES

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

### MAIN BANKERS

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



## SICOM OFFICES

### PORT LOUIS (HEAD OFFICE)

SICOM Building 1, Sir Cécilcourt Antelme Street,  
 203 8400 | email@sicom.mu

### TRIANON BRANCH

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

### ROSE BELLE BRANCH

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

### CUREPIPE BRANCH

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

### FLACQ BRANCH

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

### FLACQ COUNTER\*

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

### 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



# FINANCIAL HIGHLIGHTS

## GROUP

### INSURANCE REVENUE (MUR BN)

**3.6**  
2025

**2.9**  
2024

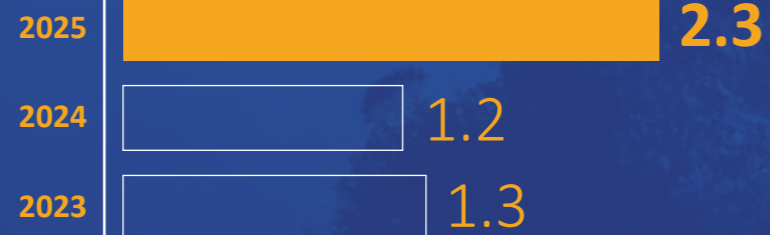
### TOTAL REVENUE (MUR BN)



### TOTAL ASSETS (MUR BN)

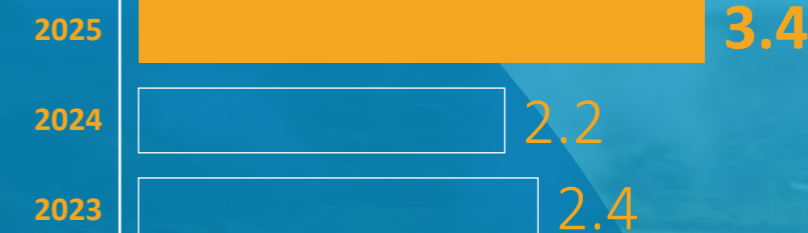


### PROFIT BEFORE TAX (MUR BN)

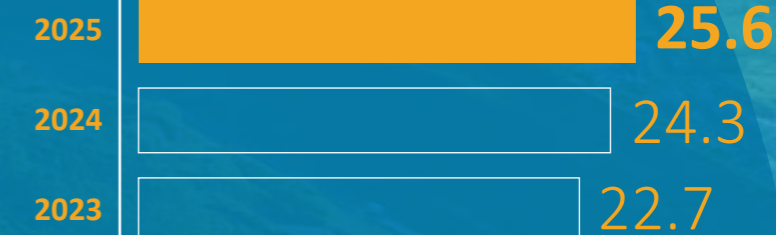


## COMPANY

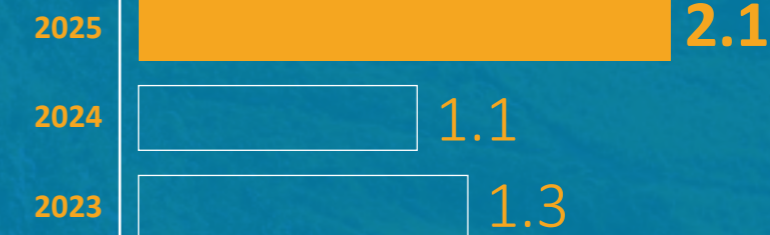
### TOTAL REVENUE (MUR BN)



### TOTAL ASSETS (MUR BN)



### PROFIT BEFORE TAX (MUR BN)





## FINANCIAL HIGHLIGHTS (CONTINUED)

### LIFE (MUR)

INSURANCE  
REVENUE

**1.2<sub>BN</sub>**

NET INVESTMENT  
INCOME

**857<sub>M</sub>**

INSURANCE  
PROFIT

**1.4<sub>BN</sub>**

INSURANCE CONTRACT  
LIABILITIES

**14.7<sub>BN</sub>**

### SFSL (MUR)

DEPOSIT  
TAKING

**2.2<sub>BN</sub>**

PROFIT  
BEFORE TAX

**31.1<sub>M</sub>**

NET INVESTMENT IN  
FINANCE LEASE

**1.2<sub>BN</sub>**

INVESTMENT IN  
PERSONAL LOANS

**640<sub>M</sub>**

### SGIN (MUR)

INSURANCE  
REVENUE

**2.4<sub>BN</sub>**

NET INVESTMENT  
INCOME

**40<sub>M</sub>**

INSURANCE  
PROFIT

**180<sub>M</sub>**

INSURANCE CONTRACT  
LIABILITIES

**1.2<sub>BN</sub>**

### OTHERS (MUR)

TOTAL ASSETS UNDER  
MANAGEMENT

**86.8<sub>BN</sub>**

GROSS RENTAL  
INCOME

**99.4<sub>M</sub>**

SECURED  
LOANS

**2.7<sub>BN</sub>**

INVESTMENT  
PROPERTY

**2.3<sub>BN</sub>**



# 2024-2025 IN RETROSPECT

## KEY ACHIEVEMENTS BY STRATEGIC PILLAR

### BUSINESS GROWTH & DIVERSIFICATION

- Secured new partnerships, and acquired major new clients in insurance and investment advisory.
- Launched a wellness insurance product and boosted sales of MaxInvest (unit-linked).
- New major clients under Investment Advisory services onboarded.
- New investments through Private Equity route
- Exploration of opportunities in the real estate sector

### EMPLOYEE ENGAGEMENT & DEVELOPMENT

- Delivered training across diverse areas, including customer service, AI, sustainability, compliance and technical topics.
- Organised a successful Health & Wellness Week (April 2025).
- Recruited staff at various levels, including managerial positions.



### CUSTOMER EXPERIENCE & DIGITALISATION

- Delivered major automation and digitalisation initiatives, including:
  - online centralised customer risk assessment across the Group;
  - centralised KYC with digital document sharing;
  - motor cognitive claim processing;
  - automated bank reconciliation;
  - customer dashboards; and
  - AI-based motor damage assessment.
- Deployed internal motor surveyors to manage claims costs.
- Recruited in-house doctors for claims review and cost containment.
- Outsourced selected processes to call centre for operational efficiency.
- Enhanced branch operations with a new sales management and query system for effective lead management.

### GOVERNANCE & RISK

- AAA rating reaffirmed by CARE Rating Ltd.
- Implementation of Business Continuity Framework and prepare for certification.
- Implementation of Information Security (FFIEC) framework.
- Implemented a centralised KYC system.

### ESG & SOCIAL RESPONSIBILITY

- Delivered ESG/social projects, including:
  - Financial Literacy training to NGOs;
  - women's empowerment through mangrove propagation;
  - ongoing recycling, waste collection and segregation initiatives;
  - renovation of the Cardiac Unit at Victoria Hospital;
  - educational visits to île aux Aigrettes with MWF;
  - carbon footprint accounting; and
  - introduction of a new Responsible Investment Policy.





# SICOM AT 50: REFLECTING ON THE PAST, INVESTING IN THE FUTURE

Celebrating **50** Years ANNIVERSARY

IN THE 80S, SICOM ALSO MANAGED ONE OF THE LARGEST INSURANCE CLAIMS OF THE TIME, AMOUNTING TO MUR 81 MILLION FOR THE SINKING OF THE GOVERNMENT'S MAURITIUS II VESSEL OFF DURBAN, WHICH UNDERScoreD OUR FINANCIAL STRENGTH AND CLAIMS-PAYING ABILITY.

THE YEAR 2025 MARKS A DEFINING MILESTONE IN THE JOURNEY OF SICOM. FOR HALF A CENTURY, THE GROUP HAS BEEN A TRUSTED PARTNER TO INDIVIDUALS, INSTITUTIONS AND COMMUNITIES ACROSS MAURITIUS AND BEYOND, PROVIDING FINANCIAL SECURITY AND FOSTERING RESILIENCE. FROM 1975 TO OUR PRESENT-DAY ROLE AS ONE OF THE COUNTRY'S MOST DIVERSIFIED FINANCIAL SERVICES GROUPS, OUR TRAJECTORY HAS BEEN SHAPED BY BOLD DECISIONS, SOUND GOVERNANCE AND A FIRM COMMITMENT TO SERVING THE NEEDS OF SOCIETY.

SICOM's origins can be traced back to 1974, when the Legislative Assembly set up the State Insurance Company of Mauritius Ltd. Officially incorporated the following year, the Company's primary purpose was to provide insurance and financial protection to the Government, statutory bodies and parastatal organisations. This coincided with a period when Mauritius was seeking to diversify its economy and strengthen its institutions. Just three years later, the creation of the Pension Department demonstrated SICOM's responsiveness to long-term societal needs, with general insurance, fire, marine and non-motor insurance quickly becoming cornerstones of our activities. The passing in 1978 of the Statutory Bodies Pensions Act consolidated our role as custodian of public sector pensions, while 1979 marked the sale of our very first life assurance policy and the launch of the first SICOM logo, symbolising the Company's growing identity.

Throughout the 80s, we consolidated our market position. In 1980, SICOM introduced vehicle insurance services, responding to rising mobility and ownership trends, and entered the housing finance market in 1982. These innovations highlighted the Group's ability to read the socio-economic context and adapt with agility. That same year, SICOM also managed one of the largest insurance claims of the time, amounting to MUR 81 million for the sinking of the Government's Mauritius II vessel off Durban, which underscored our financial strength and claims-paying ability.

A defining turning point came in 1988, when the Company underwent a landmark privatisation, transforming from the State Insurance Company of Mauritius Ltd into SICOM Ltd. Reflecting our expanding role beyond traditional insurance, this shift strengthened our capacity to compete and innovate in a fast-changing financial landscape. The following year, our operations were relocated to the SICOM Building in Port Louis, which was among the tallest of its kind in the capital at the time. The move symbolised not only the Company's physical growth, but also our emergence as a modern and ambitious institution firmly rooted in the economic heart of Mauritius.

The 90s were a decade of modernisation and expansion. In 1999, we reinforced our institutional strength with the creation of SICOM Financial Services Ltd, SICOM Global Fund Ltd and SICOM Management Ltd, expanding into financial intermediation and opening new avenues for fund administration and investment services. Furthermore, the incorporation of SICOM Registry & Secretarial Services Ltd expanded the Group's service offerings to include corporate and secretarial services. In 1998, we also acquired the ex-Rey Lenferna Building, a landmark investment that broadened our asset base and held the very first Salesmen Awards, a pioneering initiative that recognised and celebrated the contribution of our salesforce.

The 2000s marked the beginning of a new phase of transformation, branding and diversification for SICOM. In 2000, we undertook the revamping of our corporate identity. That same decade, we pioneered bancassurance in Mauritius through partnerships with the Mauritius Post and Cooperative Bank (now MauBank) and later the State Bank of Mauritius, creating new distribution channels and extending customer access to our services.

By 2008, we expanded our portfolio with the launch of a Unit Trust, opening new investment opportunities for clients and consolidating our role as a trusted financial services provider in Mauritius. Internally, we focused on quality and professional development and were awarded the ISO 9001 certification, indicating a commitment to international standards of quality management.

The following decade saw the Group lay down solid foundations for a stronger and more customer-focused organisation. In 2010, SICOM General Insurance Ltd was incorporated, bringing sharper focus and dedicated expertise to the non-life segment. That year also marked the launch of our first Intranet, supporting internal cohesion and collaboration. Two years later, we expanded our reach by establishing five Post-Assurance Hubs across Mauritius and one in Rodrigues, thereby extending access to our services to communities that had previously been underserved.

The year 2013 was particularly significant, marked by the acquisition of new property, the revamping of the SICOM logo and the establishment of the SICOM Foundation, which became a key vehicle for our support to vulnerable communities. That same year saw a structural change in the pension landscape, as all new recruits to the public service from 1 January were enrolled in the Public Sector Defined Contribution Pension Scheme (PPDCPS), administered by SICOM. This development further strengthened the Group's role as a trusted custodian of retirement security in Mauritius and expanded our responsibilities within the national pensions framework. The following year, SICOM launched the first edition of *Les Foulées de l'Espoir*, an initiative combining sport, solidarity and community engagement.

Customer experience has been at the forefront of the Group's strategy, with the opening in 2017 of a Customer Care Lounge at SICOM Tower in Ebene, designed to create a modern, welcoming and efficient interface with clients. In parallel, we continued to expand our digital footprint, with the revamping of our website in 2018 into a central, mobile-friendly platform and the strengthening of social media engagement across Facebook, YouTube, Instagram, Twitter and WhatsApp.



# SICOM AT 50: REFLECTING ON THE PAST, INVESTING IN THE FUTURE (CONTINUED)

This was followed by a period of strategic adaptation, particularly during the global COVID-19 pandemic. In 2020, our commitment was further strengthened through the opening of a new Customer Lounge in the Port Louis and Trianon Branches, reinforcing our proximity and service excellence. The same year, we launched multiple digital platforms, including online solutions for Life Insurance, My Speedy Loan and an Intermediaries Platform, alongside the acquisition of SICOM Building 3, the former Harel Mallac Building, to support our future growth.

Recent years have underscored the Group's ambition to invest in the future, while strengthening our foundations. From 2021 onwards, digital transformation took centre stage. That year, SICOM introduced an Online Sales Platform for Life Insurance, creating a safe and secure digital environment for customers. We also launched e-platforms for Unsecured Loans, Motor Insurance and Medical Insurance, and revamped our Leasing platform, reinforcing our capabilities in terms of digital service innovation.

In 2022, we launched our strategic plan for 2022-2025, accompanied by a wide-ranging digital transformation programme, including the revamping and upgrading of the SICOM website. The same year also saw the opening of new branches in Curepipe and Flacq, as well as an increased presence of the SICOM brand in communities across the country.

The year 2023 brought a series of prestigious recognitions and milestones. SICOM became a signatory of the United Nations Global Compact and the United Nations Principles for Responsible Investment, underscoring our alignment with international standards on sustainability and responsible business conduct. The Group was also certified as a Great Place to Work®, highlighting our commitment to nurturing our people, and obtained a CARE rating of AA+. Securing an Investment Advisor Licence further reinforced our credibility and governance credentials.

The incorporation of SICOM Properties Ltd marked an important diversification into real estate as a strategic business segment. We also embraced integrated reporting for the first time in our Annual Report for the financial year 2022, reinforcing our commitment to transparency, accountability and long-term value creation for all stakeholders.

In 2024, we improved our customer-centricity with the establishment of a centralised Customer Service Platform and the launch of a Loyalty Programme. These initiatives, alongside the successful implementation of IFRS 17, reflected the Group's determination to enhance transparency, accountability and customer engagement. SICOM was certified as a Great Place to Work® for the second year running, while our CARE rating was upgraded to AAA, highlighting both the strength of our balance sheet and the trust we continue to command in the market.

The Golden Jubilee comes at a time when we are not only looking back at our achievements, but also positioning ourselves for the future. The Group's performance reflects resilience and growth in a challenging macroeconomic environment. We continue to deliver solid financial results, demonstrating strong liquidity, prudent risk management and a diversified portfolio.

Much of our strength has been built on the dedication and talent of our employees. From a modest beginning of just 10 staff members, SICOM has grown into a diverse workforce of more than 370 people, united by a shared commitment to excellence and service. Guided by our MANGO (Maximising Achievement, Nurturing Growth and Opportunity) mantra, we have invested consistently in creating an inclusive, dynamic and supportive workplace.

Our approach combines performance-based rewards, structured professional development and employee engagement initiatives that reinforce SICOM's standing as an Employer of Choice. The Staff Awards Ceremony celebrates this commitment, honouring 20 winners across six categories, while wellness workshops, health talks and events such as the End of Year Party, Employee Fun Week and Team Building foster well-being and camaraderie. These initiatives reflect our belief that the success of the Group is inseparable from the success of its people.

SICOM's value creation model is anchored in six capitals – financial, human, manufactured, intellectual, social and natural – which collectively ensure that the Group's impact is both measurable and meaningful. The integration of environmental, social and governance (ESG) considerations into strategy reflects a recognition that long-term success is inseparable from sustainable practices. Our market leadership in group pensions and our diversification into property, leasing, collective investment schemes and digital platforms demonstrate a unique capacity to adapt and expand while remaining true to our founding mandate of serving the nation.

As we embrace the opportunities and challenges of a rapidly evolving world, we remain committed to our purpose of securing the financial well-being of individuals and institutions while contributing to the broader social and economic development of Mauritius. The Group is investing in advanced digital platforms, data analytics and AI-driven solutions to redefine the customer experience and improve operational efficiency. We are also expanding into new markets and demographics while building cross-selling synergies across business segments.

At 50, SICOM's ambitions for the future are clear. Whether through sustainable investments, digital transformation or empowering our people and communities, the Group is setting the course for a future where value creation is inclusive, responsible and enduring.

THE INCORPORATION OF SICOM PROPERTIES LTD MARKED AN IMPORTANT DIVERSIFICATION INTO REAL ESTATE AS A STRATEGIC BUSINESS SEGMENT.



# SICOM AT 50: REFLECTING ON THE PAST, INVESTING IN THE FUTURE (CONTINUED)

## THE PAST: OUR FOUNDATIONS

### FROM A NATIONAL MANDATE TO A TRUSTED INSTITUTION

SICOM's roots lie in a national mission. Established in 1975 to provide insurance and pension services to the Government and public sector, the Group quickly emerged as a key institution in Mauritius' early economic development. Within just a few years, SICOM had launched life assurance, fire and marine insurance, and responded to long-term needs with the creation of its Pension Department. These early years reflect SICOM's ability to anticipate social change and serve institutional trust.

By the 1980s, SICOM had expanded into housing and vehicle insurance, while demonstrating financial resilience, such as managing the Mauritius II vessel claim. The pivotal moment came in 1988 with privatisation, transforming SICOM from a state body into a commercially agile company. This move allowed the Group to broaden its horizons, expanding into investment and fund management, launching the first sales recognition programme and reinforcing its place as a cornerstone of the Mauritian financial system.

## THE PRESENT: OUR PROGRESS

### SERVING A CHANGING MAURITIUS WITH STRENGTH AND INNOVATION

Over the past two decades, SICOM has transformed into a modern, multi-dimensional financial services group. This period saw the launch of unit trusts, bancassurance partnerships, revamped brand identity and the creation of Post-Assurance Hubs to improve national reach. With new subsidiaries and the establishment of the SICOM Foundation, the Group strengthened its institutional infrastructure while staying close to community needs.

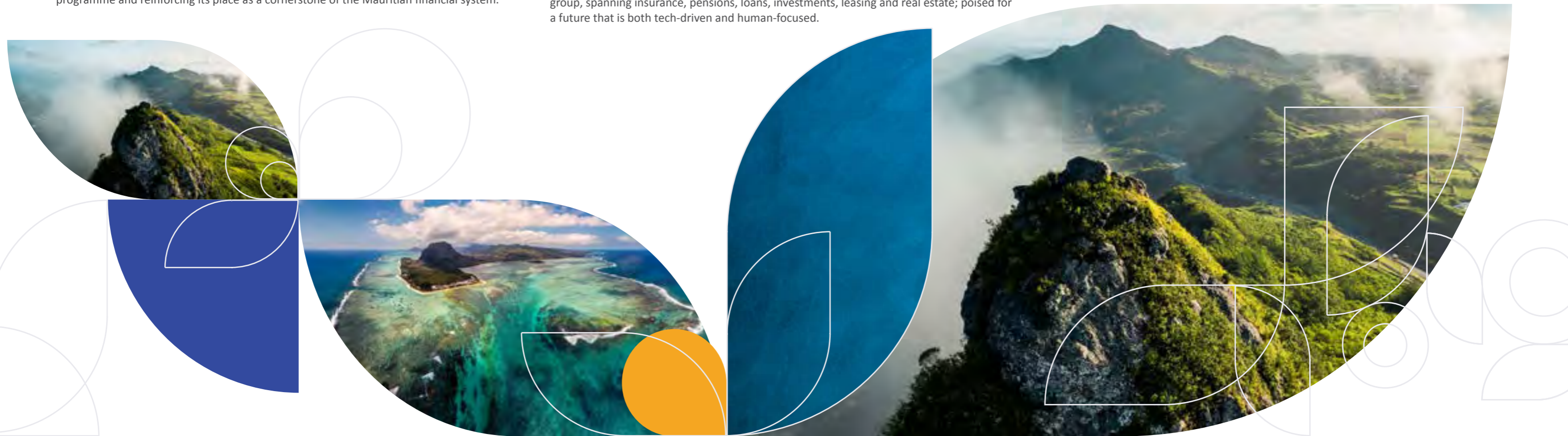
SICOM's digital transition accelerated with the introduction of e-platforms for insurance, loans and leasing, alongside mobile-first websites and digital customer lounges. The Group earned recognition with ISO certification, AAA CARE Rating and back-to-back Great Place to Work® awards. Internally, employee well-being and culture flourished through the MANGO mantra, awards ceremonies and wellness initiatives. SICOM today is a highly diversified group, spanning insurance, pensions, loans, investments, leasing and real estate; poised for a future that is both tech-driven and human-focused.

## THE FUTURE: OUR VISION

### BUILDING A SMARTER, MORE SUSTAINABLE TOMORROW

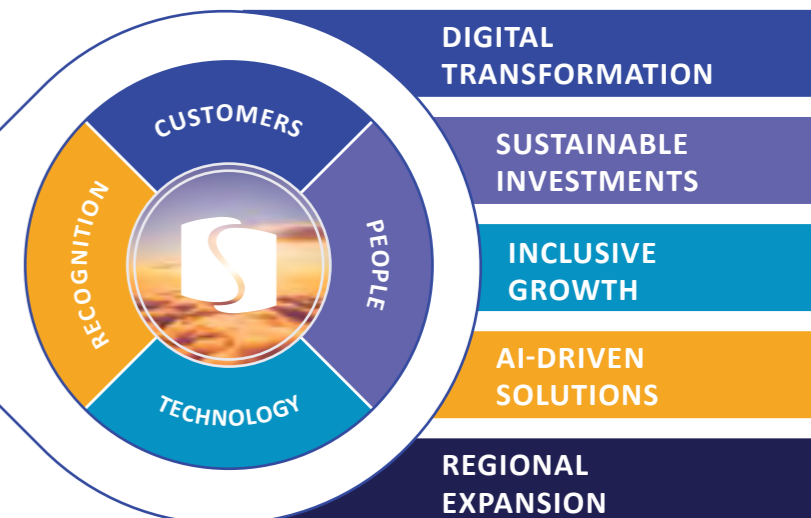
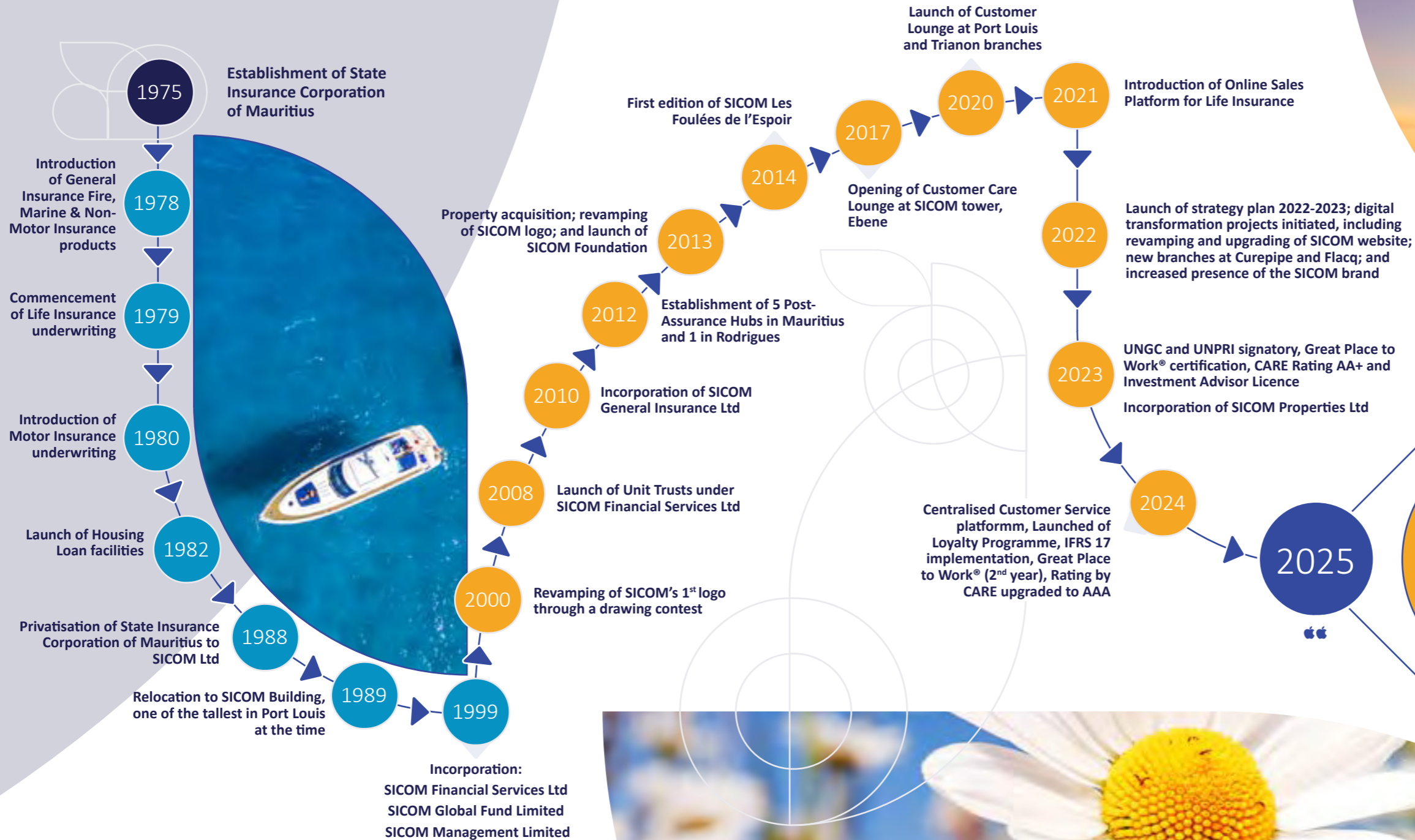
At 50, SICOM looks ahead with purpose. The Group is investing in cutting-edge technology, AI, and data platforms to streamline operations and deliver personalised experiences. The integration of ESG frameworks, responsible investment principles and sustainable business practices will define the next phase of SICOM's evolution, ensuring that growth is not only financial but also inclusive, ethical and enduring.

Expansion into new markets, the scaling of collective investment schemes, and the development of cross-segment synergies will position SICOM as a regional leader. With a focus on people, innovation and national progress, the Group is committed to building a smarter financial future; one where value creation is shared, technology is leveraged for good, and purpose remains the guiding force.





# EVOLUTION OF SICOM GROUP





# GOVERNANCE & RISK

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# CHAIRMAN'S STATEMENT

IT GIVES ME GREAT PLEASURE TO PRESENT MY FIRST REVIEW AS CHAIRMAN OF SICOM GROUP, IN A YEAR IN WHICH WE MARK OUR GOLDEN JUBILEE. ASSUMING THIS ROLE AT SUCH A DEFINING MOMENT CARRIES BOTH HONOUR AND RESPONSIBILITY.

The Board of Directors notes that SICOM has delivered another year of strong financial results, reflecting prudent management, disciplined execution and the effectiveness of our diversified business model. We also continued to reinforce how we support our people, uphold high standards of governance, manage risk and embed sustainability across the organisation.

This Integrated Report 2025 reflects not only our journey over the past five decades, but also on how we are positioning the Group to navigate the opportunities and challenges of the years ahead.

## MARKET PERSPECTIVE

SICOM continues to operate in an environment shaped by global uncertainty, inflationary pressures and ongoing shifts within the insurance sector. Despite these conditions, the Group has remained resilient, supported by strong fundamentals and a balanced approach to risk and strategy.

Internationally, slower global growth, persistent inflation and policy uncertainty have contributed to volatility in financial markets. While higher yields have supported investment income, elevated borrowing costs continue to affect both businesses and households. Equity markets have been buoyed by innovation-led sectors, though investor sentiment remains cautious.

In Mauritius, the economic outlook is steady but moderated by softer external demand, constrained fiscal space and ongoing inflationary pressures. The recent revision of the sovereign credit outlook highlights the need for continued prudence and economic reform.

Within the insurance industry, the implementation of IFRS 17 has continued to reshape financial reporting and performance measurement. At the same time, demographic change, rising healthcare costs and greater awareness of long-term financial security are driving sustained demand for health, retirement and protection products. Climate risks and digital transformation are accelerating innovation and changing customer expectations. In Mauritius, the sector remains stable, supported by sound regulatory oversight and rising demand mainly across motor, property and health insurance lines.

## 2025 AND BEYOND

SICOM has continued to make meaningful progress in delivering on its strategy, structured around Business Growth and Diversification; Customer Experience and Digitalisation; Governance and Risk; Employee Engagement and Development; and ESG and Sustainability. These pillars have provided clear direction and supported consistent execution across business lines.

Over the past year, we strengthened our market position through new partnerships in leasing and international medical insurance and broadened our offering with wellness and investment products. Technology has been embedded more deeply into core operations, including digital risk assessment, centralised KYC and cognitive claims processing.

As we transition to the 2025–2028 strategic cycle, our focus will be on consolidation, resilience and selective growth. We will work to deepen customer relationships across the Group, expand thoughtfully into promising regional markets and diversify into adjacent lines where we can deliver responsible value. Throughout, disciplined capital allocation and strong risk oversight will remain central to maintaining financial strength.

## ROBUST RESULTS

For the year under review, total revenue increased by 40%, with contributions from all core business lines, while profit before tax rose by around 91% to reach MUR 2.3 billion.

Assets under Management expanded by 7% to MUR 86.8 billion, reflecting astute fund management and satisfactory asset returns. Management expenses increased by just over 4%, remaining below cumulative inflation over the past three years, which confirms our commitment to operational efficiency. Our cost-to-income ratio remains stable, supported by continued digitalisation and effective claims management.

The Group's balance sheet remains strong, with solvency ratios comfortably above regulatory requirements and our AAA credit rating from CARE Ratings Ltd reaffirmed during the year. These indicators reflect the resilience of our financial foundation and position us well to pursue future growth while continuing to meet obligations to policyholders and stakeholders.

## OUTLOOK

SICOM consistently follows a disciplined and responsible approach to growth. Strong governance remains central to how we operate, with the Board maintaining active oversight of strategic, financial and operational priorities. During the year, we refined our governance framework through updates to key Charters and policies, including the Code of Ethics and completed the implementation of IFRS 17 across the Life and General Insurance businesses.

Risk management remains an essential part of our approach. Enhanced KYC processes, ongoing AML/CFT training and strengthened cybersecurity controls have improved our ability to identify and manage risks in a more complex environment. At the same time, we continue to integrate sustainability considerations across our operations and investment activities. Our focus on responsible business practices, climate action and social development is supported by our Responsible Investment Policy and our alignment with international standards such as the UN Global Compact, UN PRI and SigneNatir.

We will continue to invest in our people, support innovation where it adds value and strengthen the Group's financial position, while contributing positively to the communities we serve and the wider Mauritian economy.

## APPRECIATION AND ACKNOWLEDGEMENTS

As we close this milestone year, I extend my sincere appreciation to all who continue to shape the SICOM story. I thank my fellow Board members for their guidance and oversight and welcome our newly appointed members, Ms Valérie Duval and Messrs Oliver Lew and Junaid Sairally. I also acknowledge the contributions of outgoing directors during the year.

To the Management team and employees across the Group, your professionalism and commitment remain central to our achievements. Our Golden Jubilee has reinforced that our greatest strength lies in the dedication and talent of our people.

I also thank our customers for their trust, our shareholders, partners, agents, brokers, regulators and reinsurers for their continued confidence and collaboration. The support of the Government in maintaining a stable financial services environment is also recognised.

I am confident that the Group is well placed to continue building long-term value for all stakeholders.



Nureshkumar (Ashok) Prayag  
Chairman



# BOARD OF DIRECTORS



**Mr Nureshkumar (Ashok) Prayag**

## CHAIRPERSON

(Director as from 21 February 2025 and Chairperson as from 14 March 2025)

### Qualifications

- Fellow of the Faculty of Actuaries, Edinburgh, Scotland, UK
- BSc (Hons) Actuarial Mathematics & Statistics, Heriot-Watt University, Edinburgh, Scotland, UK

### Background

Ashok Prayag was appointed Chairperson in March 2025. A former laureate, he brings over forty years of experience in the financial and insurance sectors.

In the 1990s, he played a key role in the African expansion of the local branch of the German reinsurer, Munich Re. Prior to that, he served as Controller of Insurance, then the regulatory authority overseeing the insurance sector under the aegis of the Ministry of Finance.

In 2014, Mr Prayag founded Quantum Insurance, the first Mauritian insurance company to offer fully online services. He has also served on the boards of several leading organisations, including the Sugar Insurance Fund Board, the Mauritius Sugar Syndicate and the State Bank of Mauritius.



**Mr Anandsing Acharuz**

## INDEPENDENT DIRECTOR

(up to 14 February 2025 and as from 25 March 2025)

### Qualifications

- MSc in Financial Economics, University of London

### Background

Anandsing Acharuz is presently the Financial Secretary at the Ministry of Finance.

Since joining the Ministry in 1996, he has held various responsibilities, gaining extensive experience in the formulation of economic and social policies as well as the management of public finances. He has also been closely involved in the design and implementation of major reforms and strategies aimed at stimulating economic growth, ensuring financial stability and supporting social development.

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

He also serves as Director on the boards of several public bodies, including the Mauritius Institute of Biotechnology, the Projects Development Fund and Airports of Mauritius Co. Ltd, contributing to their effective financial management and good governance.

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



**Mrs Isabelle Valérie de l'Estrac-Duval**

## INDEPENDENT DIRECTOR

(as from 3 March 2025)

### Qualifications

- LLB (Hons), University of Mauritius

### Background

After being called to the bar in 1995, Valérie Duval spent 13 years managing high-level claims for leading general insurers. In 2008, she joined Bank One Limited as Head of Legal, where she has since advised on all legal aspects of the bank's operations and provided strategic legal support.

With three decades of senior management experience in legal advisory, international loan documentation and the recovery of assets across foreign jurisdictions, Mrs Duval is recognised for her ability to navigate complex regulatory frameworks and lead high-level negotiations. She is known for building trusted relationships with senior leadership and board members, offering proactive legal counsel across diverse sectors and contributing to strategic decision-making and organisational growth.



**Mr Dev Kumar Gopy**

## EXECUTIVE DIRECTOR

### Qualifications

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

### Background

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

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



# BOARD OF DIRECTORS (CONTINUED)



**Mr Sean Oliver Men Foong Lew Kew Lin**

## INDEPENDENT DIRECTOR

(as from 3 March 2025)

### Qualifications

- Master of Arts (Joint Honours) in Engineering and Computing Science, University of Oxford

### Background

Oliver Lew is an accomplished digital and technology expert with a strong record of creating and developing successful companies. His career spans several Managing Director roles where he has led management, production, sales and technical teams.

He has also served in numerous board and advisory positions, including as Board Director of the Financial Services Commission, Chairman of the Export Processing Zone Development Authority and Board Director of the National Computer Board.

Mr Lew is currently the Managing Director of the Eruption Group, bringing a wealth of experience in technology-driven business transformation and strategic innovation.



**Ms Maheswaree Naraini Madhub**

## NON-EXECUTIVE DIRECTOR

(up to 14 February 2025 and as from 25 March 2025)

### Qualifications

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

### Background

Maheswaree Madhub is the Senior Chief Executive of the Ministry of Social Integration, Social Security and National Solidarity. She began her career in the public service in 1988 as Assistant Secretary.

She has since held senior positions across several ministries, including Agriculture and Natural Resources, Finance and Economic Development, Industrial Development, SMEs and Cooperatives, and Housing and Land Use Planning, as well as the Office of the President and the Prime Minister’s Office (External Communications Division and Cabinet Office).

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



**Mrs Nandita Ramdewar**

## GROUP CEO & EXECUTIVE DIRECTOR

### Qualifications

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

### Background

Nandita Ramdewar took up the position of Group CEO in May 2021 after acting as Officer-in-Charge since August 2019. She was appointed to the SICOM Board in 2013. She worked for a leading audit firm prior to joining the Group as Manager (Finance) in 1992. She has since held senior management roles across multiple business units and has served as Company Secretary, Deputy Group CEO and Chief Finance Officer. Throughout her career, she has gained extensive experience in insurance, strategy, finance, investments, financial services, corporate affairs and related fields.

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



**Mr Mohammad Junaid Sairally**

## INDEPENDENT DIRECTOR

(as from 21 February 2025)

### Background

Junaid Sairally currently serves as Accountant at Batimex Ltd, a subsidiary of the Currimjee Group, where he is responsible for financial reporting and leads a team focused on streamlining operations within the accounting department. He is a member of the Strategy, Policy, and Procedures Committee of SICOM Group.



**Mrs Ushalini Shewraj**

## INDEPENDENT DIRECTOR

(up to 11 August 2025)

### Qualifications

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

### Background

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

She currently holds the post of Deputy Permanent Secretary at the Ministry of Financial Services and Good Governance, bringing with her more than 20 years of experience in public administration and management. Over the course of her career, she has served on a number of boards and committees.



# GROUP CEO'S MESSAGE

THIS YEAR MARKS A DEFINING MILESTONE IN THE HISTORY OF SICOM GROUP. FOR HALF A CENTURY, WE HAVE REMAINED TRUE TO OUR MISSION OF PROVIDING FINANCIAL SECURITY, CREATING VALUE AND CONTRIBUTING TO NATIONAL PROSPERITY. FROM MODEST BEGINNINGS WITH JUST TEN EMPLOYEES, WE HAVE GROWN INTO A TRUSTED FINANCIAL SERVICES INSTITUTION THAT NOW SERVES HUNDREDS OF THOUSANDS OF MAURITIANS ACROSS INSURANCE, PENSIONS, FINANCIAL SERVICES AND INVESTMENTS.

More than a celebration of our past, our Golden Jubilee is a moment to reflect on the legacy of trust we have inherited and to reaffirm our responsibility to shape the future. Through commemorative initiatives, stakeholder engagement activities and renewed visibility campaigns, we have strengthened the modern image of SICOM while honouring the values that have guided us since 1975: integrity, professionalism and a deep commitment to the communities we serve.

This anniversary is also an opportunity to look forward with renewed ambition, reinforcing our determination to build on our achievements, harness innovation and continue positioning SICOM as a driver of sustainable growth in Mauritius and beyond.

## NAVIGATING THE MACROECONOMIC LANDSCAPE

The year under review unfolded against a backdrop of evolving global and domestic economic dynamics. Internationally, persistent geopolitical tensions, supply chain adjustments and monetary policy shifts have continued to shape investor sentiment and financial flows. While advanced economies are facing subdued growth, emerging markets in Asia and Africa are providing new engines of expansion. The global financial services industry is adapting rapidly to technological disruption, heightened regulatory scrutiny and the accelerating transition towards sustainable finance.

In Mauritius, the economy grew by an estimated 4.7% in 2024, supported by the continued momentum in the construction, tourism and financial services sectors. Investment remained robust, with saving and investment rates both showing improvements. However, the operating environment has been marked by a tighter monetary policy and moderating inflation. The Bank of Mauritius raised its Key Rate to 4.5% in February 2025, while year-on-year inflation (CPI) increased to 5.4% in June 2025 compared to 2.2% a year earlier.

Financial markets remained resilient, with the SEMDEX and SEMTRI indices posting gains of 9.5% and 15.3% respectively, supported by strong earnings and dividend performance. Yet investor sentiment softened towards the end of the year due to fiscal uncertainty and policy adjustments. At the same time, Mauritius retained its investment grade status, though Moody's revised the sovereign rating outlook to negative in January 2025, reflecting the need for continued fiscal discipline.

This environment required agility, vigilance and resilience. For SICOM, it meant strengthening our balance sheet, focusing on innovation and customer engagement, and ensuring that our operations remain aligned with both regulatory expectations and the evolving needs of our clients.

## DELIVERING ON OUR STRATEGY

The year under review represented the final year of implementation of our Group Strategy 2022-2025. We have taken bold steps to reinforce our market position. In insurance, we successfully navigated the transition to IFRS 17, reflecting our strong governance and technical capabilities. In pensions and financial services, we continued to innovate with products and platforms designed to meet the shifting needs of individuals and businesses alike. Our digital transformation journey has accelerated, with new tools and automated processes enhancing efficiency and customer interaction.

Our Golden Jubilee has given us the opportunity to showcase SICOM as a modern, forward-looking brand, strengthening visibility through national campaigns and enhanced engagement with stakeholders, and we have celebrated this with our people throughout the year and shown gratitude to them through different ways.

Overall, our strategy has enabled us to balance resilience with innovation, reinforcing our position as a trusted financial services partner while preparing the ground for our next strategic cycle.

## STRONG FINANCIAL PERFORMANCE

In 2025, the Group delivered another year of solid financial performance, notwithstanding a challenging economic context marked by interest rate adjustments, inflationary pressures and intensified competition. This underscores the strength of our operational execution and the resilience of our diversified business model, with contributions from Life Insurance, General Insurance, Pensions, Financial Services and Investments collectively driving profitability.

Revenue grew by 40% to reach MUR 5.9 billion, supported by a significant uplift in insurance revenue of MUR 2.4 billion from the General Insurance business. This growth reflects both the momentum across our core operations and our ability to adapt effectively to market conditions. Total assets increased from MUR 28.6 billion to MUR 30.4 billion, reinforcing SICOM's robust financial position and capacity to support future expansion. At Group level, profit before tax was sustained at healthy levels, standing at MUR 2.3 billion compared with MUR 1.2 billion for the prior year.

These results provide a firm foundation for our next strategic cycle and confirm that SICOM is well-positioned to pursue sustainable, long-term growth.

### PROFIT BEFORE TAX

MUR **2.3**BN  
(2024: MUR 1.2 BN)

### TOTAL REVENUE

MUR **5.9**BN  
(2024: MUR 4.2 BN)



# GROUP CEO'S MESSAGE (CONTINUED)

## ENHANCING CUSTOMER EXPERIENCE

At the heart of our operations lies a simple yet profound commitment: to place the customer at the centre of everything we do. Over the past year, we have reinforced this approach through initiatives designed to make our services more accessible, responsive and personalised.

The celebration of our 50<sup>th</sup> anniversary created new opportunities to strengthen our brand visibility and deepen customer engagement. A series of high-impact branding initiatives, including island-wide billboards and the branding of a Metro Express train, ensured that the SICOM name remained top-of-mind. Complementing this visibility were quarterly Open Days across different regions, which brought us closer to clients and allowed us to better understand their evolving needs.

In line with our 'One-Company-One-Experience' approach, we have introduced comprehensive frameworks to monitor and elevate service quality. Customer satisfaction surveys, Net Promoter Scores, Customer Satisfaction Scores and mystery shopping exercises have all provided invaluable insights. These metrics consistently performed above industry benchmarks, underscoring the trust and loyalty of our customer base.

The integration of structured leads management and enhanced cross-selling and upselling strategies has also resulted in significant growth in sales across our outlets.

Our customer experience agenda is not only about service; it is about building long-term relationships founded on trust, professionalism and innovation. This remains the essence of the SICOM brand.

## ENGAGING AND EMPOWERING OUR PEOPLE

Our employees are our greatest strength and their engagement remains a cornerstone of our success. SICOM continuously strives to foster an inclusive, supportive and motivating workplace. Initiatives have been rolled out to enhance well-being, professional growth and employee participation.

A wide range of activities, such as themed events, cultural celebrations, a well-being space (SICOM Living Lab), and a staff book club, have reinforced camaraderie and a sense of belonging. At the same time, our structured training programmes and professional development initiatives ensure that employees are equipped with the skills and knowledge to deliver exceptional service in a rapidly changing market. Diversity, inclusion and open dialogue are integral to our culture, encouraging innovation and collective ownership of our mission.

By nurturing our people, we are also nurturing the future of SICOM. Their talent, creativity and dedication remain the driving force behind our ability to meet strategic objectives and deliver sustainable value.

## ACCELERATING DIGITAL TRANSFORMATION

Digitalisation has been central to our transformation journey. Building on the success of SICOM MyLink, which has empowered customers to manage policies and claims seamlessly, we have rolled out further digital initiatives across the Group. These include the implementation of advanced business intelligence tools, automation of core processes and upgrades of key systems aligned with IFRS accounting standards such as IFRS 17.

Innovation has been a defining feature of the year. From the use of AI-powered tools in our operations to using Optical Character Recognition technology, we have enhanced both efficiency and customer service. We have also implemented a centralised Revenue Management System and strengthened cybersecurity frameworks to safeguard customer data and ensure regulatory compliance.

Beyond technology, these investments are about redefining how we engage with our clients, streamline operations and create new value. Our ambition is to be recognised not only as a financial services leader, but also as a digital innovator in Mauritius.

## ADVANCING SUSTAINABILITY

As we mark our Golden Jubilee, sustainability continues to anchor our strategy and operations. In 2025, we intensified efforts to measure and reduce our environmental footprint, invest in renewable energy and strengthen resilience to climate risks. Partnerships with NGOs and institutions have expanded our reach, while internal awareness campaigns and sustainability training have equipped employees to play a more active role in this journey.

Our social commitments remain equally strong. We continue to invest in education, youth empowerment, health and inclusion, ensuring that our growth contributes to the development of communities across Mauritius. Sustainability remains an intrinsic part of how we create value for all stakeholders.

## OUTLOOK: STRATEGY 2025-2028

We are preparing to enter a new strategic cycle, Strategy 2025-2028, which will build on the foundations of growth, diversification, digitalisation and sustainability. Our ambition is to deepen customer centricity, accelerate digital transformation, scale up sustainable finance and strengthen our regional footprint.

We will continue to focus on delivering competitive, innovative and accessible solutions, while managing risks in an increasingly complex environment. Employee empowerment, stakeholder engagement and sustainability will remain the guiding principles of this strategy, ensuring that SICOM grows responsibly while contributing meaningfully to national and global priorities.

## APPRECIATION

As I close this review, I would like to welcome to the Chairman and Board Members, whose leadership and insights are invaluable in shaping the next phase of our journey. I also wish to thank our outgoing Board Members for their contribution.

To our employees, I express my heartfelt appreciation for their dedication, professionalism and commitment. To our customers, shareholders, pensioners, partners, agents, brokers, reinsurers and the Government of Mauritius, I thank you for your continued trust and support.

Fifty years on, SICOM remains inspired by its legacy and energised by its future. Together, we will continue to build a stronger, more innovative and more sustainable Group, one that delivers value to all stakeholders for decades to come.



# GROUP CEO'S MESSAGE (CONTINUED)

## HIGHLIGHTS OF BUSINESS PERFORMANCE

### INVESTMENT

The Group's total investments under management increased to MUR 86.8 billion, supported by strong equity dividends and steady fixed-income returns, lifting investment income to MUR 3.1 billion. New investments totalled MUR 18.4 billion during the year.

SICOM Global Fund Ltd's assets rose to USD 503.8 million, with income up 36.4% to USD 53.6 million, driven by higher unrealised gains and dividend income. SICOM Management Ltd's assets reached USD 13.7 million, while total income grew to USD 5.0 million on stronger management fee earnings. Overall, the Group's performance reflected solid domestic and international market conditions, underpinning profitability across investment subsidiaries.

### LIFE

The Life Insurance business achieved an insurance revenue of MUR 1.2 billion for FY2025, with assets rising to MUR 15.3 billion, reflecting prudent management and steady growth. Individual Life consolidated market share through product diversification and digital channel expansion, including a successful online sales platform. Group Life recorded solid growth from major scheme renewals and new corporate accounts. Pension reforms spurred renewed interest in retirement products, positioning SICOM to capitalise on this opportunity. Despite headwinds from interest rate volatility, inflation, and talent retention challenges, Life Insurance remained a key contributor to Group profitability.

### GROUP PENSIONS

The Group Pensions segment recorded a strong performance for FY2025, with net assets under administration rising to MUR 56.6 billion from MUR 51.6 billion. Income surplus remained stable at MUR 3.5 billion, excluding unrealized gains, supported by steady inflows and prudent investment management. Membership expanded mainly through continued public sector recruitment, while pensioners increased to 14,175. Contributions grew to MUR 5.2 billion and pension payments held at MUR 306 million. Despite a competitive market, targeted initiatives secured new private-sector mandates, reinforcing long-term growth momentum.

### GENERAL INSURANCE

The general insurance entity, SICOM General Insurance Ltd, delivered exceptional results in 2024/2025, with insurance revenue increasing by 28% to MUR 2.4 billion and profit after tax rising by 115% to MUR 149.3 million. Stronger underwriting discipline and prudent investment management boosted underwriting profit to MUR 187.6 million. Reinsurance expenses reached MUR 535 million, reinforcing risk transfer and earnings stability. Total assets expanded to MUR 2.3 billion, supported by higher equity of MUR 657 million and robust liquidity of MUR 280.6 million. A dividend of MUR 37.3 million was declared, balancing shareholder returns with continued capital strength and future growth.

### FINANCIAL SERVICES

The financial services entity, SICOM Financial Services Ltd (SFSL) delivered resilient results for the year ended 30 June 2025, with leasing investments rising to MUR 1.2 billion and new leases reaching MUR 682.7 million, driven by strong dealer partnerships and eco-lease demand. Personal loan investments stood at MUR 639.6 million, reflecting affordability pressures and stricter lending conditions. Deposits increased to MUR 2.2 billion, supported by MUR 419.6 million in new inflows, demonstrating sustained customer confidence. Net interest income remained stable at MUR 59.3 million, while profit before tax rose to MUR 31.1 million.

### PROPERTY

The Group continued to invest strategically in the maintenance and enhancement of its property portfolio, allocating MUR 35.2 million to major improvements across SICOM Buildings during the year. Rental income rose to MUR 105.8 million for the year, up from MUR 98.7 million, reflecting the sustained expansion and strong performance of our investment property assets, which now stand at MUR 2.3 billion at Group level. With the incorporation of SICOM Properties Ltd, the Group is well-positioned to accelerate the growth of its property portfolio, supported by a robust pipeline of major development projects.



**Nandita Ramdewar**  
Group Chief Executive Officer



# SENIOR MANAGEMENT TEAM



**Nandita Ramdewar**

**GROUP CEO**



**Dev K. Gopy**

**CHIEF INVESTMENT  
OFFICER**



**Theresa M. Lee Shing Po**

**CHIEF SUPPORT  
OFFICER**



**Vanisha Pursun**

**CHIEF ACTUARIAL  
OFFICER**



**Surendranath (Kiran)  
Ancharaz**

**SENIOR EXECUTIVE  
OFFICER**

**General Insurance**



**Pritty Appadoo**

**SENIOR EXECUTIVE  
OFFICER**

**Risk & Support Services**



**Cheman Baguant**

**SENIOR EXECUTIVE  
OFFICER**

**IT**



**Atma Beeharry**

**SENIOR EXECUTIVE  
OFFICER**

**CX**



**Mohammad Fayaz Budaly**

**SENIOR EXECUTIVE  
OFFICER**

**Property, Facilities &  
Procurement**



**Moorganaden (Ruben)  
Chadien**

**SENIOR EXECUTIVE  
OFFICER**

**SFSL & Loans**



**Lohit K. L. (Bobby)  
Cheeneebash**

**SENIOR EXECUTIVE  
OFFICER**

**Life**

(Up to October 2025)



**Vasoodevsing J. (Rajeev)  
Seeroo**

**SENIOR EXECUTIVE  
OFFICER**

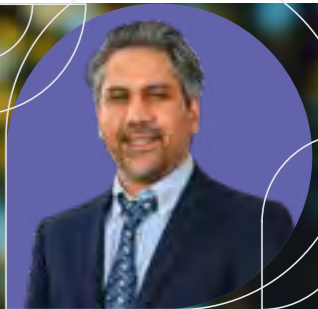
**Actuarial**



**Chandan (Ashwin) Prayag**

**SENIOR EXECUTIVE  
OFFICER**

**Investment**



**Hans Sooknah**

**SENIOR EXECUTIVE  
OFFICER**

**Finance**



# CORPORATE GOVERNANCE REPORT



THE STATE INSURANCE COMPANY OF MAURITIUS LTD (THE COMPANY OR SICOM) WAS SET UP AS A PARASTATAL BODY IN 1975 AND WAS PRIVATISED IN 1988. THE COMPANY IS A PUBLIC INTEREST ENTITY AS DEFINED BY THE FINANCIAL REPORTING ACT 2004.

THIS CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 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

The corporate governance framework of SICOM and its subsidiaries (together referred to as the SICOM Group or the Group) is anchored on the eight (8) principles of the National Code of Corporate Governance for Mauritius (2016) (the Code), which are as follows:



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

SICOM Group enjoys a solid reputation as a well-managed, well-structured, reputable and trusted organisation, with six (6) Companies and two (2) Unit Trusts. The Group Structure can be found on page 11 of the Integrated Report.

## CARE RATINGS AFRICA PRIVATE LIMITED (CRAF)

During the financial year under review, SICOM maintained its AAA credit rating from CRAF, accentuating the Company's robust financial standing, sound governance, prudent risk management and resilient business model.

## CORPORATE GOVERNANCE SCORECARD FOR MAURITIUS

To align with the global shift towards greater transparency, accountability and good governance, SICOM participated in the third edition of the Corporate Governance Scorecard assessment (the Scorecard) organised by the National Committee on Corporate Governance (NCCG) to evaluate its corporate governance practices based on three main aspects, being: (i) Board Effectiveness; (ii) Audit Oversight and Effectiveness; and (iii) Relations with Stakeholders, Shareholders, Sustainability and Inclusiveness.





# CORPORATE GOVERNANCE REPORT (CONTINUED)

## PRINCIPLE 1 - GOVERNANCE STRUCTURE

### SICOM GROUP GOVERNANCE FRAMEWORK, AN EVOLUTION

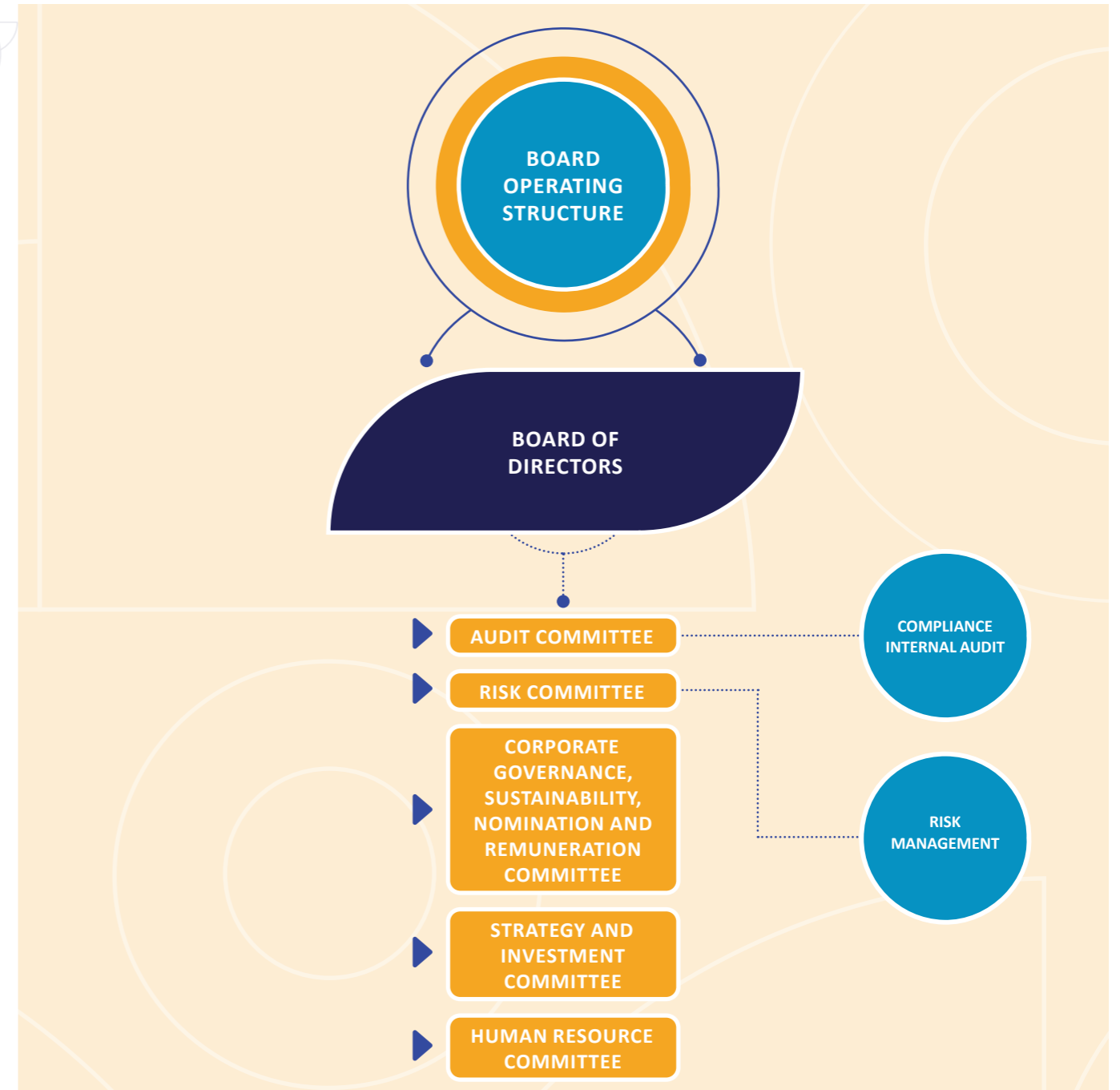
SICOM Group has gained experience and adopted corporate governance practices in line with the provisions of the Code over the years. Essentially, the governance operating model adopted by the Group has the potential to increase its effectiveness by enhancing the Board's ability to exercise proper oversight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

#### The Report presents the details of how the SICOM Group:

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

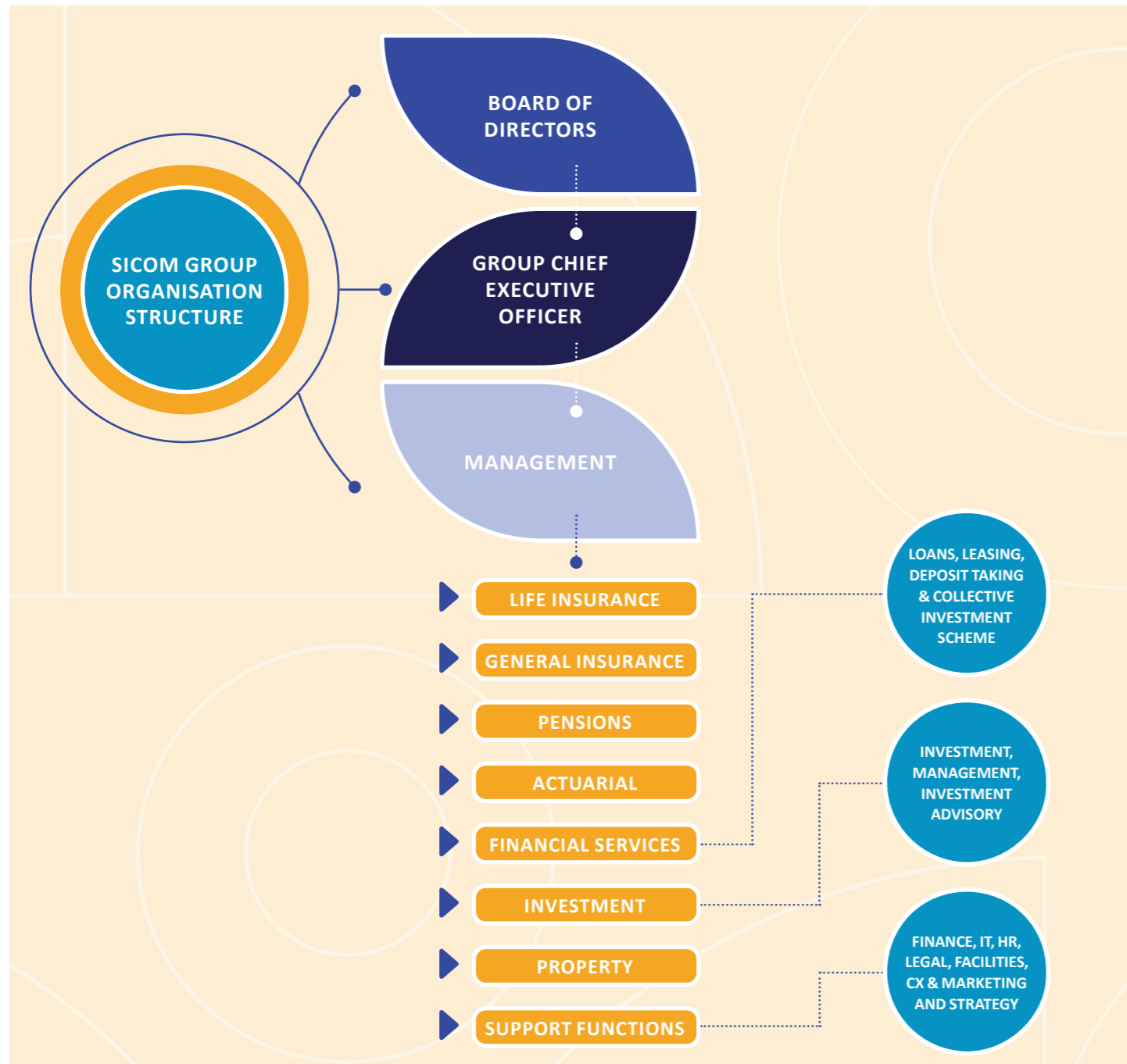
### CORPORATE GOVERNANCE INFRASTRUCTURE

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





# CORPORATE GOVERNANCE REPORT (CONTINUED)



## OUR GOVERNANCE STRUCTURE

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

## STATEMENT OF ACCOUNTABILITIES

SICOM is led by a committed and unitary Board of Directors, which has the collective responsibility for leadership, oversight and long-term success of the organisation. The Board assumes the responsibility for meeting relevant legal and regulatory requirements of the Company and works towards the achievement of the Group’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, while allowing the Board to retain effective control.

The Board is supported by five (5) Committees, which have been set up in accordance with the Company’s Constitution and the recommendations of the Code, to assist the Board in the discharge of its duties and responsibilities by providing in-depth focus on specific areas. In fulfilling their role of providing oversight and guidance, Chairpersons of Board Committees escalate all significant matters affecting the affairs and reputation of the Company to the Board.

The 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.

### The Chairperson

The Chairperson of the Board is an Independent Director and is seconded in this pivotal role by Executive, Non-Executive and Independent Directors. The Chairperson leads the Board, ensuring that it is functioning properly and 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.

### The Group CEO

The day-to-day operations are entrusted to Management under the responsibility of the Group CEO, 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.

### The Company Secretary

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

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



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## SICOM'S BOARD MEMBERS

### DIRECTORS

| MEMBERS   | CATEGORY               |
|---|------------------------|
| <b>Nureshkumar Prayag</b> (Chairperson)<br>(Director as from 21 Feb 2025 and Chairperson as from 14 Mar 2025) | Independent Director   |
| <b>Anandsing Acharuz</b><br>(up to 14 Feb 2025 and as from 25 Mar 2025)                                       | Independent Director   |
| <b>Isabelle Valérie Duval</b><br>(as from 3 Mar 2025)   | Independent Director   |
| <b>Dev Kumar Gopy</b>   | Executive Director     |
| <b>Sean Oliver Men Foong Lew Kew Lin</b><br>(as from 3 Mar 2025)  | Independent Director   |
| <b>Maheshwaree Naraini Madhub</b><br>(up to 12 Feb 2025 and as from 25 Mar 2025)                              | Non-Executive Director |
| <b>Nandita Ramdewar</b>   | Executive Director     |
| <b>Mohammad Junaid Sairally</b><br>(as from 21 Feb 2025)  | Independent Director   |
| <b>Karuna G Bhoojedhur-Obeegadoo</b> (Chairperson)<br>(up to 18 Nov 2024)                                     | Non-Executive Director |
| <b>Chandradeo Dabeea</b><br>(up to 18 Nov 2024)   | Independent Director   |
| <b>Chaitanand Jheengun</b><br>(up to 20 Nov 2024)   | Non-Executive Director |
| <b>Shakilla Bibi Jhungeer</b><br>(up to 18 Nov 2024)  | Non-Executive Director |
| <b>Varun Krishn Munoosingh</b><br>(up to 30 Dec 2024)   | Independent Director   |
| <b>Ushalini Shewraj</b><br>(up to 11 Aug 2025)  | Independent Director   |
| <b>Jairaj Sonoo</b><br>(up to 13 Nov 2024)  | Non-Executive Director |

The profiles of Directors currently serving on the Board during the financial year 2024-2025 can be found on page 27 of the Integrated Report.



## DIRECTORS OF THE GROUP'S SUBSIDIARIES

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

| ENTITY   | BUSINESS             | DIRECTORS   | CATEGORY               |
|--|----------------------|---|------------------------|
| SICOM<br>General<br>Insurance Ltd                    | • General Insurance  | <b>Nureshkumar Prayag</b><br>(Director as from 16 May 2025 and Chairperson as from 23 May 2025) | Non-Executive Director |
|  |                      | <b>Mohammad Riad Shamimuddin Fuzurally</b><br>(as from 6 Jun 2025)                              | Independent Director   |
|  |                      | <b>Girshan Jheelan</b><br>(as from 16 May 2025)   | Independent Director   |
|  |                      | <b>Dev Kumar Gopy</b><br>(as from 3 October 2025)   | Executive Director     |
|  |                      | <b>Hansraj Panchoo</b><br>(as from 16 May 2025)   | Independent Director   |
|  |                      | <b>Nandita Ramdewar</b>   | Executive Director     |
|  |                      | <b>Mohammad Junaid Sairally</b><br>(as from 16 May 2025)  | Non-Executive Director |
|  |                      | <b>Karuna Ghaneswaree Bhoojedhur-Obeegadoo</b><br>(Director and Chairperson up to 18 Nov 2024)  | Non-Executive Director |
|  |                      | <b>Surendranath Ancharaz</b><br>(up to 28 Aug 2025)   | Executive Director     |
|  |                      | <b>Yasheel Kumar Aukhojee (Dr)</b><br>(up to 15 Nov 2024)                                       | Independent Director   |
|  |                      | <b>Anandjaye Chummun</b><br>(up to 22 Nov 2024)   | Independent Director   |
|  |                      | <b>Chandradeo Dabeea</b><br>(up to 18 Nov 2024)   | Non-Executive Director |
|  |                      | <b>Chandrek Dussoye</b><br>(up to 30 Dec 2024)  | Independent Director   |
|  |                      | <b>Vinod Kumar Koonjoo</b><br>(up to 28 Oct 2024)   | Independent Director   |
| <b>José Moonien</b><br>(up to 18 Nov 2024)           | Independent Director |   |                        |
| <b>Dharmanand Ramkallawon</b><br>(up to 15 Nov 2024) | Independent Director |   |                        |



# CORPORATE GOVERNANCE REPORT (CONTINUED)

| ENTITY  | BUSINESS   | DIRECTORS  | CATEGORY               |
|---|--|--|------------------------|
| SICOM Financial Services Ltd                    | <ul style="list-style-type: none"> <li>Leasing</li> <li>Deposit-Taking</li> <li>Personal Loan</li> <li>Investment</li> </ul> | <b>Edison Narainen</b><br>(Director as from 30 May 2025 and Chairperson as from 16 Jul 2025) | Non-Executive Director |
|   |  | <b>Lakshana Devi Borthosow</b><br>(as from 29 Jul 2025)                                      | Non-Executive Director |
|   |  | <b>Avinash Dreepaul</b><br>(up to 31 Oct 2024 and as from 18 Jun 2025)                       | Non-Executive Director |
|   |  | <b>Dev Kumar Gopy</b>  | Executive Director     |
|   |  | <b>Sean Oliver Men Foong Lew Kew Lin</b><br>(as from 16 Jun 2025)                            | Non-Executive Director |
|   |  | <b>Nureshkumar Prayag</b><br>(as from 19 Jun 2025)   | Non-Executive Director |
|   |  | <b>Nandita Ramdewar</b>  | Executive Director     |
|   |  | <b>Oomesh Sharma Mahadu</b><br>(Director and Chairperson up to 15 Nov 2024)                  | Independent Director   |
|   |  | <b>Karuna Ghaneswaree Bhoojedhur-Obeegadoo</b><br>(up to 18 Nov 2024)                        | Non-Executive Director |
|   |  | <b>Chelven Chengabroyan</b><br>(up to 10 Nov 2024)   | Independent Director   |
| <b>Subashini Rama</b><br>(up to 19 May 2025)    | Non-Executive Director   |  |                        |
| <b>Subiraj Reedoy</b><br>(up to 18 Nov 2024)    | Independent Director   |  |                        |
| <b>Sarvesh Seetejory</b><br>(up to 15 Nov 2024) | Independent Director   |  |                        |

| ENTITY                   | BUSINESS   | DIRECTORS  | CATEGORY               |
|--------------------------|--|--|------------------------|
| SICOM Management Limited | <ul style="list-style-type: none"> <li>Investment Management</li> <li>Investment Advisory</li> </ul> | <b>Nureshkumar Prayag</b><br>(Director as from 24 Jun 2025 and Chairperson as from 25 June 2025) | Non-Executive Director |
|                          |  | <b>Dev Kumar Gopy</b>  | Executive Director     |
|                          |  | <b>Nandita Ramdewar</b>  | Executive Director     |
|                          |  | <b>Karuna Ghaneswaree Bhoojedhur-Obeegadoo</b><br>(Director and Chairperson up to 18 Nov 2024)   | Non-Executive Director |

| ENTITY                    | BUSINESS   | DIRECTORS  | CATEGORY               |
|---------------------------|--|--|------------------------|
| SICOM Global Fund Limited | <ul style="list-style-type: none"> <li>Investment</li> </ul> | <b>Nureshkumar Prayag</b><br>(Director as from 18 Jun 2025 and Chairperson as from 25 June 2025) | Non-Executive Director |
|                           |  | <b>Nandita Ramdewar</b>  | Executive Director     |
|                           |  | <b>Karuna Ghaneswaree Bhoojedhur-Obeegadoo</b><br>(Director and Chairperson up to 18 Nov 2024)   | Non-Executive Director |

| ENTITY               | BUSINESS  | DIRECTORS  | CATEGORY               |
|----------------------|---|--|------------------------|
| SICOM Properties Ltd | <ul style="list-style-type: none"> <li>Real Estate Development</li> </ul> | <b>Nunramsing Baichoo</b><br>(Director as from 13 May 2025 and Chairperson as from 30 June 2025) | Independent Director   |
|                      |   | <b>Dev Kumar Gopy</b><br>(as from 13 May 2025)   | Executive Director     |
|                      |   | <b>Nandita Ramdewar</b>  | Executive Director     |
|                      |   | <b>Karuna Ghaneswaree Bhoojedhur-Obeegadoo</b><br>(Director and Chairperson up to 18 Nov 2024)   | Non-Executive Director |





# CORPORATE GOVERNANCE REPORT (CONTINUED)

## OTHER DIRECTORSHIPS HELD BY MEMBERS OF THE BOARD WHO HELD OFFICE UNTIL 30 JUNE 2025

| DIRECTORS                                  | OTHER DIRECTORSHIPS  | ADDITIONAL CHAIR   | ADDITIONAL COMMITTEE RESPONSIBILITIES  |
|--|--|--|--|
| <b>Nureshkumar Prayag</b><br>(Chairperson) | <ul style="list-style-type: none"> <li>SICOM General Insurance Ltd – Non-Executive Director</li> <li>SICOM Financial Services Ltd – Non-Executive Director</li> <li>SICOM Management Limited – Non-Executive Director</li> <li>SICOM Global Fund Limited – Non-Executive Director</li> </ul>   | <ul style="list-style-type: none"> <li>SICOM General Insurance Ltd</li> <li>SICOM Management Limited</li> <li>SICOM Global Fund Limited</li> </ul> |  |
| <b>Anandsing Acharuz</b>                   | <ul style="list-style-type: none"> <li>Mauritius Africa Fund Ltd</li> <li>Airport Holdings Ltd</li> <li>Airports of Mauritius Co. Ltd</li> <li>Airport Terminal Operations Ltd</li> <li>Côte d’Or International Racecourse and Entertainment Complex Ltd</li> <li>Mauritius Institute of Biotechnology Ltd</li> <li>Mauritius Housing Holding Ltd</li> <li>Regional Multidisciplinary Centre for Excellence</li> </ul> |  |  |
| <b>Dev Kumar Gopy</b>                      | <ul style="list-style-type: none"> <li>SICOM Financial Services Ltd – Executive Director</li> <li>SICOM Management Limited – Executive Director</li> <li>SICOM Properties Ltd – Executive Director</li> <li>Cyber Properties Investments Ltd – Non-Executive Director</li> </ul>   |  |  |
| <b>Sean Oliver Men Foong Lew Kew Lin</b>   | <ul style="list-style-type: none"> <li>SICOM Financial Services Ltd – Non-Executive Director</li> <li>Eruption Marketing &amp; Business Strategy Ltd</li> <li>Eruption Media Ltd</li> </ul>  |  |  |
| <b>Maheswaree Naraini Madhub</b>           | <ul style="list-style-type: none"> <li>Omnican Limited – Independent Director</li> <li>Cyber Properties Investment Ltd – Non-Executive Director</li> <li>Ascencia Ltd – Independent Director</li> <li>Mauritius Housing Company Ltd – Non-Executive Director</li> </ul>  |  |  |
| <b>Nandita Ramdewar</b>                    | <ul style="list-style-type: none"> <li>SICOM General Insurance Ltd – Executive Director</li> <li>SICOM Financial Services Ltd – Executive Director</li> <li>SICOM Management Limited – Executive Director</li> <li>SICOM Global Fund Limited – Executive Director</li> <li>SICOM Properties Ltd – Executive Director</li> <li>National Housing Development Co. Ltd – Non-Executive Director</li> </ul>                 |  | <ul style="list-style-type: none"> <li>National Housing Development Co. Ltd – Risk and Audit Committee (Chairperson); and Corporate Governance Committee (Member)</li> </ul> |





# CORPORATE GOVERNANCE REPORT (CONTINUED)

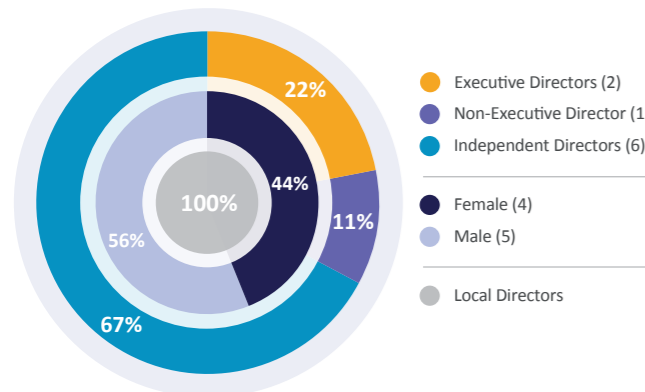
## PRINCIPLE 2 - THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

During the period from November 2024 until March 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 (2) Executive Directors who remained in office, continued to manage the affairs of the Company during the period in accordance with its Constitution and Board 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 characterised by a director's ability to make impartial decisions with independence of mind, character and judgment. The Board confirms that the two (2) 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. Subsequently, the Company initiated the process to replace the outgoing directors in accordance with the provisions of the Board Charter, thereby restoring the desired board constitution, in alignment with the Code.

### BOARD SIZE AND COMPOSITION

The Company is governed by a unitary Board. The latter has been reconstituted and, at financial year end, was composed of nine (9) Directors, out of which there were five (5) male representatives and four (4) female representatives. The Company had a judicious mix of two (2) Executive Directors, one (1) Non-Executive Director, and six (6) Independent Directors, who were all residents of Mauritius. There were no alternate directors on the Board.

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. The Company complies with the statutory number of directors and 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 and the Group. Overall, the Board is of opinion that the current number of Directors with their mix of knowledge, skills and experience is adequate to effectively discharge its duties.

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

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

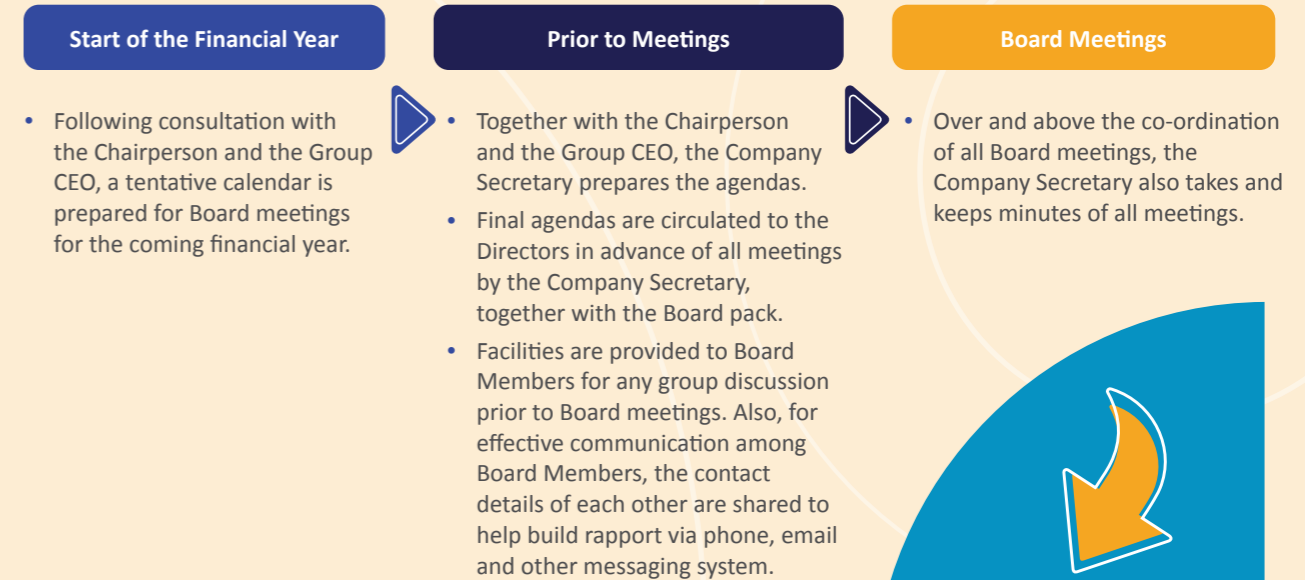
### BOARD MEETINGS

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

Board Meetings are set in advance according to the terms of the Company's Board Charter and its Constitution. Additional meetings may be convened to consider urgent matters. The Company held nine (9) Board meetings during this financial year.

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

### BOARD MEETINGS PROCESS



### 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 a secure online portal.

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

22



Total number of meetings in 2024-2025

- Annual Meeting of Shareholders - 1
- Special Meeting of Shareholders - 1
- Board - 9
- Audit Committee - 4
- Risk Committee - 2
- Strategy and Investment Committee - 2
- Corporate Governance, Sustainability, Nomination and Remuneration Committee - 1
- Human Resource Committee - 2



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 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. For the 2024-2025 reporting year, the Group continued to focus on advancing initiatives under its key strategic pillars: Business Growth & Diversification, Customer Experience & Digitalisation, Governance & Risk, Employee Engagement & Development, and Environmental, Social, and Governance & Sustainability.

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

During the reporting period 2024-2025, the Board met nine (9) times, as per hereunder attendance:

| MEMBERS   | CATEGORY               | MEETING ATTENDANCE |
|---|------------------------|--------------------|
| <b>Nureshkumar Prayag</b> (Chairperson)<br>(Director as from 21 Feb 2025 and Chairperson as from 14 Mar 2025) | Independent Director   | 4 of 5             |
| <b>Anandsing Acharuz</b><br>(up to 14 Feb 2025 and as from 25 Mar 2025)                                       | Independent Director   | 5 of 7             |
| <b>Isabelle Valérie Duval</b><br>(as from 3 Mar 2025)   | Independent Director   | 5 of 5             |
| <b>Dev Kumar Gopy</b>   | Executive Director     | 9 of 9             |
| <b>Sean Oliver Men Foong Lew Kew Lin</b><br>(as from 3 Mar 2025)  | Independent Director   | 5 of 5             |
| <b>Maheshwaree Naraini Madhub</b><br>(up to 12 Feb 2025 and as from 25 Mar 2025)                              | Non-Executive Director | 6 of 6             |
| <b>Nandita Ramdewar</b>   | Executive Director     | 9 of 9             |
| <b>Mohammad Junaid Sairally</b><br>(as from 21 Feb 2025)  | Independent Director   | 5 of 5             |
| <b>Karuna G. Bhoojedhur-Obeegadoo</b> (Director and Chairperson)<br>(up to 18 Nov 2024)                       | Non-Executive Director | 2 of 2             |
| <b>Chandradeo Dabeea</b><br>(up to 18 Nov 2024)   | Independent Director   | 2 of 2             |
| <b>Chaitanand Jheengun</b><br>(up to 20 Nov 2024)   | Non-Executive Director | 2 of 2             |
| <b>Shakilla Bibi Jhungeer</b><br>(up to 18 Nov 2024)  | Non-Executive Director | 2 of 2             |
| <b>Ushalini Shewraj</b><br>(up to 11 Aug 2025)  | Independent Director   | 9 of 9             |
| <b>Varun Krishn Munoosingh</b><br>(up to 30 Dec 2024)   | Independent Director   | 2 of 2             |
| <b>Jairaj Sonoo, C.S.K.</b><br>(up to 13 Nov 2024)  | Non-Executive Director | 1 of 2             |

## Key Focus Areas

- Assessment of Fitness and Propriety and Appointment of New Directors
- Reconstitution of Board Sub-Committees
- Overview of the Strategy, Business and Financial Performance of the SICOM Group
- Review of IT & Digitalisation Strategy for the SICOM Group
- HR Matters
- New Property Project
- Evaluation of the Performance of the Board and its Committees
- Approval of Annual Reports, including the Financial Statements
- Dividend Payment
- Reappointment of External Auditors and their Fees
- Appointment of Members on the Board of SICOM Pooled Private Pension Fund (SPPPF)
- Actuarial Valuation Report of the Life Fund
- Risk Management Framework and Own Risk and Solvency Assessment (ORSA)
- Pre-Tax Profit Forecast and Budget



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## BOARD COMMITTEES

THE BOARD HAS DELEGATED AUTHORITY TO VARIOUS BOARD COMMITTEES TO PROVIDE FOCUSED GUIDANCE AND MAKE RECOMMENDATIONS, THROUGH ESTABLISHED REPORTING MECHANISMS, ON AREAS AND MATTERS ENTRUSTED TO THEM. EACH COMMITTEE COMPRISES MEMBERS WITH A WEALTH OF KNOWLEDGE AND EXPERIENCE IN FIELDS RELEVANT TO THE OPERATIONS OF THE COMPANY, INCLUDING INSURANCE, PENSIONS, ACTUARIAL SCIENCE, FINANCE, LEGAL AND BUSINESS ADMINISTRATION.

EACH BOARD COMMITTEE HAS ITS OWN CHARTER, APPROVED BY THE BOARD AND PUBLISHED ON THE GROUP'S WEBSITE, AND WHICH IS REVIEWED AS AND WHEN REQUIRED. EACH CHARTER SETS OUT, INTER ALIA, THE ROLES, RESPONSIBILITIES AND COMPOSITION OF EACH BOARD COMMITTEE AS WELL AS THE MEETING REQUIREMENTS. THE RESPONSIBILITIES OF THE CHAIRPERSON OF EACH SUB-COMMITTEE HAVE BEEN CLEARLY DEFINED IN THEIR RESPECTIVE POSITION STATEMENTS.

## AUDIT COMMITTEE

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

The Audit Committee has been reconstituted and is currently composed of four (4) Independent Directors.

During the financial year 2024-2025, the Committee met four (4) times, as per attendance hereunder; no meeting of the Committee was held from December 2024 until its reconstitution in April 2025.

| MEMBERS   | CATEGORY               | MEETING ATTENDANCE |
|---|------------------------|--------------------|
| <b>Anandsing Acharuz</b> (Chairperson)<br>(up to 14 Feb 2025 and as from 10 Apr 2025) | Independent Director   | 4 of 4             |
| <b>Isabelle Valérie Duval</b><br>(as from 10 Apr 2025)                                | Independent Director   | 2 of 2             |
| <b>Sean Oliver Men Foong Lew Kew Lin</b><br>(as from 10 Apr 2025)                     | Independent Director   | 2 of 2             |
| <b>Mohammad Junaid Sairally</b><br>(as from 10 Apr 2025)                              | Independent Director   | 2 of 2             |
| <b>Chandradeo Dabeea</b><br>(up to 18 Nov 2024)                                       | Independent Director   | 2 of 2             |
| <b>Chaitanand Jheengun</b><br>(up to 20 Nov 2024)                                     | Non-Executive Director | 2 of 2             |
| <b>Shakilla Bibi Jhungeer</b><br>(up to 18 Nov 2024)                                  | Non-Executive Director | 2 of 2             |
| <b>Varun Krishn Munoosingh</b><br>(up to 30 Dec 2024)                                 | Independent Director   | 2 of 2             |

## Key Focus Areas

- Independence Assessment Letter for Tax Services by Deloitte
- Money Laundering Reporting Officer and Compliance Reports
- Compliance Plan
- Internal Audit Reports
- Internal Audit Plan
- Approval of audited Financial Statements
- Audit Plan of External Auditors
- Audit Status Update
- IT Audit Report on Review of Data Security and Privacy



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## RISK COMMITTEE

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

The Risk Committee has been reconstituted and is currently composed of three (3) Independent Directors and one (1) Non-Executive Director.

During the financial year 2024-2025, the Committee met two (2) times, as per the following attendance:

| MEMBERS  | CATEGORY               | MEETING ATTENDANCE |
|--|------------------------|--------------------|
| <b>Maheshwaree Naraini Madhub</b> (Chairperson)<br>(up to 12 Feb 2025 and as from 10 Apr 2025) | Non-Executive Director | 2 of 2             |
| <b>Sean Oliver Men Foong Lew Kew Lin</b><br>(as from 10 Apr 2025)                              | Independent Director   | 1 of 1             |
| <b>Nureshkumar Prayag</b><br>(as from 10 Apr 2025)   | Independent Director   | 1 of 1             |
| <b>Mohammad Junaid Sairally</b><br>(as from 10 Apr 2025)                                       | Independent Director   | 1 of 1             |
| <b>Jairaj Sonoo, C.S.K.</b> (Chairperson)<br>(up to 13 Nov 2024)                               | Non-Executive Director | 1 of 1             |
| <b>Karuna G. Bhoojedhur-Obeegadoo</b><br>(up to 18 Nov 2024)                                   | Non-Executive Director | 1 of 1             |
| <b>Chandradeo Dabeea</b><br>(up to 18 Nov 2024)  | Independent Director   | 1 of 1             |
| <b>Chaitanand Jheengun</b><br>(up to 20 Nov 2024)  | Non-Executive Director | 1 of 1             |

### Key Focus Areas

- Status on Business Continuity Management Implementation
- Risk Reports
- Data Security Measures
- Digital Data Classification Policy
- Business Risk Assessments
- Incident Response Plan Policy

## STRATEGY AND INVESTMENT COMMITTEE

The Strategy and Investment Committee assists the Board in:

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

The Strategy and Investment Committee has been reconstituted and is currently composed of two (2) Independent Directors and one (1) Non-Executive Director.

During the financial year 2024-2025, the Committee met two (2) times, as per the following attendance:

| MEMBERS   | CATEGORY               | MEETING ATTENDANCE |
|---|------------------------|--------------------|
| <b>Nureshkumar Prayag</b> (Chairperson)<br>(as from 10 Apr 2025)                            | Independent Director   | 1 of 1             |
| <b>Anandsing Acharuz</b><br>(as from 10 Apr 2025)   | Independent Director   | 1 of 2             |
| <b>Nandita Ramdewar</b><br>(up to 10 Apr 2025)  | Executive Director     | 1 of 1             |
| <b>Maheshwaree Naraini Madhub</b><br>(as from 10 Apr 2025)                                  | Non-Executive Director | 1 of 1             |
| <b>Karuna G. Bhoojedhur-Obeegadoo</b> (Chairperson)<br>(Chairperson up to 18 November 2024) | Non-Executive Director | 1 of 1             |
| <b>Ushalini Shewraj</b><br>(up to 11 Aug 2025)  | Independent Director   | 2 of 2             |
| <b>Jairaj Sonoo, C.S.K.</b><br>(up to 13 Nov 2024)  | Non-Executive Director | 1 of 1             |

### Key Focus Areas

- New Property Project
- Review of Investments
- Property Matters
- Responsible Investment Policy
- Strategy Update



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## CORPORATE GOVERNANCE, SUSTAINABILITY AND NOMINATION COMMITTEE

(renamed as Corporate Governance, Sustainability, Nomination and Remuneration Committee as from 01 Aug 2025)

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

The Corporate Governance, Sustainability, Nomination and Remuneration Committee has been reconstituted and is currently composed of three (3) Independent Directors.

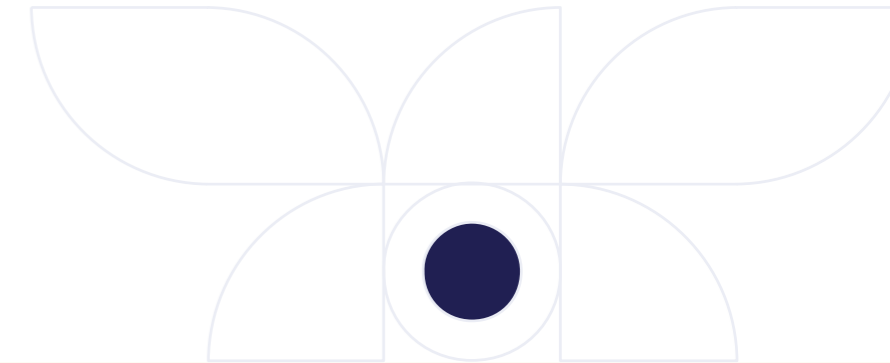
During the financial year 2024-2025, the Committee met one (1) time, as per the following attendance:

| MEMBERS  | CATEGORY               | MEETING ATTENDANCE |
|--|------------------------|--------------------|
| <b>Nureshkumar Prayag</b> (Chairperson)<br>(as from 10 Apr 2025)           | Independent Director   | *                  |
| <b>Isabelle Valérie Duval</b><br>(as from 10 Apr 2025)                     | Independent Director   | *                  |
| <b>Maheshwaree Naraini Madhub</b><br>(as from 10 Apr 2025)                 | Non-Executive Director | 1 of 1             |
| <b>Mohammad Junaid Sairally</b><br>(as from 10 Apr 2025)                   | Independent Director   | *                  |
| <b>Karuna G. Bhoojedhur-Obeegadoo</b> (Chairperson)<br>(up to 18 Nov 2024) | Non-Executive Director | 1 of 1             |
| <b>Shakilla Bibi Jhungeer</b><br>(up to 18 Nov 2024)                       | Non-Executive Director | 1 of 1             |
| <b>Varun Krishn Munoosingh</b><br>(up to 30 Dec 2024)                      | Independent Director   | 1 of 1             |
| <b>Ushalini Shewraj</b><br>(up to 11 Aug 2025)                             | Independent Director   | 1 of 1             |

\* No meeting of the Committee was held following its reconstitution in financial year 2024-2025.

### Key Focus Areas

- Changes in the Composition of the Board of SFSL
- Corporate Governance Report
- Update on Sustainability



## HUMAN RESOURCE COMMITTEE

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

The Human Resource Committee has been reconstituted and is currently composed of three (3) Independent Directors and one (1) Non-Executive Director.

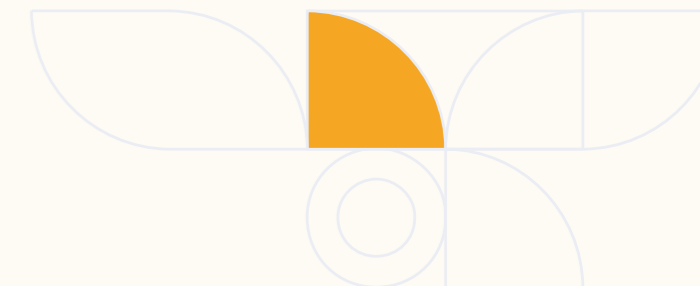
During the financial year 2024-2025, the Committee met two (2) times, as per the following attendance:

| MEMBERS  | CATEGORY               | MEETING ATTENDANCE |
|--|------------------------|--------------------|
| <b>Isabelle Valérie Duval</b> (Chairperson)<br>(as from 10 Apr 2025) | Independent Director   | *                  |
| <b>Sean Oliver Men Foong Lew Kew Lin</b><br>(as from 10 Apr 2025)    | Independent Director   | *                  |
| <b>Maheshwaree Naraini Madhub</b><br>(as from 10 Apr 2025)           | Non-Executive Director | *                  |
| <b>Nandita Ramdewar</b><br>(up to 10 Apr 2025)                       | Executive Director     | 2 of 2             |
| <b>Ushalini Shewraj</b><br>(up to 11 Aug 2025)                       | Independent Director   | 2 of 2             |
| <b>Jairaj Sonoo, C.S.K.</b> (Chairperson)<br>(up to 13 Nov 2024)     | Non-Executive Director | 2 of 2             |
| <b>Karuna G. Bhoojedhur-Obeegadoo</b><br>(up to 18 Nov 2024)         | Non-Executive Director | 2 of 2             |
| <b>Varun Krishn Munoosingh</b><br>(up to 30 Dec 2024)                | Independent Director   | 2 of 2             |

\* No meeting of the Committee was held following its reconstitution in financial year 2024-2025.

### Key Focus Areas

- Recruitment
- Annual Increment
- Request for Early Retirement
- Requests from SICOM Employees Union



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 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 considers 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)
- Any conflicts of interest

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

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

### THE INDUCTION PROCESS

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

Upon their appointment, Non-Executive Directors are given a letter of appointment, and all new Directors 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 discussions and oversight of the Company. To that end, all new Directors are provided with an induction pack.

#### Induction Pack

- An overview of the Company
- Company's Constitution
- Board Charter
- Charters of the Board's Sub-Committees
- Code of Ethics for Directors
- The Insurance Act 2005
- The Financial Services Act 2007
- Relevant extracts of the Companies Act 2001
- The National Code of Corporate Governance for Mauritius (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 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 ongoing 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 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.

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 Charter while the Board was being reconstituted.



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## PRINCIPLE 4 - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

### LEGAL DUTIES

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

### ACCESS TO INFORMATION

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

### INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

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

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

SICOM benchmarks itself against best practice frameworks to continuously improve its security posture.

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

In parallel, we have recognised the criticality of promoting a culture of cybersecurity awareness among our Board and staff members. To this end, we have organised dedicated awareness sessions 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.

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

### ASSESSMENT AND EVALUATION OF BOARD MEMBERS

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

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

### REMUNERATION

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

As per the Board-approved Remuneration Policy for Directors and Senior Executives, which is referred to on page 43 of this Report, remuneration for Non-Executive Directors consists of fixed fees for acting as member of the Board and as member of Board Committee(s), if applicable, and benefits and allowances as approved by the Shareholders. The Non-Executive Directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance.

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

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

Details on Directors' remuneration are found on page 199 of the Integrated Report under Statutory Disclosures (Section 221 of the Companies Act 2001).





# CORPORATE GOVERNANCE REPORT (CONTINUED)

## PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL

### AT THE CORE: RISK AND CULTURE

#### Board Opinion

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

#### Risk Management

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

- setting up a risk management framework;
- overseeing the implementation and subsequent monitoring;
- determining the risk culture;
- providing Management with leadership and guidance;
- ensuring that any person responsible for risk management has the appropriate skills, knowledge, independence and authority;
- defining the roles and responsibilities of Management;
- ensuring that the Risk Management function and the Risk Committee have the appropriate training and support to fulfil their responsibilities;
- having Crisis Management and Contingency Plans to respond quickly and effectively to unforeseen events; and
- overseeing the management and monitoring of cybersecurity-related risks.

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

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

The comprehensive Risk Management Report can be found at pages 48 to 59 of the Integrated Report.

#### Internal Controls

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

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

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

- (a) an effective organisation structure, including the delegation of appropriate responsibilities to Board Committees, the Group CEO, Senior Management and Heads of Operating Units;
- (b) consideration of reports of the Internal Auditor, Statutory Actuary and the External Auditor when assessing the effectiveness of internal controls;
- (c) a comprehensive management information and accounting system to provide reliable financial and operational performance data;
- (d) a Compliance function under the leadership of the Compliance Officer/Money Laundering Reporting Officer, and compliance policies and procedures to ensure compliance with applicable laws, regulations, codes and guidelines; and
- (e) implementation of appropriate financial and operational controls by Management by way of segregation of duties and financial/monetary limits.

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

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





# CORPORATE GOVERNANCE REPORT (CONTINUED)

## PRINCIPLE 6 - REPORTING WITH INTEGRITY

As the Board of SICOM, we affirm our responsibility for the integrity of the Integrated Report 2025. In collaboration with management, we have applied our collective expertise to ensure that the information presented in this report complies with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the Integrated Reporting Framework and the Companies Act 2001. This report offers a fair, balanced and comprehensible view of the Group's financial, environmental, social and governance performance, position and future outlook.

Our Integrated Report is available on our website at <https://www.sicom.mu/en/about/about-sicom>

SICOM 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 deliver service excellence.

As a responsible financial services provider, SICOM recognises that long-term success extends beyond financial performance. It equally relies on the stability and well-being of the economic, social, and environmental ecosystems in which it operates. In this regard, SICOM undertakes initiatives to promote health and well-being, enhance financial literacy, empower youth and preserve biodiversity – aligning its growth trajectory with principles of social inclusion, environmental sustainability and long-term resilience.

### Sustainability

SICOM reaffirms its commitment to sustainability by submitting yearly progress reports aligned with the principles of the UN Global Compact and the UN Principles of 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 Sustainability Report, published independently, follows the principles of Global Reporting Initiative (GRI), aligning disclosures with internationally recognised 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. More details can be found on pages 82 to 91 of this Integrated Report.

### Integrated Reporting

In line with the principles of the Integrated Reporting Framework, the Group's value creation model - presented on pages 72 to 73 of this Integrated Report - illustrates how SICOM leverages the six capitals (financial, human, intellectual, manufactured, social and natural) to deliver sustainable value for its shareholders and broader stakeholder community. This model reflects the interconnectedness of resources and relationships that drive long-term value creation across financial and non-financial dimensions.

### Safety and Health

At SICOM, the safety, health and well-being 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 and regulations as well as integrates 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 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.

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 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 Group did not make any political donation during the financial year 2024-2025 (2023-2024: Nil).



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## SICOM'S BOARD POLICIES

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

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

### Summary of the Main Governance Documents

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

### The Company also has in place the following governance documents:

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



### 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 Group, an executed declaration regarding their time commitments to effectively fulfil their duty as Director 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

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

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

Details on related party transactions are found on pages 196 to 197 of the Integrated Report.



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## 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 the 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 by improving the Group's operations and helping achieve its objectives. The scope of work of the Internal Audit function is to bring a systematic, disciplined approach to evaluate and improve the effectiveness of the Group's risk management, control, information systems and governance processes.

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 Audit Committee and reports directly to and regularly to the Committee. As and when required, the Audit Committee meets solely with the Manager - Internal Audit to discuss important issues or matters of concern. The Manager - Internal Audit has unfettered access to all records, and to employees and Management of SICOM Group.

The Internal Audit function is adequately staffed, and the members have the necessary qualifications, appropriate tools and experience to carry out their duties and responsibilities. The function is also committed to its continuous improvement by ensuring training in relevant fields and continuous professional development for its

members. During the financial year ended 30 June 2025, members of the Internal Audit function have had the opportunity to attend several internal and external workshops including:

- IIA Annual Mauritius Conference 2024;
- AML/CFT Compliance Audit organised by the Financial Services Institute;
- Management Masterclass organised by Corporate Leadership Center Ltd;
- Training on Procurement organised in-house with the collaboration of the Civil Service College;
- Essential of Value Added Tax and Business Taxation; and
- 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 in turn contributes 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 Audit Committee, is based on the principles of the 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 the Group's business processes;
- key controls and measures aligned with customers' needs and key business objectives;

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

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

During the financial year 2024-2025, thirteen (13) planned internal audit reviews together with twelve (12) ad hoc audit inspections were carried out and covered the various operational and support functions of the Group as follows:

| PLANNED AUDIT REVIEWS   | AD HOC AUDIT INSPECTIONS  |
|---|---|
| <ul style="list-style-type: none"> <li>• Business risk assessment on AML/CFT for SICOM Financial Services Ltd</li> <li>• AML/CFT compliance for SICOM and SICOM General Insurance Ltd</li> <li>• Business risk assessment on AML/CFT for Unit Trusts' activities</li> <li>• Maintenance and monitoring over fixed assets</li> <li>• Claims provisioning, processing and monitoring for Group Life Schemes</li> <li>• Effectiveness of the online sales platform for General Insurance business</li> <li>• Pensioners' payroll processing and maintenance over pensioners' database</li> <li>• Cash handling, recording and reconciliation of receipts in SICOM Financial Services Ltd</li> <li>• Recommendations of Asset liability modelling reports and Actuarial valuations reports</li> <li>• Outstanding recoveries from Third Parties and Third Party Insurers in SICOM General Insurance Ltd</li> <li>• Reinsurance premium and claims recoveries from reinsurers of Individual Life Assurance</li> <li>• Deposit concentration, credit concentration limits and interest rate risks in SICOM Financial Services Ltd</li> <li>• Mortgage Underwriting Practices and Loans Procedures in line with regulatory provisions</li> </ul> | <ul style="list-style-type: none"> <li>• Documented Controls over Data processing for IFRS 17 Results</li> <li>• Advertising and Sponsorship Requests</li> <li>• Archives premises at Coromandel</li> <li>• Processing and Monitoring of Medical Claims</li> <li>• Rose-Belle Branch operations</li> <li>• Succession Planning Roadmap</li> <li>• Cashier's Operations and Compusafe Process</li> <li>• Monitoring Records for Strategic Projects</li> <li>• Reconciliation Status of Life Fund Accounts</li> <li>• AML/CFT Procedures for SICOM Management Ltd</li> <li>• Payment processing and reconciliation status for General Insurance Accounts</li> <li>• AML/CFT Procedures for SICOM Global Fund Limited</li> </ul> |

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 Audit Committee and Management to address the issues noted. The Audit Committee regularly monitors the achievements of the Internal Audit function and Management's responsiveness to the recommendations made by the Internal Audit function based on set targets. The Audit Committee reviews the independence and effectiveness of the Company's Internal Audit function in the context of the Company's overall risk management framework.

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



# CORPORATE GOVERNANCE REPORT (CONTINUED)

## EXTERNAL AUDIT

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

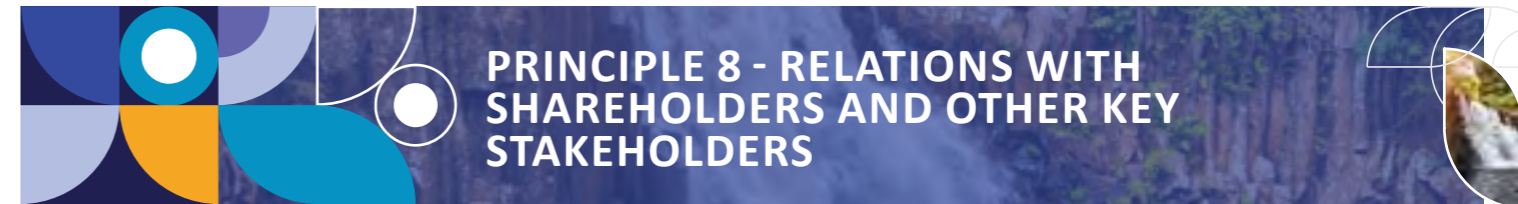
All findings and significant issues raised by the External Auditor during their audits are discussed and submitted to the Audit Committee and to the Board as part of their presentation on the year-end audit. The implementation of the recommendations made by the External Auditor in their Management Letter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

The provision of non-audit services is subject to a tender process so as to ensure that the nature of the non-audit services, if provided by the External Auditor, 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 are as follows:

|                           | GROUP            |                  | COMPANY          |                  |
|---------------------------|------------------|------------------|------------------|------------------|
|                           | 2025<br>MUR '000 | 2024<br>MUR '000 | 2025<br>MUR '000 | 2024<br>MUR '000 |
| Statutory audit           | 10,506           | 12,096           | 6,187            | 7,036            |
| Review of tax computation | 442              | 421              | 136              | 129              |
| Other services*           | 503              | 598              | 252              | 240              |

\* Other services for 2024 and 2025 relate mainly to the statutory returns, as per the Insurance (Risk Management) Rules 2016.



## PRINCIPLE 8 - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

### SHAREHOLDERS' DIARY

| DETAILS  | DATE           |
|--|----------------|
| Financial year-end                                     | 30 June 2025   |
| Audited Financial Statements (year ended 30 June 2025) | September 2025 |
| Statutory Returns to Financial Services Commission     | September 2025 |
| Annual Meeting of Shareholders                         | December 2025  |
| Dividend Payment                                       | December 2025  |

Details of key stakeholders of the Company are found in the Strategy section on pages 74 to 79 of the Integrated Report.





# STATEMENT OF COMPLIANCE

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

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

Reporting Period: Year ended 30 June 2025

On behalf of the Board of Directors of the State Insurance Company of Mauritius Ltd (the Company), we confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance (2016) for Mauritius.

**Mr N. PRAYAG**  
Chairperson

Date: 17 December 2025

**Mr A. ACHARUZ**  
Director

# STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors acknowledge responsibility for:

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

The Directors report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) reasonable steps have been taken for the prevention and detection of fraud and other irregularities;
- (iii) they are responsible for safeguarding the assets of the Company;
- (iv) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- (v) applicable International Financial Reporting Standards 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 any non-compliance.

Signed on behalf of the Board of Directors.

**Mr N. PRAYAG**  
Chairperson

Date: 17 December 2025

**Mr A. ACHARUZ**  
Director



# COMPANY SECRETARY'S CERTIFICATE

We certify to the best of our knowledge and belief that for the year ended 30 June 2025, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

**DTOS Ltd**  
Company Secretary  
State Insurance Company of Mauritius Ltd

Date: 17 December 2025



# RISK MANAGEMENT

The insurance sector is navigating a risk landscape shaped by rapid technological advancements, evolving regulatory frameworks, environmental pressures and shifting customer expectations. Against a backdrop of shifting macroeconomic condition, including elevated living cost pressures, the industry faces continued uncertainty amid high living costs, economic volatility, inflation and ongoing technological disruption.

As risks become more complex and unpredictable, consumers are more empowered with generative artificial intelligence (AI) tools at their fingertips. It is imperative for insurers to elevate their technological and operational capabilities, innovate product offerings and broaden the insurance value proposition to meet these evolving demands, namely digital servicing, personalised products, sustainability-linked features and rapid claims turnaround.

In this context, SICOM has reinforced its commitment to robust and integrated risk management as a basis of long-term value creation. Guided by its Enterprise Risk Management (ERM) framework, the Group systematically identifies, assesses, mitigates and monitors risks across its operations to ensure agility and resilience in a rapidly changing risk landscape.

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. The Risk Officer provides independent second-line oversight and reports regularly to the Risk Committee on breaches to the Risk Appetite Statement and any other risk issues.

## ACHIEVEMENTS FOR THE YEAR

The year 2025 marked a period of progress and resilience for SICOM'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:



## RISK MANAGEMENT STRATEGY AND ROAD MAP

Aligned with industry best practices, strong corporate governance standards and applicable statutory and regulatory requirements, SICOM 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.

We will achieve this by implementing the following objectives:

### OUR FOCUS

- CLIMATE AND ENVIRONMENTAL RISKS**  
Address climate change and environmental risks by assessing the carbon footprint, implement sustainable practices and prepare for the financial and operational impacts of climate-related events.
- CYBERSECURITY AND DATA PROTECTION**  
Enhance defenses against cyber threats and securing sensitive data through robust cybersecurity measures, regular vulnerability assessments and compliance with data protection regulations.
- BUSINESS CONTINUITY MANAGEMENT FRAMEWORK (BCMF)**  
Compliance with ISO 22301:2019 Implementation of the business continuity to respond to incidents.
- RISK ASSESSMENT**  
Conduct more frequent and rigorous reviews of potential high-risk areas.
- ESG (ENVIRONMENTAL, SOCIAL & GOVERNANCE)**  
Address ESG risks and protect the company against potential disruptions.



# RISK MANAGEMENT (CONTINUED)

## STRATEGIC RISK ALIGNMENT: DRIVING RESILIENCE AND GROWTH

The strategic risk alignment highlights the integration of risk management into the Company’s strategic framework to achieve long-term objectives while safeguarding against uncertainties. This approach fosters resilience by addressing challenges such as market volatility, regulatory changes and operational disruptions, ensuring agility and competitiveness. Embedding risk awareness into core activities supports sustainable growth through informed investments and innovation within defined risk boundaries.

Our Management team, under the oversight of the Board, develops the Company’s strategy through a robust planning process that sets clear objectives, defines actionable targets and integrates risk management into the delivery of strategic plans. The Risk function collaborates with business units to identify, assess and mitigate risks, ensuring alignment with strategic goals. By proactively managing risks and opportunities, the Group’s risk strategy enhances decision-making and supports the successful execution of business plans, driving both stability and progress.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK

The ERM Framework defines the Group’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 anticipate 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 Group to remain resilient and capitalise on emerging opportunities in an increasingly complex and dynamic environment.

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 SICOM. 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 integrated and forward-looking approach strengthens the Group’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.

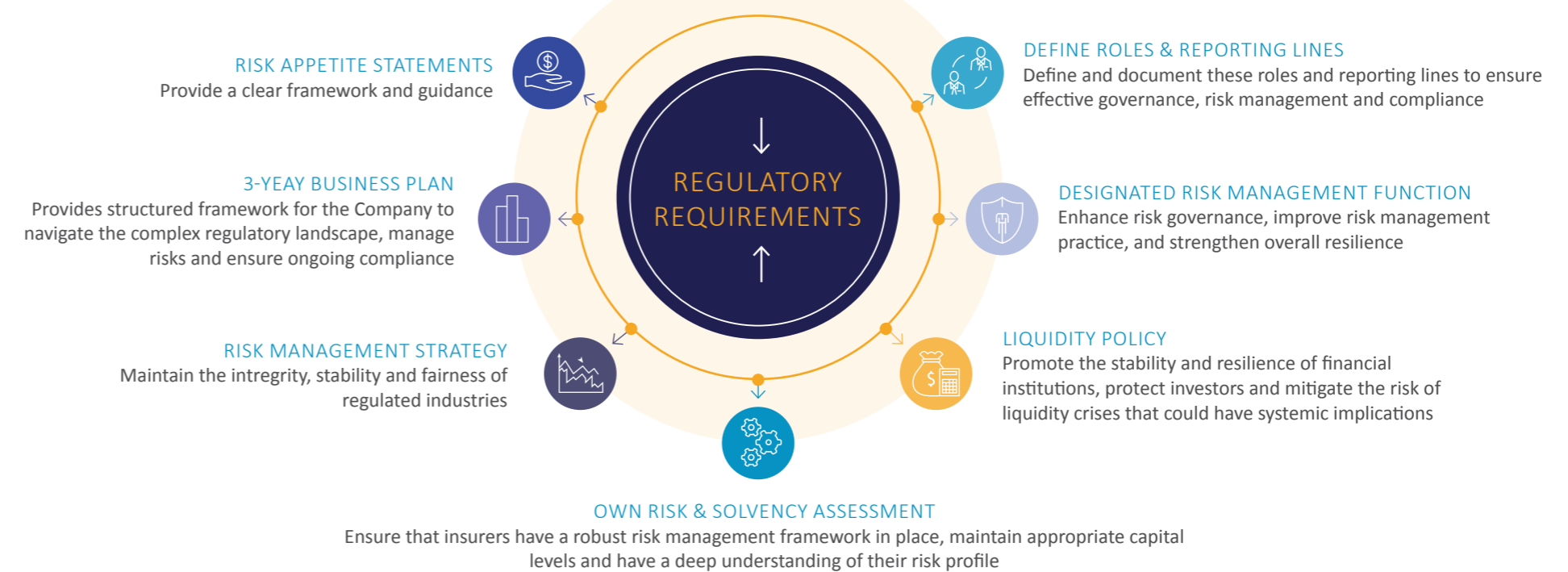
## OUR RISK GOVERNANCE FRAMEWORK

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 aligning with the prevailing regulatory risk-based approach, incorporating sound corporate governance principles, systems and internal controls.



## REGULATORY FRAMEWORK

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

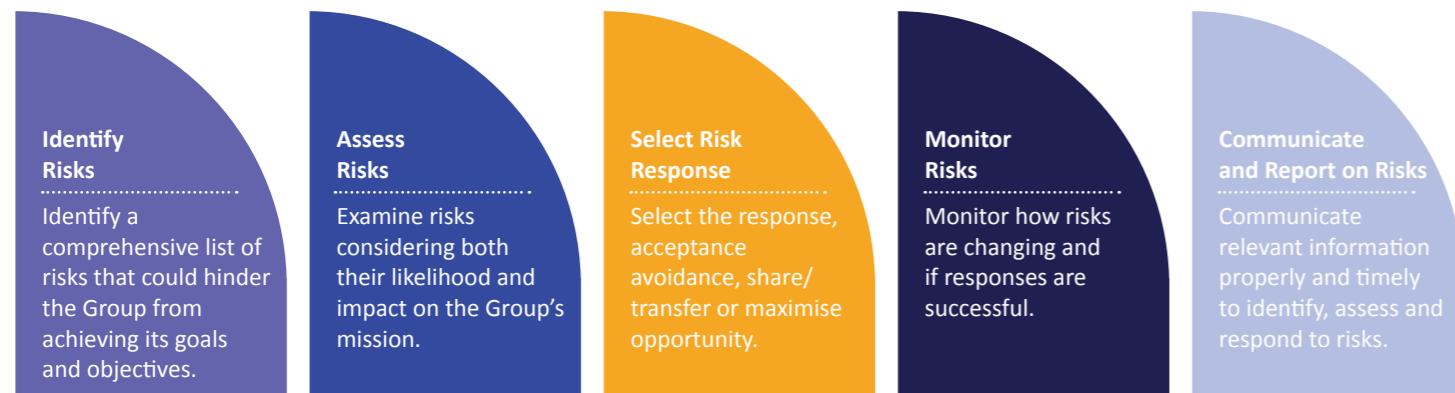




# RISK MANAGEMENT (CONTINUED)

## OUR RISK MANAGEMENT PROCESS

SICOM’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 managed in alignment with the Group’s risk appetite. The Risk Management Plan, embedded in a formal Risk Register, is central to the ERM framework. Risks are consistently classified using the Group’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, SICOM ensures a balanced approach to risk and opportunity, supporting sustainable growth and resilience.



### OUR RISK APPETITE

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



Our risk appetite statements are documented in our policies and include the following:

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

We review and update our risk appetite statements and key risk indicators annually to ensure they remain relevant, aligned with evolving priorities and compliant with regulatory expectations, including submission to the FSC.

## OVERARCHING RISK OBJECTIVES

In today’s rapidly evolving business environment, understanding and managing risk is critical to achieving our strategic goals and ensuring long-term sustainability. Our overarching risk objectives form the foundation of our ERM Framework, guiding our approach to assessing and managing 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:

### Strengthen Capital and Liquidity Management to Safeguard Finance Resilience

Reinforce our capital and liquidity management frameworks to ensure that SICOM remains financially resilient across a range of stress scenarios. Capital planning will be closely aligned with our risk appetite, growth ambitions and regulatory obligations.

### Enhance Risk Detection and Response Through Digitalisation

Integrate advanced technology, automation and analytics to enable faster, more accurate risk identification.

### Embed Business Continuity and Operational Resilience Across the Organisation

Embed business continuity planning and operational resilience into our core risk management practices to ensure that SICOM can respond effectively to disruptions. This includes strengthening our crisis management framework, conducting regular business impact analyses and testing.





# RISK MANAGEMENT (CONTINUED)

## OUR RISK CULTURE

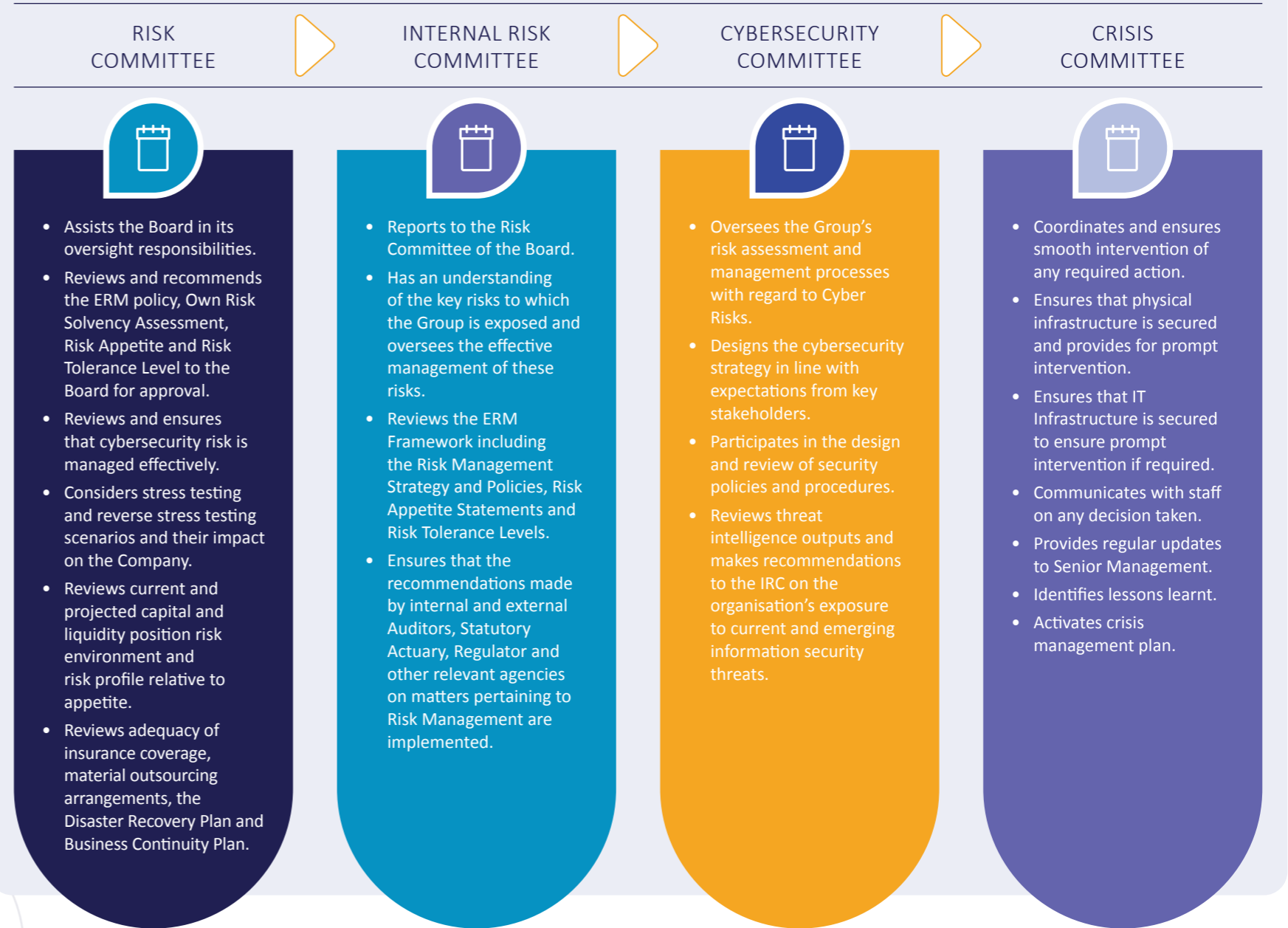
SICOM has a strong risk culture which fosters accountability and informed decision-making across the Group. It underpins our commitment to proactive risk management and long-term value creation as listed below:

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



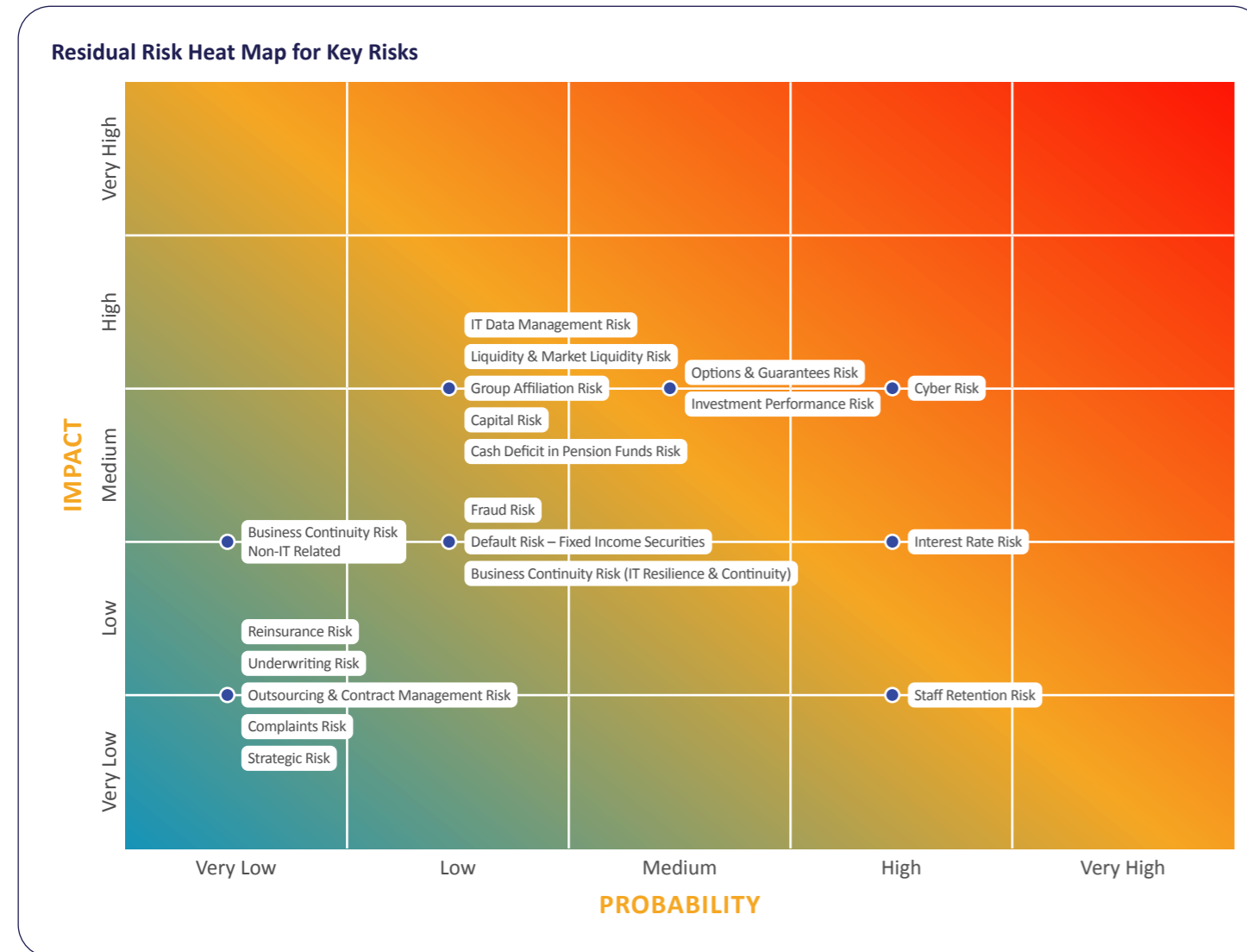


# RISK MANAGEMENT (CONTINUED)

## MANAGEMENT OF KEY RISKS

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

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





# RISK MANAGEMENT (CONTINUED)

## 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

**Our Capitals Impacted**

Natural Capital

Human Capital

Intellectual Capital

Financial Capital

Manufactured Capital

Social Capital



## MARKET & INVESTMENT RISK

|   |   |  |
|---|---|--|
| <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #1a3d54; color: white; padding: 5px; border-radius: 10px; font-weight: bold;">INVESTMENT PERFORMANCE RISK</div> </div> <p>Due to market volatility, changes in economic conditions, misalignment of Funds' asset allocation relative to its composite benchmark, excess cash holding, currency valuation fluctuations and unbalanced/undiversified portfolio, SICOM may be exposed to the risk that actual investment return for pension and life funds underperforms market indices/composite benchmarks stipulated in Investment Guidelines. This could negatively affect shareholder confidence if injections are required into the Life Funds and could result in benefit pay-out fluctuations, product guarantees to bite and higher withdrawals and adverse impact on new business expansion due to unstable fund performance.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%; background-color: #1a3d54; color: white; padding: 10px; border-radius: 10px;"> <p><b>HOW WE MANAGE IT</b></p> <p>Managed through strategic asset allocation and active market oversight.</p> </div> <div style="width: 5%; text-align: center; font-size: 24px;">➤</div> <div style="width: 45%; background-color: #f9a825; padding: 10px; border-radius: 10px;"> <p><b>RISK RATING BEFORE AND AFTER MITIGATION</b></p> <div style="text-align: center;"> </div> </div> </div> | <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #1a3d54; color: white; padding: 5px; border-radius: 10px; font-weight: bold;">INTEREST RATE RISK</div> </div> <p>Due to poor economic conditions, SICOM may be exposed to interest rates fluctuations, which could lead to an increase in liabilities that is not matched by a corresponding increase in asset value.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%; background-color: #1a3d54; color: white; padding: 10px; border-radius: 10px;"> <p><b>HOW WE MANAGE IT</b></p> <p>Managed through ongoing monitoring of market conditions.</p> </div> <div style="width: 5%; text-align: center; font-size: 24px;">➤</div> <div style="width: 45%; background-color: #f9a825; padding: 10px; border-radius: 10px;"> <p><b>RISK RATING BEFORE AND AFTER MITIGATION</b></p> <div style="text-align: center;"> </div> </div> </div> | <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #1a3d54; color: white; padding: 5px; border-radius: 10px; font-weight: bold;">LIQUIDITY &amp; MARKET LIQUIDITY RISK</div> </div> <p>Due to unexpected cash outflows or inadequate cash inflows, SICOM may lack sufficient funds to meet its financial obligations. This could result in financial losses from selling assets at depressed market values to meet cash outflows.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%; background-color: #1a3d54; color: white; padding: 10px; border-radius: 10px;"> <p><b>HOW WE MANAGE IT</b></p> <p>Addressed by regular liquidity assessments and maintaining sufficient liquid assets.</p> </div> <div style="width: 5%; text-align: center; font-size: 24px;">➤</div> <div style="width: 45%; background-color: #f9a825; padding: 10px; border-radius: 10px;"> <p><b>RISK RATING BEFORE AND AFTER MITIGATION</b></p> <div style="text-align: center;"> </div> </div> </div> |
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# RISK MANAGEMENT (CONTINUED)

## COUNTERPARTY DEFAULT RISK



### DEFAULT RISK - FIXED INCOME SECURITIES

As a result of reduced repayment capacity arising from economic instability, deteriorating economic/operating environment and poor assessment of issuer's financial health, SICOM may be exposed to the risk that issuers default on coupon payments and maturity proceeds, which may lead to financial losses and cash flow disruption.

#### HOW WE MANAGE IT

Managed via thorough credit assessment and ongoing counterparty monitoring.

#### RISK RATING BEFORE AND AFTER MITIGATION



## LIFE UNDERWRITING RISK



### UNDERWRITING RISK

Due to poor underwriting procedures, SICOM may be exposed to the risk of inappropriate selection/approval of a particular cohort of risks, which could result in a financial strain and loss in reinsurer's confidence.

#### HOW WE MANAGE IT

Controlled by strict adherence to established underwriting standards.

#### RISK RATING BEFORE AND AFTER MITIGATION



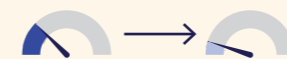
### REINSURANCE RISK

Due to poor financial strength of reinsurers and difference in interpretation of reinsurance contract wordings, SICOM may be exposed to the risk that reinsurers are unable to pay valid claims, which could lead to a financial strain, including cash flow disruption.

#### HOW WE MANAGE IT

Mitigated through periodic treaty reviews and working with highly rated reinsurers.

#### RISK RATING BEFORE AND AFTER MITIGATION



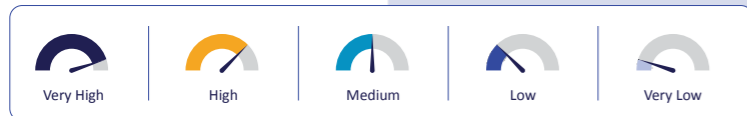
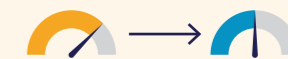
### OPTIONS & GUARANTEES RISK

Because of changes in economic fundamentals, including lower-than-expected investment returns, SICOM may be exposed to the risk that options and guarantees on written policies bite and With-Profit Policyholders Reasonable Expectations are not met due to lower than expected bonus rates. This could lead to a high withdrawal experience, decline in new business growth, shareholder injection to meet guarantees and higher capital requirement.

#### HOW WE MANAGE IT

Managed via regular product and pricing reviews.

#### RISK RATING BEFORE AND AFTER MITIGATION



Our Capitals Impacted





# RISK MANAGEMENT (CONTINUED)

## OPERATIONAL RISK

**OPERATIONAL PROFIT VOLATILITY RISK**

Due to adverse changes in market conditions, such as changes in interest rates and monetary/fiscal policy, SICOM may be exposed to the risk that actual Operational Profit is subject to excessive volatility. This could result in significant deviation from budgeted profit, long-term impact on reserves and a reduction in shareholder value and/or confidence.

**HOW WE MANAGE IT**  
Controlled by monthly financial performance reviews.

**RISK RATING BEFORE AND AFTER MITIGATION**

**OUTSOURCING & CONTRACT MANAGEMENT RISK**

Due to inadequate due diligence on potential service providers, poor contract terms drafting, non-compliance with contractual terms, disputes and absence of ongoing monitoring of service providers' performance, SICOM may be exposed to the risk of poor third-party contract management and non-performance or poor performance by service providers under outsourcing arrangements. This could result in operational failures, unforeseen and hidden costs, adverse legal, reputational and regulatory impacts and delay in project completion.

**HOW WE MANAGE IT**  
Managed through regular monitoring of service providers.

**RISK RATING BEFORE AND AFTER MITIGATION**

**STAFF RETENTION RISK**

Due to better conditions of employment offered by other institutions, SICOM may be exposed to the risk of failing to retain employees, which could lead to loss of competency.

**HOW WE MANAGE IT**  
Flexibility in reviewing conditions of service.

**RISK RATING BEFORE AND AFTER MITIGATION**

**FRAUD RISK**

As a result of employees with poor integrity and non-adherence to payment processing procedures, SICOM may be exposed to the risk of embezzlement and fraudulent claims, including false billing by sourcing partners or other third parties, which could lead to financial losses and adverse reputational, legal and regulatory impact.

**HOW WE MANAGE IT**  
Controlled by comprehensive verification processes and integrity training.

**RISK RATING BEFORE AND AFTER MITIGATION**

Very High | High | Medium | Low | Very Low

**Our Capitals Impacted**

Natural Capital | Human Capital | Intellectual Capital | Financial Capital | Manufactured Capital | Social Capital



# RISK MANAGEMENT (CONTINUED)

## OPERATIONAL RISK

**CYBER RISK**

Due to increased sophistication of cyber criminals, employee inattention/negligence, insufficient/outdated security measures and insufficient external activity monitoring, SICOM may be exposed to the risk of cyberattacks on critical systems or related infrastructure, including telecommunication systems. This 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.

**HOW WE MANAGE IT**  
Managed through regular security assessments and cybersecurity frameworks.

**RISK RATING BEFORE AND AFTER MITIGATION**

**BUSINESS CONTINUITY RISK (IT RESILIENCE AND CONTINUITY)**

As a result of computer or data system failure and security breaches, SICOM may be exposed to the possibility of critical business operation disruptions which could result in financial losses and reputational damage.

**HOW WE MANAGE IT**  
Managed via comprehensive IT backup and disaster recovery solutions.

**RISK RATING BEFORE AND AFTER MITIGATION**

**BUSINESS CONTINUITY RISK (NON-IT-RELATED)**

As a result of power failure, restricted/no access to work areas, damage to work equipment and loss of key staff arising from natural calamities or man-made disasters, SICOM may be exposed to the possibility of critical business operation disruptions, which could result in financial losses and reputational damage.

**HOW WE MANAGE IT**  
Addressed through business continuity and emergency response planning.

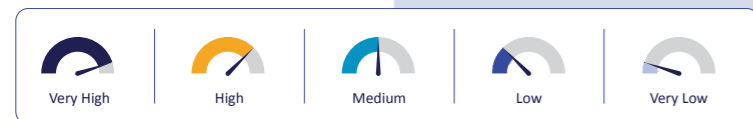
**RISK RATING BEFORE AND AFTER MITIGATION**

**COMPLAINTS RISK**

Due to poor product/service performance, SICOM may be exposed to the risk of receiving and poorly handling valid complaints from clients, which could lead to regulatory queries, reputational damage and loss of business.

**HOW WE MANAGE IT**  
Managed through established complaints procedures.

**RISK RATING BEFORE AND AFTER MITIGATION**



Our Capitals Impacted





# RISK MANAGEMENT (CONTINUED)

## OPERATIONAL RISK

### CASH DEFICIT IN PENSION FUNDS RISK

Due to poor investment returns, large and unexpected withdrawals such as Voluntary Retirement Scheme exercises, low fund balances and sponsoring employers not effecting payments in line with deficit funding plan, pension funds managed and administered by SICOM may be exposed to cash flow constraints to meet benefit pay-outs. This could lead to mass complaints from beneficiaries and staff unions, negative reporting in print, social and official media as well as induce unexpected retirements that will further aggravate/negatively impact the fund cash deficit issue.

#### HOW WE MANAGE IT

Controlled via regular stakeholder communication and cash flow monitoring.

#### RISK RATING BEFORE AND AFTER MITIGATION



## STRATEGIC & ENVIRONMENTAL RISK

### CAPITAL RISK

Due to inaccurate model/assumption for business planning and solvency projections, as well as stress testing scenario selection to assess resilience from a capital and liquidity perspective, SICOM may be exposed to the risk of insufficient capital to support new business plans, failure to meet regulatory solvency, stress tests and future capital requirements. This could lead to financial, reputational and regulatory impacts.

#### HOW WE MANAGE IT

Managed through periodic actuarial valuations and capital adequacy reviews.

#### RISK RATING BEFORE AND AFTER MITIGATION



### STRATEGIC RISK

Due to deviation from strategic assumptions, unclear or poor strategic planning, change in Senior Management and leadership, failure to adapt to market/industry changes, financial challenges and reputational damage, SICOM may be exposed to the risk of failing to achieve strategic business objectives, which could lead to financial, reputational and regulatory impacts.

#### HOW WE MANAGE IT

Addressed by consistent strategic project monitoring and Board reporting.

#### RISK RATING BEFORE AND AFTER MITIGATION



### GROUP AFFILIATION RISK

As a result of poor management practices, performance measures and risk evaluation by other subsidiaries of the Group, SICOM may be exposed to group affiliation risk, which could lead to financial losses, business operation disruption, loss of vendors and clients, regulatory sanctions and negative brand image.

#### HOW WE MANAGE IT

Controlled through consolidated monitoring and regular evaluations of subsidiaries.

#### RISK RATING BEFORE AND AFTER MITIGATION



#### Our Capitals Impacted





# RISK MANAGEMENT (CONTINUED)

## RISK MITIGATION STRATEGY PROCESS

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

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

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

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

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

## RESIDUAL RISKS

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

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

## STRATEGIES TO ADDRESS KEY RISKS

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

## BUSINESS PLANNING AND OWN RISK AND SOLVENCY ASSESSMENT

In accordance with the Insurance (Risk Management) Rules 2016, we have submitted our Own Risk and Solvency Assessment (ORSA) Report and Risk Management Framework for the seventh consecutive year. Over the past years, we have consistently ensured that our business practices comply with this legislation.

The Plan makes certain assumptions regarding future market conditions in which the Company operates. A strategic plan inherently comprises a series of underlying assumptions which are 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 SICOM is exposed throughout the planning cycle. The Company's principal risks, as presented above, were reviewed as part of the preparation of the ORSA and the outlook for those risks over the period covered by the Plan was considered to derive the risk profile of the Company. The Board recognises that, in a Business Plan, uncertainty increases over time and therefore, future outcomes cannot be guaranteed or accurately predicted. As the Plan and ORSA are used for planning over a timeframe of three years, currently to 30 June 2028, this has been selected as the most reasonable period for the Board to review the Company's viability.

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

## STRESS TESTING AND SCENARIO ANALYSIS

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

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



# RISK MANAGEMENT (CONTINUED)

## 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 2025 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 programmes and resilience.

SICOM recognises the critical importance of business continuity as a key element of our comprehensive management framework. This is designed to ensure the ongoing viability of essential business functions in the event of disruptions or emergencies. With this goal in mind, SICOM is in the process of implementing a comprehensive 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.

## CLIMATE CHANGE

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

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

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

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

## EMERGING RISKS

In an increasingly complex and interconnected global environment, 2025 has continued to bring forth a range of emerging risks that pose significant challenges and opportunities for businesses. Emerging risks refer to those that are either newly developing or existing risks that are evolving rapidly in nature, frequency or 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.

SICOM 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 SICOM, 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 risks 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. SICOM 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.

### 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, SICOM 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.



# BUSINESS SEGMENT REVIEW

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# OPERATING CONTEXT

THE OPERATING CONTEXT IN THE FINANCIAL YEAR WAS CHARACTERISED BY VOLATILITY, COMPLEXITY AND OPPORTUNITY. GLOBAL ECONOMIC TURBULENCE, DOMESTIC INFLATIONARY PRESSURES, EVOLVING CUSTOMER EXPECTATIONS, REGULATORY CHANGE AND SUSTAINABILITY IMPERATIVES ALL SHAPED THE ENVIRONMENT IN WHICH THE GROUP OPERATED. YET THESE CHALLENGES ALSO CREATED THE CONDITIONS FOR INNOVATION AND TRANSFORMATION. THE ABILITY TO REMAIN AGILE, GROUNDED IN ITS FINANCIAL STRENGTH AND GUIDED BY ITS COMMITMENT TO CUSTOMER FOCUS, GOVERNANCE AND SUSTAINABILITY POSITIONED SICOM TO NAVIGATE THESE UNCERTAINTIES WHILE CONTINUING TO CREATE LONG-TERM VALUE FOR STAKEHOLDERS.



The financial year under review unfolded against a backdrop of profound global and domestic challenges that shaped the operating context of SICOM Group. The world economy remained in a fragile state, with uneven growth patterns across regions, persistent inflationary pressures and heightened geopolitical tensions affecting trade flows and investment sentiment. Monetary tightening by central banks in advanced economies, particularly in response to inflationary shocks, had significant repercussions on emerging markets, including Mauritius, with consequences for borrowing costs, exchange rate stability and investor confidence.

In Mauritius, the macroeconomic landscape continued its post-pandemic recovery, albeit at a slower and less predictable pace than anticipated. The economy faced headwinds from the depreciation of the rupee, which added to inflationary pressures and eroded purchasing power, particularly for households with fixed or modest incomes. This environment created complex dynamics for financial institutions such as SICOM, which needed to balance the preservation of returns for policyholders and pension beneficiaries against the volatility of financial markets. Rising costs of living also exerted downward pressure on household savings, a key determinant of demand for life insurance and long-term financial products.

The Mauritian financial services sector remained resilient despite these challenges. Regulators emphasised prudence, transparency and sound governance, with increasing focus on risk management frameworks, solvency requirements and international compliance standards. The implementation of new accounting and reporting frameworks, including the full application of IFRS 17 - Insurance Contracts, required insurers to adapt their processes and systems significantly. This presented both a challenge in terms of increased operational costs and technical complexity, and an opportunity to enhance transparency and comparability across the industry.

The insurance sector itself was marked by intense competition across life, pensions, general insurance and investment services. Traditional insurers were not only competing among themselves, but also facing pressure from non-traditional entrants offering digital-first financial solutions. This heightened the need for SICOM to maintain strong customer relationships, demonstrate value for money and innovate in terms of products and service delivery.

Changing demographics and evolving customer expectations added another layer of complexity: younger generations, more digitally inclined and demanding greater flexibility, are less attached to traditional insurance and savings products. At the same time, an ageing population has reinforced the demand for retirement and pension solutions, creating a dual challenge that requires adaptability in both product design and communication.

Environmental, social and governance (ESG) considerations increasingly shaped the operating context. Climate change remained a pressing issue for Mauritius, with implications not only for infrastructure and coastal vulnerability, but also for insurance claims, investment risk and long-term sustainability planning. SICOM has recognised the importance of aligning its business model with sustainability imperatives, both through responsible investment strategies and operational practices, including efforts to reduce its environmental footprint. The Group also continued to integrate ESG factors into its broader decision-making, recognising the expectations of regulators, customers and international stakeholders for a sustainable and transparent approach to financial services.

Digital transformation was another defining theme. Globally, advances in artificial intelligence, data analytics and process automation are reshaping the way financial institutions operate and deliver value. For SICOM, this translated into an accelerated drive to modernise internal systems, enhance customer portals and strengthen cybersecurity measures. The increasing sophistication of cyber threats required significant investment in IT security to safeguard sensitive customer and financial data, with the Group conducting regular assessments and awareness programmes for staff and Directors alike. The integration of technology into both customer-facing and back-office processes was a strategic imperative to ensure long-term competitiveness.

The property and investment landscapes also presented a mixed picture. On the one hand, real estate continued to offer opportunities for value creation, particularly with emerging developments such as the Côte d'Or Technopole and smart city projects. On the other hand, rising construction costs, evolving tenant preferences and competition in the office rental market added to the complexity of asset management.

The operating context was further influenced by regulatory and legislative developments in Mauritius. Increased focus on compliance with international norms demanded continuous strengthening of internal processes. For SICOM, this meant ongoing investment in compliance, risk management and training to ensure that both employees and Directors were fully equipped to meet these heightened requirements.

On a social level, the operating environment was defined by shifting expectations around inclusivity, workplace culture and employee engagement. The demand for skilled professionals in areas such as actuarial science, risk management and digital technology remained high, both locally and internationally. This created competitive pressures for talent retention and recruitment. At the same time, employees increasingly valued flexible working arrangements, opportunities for professional growth and an organisational culture aligned with purpose and values.

Against this backdrop, health and safety remained a priority for organisations in Mauritius, particularly in light of reinforced regulatory oversight and the need to maintain operational continuity in the face of unforeseen events. For SICOM, the commitment to maintaining a strong safety culture extended to both staff and customers, with measures taken to ensure compliance with best practices and regulatory requirements.

As the Group looks ahead, the operating context remains dynamic, with both risks and opportunities emerging from technological change, demographic shifts and the global transition towards more sustainable economic models. For SICOM, the lessons drawn from the year under review reinforce the importance of resilience, adaptability and long-term vision in delivering on its mandate as a trusted financial services partner for Mauritius.



# GROUP PENSIONS

“SICOM’S POSITION IN THE MARKET REMAINS STRONG, SUPPORTED BY OUR STATUTORY ROLE IN THE PUBLIC SECTOR, OUR DEPTH OF INSTITUTIONAL KNOWLEDGE IN ADMINISTERING COMPLEX SCHEMES AND THE QUALITY OF OUR DEDICATED BUSINESS DEVELOPMENT FUNCTION.”

## ABOUT

The State Insurance Company of Mauritius Ltd (SICOM) was established in 1975 with the core mission of providing assistance and expertise in the setting up, administration, valuation and winding up of pension schemes for para-statal bodies and other public organisations. Over the past five decades, the Company has grown to become a leader in managed pensions in Mauritius, recognised for its extensive client base, technical know-how and the scale of its operations.

By virtue of the Statutory Bodies Pension Funds Act, all statutory bodies are required to have their pension funds administered by SICOM. In addition, all new recruits to the public service since 1 January 2013 must subscribe to the Public Pensions Defined Contribution Pension Scheme (PPDCPS), which is also administered by the Company. Alongside these statutory responsibilities, SICOM manages pension funds for a large number of private sector organisations.

The Group Pensions business line’s activities are closely aligned with SICOM’s strategic priorities of customer focus, innovation and technology, and sustainability.

## MARKET OVERVIEW

SICOM operates across both the public and private sectors, serving a diverse portfolio of schemes. The public sector provides a steady and predictable inflow of new members through ongoing recruitment, while the private sector is characterised by more competitive dynamics since most large private companies already have well-established schemes and the process of switching administrators can be complex. The growing preference among some employers for contributing to the Portable Retirement Gratuity Fund, together with intricate regulatory requirements, has further shaped the competitive environment.

Nevertheless, SICOM’s position in the market remains strong, supported by our statutory role in the public sector, our depth of institutional knowledge in administering complex schemes and the quality of our dedicated business development function. This team, working in close collaboration with sales agents and brokers, continues to seek opportunities to expand the private sector client base while consolidating relationships within the public sector.

## VALUE CREATION

The Group Pensions segment makes a significant contribution to our value creation. At 30 June 2025, the Company administered net assets amounting to MUR 56.6 billion across 123 statutory bodies, the Public Pensions Defined Contribution Pension Scheme (PPDCPS) and 113 private schemes. Membership stood at approximately 79,000, while the pensioner population reached 14,175. The sustained recruitment of public sector employees during the year under review has been a key driver of this growth and is expected to continue supporting a stable upward trajectory in membership. Retirement benefits disbursed during the year amounted to MUR 4.9 billion.

Human capital is a central pillar of success, with a 31-strong team of professionals specialising in pension administration, finance and IT. Their expertise ensures efficient operations and a consistently high level of service to all stakeholders.

Operational capabilities are further enhanced by the Group’s investment in technology and infrastructure, including robust pension administration and payroll systems, customer portals, a document management system and a customer service charter, all of which contribute to smooth, client-focused experiences. Intellectual capital is embodied in SICOM’s decades of technical knowledge and experience in the field, enabling us to provide tailored, compliant and value-added pension administration solutions. The Group Pensions cluster also contributes to SICOM’s social and environmental objectives by reducing paper usage through the emailing of payment advices, monthly payslips to pensioners, the publication of benefit statements on the MoKloud platform and regular communication with sponsors and members through digital channels.

## PERFORMANCE

The Group Pensions business delivered a resilient performance in the financial year ended 30 June 2025. Net assets under administration increased to MUR 56.6 billion (2024: MUR 51.6 billion), with asset values supported by ongoing membership inflows and prudent investment management. The surplus of income over outflows, excluding unrealised gains, was maintained at MUR 3.5 billion compared to last year.

Membership growth was primarily driven by continued recruitment in the public sector, while the number of pensioners increased to 14,175 (2024: 13,689), reflecting both demographic trends and the maturity of certain schemes. Annual contributions received by pension funds reached MUR 5.2 billion (2024: MUR 4.8 billion), while monthly pension payments totalled MUR 306 million (2024: MUR 305 million). Targeted business development initiatives resulted in a positive success rate in securing new private sector mandates, despite the challenging competitive and regulatory context.

## OUTLOOK

SICOM is committed to strengthening its leadership in pension administration. Ongoing investment in specialist software will streamline processes, improving both staff productivity and client satisfaction. We are also preparing to extend the availability of member and pensioner information to the SICOM Group Portal (DXP), complementing the MoKloud platform and further improving accessibility.

Efforts will be made to identify cost-effective transaction processing methods to reinforce competitiveness, while a targeted advertising campaign for the Group Pensions business will be launched across social media and other channels to increase market reach. While the private pension market will remain challenging due to entrenched competition and the complexities of switching administrators, SICOM’s statutory mandates, proven expertise and strong client relationships provide a solid foundation for sustaining growth.

“NET ASSETS UNDER ADMINISTRATION WERE INCREASED TO MUR 56.6 BILLION (2024: MUR 51.6 BILLION), WITH ASSET VALUES SUPPORTED BY ONGOING MEMBERSHIP INFLOWS AND PRUDENT INVESTMENT MANAGEMENT.”



# INVESTMENT

“THROUGHOUT THE YEAR, WE STRENGTHENED THE CORE OF OUR INVESTMENT PORTFOLIOS AROUND HIGH-CONVICTION THEMES, WHILE FURTHER EXPANDING INTO ALTERNATIVE INVESTMENTS TO ENHANCE DIVERSIFICATION.”

## ABOUT

Investment remains a central pillar of SICOM’s business strategy and a core driver of our long-term growth. It underpins the effective allocation and management of capital across our diverse domestic and international portfolios.

The Investment Management function of SICOM is recognised as one of Mauritius’ leading institutional investment managers, with Assets Under Management exceeding Rs 86 billion as at 30 June 2025. Investment remains a cornerstone of the Group’s strategic agenda and a key driver of long-term growth, supporting the efficient allocation and stewardship of capital across a diversified range of domestic and international portfolios. Leveraging decades of experience and a disciplined investment approach, the function has consistently delivered robust and sustainable returns.

Through disciplined portfolio construction, continuous market monitoring, and adherence to best-practice governance, the Investment Management function ensures that all mandates are executed with professionalism, transparency, and a long-term focus, aligned with the interests of the Group’s stakeholders.

## MARKET OVERVIEW

The financial year ended 30 June 2025 was characterised by pronounced global market volatility. Divergent monetary policy paths among major economies, coupled with escalating geopolitical and trade tensions, weighed heavily on investor sentiment. Shifting US tariff policies, particularly those directed at China and other key trading partners, triggered marked swings in equity and bond markets, prompting a flight to safe-haven assets such as gold and US Treasuries.

Despite the turbulence, global equities delivered strong returns, buoyed by easing US-China trade tensions, robust corporate earnings and growing expectations of US Federal Reserve interest rate cuts. European equities outperformed on the back of a softer US dollar and supportive policy conditions, while emerging markets were lifted by Chinese equity strength and targeted policy stimulus, though India’s more muted performance tempered gains. This environment reinforced the importance of diversification and agility in navigating evolving global and regional dynamics.

On the domestic front, the equity market displayed resilience during most of the year, supported by improved corporate earnings and higher dividend payouts. However, towards the close of the financial year, both local and foreign investors turned more cautious, reflecting uncertainty around monetary policy, anticipated fiscal tightening and moderating economic growth forecasts.

External developments also exerted downward pressure on valuations. In January 2025, Moody’s revised Mauritius’ sovereign outlook from stable to negative, maintaining its Baa3 investment grade rating. In February, the Bank of Mauritius raised its key policy rate by 50 basis points to 4.50%, resulting in a steeper yield curve. Nevertheless, abundant liquidity in the financial system kept yields relatively subdued in the latter part of the year. Headline inflation fell to 2.9% in June 2025 from 4.5% the previous year. Over the same period, the Mauritian rupee strengthened against the US dollar due to central bank interventions and favourable external conditions, but depreciated against both the euro and pound sterling.

## VALUE CREATION

Throughout the year, we strengthened the core of our investment portfolios around high-conviction themes, while further expanding into alternative investments to enhance diversification. Allocations to private equity and private credit strategies were increased, reflecting our conviction in their long-term return potential and their role in mitigating portfolio risk.

As part of our sustainability journey, we completed our first mandatory reporting as an asset owner signatory to the United Nations’ Principles for Responsible Investment and formally adopted a Responsible Investment Policy. This reinforces our commitment to integrating environmental, social and governance (ESG) factors into our investment decision-making to generate sustainable, long-term value.

Operational efficiency and portfolio oversight were further improved through initiatives such as data mining, real-time portfolio monitoring and artificial intelligence-driven ESG scoring. We also benchmarked and refined the construction of our overseas portfolios. Meanwhile, SICOM Management Limited continued to market its discretionary portfolio management and advisory services, attracting notable high-profile clients during the year.

## PERFORMANCE

The Group’s funds benefited from positive performance across both domestic and overseas investments. Total investments under management rose to MUR 86.8 billion (2024: MUR 81.0 billion), underpinned by higher dividends from domestic equities and stable interest income from our fixed income portfolio. Together, they drove total investment income to MUR 3.1 billion (2024: MUR 2.9 billion). New investments during the period amounted to MUR 18.4 billion.

The total assets of SICOM Global Fund Limited increased to USD 503.8 million (2024: USD 448.4 million). Total income grew by 36.4% to USD 53.6 million (2024: USD 39.3 million), driven primarily by higher unrealised gains of USD 44.8 million (2024: USD 30.8 million), reflecting favourable overseas market conditions. Dividend and other income rose by 30% to USD 3.9 million (2024: USD 3.0 million), while profit before tax increased to USD 49.2 million (2024: USD 35.1 million).

SICOM Management Limited’s total assets increased to USD 13.7 million (2024: USD 13.5 million). Despite a decline in interest rates in the latter half of the financial year, investment income edged up to USD 0.58 million (2024: USD 0.56 million), supported by a slightly higher deposit base. Total income grew to USD 5.0 million (2024: USD 4.7 million), reflecting higher management fee income of USD 4.4 million (2024: USD 4.2 million) earned from SICOM Global Fund Limited, which benefitted from robust overseas market performance. As a result, profit before tax rose to USD 5.0 million (2024: USD 4.7 million).

## OUTLOOK

The near-term global economic and market landscape remains influenced by elevated inflation, uneven monetary policy easing across regions and heightened geopolitical uncertainty. The broadening of equity market leadership beyond US mega-cap technology stocks is opening opportunities in value-oriented sectors such as energy, materials and financials, as well as select international markets. Companies with strong balance sheets, pricing power and domestic demand resilience are better placed to navigate the ongoing tariff-driven environment. However, any negative shocks could translate into renewed market volatility.

Against this backdrop, we maintain our conviction in the importance of global diversification and active portfolio management for optimising returns and mitigating downside risk. Our focus will remain on reviewing and rebalancing our holdings to reinforce our core positions, while seeking medium- to long-term investment themes that enhance portfolio resilience and offer diversification benefits.

On the domestic front, while fixed income opportunities remain relatively limited, the medium- to long-term outlook for equities is constructive. We will continue to build on our high-conviction positions across both equities and fixed income, guided by evolving market conditions.

“THE GROUP’S FUNDS BENEFITED FROM POSITIVE PERFORMANCE ACROSS BOTH DOMESTIC AND OVERSEAS INVESTMENTS.”



# LIFE INSURANCE

## ABOUT

Since its establishment in 1979, SICOM's Life Insurance line of service has been providing both Individual and Group Life assurance solutions. The Individual Life business offers a comprehensive suite of life assurance policies, annuities and pension plans tailored to meet diverse client needs across all market segments.

The Group Life business provides protection schemes to corporate clients, para-statal bodies and the public sector. It manages flagship programmes such as the Family Protection Scheme for public sector employees, Group Loan Protection Schemes and Group Term Assurances for private organisations, pension funds and credit unions. Since 2013, coverage has extended to local government and public sector staff, reinforcing SICOM's role as a trusted partner in large-scale employee protection.

Over the years, the Life Insurance business has built a reputation for financial solidity, compliance with regulatory requirements and adherence to the highest corporate governance standards, enabling it to remain resilient and adaptive in an evolving and competitive market.

## MARKET OVERVIEW

The Mauritian life insurance market, though relatively small, is highly competitive, with a small number of dominant players accounting for most of the business. Out of 11 licensed life insurers, four command a significant market share. Life policy penetration, excluding pensions, stands at around 2.0% of GDP, with individual pensions contributing a further 0.5%.

The market is in a phase of transformation. Digitalisation is reshaping distribution channels and service delivery, with the adoption of artificial intelligence, data analytics and process automation is becoming increasingly prevalent. Customers are seeking more personalised and flexible products that align with their life stages and financial objectives. At the same time, regulatory changes, particularly the implementation of IFRS 17, are redefining how insurers measure performance and manage operations.

Macroeconomic conditions have added to the complexity of the operating environment. Higher interest rates on loans have constrained borrowing and dampened demand for certain life products such as endowment policies with maturity benefits, while persistent inflation has eroded disposable incomes and constrained consumer spending on savings-oriented insurance products. Compliance costs have also risen, challenging product competitiveness. Nevertheless, these pressures are creating opportunities for agile insurers to innovate, differentiate their offerings and strengthen relationships with clients.

## VALUE CREATION

In alignment with the Group's strategic pillars, the Life Insurance business remains an important contributor to the Group's overall wealth and stability. Financial resilience is underpinned by assets of the Life business that reached MUR 15.3 billion as at 30 June 2025. Human capital remains a key driver, supported by a dedicated team of experienced professionals and skilled sales intermediaries who deliver personalised advice and service. Continuous investment in staff development ensures that employees are well equipped to respond to changing customer expectations and market dynamics.

Technological advancement has been another strong focus. The successful implementation of the first phase of a new Life System and the computerised Group Life System has streamlined administrative processes and improved operational accuracy. The launch of an online sales platform has facilitated a growing proportion of transactions in a paperless environment, supporting both efficiency and environmental sustainability. Robotic process automation has been adopted to further enhance productivity, while preparations are underway for the launch of an Agency Portal to strengthen distribution capabilities.

SICOM's intellectual capital, built over four decades of experience, underpins the development of innovative, customer-focused products. Social and environmental commitments are reflected in the introduction of the Digital Life Policy and the expansion of online services, which have improved accessibility while reinforcing the Group's sustainability agenda through reduced paper usage.

## PERFORMANCE

For the financial year ended 30 June 2025, the Life Insurance business reported insurance revenue of MUR 1.2 billion (2024: MUR 1.0 billion), accompanied by a substantial improvement in insurance profit, which rose by 529% to MUR 1.4 billion (2024: MUR 220.4 million) and the insurance liabilities which decreased to MUR 14.7 billion (2024: MUR 15.3 billion).

The Individual Life segment faced a challenging environment, but succeeded in consolidating market share through targeted sales initiatives, diversification of the product portfolio and the introduction of enhanced digital sales channels. The launch of the online sales platform proved particularly effective, enabling customers to purchase policies and access services conveniently.

The Group Life segment delivered robust growth, benefiting from the renewal of major schemes and the acquisition of new accounts in both the private and public sectors. Recent pension reforms have encouraged renewed interest in personal pension and retirement planning products, a trend that SICOM is well positioned to capture through tailored solutions.

Although the year's results were positive, challenges remained. Volatility in interest rates, coupled with elevated inflation, impacted the affordability of life policies for certain market segments. Furthermore, the competitive employment market made it increasingly difficult to recruit and retain skilled employees and intermediaries. Despite these pressures, Life Insurance continues to be a key driver of Group performance and profitability.

## OUTLOOK

The outlook for the coming year reflects a measured optimism. While demand for traditional life assurance products is expected to remain moderate, stronger growth is anticipated in personal pension plans and annuities. The business will continue to adapt its strategy to evolving market conditions, focusing on customer centricity, digital innovation, sustainable growth, operational excellence and employee engagement.

Strategic priorities include enhancing the customer experience through innovative products, personalised solutions and seamless interactions at every stage of the policy lifecycle. Digital capabilities will be further expanded to improve service delivery, operational efficiency and data-driven decision-making. The product portfolio will be broadened to target new market segments, while strategic partnerships will be pursued to accelerate expansion.

Operational processes will be optimised to reduce costs, strengthen productivity and ensure compliance with evolving regulations. At the same time, employee development will remain a focus, with continued investment in training and engagement initiatives to attract, retain and empower high-performing talent.

“RECENT PENSION REFORMS HAVE ENCOURAGED RENEWED INTEREST IN PERSONAL PENSION AND RETIREMENT PLANNING PRODUCTS, A TREND THAT SICOM IS WELL POSITIONED TO CAPTURE THROUGH TAILORED SOLUTIONS.”

“THE LAUNCH OF THE ONLINE SALES PLATFORM PROVED PARTICULARLY EFFECTIVE, ENABLING CUSTOMERS TO PURCHASE POLICIES AND ACCESS SERVICES CONVENIENTLY.”



# GENERAL INSURANCE

## ABOUT

SICOM General Insurance Ltd (SGIN), established in 2010, builds on a legacy of general insurance activities dating back to 1975. Since inception, the Company has remained a cornerstone of the SICOM Group, providing essential risk protection to individuals, businesses and communities across Mauritius.

Our offering covers a wide spectrum of insurance solutions, including motor, property, medical, accident, liability, transport and guarantee lines. These products are designed to meet the evolving needs of customers, while our commitment to prudent underwriting and robust reinsurance arrangements ensures long-term financial stability. Over the years, SGIN has grown into a trusted partner for households and businesses alike, underpinned by a reputation for sound financial management, customer focus and resilience in the face of economic uncertainty.

## MARKET OVERVIEW

At an international level, the insurance industry continues to demonstrate remarkable resilience, with premium income growing at its fastest pace since the global financial crisis. In 2024, premium income rose by 8.6%, driven by strong adoption of digital technologies, a heightened focus on risk management and growing demand for innovative insurance products. Key global trends, such as the rapid integration of artificial intelligence (AI), climate change impacts and the demand for personalised, usage-based offerings, are reshaping the industry's operating model and customer expectations.

In Mauritius, the insurance sector has followed this growth trajectory, supported by a stable regulatory environment, rising financial literacy and increased awareness of the need for comprehensive coverage. The sector is also adapting to significant regulatory changes, including the implementation of IFRS 17, which has transformed accounting and reporting standards. Against this backdrop, insurers must manage climate-related risks, evolving customer expectations and economic uncertainties, while seizing opportunities in digitalisation and financial inclusion.

## VALUE CREATION

SGIN's value creation is anchored in a strong financial foundation and a diversified product portfolio. Gross Written Premium exceeded MUR 2.8 billion during the year, highlighting both the resilience of our customer base and the breadth of our product offering. Motor insurance continued to lead the portfolio with MUR 1.14 billion, followed by medical insurance at MUR 764 million and property insurance at MUR 270 million. These three lines, complemented by accident and health, liability, transport and guarantee covers, form a balanced business mix that supports stability across economic cycles.

Technology has become central to the way we create value. In financial year 2024-2025, SGIN launched an AI project designed to transform claims processing. By using computer vision models to analyse images of damaged vehicles, the platform enables accurate, objective and rapid damage assessments. This innovation enhances customer experience, reduces processing time and improves cost efficiency. Alongside this initiative, we continued to expand digital touchpoints such as the SICOM MyLink mobile app and online service platforms, aligning with customer preferences for convenient, seamless interactions.

Human capital remains a cornerstone of our success. With a team of skilled professionals, from underwriters and claims specialists to sales and customer service staff, SGIN maintains the capacity to deliver consistent, high-quality service. Investment in training and development ensures our people remain equipped to address emerging challenges and seize opportunities, while fostering a culture of innovation and customer centricity.

SGIN also continues to demonstrate its commitment to social and environmental responsibility. Our role as a financial safety net during natural disasters reflects not only a core business function, but also a contribution to national resilience. Through timely claims settlement, customer support and community engagement, we help mitigate the human and financial impact of climate-related events.

## PERFORMANCE

Financial year 2024-2025 was a year of outstanding financial performance. Insurance revenue rose by 28% to MUR 2.40 billion, while profit after tax climbed by 115% to MUR 149.3 million. This was driven by improved underwriting discipline, prudent portfolio management and stronger investment returns. Underwriting results surged from MUR 37.4 million in the previous report year to MUR 187.6 million, reflecting reduced insurance service expenses and enhanced risk management.

The net reinsurance expenses increased to MUR 535.0 million, ensuring robust risk transfer and stability in results, while the underwriting margin improved to 6%. Profit before tax more than doubled to MUR 179.8 million, supported by technical gains and a 26% rise in investment income to MUR 59.6 million. Total assets grew to MUR 2.3 billion, with equity increasing to MUR 657 million.

## OUTLOOK

SGIN enters financial year 2025-2026 from a position of strength. With enhanced underwriting capacity, a diversified product mix and strong capitalisation, the Company is well positioned to consolidate its market position.

The broader economic environment remains uncertain, with inflation, climate-related risks and regulatory developments requiring vigilance. Nevertheless, our track record of prudent management, our capacity for innovation and our strong stakeholder relationships provide confidence in our ability to navigate challenges and capture opportunities.

SGIN's commitment to financial strength, customer satisfaction and ethical practice ensures that we remain a trusted partner for our clients and a responsible contributor to the Mauritian insurance landscape. With a clear strategic direction and a culture built on resilience and innovation, we are determined to create sustainable value for our customers, shareholders and communities.



# FINANCIAL SERVICES

## ABOUT

SICOM Financial Services Ltd (SFSL) is a public company licensed by the Financial Services Commission to undertake lease finance and collective investment scheme management, and by the Bank of Mauritius to conduct deposit-taking and loan businesses. Incorporated in December 1999 and operational since April 2000, SFSL has become a trusted partner for individuals and businesses seeking flexible financial solutions.

Its product offering spans leasing, personal loans, deposits and collective investment schemes, supported by competitive interest rates and tailored financing products. Over the years, SFSL has reinforced its market positioning through digital innovation, customer-centric services and the development of green financing initiatives such as the Eco-Lease for hybrid and electric cars.

## MARKET OVERVIEW

The financial services industry remains highly competitive, with banks offering similar leasing and deposit products backed by strong advertising and brand visibility. For non-bank operators like SFSL, differentiation depends on innovation, speed of service and the ability to design niche products that address specific customer needs.

The operating environment in 2025 was shaped by both macroeconomic and regulatory factors. The Bank of Mauritius raised its Key Rate to 4.50% in February, influencing borrowing costs and investment returns. Headline inflation moderated to 2.9% in June 2025 from 4.5% the previous year, easing pressure on disposable income, but continuing to weigh on debt-to-income ratios.

The domestic financial markets reflected this evolving landscape. The Mauritian equity market demonstrated resilience, with SEMDEX and SEMTRI gaining 9.5% and 15.3% respectively over the financial year ended 30 June 2025, underpinned by robust earnings and dividend payouts. Nevertheless, investor sentiment softened towards the end of the period amid policy uncertainty, evolving fiscal measures announced in the National Budget 2025-2026 and tempered economic growth projections.

Meanwhile, persistently high liquidity in the financial system continued to exert downward pressure on yields toward the end of the financial year.

## VALUE CREATION

SFSL continues to create value through a combination of competitive pricing, innovative digital services and a customer-first approach. Maintaining fixed interest rates provides stability, while the introduction of variable rates on selected deposits allows for greater flexibility. The Company's one-stop shop model, which integrates leasing with insurance solutions, enhances convenience and strengthens customer loyalty.

The Eco-Lease initiative is a strong differentiator, positioning SFSL at the forefront of green financing. By supporting the shift towards hybrid and electric vehicles, the Company contributes to both customer needs and the national sustainability agenda.

Digitalisation remains a key driver of value. The My SpeedyLoan platform has simplified customer onboarding, while automation tools have improved operational efficiency in areas such as interest payments. These initiatives enhance both client experience and cost management, consolidating SFSL's competitive advantage.

## PERFORMANCE

For the year ended 30 June 2025, SFSL delivered resilient results despite market headwinds. Leasing investments grew to MUR 1.2 billion, with new leases approved at MUR 682.7 million compared to MUR 612.8 million in 2024. This growth reflects strong dealer partnerships, greater demand for Eco-Lease and a focus on operating lease solutions.

Personal loan investments reached MUR 639.6 million, down from MUR 701.1 million, with disbursements of MUR 134.8 million. Although demand remained steady, affordability constraints limited volumes, reflecting the impact of tighter debt-to-income requirements.

The deposit portfolio increased to MUR 2.2 billion, compared to MUR 2.0 billion a year earlier, supported by the mobilisation of MUR 419.6 million in new deposits. This sustained growth highlights customer confidence in SFSL's competitive rates and stability.

Net interest income held steady at MUR 59.3 million, while profit before tax rose to MUR 31.1 million from MUR 28.9 million in the previous year.

## OUTLOOK

Prospects for SFSL remain positive. In the year ahead, the Company will pursue steady revenue growth while maintaining a firm grip on funding costs. Operating profitability is expected to strengthen, supported by improved efficiency and disciplined expense management. Productivity is set to progress towards more optimal levels, reflecting continued investments in process digitalisation and customer-centric solutions.

Returns are projected to improve moderately, underpinned by prudent risk management and a resilient balance sheet. Together, these trends illustrate SFSL's focus on building sustainable momentum, enhancing resilience and delivering consistent value creation in an evolving financial landscape.



# PROPERTY

## ABOUT

The Property, Facilities & Procurement cluster plays a strategic role within SICOM, focusing on optimising the value and performance of the Group's real estate portfolio while exploring diversification into new asset classes. Its core activities include asset management, facilities management, lease administration, procurement and tenant relationship management. In doing so, the segment supports our broader objectives of revenue growth, cost efficiency and enhanced customer and stakeholder satisfaction.

Competitive advantages lie in the team's ability to maintain strong and lasting tenant relationships, secure long-term lease agreements and leverage in-house technical expertise for responsive, cost-effective property management.

**“NOTABLE ACHIEVEMENTS INCLUDED ESTABLISHING A WELLNESS CENTRE AS PART OF A BROADER COMMITMENT TO EMPLOYEE WELL-BEING.”**

## MARKET OVERVIEW

The Mauritian property sector continues to evolve, shaped by both shifting economic conditions and changing occupier requirements. Demand is growing for mixed-use, sustainable developments and flexible workspaces, with increasing interest in emerging hubs such as Côte d'Or, Moka and Ebene. Corporate relocation patterns are reflecting a move away from traditional business districts, driven by the search for modern, tech-enabled and environmentally certified spaces. There is also a growing appetite for diversification into asset classes such as education, healthcare, hospitality, warehousing and data centres, with fresh opportunities for expansion.

Despite this positive outlook, the market faces structural challenges, including rising construction and financing costs, shortages of skilled labour and a competitive landscape that demands both agility and innovation. For SICOM, these conditions underscore the importance of careful planning, targeted investment and proactive tenant engagement to sustain growth and deliver long-term value.

## VALUE CREATION

The Property cluster contributes to SICOM's value creation across multiple capitals. Financially, it delivers steady rental income supported by long-term leases and strategic capital investments aimed at enhancing asset value. In terms of human capital, the cluster ensures well-maintained, safe and adaptable work environments, supporting both tenant productivity and employee well-being. Its intellectual capital is reinforced through data-driven decision-making, robust asset management frameworks and a focus on continuous improvement.

Social capital is built through strong tenant partnerships, collaborative shared spaces and initiatives designed to enhance community engagement within and around the Group's properties. Environmental capital is advanced through targeted sustainability initiatives, including photovoltaic installations, rainwater harvesting, energy-efficient air conditioning systems and responsible waste management practices. These initiatives not only reduce SICOM's environmental footprint, but also strengthen our reputation as a responsible corporate citizen.

**“COMPETITIVE ADVANTAGES LIE IN THE TEAM'S ABILITY TO MAINTAIN STRONG AND LASTING TENANT RELATIONSHIPS, SECURE LONG-TERM LEASE AGREEMENTS AND LEVERAGE IN-HOUSE TECHNICAL EXPERTISE FOR RESPONSIVE, COST-EFFECTIVE PROPERTY MANAGEMENT.”**

## PERFORMANCE

The Group continued to invest strategically in the maintenance and enhancement of its property portfolio, allocating MUR 35.2 million to major improvements across SICOM Buildings during the year. Rental income rose to MUR 105.8 million for the year, up from MUR 98.7 million, reflecting the sustained expansion and strong performance of our investment property assets, which now stand at MUR 2.3 billion at Group level. With the incorporation of SICOM Properties Ltd, the Group is well-positioned to accelerate the growth of its property portfolio, supported by a robust pipeline of major development projects.

Notable achievements also included securing potential tenants at SICOM Tower to optimise occupancy, upgrading air conditioning systems to improve efficiency and comfort, and establishing a wellness centre as part of a broader commitment to employee well-being.

However, the year was not without challenges. Ageing infrastructure required more intensive maintenance, inflationary pressures pushed up operating costs and a shortage of skilled labour added complexity to project execution.

## OUTLOOK

Guided by a new three-year Property Strategic Plan (2025-2028), the cluster will focus on consolidation, innovation and diversification. Opportunities in the silver economy, particularly senior living facilities, will be actively explored. Sustainability certifications for new developments and enhanced space utilisation through integrating artificial intelligence into property management are key priorities. Going ahead, the focus will also be on achieving full occupancy across the portfolio and pursuing new developments in the office sector.

The outlook for the Property cluster is anchored in innovation, sustainability and strategic diversification. The development of the SICOM Living Lab, a multifunctional wellness and innovation space featuring a wellness centre, a rooftop garden and flexible training facilities have also been launched during the year. This project reflects the Group's vision of creating environments that foster well-being, creativity and collaboration.

Operational efficiency will be enhanced through the deployment of a workflow application to streamline supplier payment processes, improve accuracy and enable remote management to ensure business continuity. Digital tools will play an increasingly central role, with a concept visualisation tool already in use to inform design decisions, such as the revamp of the canteen area. A carbon accounting platform has also been implemented to provide real-time emissions data, supporting the Group's climate action objectives while reducing audit time and costs.

The continued emphasis on tenant satisfaction, disaster recovery readiness and green building practices ensures that the Property cluster is well-positioned to navigate market challenges while delivering value to the Group and its stakeholders.



# ACTUARIAL

## ABOUT

SICOM's Actuarial Services Department has evolved from its early role which consisted of managing pension schemes for Government and parastatal bodies into a leading provider of actuarial expertise in Mauritius. Established in 1975, it now delivers a comprehensive suite of services, including pension and life fund valuations, product pricing and consultancy, while ensuring that actuarial models and methodologies meet regulatory and professional standards. The department is authorised to sign off on pension valuation reports and IAS 19 – Employee Benefits disclosures. It also continues to play a strategic role in advising on pricing, capital management and long-term financial planning across the Group.

## MARKET OVERVIEW

The ongoing evolution of the actuarial services landscape in Mauritius is driven by the growing complexity of insurance and pension regulations. The industry-wide adoption of IFRS 17 – Insurance Contracts has also intensified the need for specialised expertise, sophisticated modelling tools and greater integration between actuarial, accounting and risk functions. Most large insurers maintain in-house actuarial teams to support their group pension and life insurance operations, while a number of firms have chosen to supplement internal capabilities through actuarial consultancies.

This shift has led to heightened competition for skilled professionals and increased investment in technology, systems and training across the sector. Against this backdrop, SICOM's Actuarial Services Department continues to differentiate itself through its depth of expertise, proven reliability and commitment to professional standards.

## VALUE CREATION

The Actuarial Services function is a core strategic asset for SICOM, contributing to value creation across financial, social, intellectual and organisational dimensions. Financially, it generates consistent fee income through pension consultancy assignments and valuations, directly enhancing the Group's revenue base. By insourcing complex actuarial work that would otherwise be outsourced to external consultants, the department ensures cost efficiency, improves turnaround times and preserves institutional knowledge.

Beyond its financial impact, the team provides critical technical support to other business units, strengthening the Group's overall capacity for informed decision-making. Actuarial models are increasingly used to evaluate product performance, assess long-term sustainability and guide investment and capital allocation. This cross-functional collaboration reinforces SICOM's integrated risk management framework and commitment to sound governance and transparency.

## PERFORMANCE

During the financial year ended 30 June 2025, the Actuarial Services Department once again delivered strong results. Revenue from pension-related actuarial services rose to MUR 15.9 million (2024: MUR 14.3 million). This increase of approximately 11% reflects sustained demand for actuarial expertise.

The number of actuarial exercises completed during the year rose to 233 (2024: 210), including the actuarial valuation of the SICOM Pooled Private Pension Fund. In the Life Insurance segment, the department successfully conducted the Life Valuation entirely in-house, including the Solvency Capital calculation and key actuarial disclosures required under IFRS 17. Additionally, an Asset Liability Modelling study for the life portfolio was carried out jointly with an external consultant.

The insourcing of actuarial work for the General Insurance business was maintained throughout the year. All year-end valuations and IFRS 17-related analyses were completed internally, confirming the team's expanding capability across multiple business lines.

## OUTLOOK

The Actuarial Services Department remains focused on consolidating its strengths while expanding its capabilities to meet evolving business and regulatory requirements. Strengthening staff retention will also remain a priority.

Automation and innovation are key enablers of our vision. The department continues to digitise routine actuarial processes through artificial intelligence, freeing up resources to focus on strategic activities.

Moreover, SICOM aims to extend its actuarial expertise by offering consultancy services to external clients, subject to approval from the Financial Services Commission. This initiative supports our objective of leveraging in-house capabilities to create sustainable value and establish the Group as a reference in actuarial and risk management services.



# SECURED LOANS

## ABOUT

SICOM's Secured Loans business plays a long-standing strategic role within the Group. Housing Loans were initially introduced to life assurance policyholders in 1982, supporting home ownership and long-term financial security for Mauritian families. Over time, the offering has expanded to include Commercial Loans, Multi-Purpose Loans, Educational Loans and Fixed Deposit Loans.

The loan portfolio forms part of the investment strategy for the life, pension and other funds. These assets are managed with a view to generating stable and competitive returns, securing the ongoing payment of policy benefits and pensions, and supporting overall profitability.

## MARKET OVERVIEW

The secured lending market in Mauritius continues to be shaped by strong competition and changing customer expectations. Commercial banks maintain a dominant position, accounting for more than 70% of total lending activity. Their presence is supported by broad distribution networks, aggressive pricing strategies and ongoing promotional incentives.

Housing Loans remain the most sought-after secured lending product, supported by Government measures that encourage home ownership, such as income tax deductions on interest payments and the Home Loan Relief Scheme. These incentives contribute to demand and help maintain a positive outlook for the segment.

The financing of environmentally sustainable products and projects has also gained prominence. Government incentives aimed at promoting photovoltaic systems, solar water heating systems and rainwater harvesting are helping drive interest in green-related lending.

However, the operating environment is not without challenges. Mauritius faces a shrinking and ageing working population, while levels of consumer indebtedness have risen, affecting borrowing capacity and repayment behaviour. In addition, fluctuations in the Key Rate make pricing strategies and long-term planning more complicated. The market therefore requires both careful risk management and thoughtful product design.

## VALUE CREATION

The Secured Loans business contributes to value creation across several dimensions. Financially, we generate recurring revenue and support the performance of the life and pension funds. This stable source of income strengthens our ability to meet benefit obligations and reinvest for future growth.

The business also delivers broader social value. By supporting access to housing finance, SICOM plays an important role in helping households acquire property, build stability and improve living standards. Educational Loans with moratorium options support talent development and access to global learning opportunities, contributing to the country's long-term human capital. Lending for renewable energy and environmentally efficient solutions encourages the transition to sustainable living practices and lower carbon emissions.

From an operational standpoint, the department continued to enhance internal capability. The second phase of a workflow solution was implemented, improving loan processing efficiency, case tracking and documentation management. The move towards paper-reduced workflows aligns with our sustainability objectives and contributes to more agile customer service. The business also continues to address existing challenges through process improvements, digital transformation and strengthened engagement with customers.

## PERFORMANCE

The Secured Loans portfolio recorded steady growth during the financial year ended 30 June 2025. The total loan portfolio expanded by approximately 6.8%, rising to MUR 2.7 billion (2024: MUR 2.5 billion). This progression reflects both new lending activity and the retention of existing customers.

Total loans sanctioned amounted to MUR 506.08 million for the year (2024: MUR 489.73 million). The increase in loan approvals highlights continued demand for secured loans despite economic pressures and ongoing uncertainty in the interest rate environment. Gross revenue generated rose to MUR 136.6 million (2024: MUR 130.7 million).

Risk management continued to play a central role in portfolio oversight. During the year, total arrears declined in line with the targeted reduction strategy and non-performing loans also decreased. This improvement was supported by stronger credit monitoring, enhanced customer engagement and more efficient follow-up processes. These outcomes reflect the quality of the underlying portfolio and the effectiveness of ongoing credit assessments.

## OUTLOOK

The Secured Loans business remains focused on reinforcing its competitive position through customer-centred service, responsible credit practices and digital enablement. Technology adoption will continue to support improved efficiency and responsiveness. The recent implementation of workflow systems, digital client interfaces and document management platforms reflects a shift towards greater automation and simplified service delivery. Customer records are increasingly accessible through secure digital platforms, supporting faster processing and improved query resolution.

Digital transformation also enables broader engagement channels. Customers increasingly interact through mobile platforms, online portals and social media. The business will continue to develop these touchpoints to accommodate evolving customer expectations.

We also plan to expand the Eco-Loan, which offers competitive lending rates to encourage environmentally responsible investments. Competitive pricing and streamlined application processes will be central to this growth.

The evolution of the Key Rate will continue to influence lending demand and pricing strategy. Continued strengthening of operational systems and the consolidation of loan processing tools will allow the business to respond efficiently to market changes and regulatory developments. While competition, cost-of-living pressures and interest rate movements will remain key external factors, the business is well positioned to continue supporting customers while contributing to the Group's financial stability and long-term growth.



# BUILDING LASTING VALUE TOGETHER

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# HOW OUR SIX CAPITALS IMPACT OUR PURPOSE AND STRATEGY



## FINANCIAL CAPITAL

### WHAT IT MEANS FOR SICOM

Financial capital comprises the funds we generate and manage through our core insurance, pensions, leasing and investment operations. It reflects our ability to grow revenue, manage risks and deliver sustainable returns to shareholders and policyholders.

### HOW IT SUPPORTS OUR PURPOSE AND STRATEGY

Strong financial capital enables SICOM to underwrite risks effectively while ensuring the funding of long-term policyholder obligations. It supports reinvestment in product innovation, digital transformation and business diversification, thereby fostering sustainable growth. Maintaining robust financial resources also ensures solvency and adherence to regulatory requirements, while allowing the Company to offer competitive returns and dividends to shareholders.



## HUMAN CAPITAL

### WHAT IT MEANS FOR SICOM

Our human capital encompasses SICOM's high-performing, customer-focused and engaged workforce. Our people are our most valuable asset and personify our diverse and inclusive culture.

### HOW IT SUPPORTS OUR PURPOSE AND STRATEGY

We strive to embed a performance-driven and service-oriented culture, ensuring that people remain central to SICOM's strategic execution. We attract and unite diverse talent, fostering collaboration and innovation, and promoting workplace equality across the organisation. Through continuous training and development, employees are equipped with the skills and capabilities needed to remain fit for the future, enabling them to deliver on the Company's purpose and strategic objectives.



## MANUFACTURED CAPITAL

### WHAT IT MEANS FOR SICOM

Manufactured capital includes the physical and digital infrastructure that supports our service delivery, such as property assets, our branch network, core IT systems, digital channels and customer-facing platforms.

### HOW IT SUPPORTS OUR PURPOSE AND STRATEGY

Under this capital, advanced digital tools and well-equipped service centres enable seamless customer experiences, 24/7 availability and reliable connectivity. They also drive operational resilience and innovation. This strong foundation facilitates omnichannel access for policyholders and pensioners, ensuring convenience, accessibility and consistent service across all touchpoints. Our infrastructure and assets also enhance the value of our real estate investments and help generate non-insurance income.



## INTELLECTUAL CAPITAL

### WHAT IT MEANS FOR SICOM

Intellectual capital is the foundation of SICOM's competitive advantage. It strengthens stakeholder trust through our well-established brand reputation, ensures operational excellence through proven frameworks and enhances decision-making via advanced actuarial and risk models. Our proprietary systems and compliance protocols enable us to meet regulatory requirements efficiently while delivering consistent, high-quality service. By safeguarding and continuously enhancing our intellectual capital, we position ourselves to respond proactively to market changes, develop innovative insurance and financial products, and sustain long-term growth.

### HOW IT SUPPORTS OUR PURPOSE AND STRATEGY

Our intellectual capital strengthens trust in the SICOM brand and reinforces our public mandate by ensuring transparency, reliability and consistent value delivery. It drives the development of products and services tailored to the evolving needs of citizens and institutions, enabling us to remain relevant in a dynamic market. By embedding robust compliance practices, it supports adherence to evolving standards, such as IFRS 17 and ESG frameworks, safeguarding our reputation and regulatory standing. Furthermore, it fuels innovation and deepens customer engagement, allowing us to deliver solutions that are both forward-looking and responsive to the needs of our diverse stakeholders.



## SOCIAL AND RELATIONSHIP CAPITAL

### WHAT IT MEANS FOR SICOM

Social and relationship capital represents the depth of trust and goodwill we cultivate with our stakeholders, including customers, regulators, business partners, communities, the Government and the Mauritian public. As a State-owned entity, SICOM plays a pivotal role in contributing to national development, fostering inclusive growth and supporting socio-economic resilience. By maintaining strong, transparent and mutually beneficial relationships, we enhance our ability to serve the public interest, reinforce our market position and deliver sustainable value over the long term.

### HOW IT SUPPORTS OUR PURPOSE AND STRATEGY

Our social and relationship capital fosters and strengthens stakeholder trust by upholding transparency, accountability and ethical practices. It enables SICOM to create a positive impact within our operating environment and to deepen partnerships with NGOs, policyholders and government institutions. By promoting responsible practices and advancing financial education, we reinforce customer loyalty and empower communities to make informed financial decisions. We contribute meaningfully to nation-building and inclusive economic participation, aligning our business objectives with the broader socio-economic development of Mauritius.



## NATURAL CAPITAL

### WHAT IT MEANS FOR SICOM

Natural capital encompasses the environmental resources on which our operations, investments and property developments depend, as well as those we impact through our activities. This includes vital inputs such as water, energy sources like fuel for electricity and raw materials used in creating and maintaining our manufactured capital. For SICOM, managing natural capital responsibly is essential for ensuring operational resilience, advancing sustainable growth and aligning our business practices with environmental stewardship principles.

### HOW IT SUPPORTS OUR PURPOSE AND STRATEGY

Our natural capital supports SICOM's purpose and strategy by promoting climate-conscious investment and underwriting decisions that mitigate environmental risks and enhance long-term value creation. ESG-aligned real estate developments, such as the Côte d'Or and Silver Economy projects, integrate sustainability principles into design and construction. Within our operations, it encourages the responsible use of energy and materials, reducing our environmental footprint. By aligning our sustainability goals with both national priorities and global climate action targets, we reinforce our commitment to environmental stewardship and contribute to a more resilient and sustainable future.



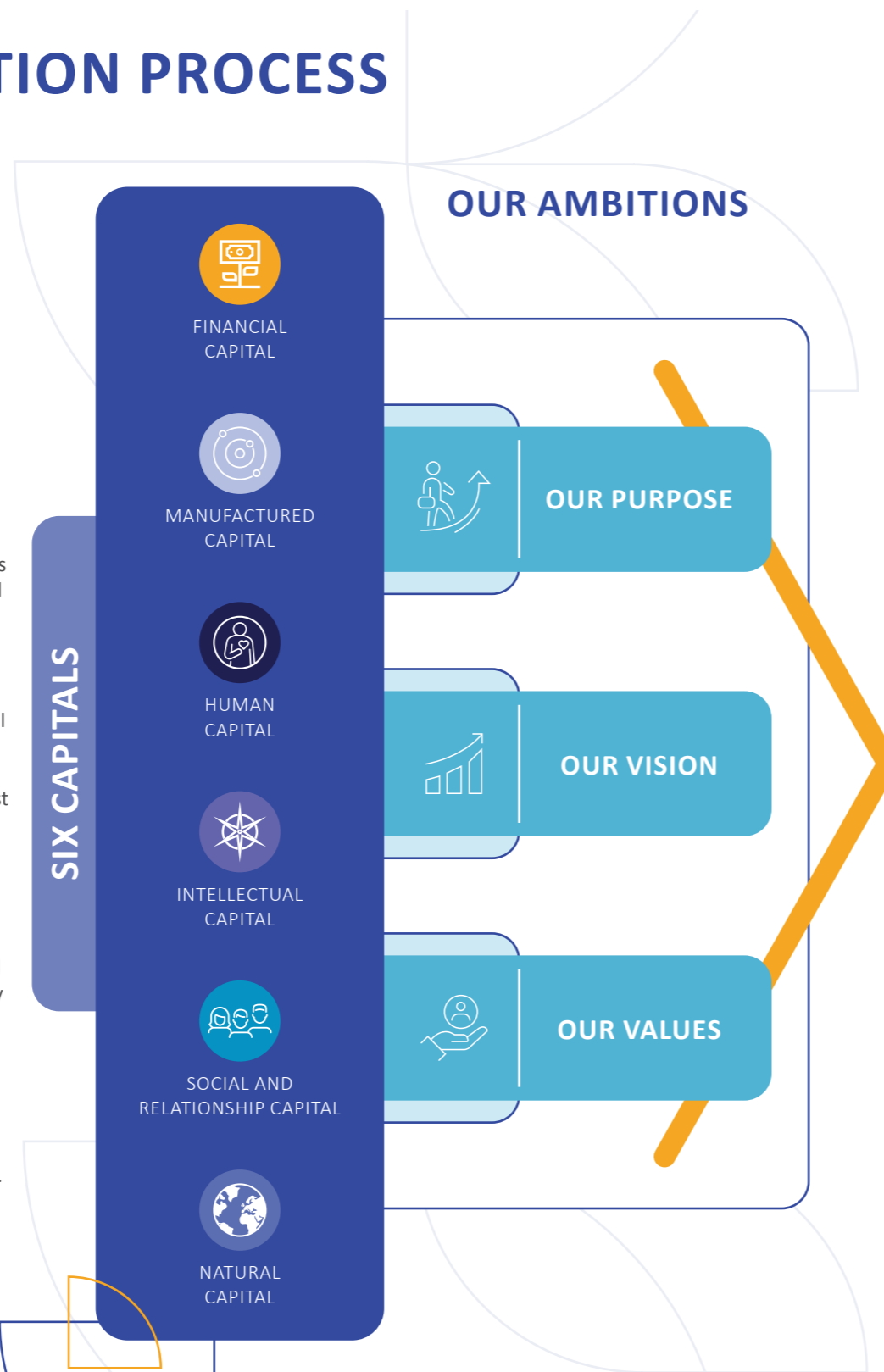
# OUR VALUE CREATION PROCESS

## VALUE CREATION MODEL

The value model of SICOM encompasses all of its stakeholders. The Group has progressively broadened its perspective on performance, recognising that value extends beyond purely financial outcomes. Value is generated through the interaction of multiple forms of capital, including financial, human, manufactured, intellectual, social and natural capitals. It is the combined contribution of these capitals that delivers sustainable value. Human capital, in particular, interacts with and enhances the others, fostering the synergies required to achieve lasting impact.

This process is enabled by several key elements, such as the commitment and support from leadership, efficiencies derived from digital transformation, skilled and motivated employees who are able to drive and execute strategy, and a supportive organisational culture that nurtures innovation, collaboration and alignment with strategic objectives. Equally critical is the ability to remain agile and adapt to shifts in the external environment or internal circumstances. SICOM Group operates through well-established processes to deliver financial solutions to its diverse customer base. These are underpinned by a robust governance structure, strong technological capabilities, ongoing product development, a dynamic Sales and Distribution team, and efficient support functions.

As a value-driven organisation, the Group's performance measures extend beyond financial returns. They also embrace non-financial dimensions, such as employee and customer satisfaction, risk management and sustainability commitments. Shareholders, customers, employees, Government, business partners, the community and the environment are all recipients of the value created. With an increased focus on long-term sustainability, SICOM's stakeholder universe has continued to expand. Without integrating sustainability across economic, environmental and social equity, the value of any organisation can erode. There is therefore a strong and direct link between value creation and corporate strategy. Because value is cyclical, the actions of stakeholders in turn reinforce value for the Group, creating a continuous process, as reflected in SICOM's value creation model.



## OUR RESOURCES

### FINANCIAL

- Strong financial stability, supported by robust liquidity and a diversified portfolio, with Assets under Management of MUR 86.8 bn
- A diversified investment portfolio
- AAA Care rating, denoting highest degree of financial stability

### MANUFACTURED

- Property portfolio valued at MUR 2.3 bn
- 6 branches across the country
- Digital Experience Platform
- IT infrastructure valued at MUR 146.6 m

### HUMAN

- Initiatives under the Employer of Choice theme centered on elevating the employee experience, fostering a culture of trust and collaboration
- Talented and committed team members
- 61% women in employment, including 29% in leadership roles
- A human capital strategy centred on well-being and inclusivity
- Enhanced learning and development opportunities through the PMS, 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

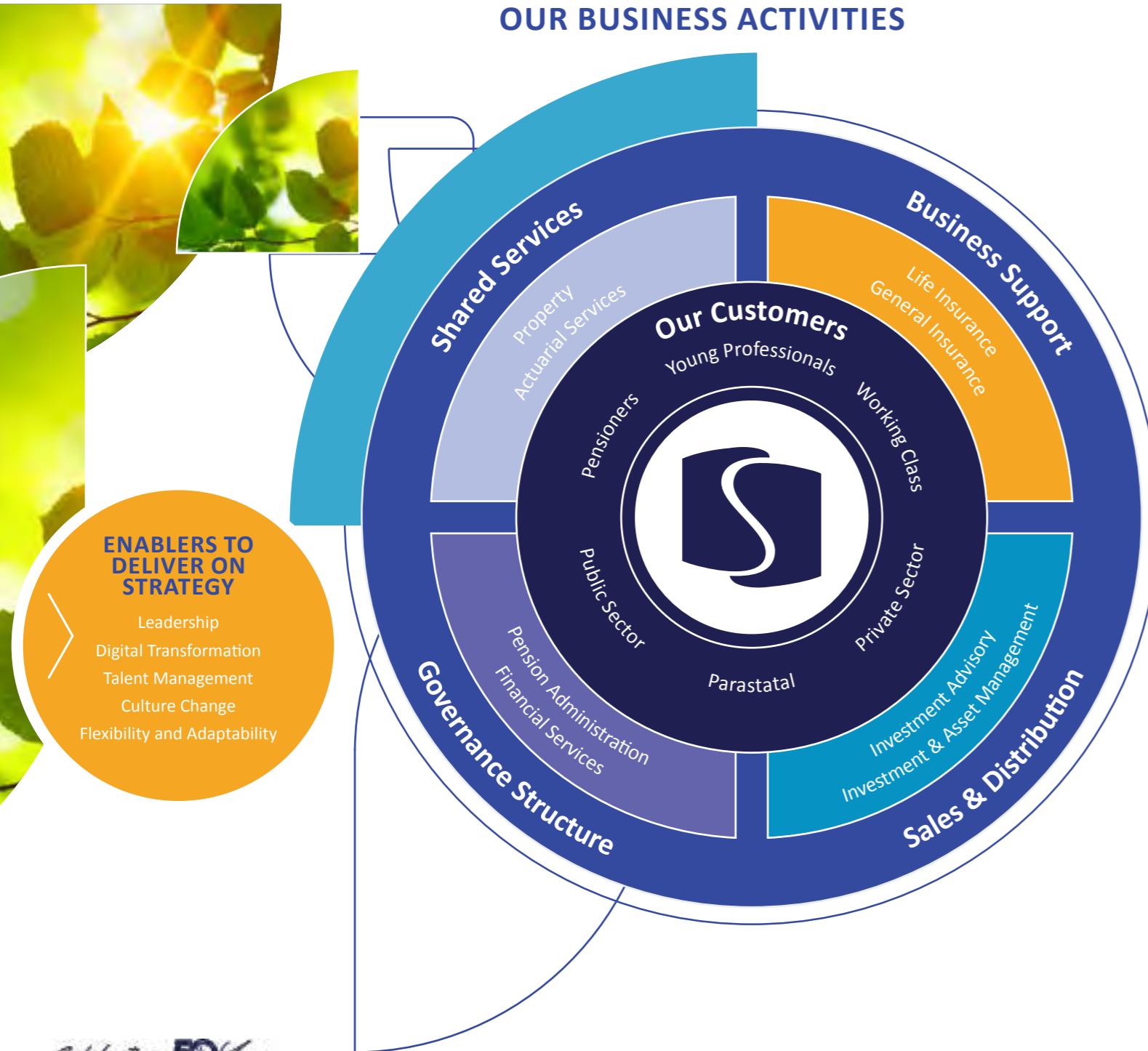
### SOCIAL AND NATURAL

- Training initiatives on sustainability and awareness of responsible farming practices
- Affiliation with and reporting to local and international frameworks supporting the UN SDGs (SigneNatir, UN Global Compact, UN Principles of Responsible Investment)
- Sponsorship of sustainability projects amounting to MUR 1.3 m
- Green building initiatives, including the installation of additional split inverter-type air conditioners and LED lighting
- Other social and environmental initiatives



# OUR VALUE CREATION PROCESS (CONTINUED)

## OUR BUSINESS ACTIVITIES



## ECONOMIC VALUE CREATED

Dividend paid to shareholders  
MUR **184.5M**

Expenditure on social and environmental projects  
MUR **10.8M**

Taxes paid to Government  
MUR **55.1M**

## OUR OUTPUT

- FINANCIAL**
  - Profit before Tax (MUR 2.3 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**
  - Growth in the property business
  - 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 with 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

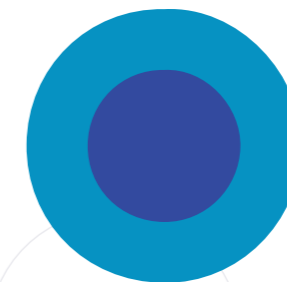
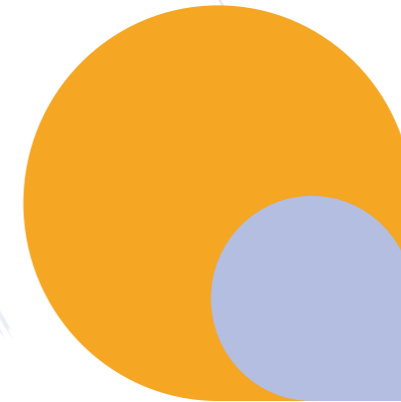
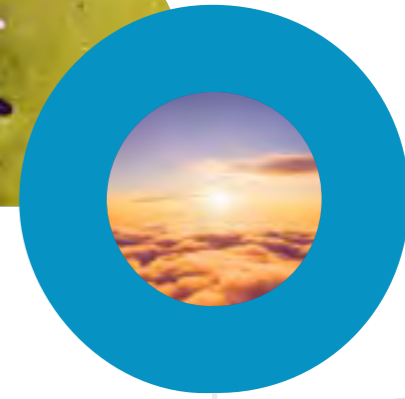
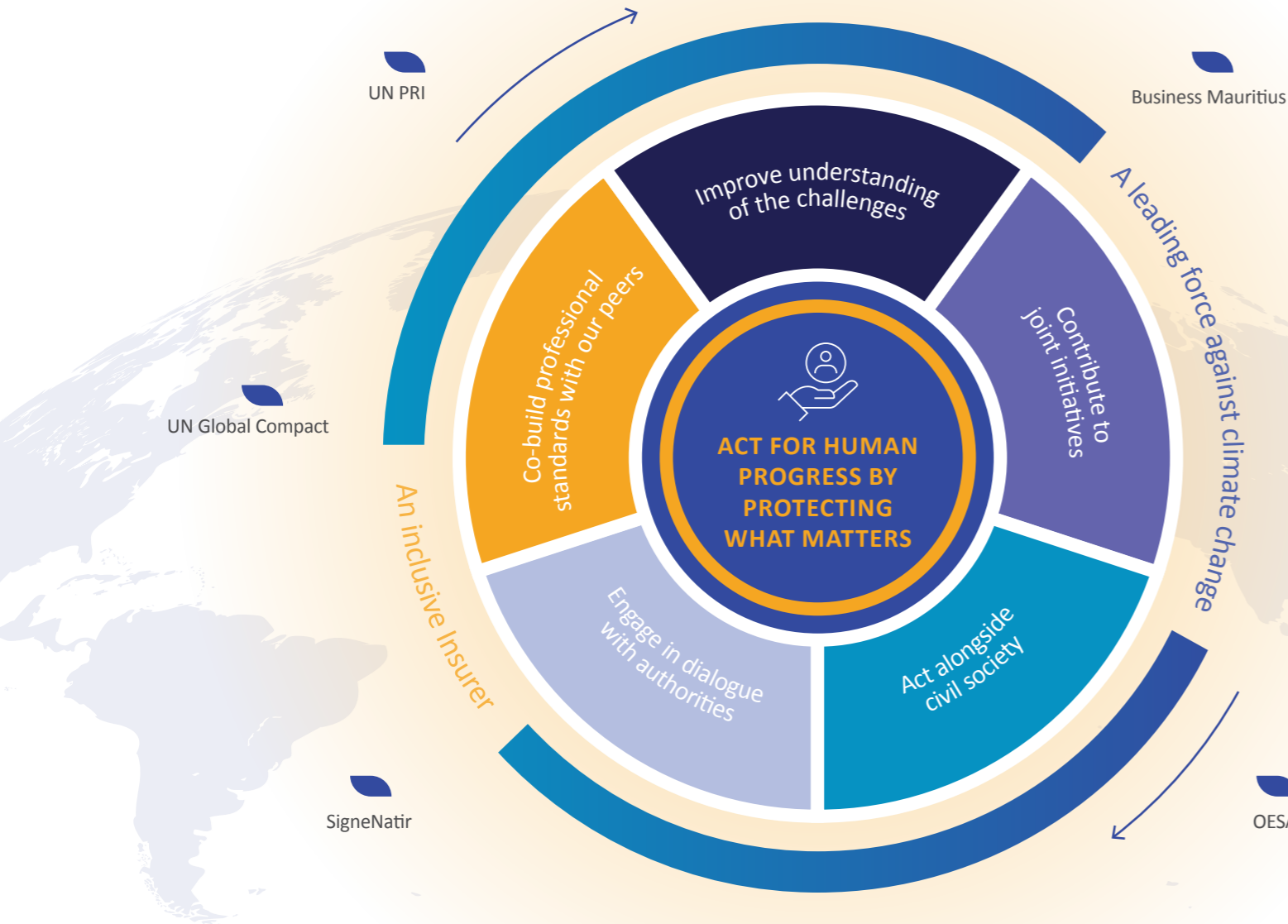
## Stakeholders

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

# ENGAGEMENT WITH STAKEHOLDERS

## ENGAGING IN INITIATIVES FOR SOCIETY

- ▶ ENGAGING IN GLOBAL AND LOCAL INITIATIVES FOR SOCIETY





# ENGAGEMENT WITH STAKEHOLDERS (CONTINUED)

## DIALOGUE WITH OUR STAKEHOLDERS

### ▶ ORGANISING DIALOGUE WITH OUR STAKEHOLDERS



**Communication via Intranet, Creation of a Learning Zone**

Internally, SICOM fosters collaboration and learning through the Intranet and a dedicated Learning Zone where employees can access training resources and policy updates.

**Internal Communication**

Open internal communication, including staff emails, Comité d'Entreprise, memos and updates from leadership on the Intranet, ensures alignment across departments and reinforces corporate values.

**Floor Meetings**

Town halls offer a two-way platform for leadership to share updates and for employees to voice ideas and concerns, strengthening engagement and transparency.

**Salesmen Awards Ceremony**

This recognition event celebrates top-performing sales personnel, reinforcing a culture of excellence and motivating continued high performance.

**INTERNAL STAKEHOLDERS**

**CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS**

**EXTERNAL STAKEHOLDERS**

**Traditional Distribution Channels (Including Branches and Worksites)**

SICOM maintains a strong physical presence across Mauritius through its network of branches and worksite visits, enabling face-to-face engagement with clients, especially for group policies, pension schemes and insurance products. In addition, the organisation hosts regular Open Days at branch locations to showcase its products and services, strengthen customer relationships and engage with prospective clients.

**Mobile App (MyLink)**

The SICOM mobile application, MyLink, offers customers a convenient digital platform to access their policy, pension and investment information. It enhances user autonomy by enabling real-time, 24/7 access to services, thereby improving customer experience and service efficiency.

**Customer Satisfaction Surveys**

SICOM regularly conducts satisfaction surveys to capture feedback, assess service quality and identify areas for improvement in customer experience and operational efficiency.

**Integrated report**

The report serves as a key communication tool for shareholders and stakeholders, detailing financial performance, strategic direction and governance practices.

**Meeting with Relevant Stakeholders on Environmental Projects**

Environmental stewardship is promoted through consultations with NGOs, public institutions and experts on sustainable investments and green initiatives.

**Newsletters**

SICOM circulates newsletters to keep clients and partners informed about new offerings, updates and financial literacy content, fostering continuous engagement.

**Annual General Meeting**

The AGM provides a formal platform for shareholder engagement, offering transparency on corporate governance, financials and future strategy.



# ENGAGEMENT WITH STAKEHOLDERS (CONTINUED)



## CUSTOMERS (INDIVIDUAL AND CORPORATE)

SICOM generates revenue by offering a comprehensive range of products and services to our customers. We prioritise delivering superior service and competitively priced solutions to meet their evolving financial needs and obligations. Our competitive edge lies in combining financial education with guidance, empowering customers to adopt sound financial practices, while promoting savings, investment, responsible credit management and retirement planning.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS   | WHAT ARE THEIR CONCERNS/INTERESTS?  | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?  |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Branches</li> <li>• Mobile app</li> <li>• Customer portal</li> <li>• Customer satisfaction surveys</li> <li>• Online sales platform</li> <li>• Media channels</li> <li>• Annual Report</li> <li>• Newsletters</li> <li>• Email</li> <li>• Open days</li> </ul> | <ul style="list-style-type: none"> <li>• Omnichannel experience and ease of access</li> <li>• Responsible and trusted advice</li> <li>• Fast and efficient service</li> <li>• Innovative and flexible products and solutions tailored to individual needs</li> <li>• Relief in times of difficulty</li> <li>• Access to quality solutions</li> <li>• Clear complaints procedure</li> <li>• 24/7 access</li> </ul> | <ul style="list-style-type: none"> <li>• Tailored products</li> <li>• Established complaints management system</li> <li>• Streamlined buying process</li> <li>• Call centre services for greater availability</li> <li>• Omnichannel customer interactions</li> <li>• AI-enabled chatbot</li> </ul> |



### HOW WE MEASURE OUR ENGAGEMENT

- ▶ Measurement of customer satisfaction through surveys - NPS, CSAT
- ▶ Overall engagement across communication platforms, such as the MyLink app, SICOM Health app, website, portal and social media
- ▶ Leads management, latest products/services, web traffic, app downloads and usage



## SHAREHOLDERS

Our shareholders provide the financial capital that enables our business to compete effectively in its chosen markets and drive sustainable growth. Keeping them fully informed of our performance, strategy and outlook is essential to maintaining their trust. Our objective is to continuously innovate and diversify our revenue streams, balancing risks prudently to deliver consistent long-term growth.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS   | WHAT ARE THEIR CONCERNS/INTERESTS?  | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?   |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual Report</li> <li>• Website</li> <li>• Special Shareholder Meetings</li> <li>• Email</li> <li>• Telephone</li> <li>• Newsletters</li> </ul> | <ul style="list-style-type: none"> <li>• Long-term sustainable financial returns and distributions</li> <li>• Clear strategic direction and consistency in operational execution</li> <li>• Experienced management team</li> <li>• Strong governance, ethics and transparency</li> <li>• Transparent reporting and disclosures</li> <li>• Strong financial control environment, including corporate governance and ethics frameworks</li> <li>• Support for the country's economic development goals</li> </ul> | <ul style="list-style-type: none"> <li>• Strong delivery on our operational objectives</li> <li>• Consistent dividend payouts every year</li> <li>• Transparent reporting and disclosures in line with our reporting standards and internal policies and procedures</li> <li>• Quarterly updates to the Board</li> </ul> |



### HOW WE MEASURE OUR ENGAGEMENT

- ▶ Payment of dividends every year
- ▶ Presenting our financial performance on public platform
- ▶ Sustained growth in the Group's performance



# ENGAGEMENT WITH STAKEHOLDERS (CONTINUED)

## ▶ EMPLOYEES

Our people are our most valuable asset and their well-being is our top priority. They are the driving force behind our success, fostering innovation, collaboration and upholding the values and reputation that define SICOM. We rely on a motivated, engaged and empowered workforce to place customers first, acting as brand ambassadors who help us achieve strategic goals and create enduring value.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS   | WHAT ARE THEIR CONCERNS/INTERESTS?   | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?  |
|---|--|---|
| <ul style="list-style-type: none"> <li>Email</li> <li>Internal communication</li> <li>Annual Report</li> <li>Salary review</li> <li>Performance bonus</li> <li>Townhall meetings</li> <li>Message from CEO</li> <li>Regular updates on Intranet</li> <li>Newsletters</li> <li>End of year dinner</li> </ul> | <ul style="list-style-type: none"> <li>Competitive reward structures and benefits</li> <li>Career growth and development opportunities</li> <li>An inclusive culture that is safe and enabling</li> <li>Addressing health and overall wellness</li> <li>Flexibility – work/life balance</li> </ul> | <ul style="list-style-type: none"> <li>Benchmarked rewards to industry and linked to business performance and outcomes</li> <li>Encouraged a culture of learning and continued professional development</li> <li>Employee skills development, mentorship initiatives and training</li> <li>Various communication channels, e.g. SMS and Intranet for urgent messages</li> <li>Conducted wellness initiatives</li> </ul> |

### HOW WE MEASURE OUR ENGAGEMENT

- ▶ Low attrition rate
- ▶ Employee participation at corporate events

## ▶ BUSINESS PARTNERS

Our business partners include reinsurers, valuers, car dealers, consultants, suppliers and other collaborating organisations. They supply the essential goods and services that underpin our operations. Our relationships are founded on mutual trust and shared ethical standards, enabling us to deliver compelling value propositions to our clients.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS   | WHAT ARE THEIR CONCERNS/INTERESTS?   | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?   |
|---|--|--|
| <ul style="list-style-type: none"> <li>Email</li> <li>Telephone</li> <li>Letters</li> <li>Regular meetings</li> <li>Annual Report</li> <li>Newsletters</li> </ul> | <ul style="list-style-type: none"> <li>Fair payment practices</li> <li>Compliance with the terms of Service Level Agreements</li> <li>Fair tender process</li> <li>Supplier relationship management</li> <li>Adapting to their needs and expectations</li> </ul> | <ul style="list-style-type: none"> <li>Timely payment to suppliers and other business partners, such as consultants</li> <li>Collaborative teamwork to achieve common objectives</li> <li>Timely communication and consultation</li> <li>Technology-enabled processes for faster operations</li> </ul> |

### HOW WE MEASURE OUR ENGAGEMENT

- ▶ New business
- ▶ Collaboration period with partners
- ▶ Brand visibility



# ENGAGEMENT WITH STAKEHOLDERS (CONTINUED)

## ▶ INTERMEDIARIES

Intermediaries are vital in connecting us with customers. They foster new relationships, provide tailored advice and enhance the customer experience through both in-person and digital engagement. Their contribution is integral to driving new business and retaining existing clients.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS  | WHAT ARE THEIR CONCERNS/INTERESTS?   | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?  |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Branches and worksites</li> <li>• Annual Report</li> <li>• Salesmen Awards ceremony</li> <li>• Portals</li> </ul> | <ul style="list-style-type: none"> <li>• Ease of doing business</li> <li>• Digital capabilities that enable effective sales, and servicing</li> <li>• Product sales and regulatory training</li> <li>• Fair incentives that reward efforts</li> <li>• Association with a brand that consistently delivers on its promises</li> <li>• Innovative products that meet customer needs</li> </ul> | <ul style="list-style-type: none"> <li>• Improved our digital servicing capabilities, such as tracking tools and sales and servicing platforms, to drive ease of use of our digital solutions</li> <li>• Introduced training programmes to improve their experience</li> <li>• Set up training programmes on new products</li> <li>• A dedicated salesmen unit to serve intermediaries</li> <li>• Timely processing of commissions</li> <li>• Digitalised service between SICOM and Intermediaries for General Insurance</li> </ul> |

### HOW WE MEASURE OUR ENGAGEMENT

- ▶ New business
- ▶ Refresher training on products
- ▶ Agents Awards

## ▶ GOVERNMENT AND REGULATORS

The Government sets the policies and regulations that significantly shape our operations. We maintain regular and transparent engagement with regulatory bodies to jointly address economic, environmental and social challenges, fostering an environment that promotes innovation, inclusion and sustainable growth.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS   | WHAT ARE THEIR CONCERNS/INTERESTS?   | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?  |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Direct communication, including submission of required reports and returns, attendance at solicited meetings and training updates on complaints and queries</li> </ul> | <ul style="list-style-type: none"> <li>• Good governance</li> <li>• Compliance with regulations</li> <li>• Proactive engagement with regulators</li> <li>• Responsible development of the insurance sector</li> <li>• Effective control functions</li> <li>• Social inclusion</li> </ul> | <ul style="list-style-type: none"> <li>• Monitoring of our solvency capital at levels above regulatory requirements</li> <li>• Stringent risk management and controls systems, with regular self-assessment for Actuarial, Risk and Compliance functions</li> <li>• Compliance with new laws and organisation-wide awareness initiatives</li> <li>• Regular and timely reporting</li> </ul> |

### HOW WE MEASURE OUR ENGAGEMENT

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



# ENGAGEMENT WITH STAKEHOLDERS (CONTINUED)

## COMMUNITY

We recognise the interdependence between our organisation and the communities we serve. As a responsible citizen, SICOM extends its reach beyond core business to contribute to meaningful and sustainable socio-economic development, with the aim of uplifting communities and improving lives.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS   | WHAT ARE THEIR CONCERNS/INTERESTS?  | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?  |
|---|---|---|
| <ul style="list-style-type: none"> <li>Media channels</li> <li>Annual Report</li> <li>Community projects and campaigns</li> <li>Sponsorships</li> </ul> | <ul style="list-style-type: none"> <li>Financial education and inclusion</li> <li>Access to supplier development opportunities</li> <li>Skills development and employment opportunities</li> <li>Education support</li> </ul> | <ul style="list-style-type: none"> <li>Supporting CSR projects</li> <li>Onboarding trainees periodically for short-term training within the organisation</li> <li>Supporting communities through various initiatives, such as sponsorships related to education, road safety, health, environmental embellishment and skills development</li> </ul> |

### HOW WE MEASURE OUR ENGAGEMENT

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

## ENVIRONMENT

As a responsible corporate citizen, SICOM is committed to best practices to protect the environment and ensure sustainability across all our operations. The environment is therefore regarded as a critical stakeholder in shaping our long-term strategy and actions.

| CHANNELS USED TO ENGAGE WITH OUR STAKEHOLDERS   | WHAT ARE THEIR CONCERNS/INTERESTS?   | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS?   |
|---|--|--|
| <ul style="list-style-type: none"> <li>Meetings with relevant stakeholders on environmental projects</li> <li>Including a sustainability section in the Integrated Report</li> <li>Social media channels</li> </ul> | <ul style="list-style-type: none"> <li>Sustainable initiatives</li> <li>Engaging sustainability-conscious partners</li> <li>Applying best ESG practices</li> <li>Funding</li> <li>Spreading awareness</li> </ul> | <ul style="list-style-type: none"> <li>Yearly progress reporting to UN PRI and UNGC</li> <li>Partnerships with FAREI and invitations to sell products on World Environment Day</li> <li>Training on bio-farming by FAREI</li> <li>Training on efficient energy management by the relevant Ministry</li> <li>Partnerships with FORENA to support women's empowerment</li> </ul> |

### HOW WE MEASURE OUR ENGAGEMENT

- ▶ Participation and funds invested in environmental projects and activities
- ▶ Partnerships with NGOs in relevant field
- ▶ Carbon accounting

# PEOPLE



Golden Jubilee Gifts



Chill & Connect



Visit at l'Île aux Aigrettes



Celebrating Premier League Winner 24-25



Agents' Night



Open Day at Tamarin



Environment Day

# PEOPLE (CONTINUED)



End of Year Dinner 2024



Cinema session



Music Day



Eid 2024



Trophies on Agents' Night



# SUSTAINABILITY STATEMENT

## SUSTAINABILITY OVERVIEW

At SICOM Group, sustainability remains central to the way we conduct our business as we celebrate our 50<sup>th</sup> anniversary. Anchored in the belief that long-term success comes from balancing strong governance, social development, environmental responsibility and financial stewardship, our approach reflects both our heritage and our ambition for the future. Over the years, we have progressively strengthened our sustainability agenda, aligning our business priorities with national imperatives and international standards, including the United Nations Sustainable Development Goals (SDGs).



During the financial year 2025, we deepened this commitment by consolidating the three fundamental pillars of our sustainability strategy. Responsible and Sustainable Business is reflected in enhanced governance frameworks, the embedding of Environmental, Social and Governance (ESG) considerations across decision-making and the adoption of the principles of integrated reporting since the 2022 reporting cycle. Climate Action is demonstrated through carbon footprint assessments, resource efficiency measures, investment in renewable energy and the strengthening of our resilience to climate risks. Fostering Social Development is evident in our investments in education, youth empowerment, health and inclusive workplace initiatives that support both employees and communities.

These efforts were complemented by the consolidation of partnerships with NGOs and institutions in support of our sustainability vision, alongside the implementation of a Business Continuity Management framework to ensure operational stability, safeguard stakeholders and strengthen resilience against evolving risks.

As a leading insurance provider in Mauritius, our strong market position enables us to contribute meaningfully to national development, ensuring that our solutions remain competitive, reliable and sustainable. The deepening of our partnerships with local and international organisations further reflects our belief that collective action is essential to address global and national sustainability priorities.

The Group continued to prioritise employee well-being, inclusivity and talent development during the year under report. At the same time, the launch of new sustainability training initiatives has raised awareness among staff on ESG issues and equipped them with the skills needed to support our long-term strategy. Guided by the SICOM Way, a culture that values innovation, teamwork, inclusivity and integrity, we continue to recognise that our people are at the heart of delivering on our sustainability commitments.

As we mark our Golden Jubilee, we are intensifying our focus on strengthening climate resilience, scaling up sustainable finance and advancing our contribution to the UN SDGs. We remain fully committed to building a better tomorrow by generating value not only for our shareholders, but also for our employees, customers, partners, communities and the environment. Our legacy of trust and service inspires us to pursue a future where sustainability and value creation go hand in hand.

SICOM's sustainability journey is rooted in strong international and national partnerships, reflecting its commitment to responsible business and long-term value creation. As a signatory to the UN Global Compact and UN Principles for Responsible Investment, SICOM upholds global standards in governance, ethical investment, human rights, environmental stewardship, and anti-corruption, while aligning its strategy with the UN SDGs, particularly those relevant to Mauritius. Nationally, SICOM integrates climate resilience and transparency in line with the Bank of Mauritius's guidelines and supports sustainable development through its involvement in the SigneNatir Pact and adherence to the National Code of Corporate Governance. Its strong performance on the Corporate Governance Scorecard further highlights its dedication to ethical practices and continuous improvement.





# SUSTAINABILITY STATEMENT (CONTINUED)

## OUR SUSTAINABILITY JOURNEY

As SICOM marks its 50<sup>th</sup> anniversary, our strategy remains guided by a Sustainability Strategic Plan built on three pillars: Responsible and Sustainable Business; Climate Action; and Fostering Social Development. These pillars are underpinned by four key enablers: Culture Change; Risk Management; Data Capture and Measurement; and Operations Integration, ensuring that sustainability is integrated across all aspects of our operations.

Under Responsible and Sustainable Business, we advanced our responsible investment agenda by conducting a gap analysis, formulating a Responsible Investment Policy and designing an internal ESG assessment framework for local and overseas portfolios. We also reinforced our sustainable product suite, including the established ECOPlus Green Loan and EcoLease, encouraging investment in renewable energy, green infrastructure and sustainable mobility.

In pursuit of Climate Action, the Group initiated its first carbon footprint assessment across Scope 1 and 2, complemented by a three-year Energy Transition Plan. Concrete measures, such as inverter-type air conditioning and rainwater harvesting, were introduced, while biodiversity projects, including endemic plant nurseries in Rodrigues, further demonstrated our environmental stewardship. Circular economy principles were also embedded into infrastructure upgrades.

In terms of Fostering Social Development, SICOM prioritised employee well-being with initiatives such as monthly fruit distributions, wellness programmes and a new Living Lab. Youth engagement was strengthened through internships, educational partnerships and a bespoke financial literacy programme.

These initiatives illustrate how we continue to balance financial performance with responsibilities to people, society and the environment, ensuring that our legacy of resilience evolves into a sustainable future.

## OUR GOVERNANCE MODEL

At SICOM, sustainability is underpinned by strong governance structures that ensure accountability, transparency and long-term value creation. Oversight rests with the Board of Directors, which integrates ESG considerations into strategy and risk management. The Board is supported by specialist committees and internal structures that reinforce ethical conduct, compliance and corporate responsibility.

### COMMITTEES DRIVING SUSTAINABILITY

The Corporate Governance, Sustainability and Nomination Committee plays a pivotal role in overseeing sustainability policies, assessing the risks of major projects and reviewing the effectiveness of the Corporate Sustainability Programme before submitting recommendations to the Board. Complementing this oversight, the SICOM Sustainability Committee ensures operational integration of sustainability. With 11 members meeting seven times in the financial year, the Committee drives cross-functional collaboration and progress monitoring, advancing initiatives under its guiding principles of Resilience, Autonomy and Harmony.

### GREEN TEAM: AMBASSADORS FOR CHANGE

The Green Team, now comprising over 20 employees, acts as a network of sustainability ambassadors across the Group. Expanding from awareness-raising to tangible initiatives, the team has led campaigns on waste reduction, energy efficiency and green innovation. Reporting to the SICOM Sustainability Committee, it reinforces our culture of shared responsibility and promotes sustainable practices across departments, embedding ESG into our daily rhythm.

### STRATEGIC SUPPORT AND EXPERT GUIDANCE

To accelerate progress, SICOM continues to partner with a dedicated Sustainability Consultant, providing expertise in responsible investment, carbon assessment, sustainable product development and capacity building. This collaboration has enabled the Group to submit its first UN PRI report, finalise a Responsible Investment Policy and develop an ESG scoring framework. Scope 1 and 2 emissions assessments are underway, supported by a carbon accounting software, with a comprehensive reduction plan to follow.

The consultant has also facilitated workshops and surveys to identify opportunities for sustainable product innovation tailored to the Mauritian context, while delivering awareness sessions and leadership training to embed sustainability into SICOM's culture and operations.

## STAKEHOLDER ENGAGEMENT

SICOM recognises that robust stakeholder engagement is essential for creating sustainable value. Our stakeholders include customers, employees, shareholders, regulators, suppliers, business partners, communities and industry associations. Through structured dialogue and feedback mechanisms, the Group identifies expectations, assesses material issues and implements initiatives that deliver shared benefits.



**Customers** are central to SICOM's sustainability journey. Regular surveys, feedback platforms, branch and digital interactions allow the Group to understand evolving needs, refine offerings, enhance service quality and promote responsible financial practices. This approach strengthens trust, loyalty and alignment with sustainable business expectations.



**Employees** are engaged through training, workshops, open communication forums and digital platforms. By providing resources, updates and opportunities for feedback, SICOM fosters transparency, accountability, inclusivity and well-being, embedding sustainability into our organisational culture.



**Shareholders and regulators** are engaged through transparent reporting, annual meetings and active participation in policy discussions, ensuring compliance and alignment with national and global sustainability priorities.



**Suppliers** are treated as strategic partners. Rigorous due diligence, performance monitoring and collaboration on responsible procurement, eco-friendly materials, recycling, local sourcing and reuse of installations underpin operational resilience and long-term impact. Contractors are guided on health and safety, circular economy practices and responsible sourcing, reinforcing shared accountability and efficiency.



**Communities and NGOs** are integral to SICOM's social impact. Partnerships, sponsorships and active participation in education, health, environmental stewardship and social inclusion initiatives extend the reach of our sustainability efforts, providing tangible benefits to vulnerable groups and reinforcing SICOM's role as a responsible corporate citizen.

Across all engagements, we maintain ongoing dialogue, strengthen trust, foster innovation and ensure our sustainability strategy addresses both current and emerging priorities. By integrating stakeholders into our operations and culture, we build resilient, value-driven relationships that support long-term sustainable development for the Group and wider society.



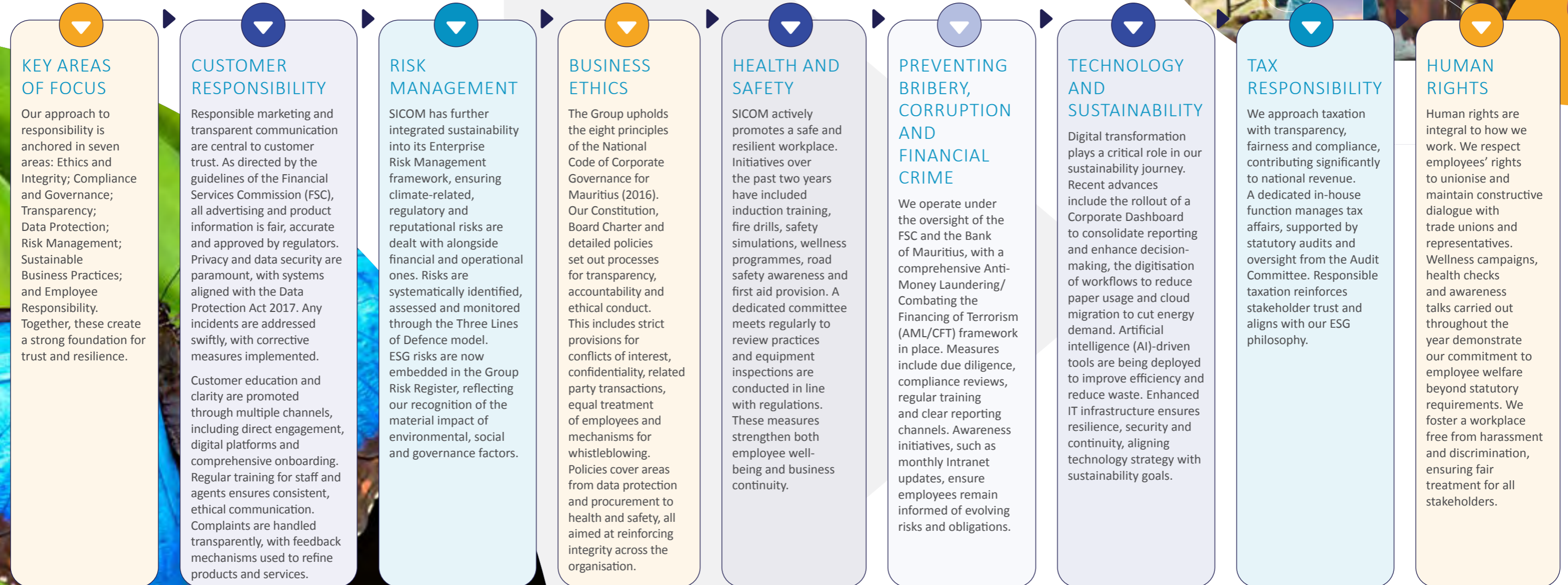


# SUSTAINABILITY STATEMENT (CONTINUED)

## RESPONSIBLE BEHAVIOUR AT SICOM

Responsible behaviour guides the way we operate, shaping how SICOM engages with clients, employees, partners, regulators and the wider community. Beyond compliance, we strive to uphold integrity, transparency and professionalism across all activities. Our Code of Conduct and governance structures provide a clear framework for ethical decision-making, ensuring that fairness, accountability and respect are embedded throughout the Group.

We integrate responsible behaviour into strategy, governance and culture, aligning it with our broader ESG objectives. By doing so, we reaffirm our role as both a trusted institution and a responsible corporate citizen contributing to the sustainable development of Mauritius.





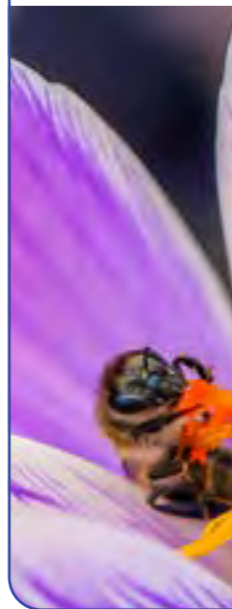
# SUSTAINABILITY STATEMENT (CONTINUED)

## PROGRESS ACHIEVED BY PILLAR

SICOM'S SUSTAINABILITY STRATEGY CONTINUES TO BE ANCHORED AROUND THREE CORE PILLARS: RESPONSIBLE AND SUSTAINABLE BUSINESS, CLIMATE ACTION AND FOSTERING SOCIAL DEVELOPMENT. IN LINE WITH OUR VISION OF CREATING SHARED VALUE, WE HAVE MADE SIGNIFICANT PROGRESS IN EMBEDDING SUSTAINABILITY ACROSS OUR OPERATIONS. OUR INITIATIVES DURING THE YEAR DEMONSTRATE NOT ONLY OUR COMMITMENT TO RESPONSIBLE PRACTICES, BUT ALSO OUR DETERMINATION TO ALIGN BUSINESS PERFORMANCE WITH THE NEEDS OF SOCIETY AND THE ENVIRONMENT.



RESPONSIBLE & SUSTAINABLE BUSINESS



## PILLAR 1 RESPONSIBLE AND SUSTAINABLE BUSINESS

Responsibility and sustainability are embedded in SICOM's strategy and operations. Our sustainability journey is multi-dimensional: directing investments towards sustainable outcomes, developing innovative products that align with customer needs and national priorities, and embedding resilience into operations.

Guided by global standards and national priorities, we integrate ESG principles into our investments, products and governance systems, while strengthening operational resilience. We are a signatory to the UN PRI and reaffirm our adherence to the UNGC Ten Principles.

By maintaining transparent reporting, accountability and compliance with regulatory reporting requirements, we affirm our role as a trusted insurer, asset manager and corporate citizen.

### RESPONSIBLE INVESTMENT

As a state-owned financial institution, SICOM recognises its role in supporting the sustainable development of Mauritius through capital allocation. In 2025, we adopted a formal Responsible Investment Policy covering all asset classes managed internally and externally.

### Our strategy rests on four interconnected pillars:

- **Exclusion:** avoiding investments in high-risk or unethical sectors such as fossil fuels, tobacco, weapons and predatory lending.
- **Screening:** integrating ESG factors alongside financial analysis.
- **ESG Scoring:** applying a proprietary scoring system to assess governance, environmental, economic and social performance.
- **Thematic Investment:** prioritising sectors such as renewable energy, healthcare, sustainable agriculture, biodiversity and digital transformation.

Stewardship and active ownership are central to our investment approach. We engage with domestic companies and global fund managers, and participate in ESG forums to encourage responsible practices.

Governance of responsible investment is structured at Board and Committee levels, supported by a dedicated UN PRI Committee and an implementation team. Internal Audit provides independent assurance on ESG processes.

### Progress in 2024–2025 included:

- Adoption of the Responsible Investment Policy
- Rollout of ESG scoring across portfolios
- Increased investment in SEMSI-listed equities
- Commitments to impact funds in Africa and India
- Exclusion of non-compliant sectors

We intend to extend ESG scoring across all asset classes, enhance data reporting, increase climate-aligned investments and expand participation in collaborative initiatives.



# SUSTAINABILITY STATEMENT (CONTINUED)



## SUSTAINABLE PRODUCT INNOVATION

We embed sustainability into our product design, aligning customer needs with the socio-economic and environmental priorities of Mauritius. With in-house expertise across risk, compliance, finance, IT, actuarial services and investment management, we are well placed to innovate.

Key sustainable offerings include:

- **EcoLease:** Preferential financing for hybrid and electric vehicles, making green mobility more accessible. Uptake has grown from 119 clients in financial year 2022-2023 to 303 in 2024-2025. EcoLease supports reductions in emissions, fossil fuel dependence and air pollution, while contributing to SDGs on clean energy, climate action and sustainable cities.
- **ECOPlus Green Loan:** Launched in 2023, this initiative supports solar energy projects, rainwater harvesting and EV charging stations. It helps households adopt greener practices, reduce costs and contribute to national sustainability goals.
- **Wellness Plan:** Introduced in 2025, this pioneering product combines life insurance with preventive healthcare, covering critical illnesses alongside regular medical screenings. It addresses the burden of non-communicable diseases and promotes health equity, financial resilience and well-being.

SICOM will continue to expand its sustainable product suite, with new developments shaped by surveys and workshops conducted in 2025. Priorities include climate risk adaptation, financial inclusion and support for Mauritius's transition to a low-carbon, diversified economy.

## BUSINESS CONTINUITY MANAGEMENT

Sustainability also depends on resilience in the face of disruption. To this end, SICOM is implementing a comprehensive Business Continuity Management Framework (BCMF), designed with external consultancy support.

The framework comprises several phases:



Future phases will focus on testing, training and external certification with organisations such as SGS, BSI and Bureau Veritas, ensuring international best practice and stakeholder confidence.



## TRANSPARENT AND ACCOUNTABLE REPORTING

SICOM's reporting practices extend beyond regulatory compliance, guided by global frameworks such as the Global Reporting Initiative (GRI) Standards and IFRS Sustainability Standards (IFRS S1 and S2). Our participation in UNGC, UN PRI and SigneNatir also reinforces our commitment to international transparency and accountability. By embedding ESG principles into reporting, governance and risk management, we strengthen stakeholder trust and ensure our disclosures remain relevant, comparable and forward-looking.



# SUSTAINABILITY STATEMENT (CONTINUED)



CLIMATE ACTION

## PILLAR 2

Recognising that climate change is one of the most urgent challenges facing Mauritius and the wider world, SICOM has placed climate action at the heart of its sustainability strategy, embedding adaptation, mitigation and resilience into its operations and investments.

By measuring and reducing our carbon footprint, improving energy and water efficiency, embedding responsible consumption and building operational resilience, we are preparing for the realities of a changing climate. At the same time, these initiatives create long-term value for our stakeholders and contribute to national climate objectives. Our commitment remains clear: to adapt, mitigate and lead by example in building a sustainable future.

## UNDERSTANDING AND ADDRESSING CLIMATE RISKS

Our first step has been to calculate our carbon footprint across Scope 1 and 2 emissions. With the support of external consultants, staff from our Finance and Sustainability teams have been trained in data collection and the use of a carbon accounting software. This process is improving consistency in reporting and will enable the development of a comprehensive carbon reduction and adaptation plan. Measuring our footprint will also help us align with national efforts such as the Corporate Climate Responsibility Levy and prepare for greater regulatory requirements.

## REDUCING OUR OPERATIONAL IMPACT

Climate action is not only an environmental priority, but also an economic necessity given rising energy and water costs. SICOM has introduced a series of initiatives across its property portfolio, including SICOM Tower, SICOM Buildings 1 and 2, as SICOM Building 3, to enhance energy and water efficiency.

Measures include:

- 01 Installation of inverter-type air conditioning, solar-powered lighting and off-grid photovoltaic panels
- 02 Deployment of rainwater harvesting systems, water leakage detection and self-closing taps
- 03 Ongoing monitoring of electricity and water consumption to track progress and identify areas for improvement

These initiatives have already yielded results. SICOM Building 1 has reduced electricity consumption by more than 17% over three years, while SICOM Tower has achieved a decline of nearly 10% over the same period. Water use at SICOM Tower has fallen sharply, down almost 70% in four years, highlighting the impact of efficient management practices.



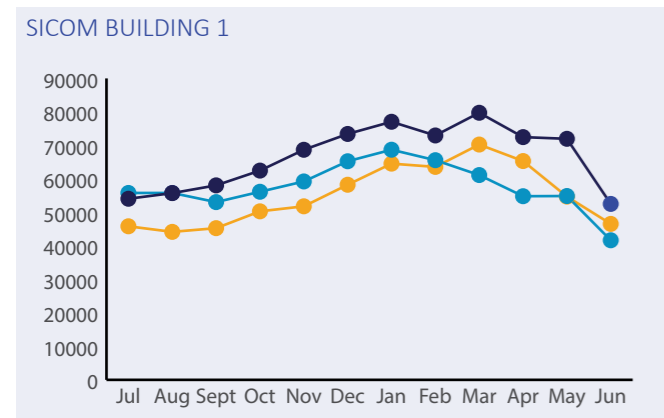


# SUSTAINABILITY STATEMENT (CONTINUED)

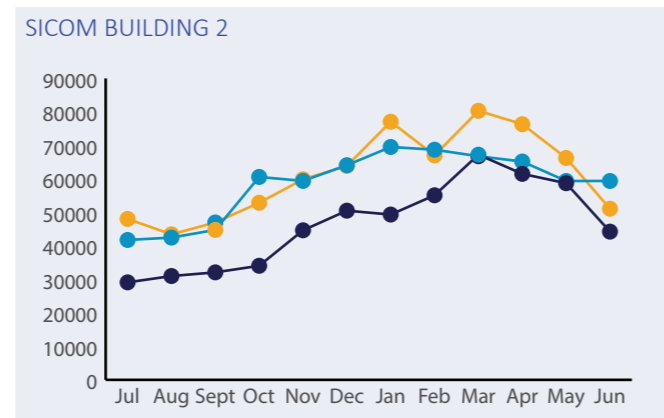
## ENERGY PERFORMANCE AND EFFICIENCY

Energy consumption and intensity trends vary across our buildings. While SICOM Building 1 and SICOM Tower show consistent reductions in demand and improved energy intensity, SICOM Building 2 and the SICOM Building 3 have experienced increases linked to operational changes, such as the installation of a new server room. These insights reinforce the importance of targeted initiatives to balance operational growth with efficiency.

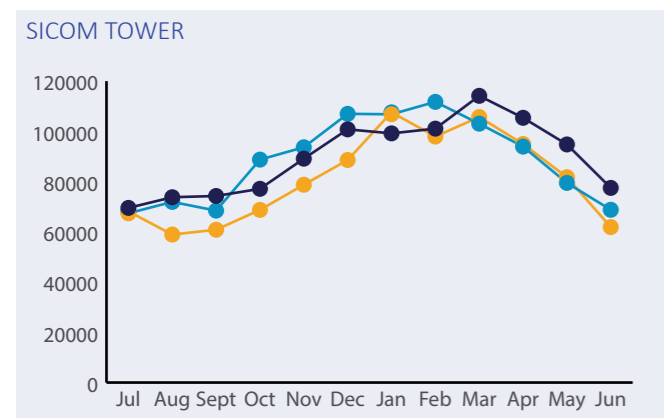
Further actions include the installation of inverter-type cassette air conditioning units at SICOM Building 1 and the deployment of a 1.5 kW off-grid photovoltaic system powering the staff canteen. These measures improve resilience, lower energy costs and contribute to the transition of Mauritius towards renewable energy.



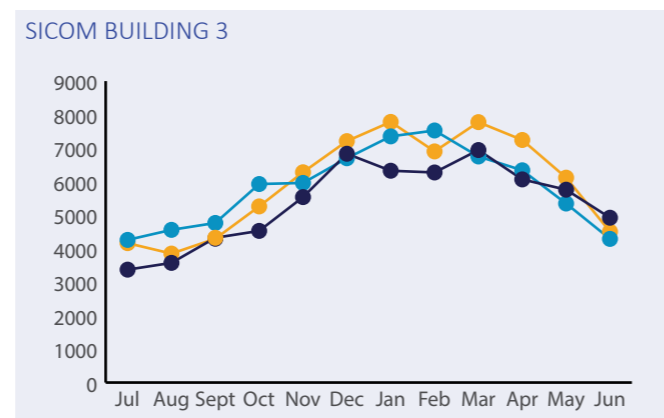
**Total Consumption:**  
 FY 2021-2022: 799,215 | FY 2023-2024: 694,369 | FY 2024-2025: 660,691



**Total Consumption:**  
 FY 2021-2022: 557,557 | FY 2023-2024: 692,825 | FY 2024-2025: 733,212



**Total Consumption:**  
 FY 2021-2022: 1,076,700 | FY 2023-2024: 1,060,882 | FY 2024-2025: 973,759



**Total Consumption:**  
 FY 2021-2022: 64,444 | FY 2023-2024: 69,764 | FY 2024-2025: 71,374

● FY 2021-2022 (kWh) ● FY 2023-2024 (kWh) ● FY 2024-2025 (kWh)

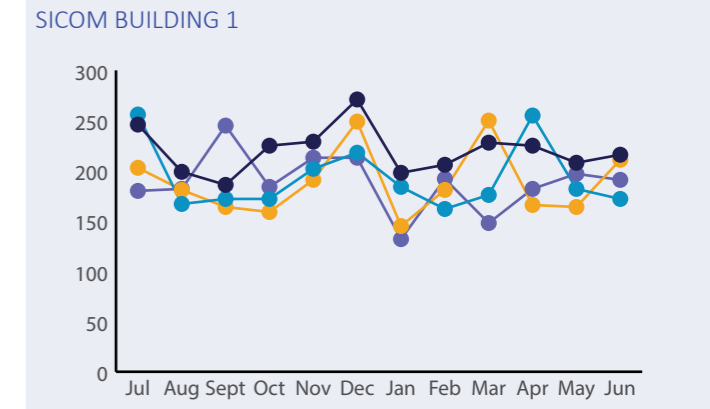
## WATER EFFICIENCY

SICOM has implemented both structural and behavioural initiatives to conserve water. Rainwater harvesting at SICOM Building 1 and the gradual implementation of self-closing taps at SICOM Tower have helped cut consumption significantly. Trends show continued reductions across the portfolio, with particularly strong improvements at SICOM Tower. These measures are enhancing resilience in the face of increasing water scarcity.

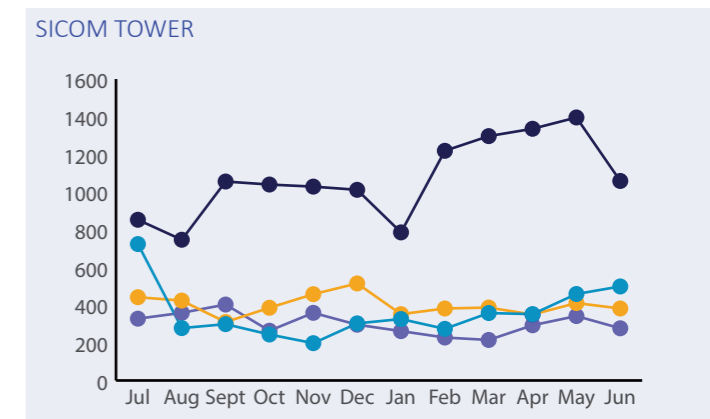


## BUILDING A CULTURE OF RESILIENCE

SICOM's approach extends beyond efficiency to preparedness. Business Continuity Management frameworks, response plans and training exercises ensure that our buildings and operations can withstand disruptions from extreme weather events. These measures support continuity of service for clients and partners, strengthening our role as a trusted and resilient financial institution.



**Total Consumption:**  
 FY 2021-2022: 2,637 | FY 2022-2023: 2,318 | FY 2023-2024: 2,264 |  
 FY 2024-2025: 2,259



**Total Consumption:**  
 FY 2021-2022: 11,790 | FY 2022-2023: 4,314 | FY 2023-2024: 4,799 |  
 FY 2024-2025: 3,626

● FY 2021-2022 (m³) ● FY 2023-2024 (m³)  
 ● FY 2023-2024 (m³) ● FY 2024-2025 (m³)

## WASTE REDUCTION

Beyond energy and water, SICOM promotes responsible consumption and recycling. Partnerships with Mission Verte and Mafta International Ltd ensure that paper from our offices is collected and repurposed. The introduction of document management systems and centralised printing has reduced paper use and cut stationery-related costs by 14% year-on-year.



# SUSTAINABILITY STATEMENT (CONTINUED)



## PRESERVING BIODIVERSITY AND PROMOTING A CIRCULAR ECONOMY

SICOM continues to advance its sustainability agenda by focusing on biodiversity preservation, circular economy practices and sustainable procurement. These efforts not only protect the natural environment, but also generate social and economic benefits for communities across Mauritius and Rodrigues.

We have strengthened our collaboration with Fondation Ressources et Nature (FORENA) through projects that link environmental protection with social inclusion. Notable initiatives include the establishment of plant nurseries at the Beau Bassin and Pointe La Gueule prisons, providing women with training in mangrove and plant propagation and supporting their pathway to employment or entrepreneurship.

Building on this, SICOM and FORENA launched an agroforestry project in 2025 in Rodrigues, supported by the United Nations Development Programme (UNDP) Global Environment Facility (GEF) Small Grants Programme, the Rodrigues Regional Assembly and the Rotary Club. It involves the restoration of one hectare of degraded land through the planting of 300 fruit trees and 200 endemic plants. Beyond improving soil fertility, biodiversity and carbon sequestration, the project will employ local people and engage women in sustainable land management. It also seeks to enhance food security, poverty reduction and climate resilience, while raising awareness of environmental issues among schoolchildren and the wider community.

SICOM also partners with the Food and Agriculture Research & Extension Institute (FAREI) to promote bio farming. Key initiatives in 2024/25 included:

- Model bio farms at Wooton and Autism Mauritius, providing training in organic farming and inclusion opportunities for young people.
- An Expo Sales event on World Environment Day, showcasing organic produce from local farmers.
- Fruit-planting workshops and the distribution of fruit plants and seeds to staff, encouraging home gardening and greener lifestyles.

Through its three-year partnership with the Mauritian Wildlife Foundation (MWF), SICOM supports the “Learning with Nature” programme on Île aux Aigrettes. This provides hands-on conservation experiences for schoolchildren, NGO beneficiaries, and employees. Between 2024 and 2025, the initiative reached nearly 200 children and several staff members, complementing classroom learning with field visits. Educational books distributed as part of the programme further reinforce environmental awareness and foster pro-conservation behaviours.

## CIRCULAR ECONOMY AND WASTE REDUCTION

We have embedded circular economy principles into our operations, particularly in waste reduction and recycling. Efforts extend beyond consumables such as plastic bottles, tyres and toner cartridges to include construction materials. Partnerships with BEM Enterprises Ltd and La Déchetèque Ltd enable the recycling of electrical components, luminaires and blinds, giving new life to materials otherwise destined for disposal.

To reduce single-use plastics, SICOM has phased out bottled water in favour of glass dispensers in meeting rooms and cafeterias. This transition has cut waste, lowered costs and encouraged cultural change, with many employees adopting more sustainable consumption habits at work and at home. Complementary measures include new waste-sorting bins in office spaces and the installation of a compost bin for cafeteria food scraps, reinforcing circularity through resource recovery.

World Environment Day 2025, themed “Ending Global Plastic Pollution,” served as an anchor point for awareness-raising, supported by a session with WeRecycle Mauritius on the environmental impact of microplastics. These initiatives illustrate SICOM’s broader goal of turning awareness into action.





# SUSTAINABILITY STATEMENT (CONTINUED)



## PILLAR 3

Social development is central to our sustainability agenda. By investing in health, education, youth empowerment and workplace inclusion, the Group strengthens human capital, promotes equity and builds resilience against external shocks. These initiatives are not only a moral responsibility, but also a strategic investment in long-term prosperity.

### EMPLOYEE HEALTH AND WELL-BEING

SICOM recognises that employee well-being is key to organisational resilience and productivity. The Group actively involves staff in health and safety, ensuring that risks are managed through training, supervision and robust facilities. Initiatives such as the monthly distribution of healthy snacks, expert-led awareness sessions and Intranet campaigns encourage healthier lifestyles.

A major milestone was the inauguration of the Living Lab in April 2025. This dedicated hub combines leisure, learning, wellness and sustainability. It includes recreation areas, a Wellness Corner for mental health and a rooftop garden featuring vegetables, medicinal plants and eco-friendly systems such as solar power, rainwater harvesting and composting. By linking green infrastructure with collaboration and learning spaces, the Living Lab nurtures innovation, well-being and climate-conscious behaviours.

The initiative also contributes to the UN SDGs, including health and well-being, quality education, sustainable cities, responsible consumption and climate action.



### SUPPORTING EMPLOYEES

The Group's commitment to its people is reflected in the MANGO (Maximising Achievement, Nurturing Growth and Opportunity) journey and the new IGNITE strategy. At the heart of these efforts is a belief that employees drive organisational progress.

### LEARNING AND DEVELOPMENT

In the financial year 2024–2025, nearly 90% of employees participated in at least one voluntary training initiative. Highlights included:

- Foundational Artificial Intelligence training and the creation of an AI Committee
- Leadership Development programmes and public speaking workshops to strengthen communication and influence
- Ongoing technical training in insurance, compliance, and risk management

These initiatives ensure that SICOM remains agile in a changing environment while nurturing a strong learning culture.

## YOUTH ENGAGEMENT

We empower young people through internships, graduate schemes, mentorship and financial literacy training. These initiatives build confidence, resilience and employability, while fostering a culture of continuous learning.

|  |  |   |   |
|--|--|---|---|
| <p><b>Internship Programme:</b></p> <p>Over 75 youths gained practical experience in 2025, bridging academic knowledge with workplace readiness.</p> | <p><b>Young Graduate Scheme:</b></p> <p>Since 2019, 55 graduates in actuarial science, finance and risk management have contributed to SICOM's digitalisation journey. Their fresh perspectives and creativity have energised the Group.</p> | <p><b>BRIDGEFORWARD Mentorship Scheme:</b></p> <p>Launched in 2024, this programme pairs senior leaders with younger colleagues, promoting knowledge-sharing, career development and leadership skills.</p> | <p><b>Financial Literacy Training:</b></p> <p>Sessions for NGOs such as Lovebridge and the Adolescent Non Formal Education Network (ANFEN) equipped social workers with tools to help vulnerable families and youth build financial resilience.</p> |
|--|--|---|---|

Through these initiatives, SICOM enables young people to become active contributors to society, while cultivating a pipeline of future-ready talent.

## CONCLUSION

In financial year 2024-2025, we made tangible progress across our three sustainability pillars: Responsible and Sustainable Business, Climate Action and Social Development. Highlights included the introduction of a Responsible Investment Policy, a new ESG scoring framework, strengthened governance practices and the launch of the SICOM Wellness Plan.

On climate, we advanced our Energy Management System, began tracking Scope 1 and 2 emissions, and supported biodiversity and bio-farming projects in partnership with local organisations, while engaging employees and communities through awareness initiatives.

Social programmes focused on health, empowerment and education, with activities ranging from blood donation drives to financial literacy training for NGOs.

As we mark our Golden Jubilee, we remain committed to resilience, innovation and alignment with the UN SDGs, creating long-term value for stakeholders and contributing to a sustainable and inclusive future for Mauritius.



# SUSTAINABILITY STATEMENT (CONTINUED)

## OVERVIEW OF SICOM'S SUSTAINABILITY INITIATIVES

### KEY PROGRESS MADE DURING FINANCIAL YEAR 2024-2025



#### RESPONSIBLE AND SUSTAINABLE BUSINESS



- Developed a Responsible Investment Policy in view of incorporating ESG issues into investment analysis and decision-making processes.
- Developing a high-level ESG scoring system to assess investments across all asset classes.
- Second participation in the National Committee on Corporate Governance's Scorecard Assessment.
- Evaluation of the Board, its Committees, Directors and Chairperson was duly completed.
- Review of the whistleblowing policy and Code of Ethics and Business Conduct.
- Preparation for second submission of UN PRI and UNGC reporting.
- Launch of the SICOM Wellness Plan, a long-term life insurance plan.
- Implementation of Business Continuity Management.



#### CLIMATE ACTION



- Implementation of an Energy Management System to increase energy efficiency across our operations.
- Launched multiple environmental initiatives at our Head Office, such as using split inverter-type air conditioners, rainwater harvesting and facilitating the reuse and recycling of material during renovation works.
- Scope 1 & 2 emission calculation has been initiated for our Head Office.
- Continued our collaboration with FORENA, FAREI and MWF to support biodiversity conversation and bio-farming.
- Organised our annual Expo Sales event on World Environment Day in collaboration with FAREI and offering bio farmers a platform to showcase their produce and sell them to SICOM staff and the public.
- Through our external partnerships with NGOs and other entities, we have organised workshops and awareness sessions on bio-farming, climate change and microplastics.
- Collaborated with BEM Enterprises Ltd and La Déchetèque Ltd during renovation works at SICOM Building 1 to recycle luminaries and blinds respectively.



#### FOSTERING SOCIAL DEVELOPMENT



- Organised two blood donation drives for SICOM staff and the public in September 2024 and April 2025.
- Participated in the national Autism Awareness Walk to raise awareness about the challenges faced by children on the autism spectrum and their parents in April 2025.
- Established the SICOM Living Lab, a designated space for employees to explore new initiatives and empower them to adopt a more sustainable lifestyle in April 2025.
- Organised an awareness session on road safety risks and responsible road behaviour, in collaboration with the Road Safety Unit of the Traffic Branch in April 2025.
- Designed and implemented an in-house Financial Literacy Programme, delivered by SICOM staff to social workers from youth empowerment NGOs, enabling them to better support their beneficiaries. Training was delivered to Lovebridge and ANFEN in April and June 2025.



# FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

## STATE INSURANCE COMPANY OF MAURITIUS LTD

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### OPINION

We have audited the consolidated and separate financial statements of **State Insurance Company of Mauritius Ltd** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 96 to 199 which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2025, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and comply with the requirements of the Mauritius Companies Act 2001 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

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

#### Key audit matter

##### Valuation of insurance contract liabilities

As at 30 June 2025, the value of insurance contract liabilities balances was Rs 15.95 billion for the Group and Rs 14.75 billion for the Company.

The insurance contract liability balance reflects, within the liability for remaining coverage component the present value of future cash flows, the adjustment for non-financial risks (RA), and the contractual service margin (CSM).

It also includes a liability for incurred claims element, which represents the estimate of unsettled claims for which the insured event has occurred plus a risk adjustment for non-financial risk.

In valuing the insurance contract liability balances, management applied significant judgment. Various assumptions are made including best estimate assumptions regarding the expected claims on insurance contracts, expected expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.

#### How our audit addressed the key audit matter

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:

- We assessed the compliance of the methodology applied to estimate the cash flows, Risk Adjustment (RA) and Contractual Service Margin (CSM) related to these contracts with the current accounting standards;
- We assessed the valuation methodology and assumptions for compliance against the generally accepted actuarial principles, applicable legislation and approved Group policies;
- We assessed the design and tested the operating effectiveness of the controls we deemed key to our audit. In particular, we have focused on:
  - controls related to the validation of cash flows projection model, including governance regarding model changes;
  - the documentation and controls related to judgments and key assumptions made by management;
- We applied procedures to test on a sample basis the reliability of the underlying data used in estimates;
- We assessed reasonability of key financial and demographic assumptions and the valuation methodologies applied in determining the BEL, RA and CSM liabilities;

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

STATE INSURANCE COMPANY OF MAURITIUS LTD (CONTINUED)

## KEY AUDIT MATTERS (CONTINUED)

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Valuation of insurance contract liabilities (Continued)</b></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"> <li>• Best Estimate Liabilities (BEL).</li> <li>• Discount rates.</li> <li>• Confidence levels applied in determining the risk adjustment for non-financial risk.</li> <li>• Determination of contract liabilities</li> <li>• Estimation techniques for fulfilment cashflows and the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).</li> <li>• Determination of contract boundaries, discount rates and eligibility criteria as required by IFRS 17</li> <li>• Determination and recognition of onerous contracts.</li> <li>• The determination of the risk adjustment for non-financial risk.</li> </ul> <p>We considered the valuation of insurance contract liability balances as key audit matter in our audit of the financial statements given the complexity of IFRS 17 and the significant judgements and estimates applied.</p> | <ul style="list-style-type: none"> <li>• We tested on a sample basis and based on our risk assessment, the calculation models used to estimate future cash flows, nonfinancial risk adjustment, and the CSM, as well as any significant change to the calculation models;</li> <li>• We assessed the appropriateness of management's allocation of groups of contracts into the various measurement buckets and compliance of these groups with the eligibility criteria as required by IFRS 17. We also assessed the profitability criteria applied in determining the grouping of contracts based on the onerous characteristics;</li> <li>• We reviewed the reasonability of the build-up and changes in BEL, RA and CSM for a sample of products for life insurance business by performing independent recalculations;</li> <li>• We evaluated the reasonability of the risk adjustment calculation, and its related release by performing independent recalculations for sampled products;</li> <li>• We evaluated the reasonability of the CSM build-up, and the related coverage units for its release by performing independent recalculations for sampled products;</li> <li>• For the valuation of insurance contract liabilities across the Group, we assessed management's valuation models. For long-term portfolios, we assessed the reasonableness of the assumptions applied by management, including financial and demographic assumptions. For short-term portfolios, we assessed the reasonableness of the assumptions including claims ratio, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with amongst others reference to prior years and key ratios;</li> <li>• We performed analytical procedures to identify and analyse any material unusual and/or unexpected variation; and</li> <li>• We assessed the adequacy of the IFRS 17 disclosures in the notes to the financial statements.</li> </ul> |

### Key audit matter

### How our audit addressed the key audit matter

#### Impairment of loans and advances to customers and net investment in finance leases

As at 30 June 2025, the Group and the Company reported total gross loans and advances of Rs 2.3 billion and Rs 1.6 billion and expected credit loss (ECL) provisions of Rs 20.9m and Rs 20.0m respectively.

At 30 June 2025, the Group reported total gross finance lease of Rs 1.3 billion and Rs 4.8m of expected credit loss provisions.

Further details of the loans and advances are set out in Note 12 to the financial statements.

Estimating ECL includes the following;

- determination of expected losses (including Probability of Default (PD), Loss Given Default LGD) and Exposure At Default (EAD));
- determination of the criteria for Significant Increase in Credit Risk (SICR);
- classification of the loans and advances in stages 1.2 and 3 based on the policy adopted by the Group and aligned with the requirements of IFRS 9;
- relevance of macro-economic factors; and
- inputs and assumptions used to estimate the recoverable amount of the loans and leases.

We have identified the estimation of ECL on loans and advances as a key audit matter due to the materiality of the balances and the associated subjective nature of the management's impairment estimation.

Our procedures comprise the following:

- We evaluated the appropriateness of the IFRS 9 methodologies for the loan books and leases.
- We observed the oversight and approval of ECL policies by management.
- We evaluated the design and implementation of controls over management's processes to calculate the ECL for loans and advances and finance leases. This included the definition of credit stages, the allocation of assets into these stages, data accuracy and completeness and credit monitoring.

For loans and advances to customers, with the assistance of our internal specialists, we:

- tested the accuracy and completeness of ECL by reperformance;
- tested the classification of the loans and advances in stages 1, 2 and 3 and the application of 12 months ECL for stage 1 and lifetime ECL for stage 2 and stage 3;

For leases receivables and speedy loan books, we:

- tested the key inputs and assumptions used in the ECL model. This included assessing the probability of default, loss given default and exposure at default; and
- assessed the appropriateness of the macro-economic factors used.

For loans and advances and leases to customers that were individually assessed for impairment:

- Where impairment indicators existed, we evaluated the reasonableness of management's estimated future recoveries in the valuation of collateral held.
- We compared the actual recoveries against previously estimated amounts of future recoveries.

For leases receivables and speedy loan books, we:

- Obtained audit evidence of management judgements and assumptions, especially focusing on the consistency of the ECL approach for both the lease and speedy loan books;
- Independently reperfomed the free-flow rate analysis of the lease receivables on a sample basis in the provision matrix and the hybrid approach for the speedy loan book;
- Tested the design and operating effectiveness of the key controls over the approval of credit facilities and subsequent monitoring; including the verification of the validity of the recorded amounts and their segmentation against underlying credit documentation, as well as testing the reliability of the relevant system generated reports;
- Assessed the independence and competence of the appraisers used by management to value the underlying collaterals;
- Inspected the minutes of governance committees to ensure that there are governance controls in place in relation to assessment of allowance for credit impairment;
- Performed substantive tests of details on non-performing lease receivables including:
  - a) Validating on a sample basis the valuation of collateral securities to support the individual impairment charge; and
  - b) Testing the accuracy and completeness of allowance for credit impairment by reperformance.
- Assessed whether the disclosures are in accordance with IFRS requirements.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

**STATE INSURANCE COMPANY OF MAURITIUS LTD** (CONTINUED)

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Integrated Report, the Corporate Governance Report, the Secretary's Certificate, Statement of Compliance, Statement of Directors' Responsibilities and Statutory Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

## RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### *Mauritius Companies Act 2001*

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

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

### *Insurance Act 2005*

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

### *Financial Reporting Act 2004*

### *Corporate Governance Report*

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

## USE OF THIS REPORT

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Deloitte**  
Chartered Accountants  
19 December 2025



**R. SRINIVASA SANKAR, FCA**  
Licensed by FRC

# STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2025

|   | NOTES | THE GROUP         |                   | THE COMPANY       |                   |
|---|-------|-------------------|-------------------|-------------------|-------------------|
|   |       | 2025<br>Rs'000    | 2024<br>Rs'000    | 2025<br>Rs'000    | 2024<br>Rs'000    |
| <b>NON-CURRENT ASSETS</b>                                   |       |                   |                   |                   |                   |
| Property, plant and equipment                               | 7     | 484,365           | 484,165           | 303,076           | 316,180           |
| Investment properties                                       | 8     | 1,690,980         | 1,577,210         | 1,807,137         | 1,691,548         |
| Intangible assets   | 9     | 90,269            | 91,864            | 59,286            | 57,585            |
| Investments in subsidiaries                                 | 10    | –                 | –                 | 570,628           | 565,628           |
| Financial investments:                                      |       |                   |                   |                   |                   |
| - Measured at fair value through other comprehensive income | 11(a) | 16,827            | 27,076            | –                 | –                 |
| - Measured at fair value through profit or loss             | 11(b) | 21,181,226        | 19,939,501        | 19,970,355        | 19,053,505        |
| Debt instruments at amortised cost                          | 11(c) | 585,910           | 579,102           | –                 | –                 |
| Loans and advances:   |       |                   |                   |                   |                   |
| - Net investment in finance leases                          | 12(a) | 932,936           | 755,956           | –                 | –                 |
| - Mortgage and other loans                                  | 12(b) | 2,050,274         | 2,025,543         | 1,564,170         | 1,464,469         |
| Right-of-use assets   | 13(a) | 112,167           | 74,818            | 12,787            | 7,982             |
| Deferred tax assets   | 14    | 30,516            | 35,867            | –                 | –                 |
| Insurance contract assets                                   | 25    | 158,104           | 30,668            | 158,104           | 30,668            |
| Reinsurance contract assets                                 | 25    | –                 | 1,227             | –                 | 1,227             |
|   |       | <b>27,333,574</b> | <b>25,622,997</b> | <b>24,445,543</b> | <b>23,188,792</b> |
| <b>CURRENT ASSETS</b>                                       |       |                   |                   |                   |                   |
| Debt Instruments at amortised cost                          | 11(c) | 611,056           | 564,490           | –                 | –                 |
| Loans and advances:   |       |                   |                   |                   |                   |
| - Net investment in finance leases                          | 12(a) | 312,679           | 266,307           | –                 | –                 |
| - Mortgage and other loans                                  | 12(b) | 230,273           | 220,776           | 61,561            | 67,774            |
| Other receivables   | 15    | 516,361           | 492,440           | 671,650           | 629,210           |
| Current tax assets  | 16(a) | –                 | 2,183             | –                 | –                 |
| Bank and cash balances                                      | 17    | 733,993           | 782,925           | 400,744           | 407,511           |
| Other financial assets                                      | 17(a) | 24,102            | –                 | 24,102            | –                 |
| Insurance contract assets                                   | 25    | 14,844            | 38,821            | –                 | 22,318            |
| Reinsurance contract assets                                 | 25    | 598,844           | 557,143           | 4,549             | 201               |
|   |       | <b>3,042,152</b>  | <b>2,925,085</b>  | <b>1,162,606</b>  | <b>1,127,014</b>  |
| Assets held for sale  | 18    | 6,353             | 6,353             | 6,353             | 6,353             |
|   |       | <b>3,048,505</b>  | <b>2,931,438</b>  | <b>1,168,959</b>  | <b>1,133,367</b>  |

The notes on pages 102 to 199 form an integral part of these financial statements. Auditor's report on pages 93 to 95.

|   | NOTES | THE GROUP         |                   | THE COMPANY       |                   |
|---|-------|-------------------|-------------------|-------------------|-------------------|
|   |       | 2025<br>Rs'000    | 2024<br>Rs'000    | 2025<br>Rs'000    | 2024<br>Rs'000    |
| <b>CURRENT LIABILITIES</b>                          |       |                   |                   |                   |                   |
| Borrowings  | 19    | 19,967            | 22,200            | 19,967            | 22,200            |
| Lease liabilities                                   | 13(b) | 14,958            | 10,076            | 10,584            | 10,076            |
| Trade and other payables                            | 20    | 280,255           | 239,980           | 186,009           | 161,432           |
| Current tax liabilities                             | 16(a) | 47,509            | 13,397            | 15,202            | 5,657             |
| Deposits from customers                             | 21    | 179,073           | 302,475           | –                 | –                 |
| Insurance contract liabilities                      | 25    | 2,338,129         | 2,110,380         | 1,135,729         | 1,063,201         |
| Reinsurance contract liabilities                    | 25    | 173,769           | 129,894           | 125,113           | 107,783           |
|   |       | <b>3,053,660</b>  | <b>2,828,402</b>  | <b>1,492,604</b>  | <b>1,370,349</b>  |
| NET CURRENT (LIABILITIES)/ASSETS                    |       | <b>(5,155)</b>    | <b>103,036</b>    | <b>(323,645)</b>  | <b>(236,982)</b>  |
|   |       | <b>27,328,419</b> | <b>25,726,033</b> | <b>24,121,898</b> | <b>22,951,810</b> |
| <b>CAPITAL AND RESERVES</b>                         |       |                   |                   |                   |                   |
| Stated capital                                      | 22    | 70,000            | 70,000            | 70,000            | 70,000            |
| Reserves  | 23    | 10,251,699        | 8,276,031         | 9,323,541         | 7,436,709         |
| Equity attributable to equity holders of the parent |       | <b>10,321,699</b> | <b>8,346,031</b>  | <b>9,393,541</b>  | <b>7,506,709</b>  |
| Non-controlling interests                           |       | <b>4,736</b>      | <b>4,685</b>      | <b>–</b>          | <b>–</b>          |
| <b>TOTAL EQUITY</b>                                 |       | <b>10,326,435</b> | <b>8,350,716</b>  | <b>9,393,541</b>  | <b>7,506,709</b>  |
| <b>NON-CURRENT LIABILITIES</b>                      |       |                   |                   |                   |                   |
| Borrowings  | 19    | 47,545            | 35,784            | 47,545            | 35,784            |
| Lease liabilities                                   | 13(b) | 92,095            | 52,243            | 60,856            | 52,243            |
| Deposit from customers                              | 21    | 2,029,656         | 1,689,460         | –                 | –                 |
| Deferred tax liabilities                            | 14    | 114,282           | 64,136            | 112,766           | 62,620            |
| Employee benefit obligations                        | 24    | 806,202           | 915,841           | 594,986           | 676,600           |
| Insurance contract liabilities                      | 25    | 13,612,516        | 14,194,996        | 13,612,516        | 14,194,996        |
| Reinsurance contract liabilities                    | 25    | 299,688           | 422,857           | 299,688           | 422,858           |
|   |       | <b>17,001,984</b> | <b>17,375,317</b> | <b>14,728,357</b> | <b>15,445,101</b> |
|   |       | <b>27,328,419</b> | <b>25,726,033</b> | <b>24,121,898</b> | <b>22,951,810</b> |

These financial statements have been approved and authorised for issue by the Board of Directors on 17 December 2025.

  
Mr N PRAYAG  
Chairperson

  
Mr A ACHARUZ  
Director

The notes on pages 102 to 199 form an integral part of these financial statements. Auditor's report on pages 93 to 95.

# STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2025

|  | NOTES | THE GROUP        |                | THE COMPANY      |                |
|--|-------|------------------|----------------|------------------|----------------|
|  |       | 2025<br>Rs'000   | 2024<br>Rs'000 | 2025<br>Rs'000   | 2024<br>Rs'000 |
| Insurance revenue                                    | 26(a) | 3,554,174        | 2,895,366      | 1,156,110        | 1,018,285      |
| Insurance service expenses                           | 26(b) | (2,426,103)      | (2,080,756)    | (762,182)        | (543,985)      |
| Net (expenses)/income from reinsurance contracts     | 26(c) | (506,149)        | (313,128)      | 28,889           | (21,538)       |
| <b>Total insurance service result</b>                |       | <b>621,922</b>   | 501,482        | <b>422,817</b>   | 452,762        |
| Net investment income                                | 27    | 1,166,287        | 1,939,281      | 1,363,514        | 2,070,209      |
| Finance expenses from insurance contracts            | 27    | 176,567          | (1,436,491)    | 192,668          | (1,414,839)    |
| Finance income/(expenses) from reinsurance contracts | 27    | 13,770           | (47,510)       | 2,841            | (61,123)       |
| <b>Net investment result</b>                         |       | <b>1,356,624</b> | 455,280        | <b>1,559,023</b> | 594,247        |
| Revenue from contracts with customers                | 28    | 686,403          | 610,087        | 528,569          | 466,361        |
| Other income   | 29    | 275,153          | 240,105        | 160,348          | 149,200        |
| <b>Non Insurance income</b>                          |       | <b>961,556</b>   | 850,192        | <b>688,917</b>   | 615,561        |
| Other operating and administrative costs             | 30    | (635,345)        | (602,222)      | (538,358)        | (525,642)      |
| <b>Non insurance expenses</b>                        |       | <b>(635,345)</b> | (602,222)      | <b>(538,358)</b> | (525,642)      |
| <b>Profit Before Tax</b>                             |       | <b>2,304,757</b> | 1,204,732      | <b>2,132,399</b> | 1,136,928      |
| Taxation   |       | (137,268)        | (81,424)       | (85,473)         | (54,432)       |
| <b>PROFIT AFTER TAX</b>                              |       | <b>2,167,489</b> | 1,123,308      | <b>2,046,926</b> | 1,082,496      |
| Profit for year attributable to:                     |       |                  |                |                  |                |
| Equity holders of the Parent                         |       | 2,167,263        | 1,123,051      | 2,046,926        | 1,082,496      |
| Non-controlling interests                            |       | 226              | 257            | -                | -              |
|  |       | <b>2,167,489</b> | 1,123,308      | <b>2,046,926</b> | 1,082,496      |

The notes on pages 102 to 199 form an integral part of these financial statements. Auditor's report on pages 93 to 95.

# STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

|  | NOTES   | THE GROUP        |                | THE COMPANY      |                |
|--|---------|------------------|----------------|------------------|----------------|
|  |         | 2025<br>Rs'000   | 2024<br>Rs'000 | 2025<br>Rs'000   | 2024<br>Rs'000 |
| <b>PROFIT AFTER TAX</b>  |         | <b>2,167,489</b> | 1,123,308      | <b>2,046,926</b> | 1,082,496      |
| Other comprehensive income (OCI):  |         |                  |                |                  |                |
| <i>Items that may be reclassified subsequently to profit or loss</i>                 |         |                  |                |                  |                |
| Exchange differences on translation of foreign operations                            | 23(e&i) | (40,287)         | 31,374         | –                | –              |
| <b>Net OCI to be reclassified to profit or loss in subsequent periods</b>            |         | <b>(40,287)</b>  | 31,374         | –                | –              |
| <i>Items that will be not be reclassified subsequently to profit or loss</i>         |         |                  |                |                  |                |
| Revaluation losses on equity instruments at fair value through OCI                   | 23(i)   | (10,249)         | (925)          | –                | –              |
| Remeasurement of defined benefit obligations, net of deferred tax                    | 23(i)   | 43,439           | 52,226         | 24,387           | 41,463         |
| <b>Net OCI not to be reclassified to profit or loss in subsequent periods</b>        |         | <b>33,190</b>    | 51,301         | <b>24,387</b>    | 41,463         |
| <b>Other comprehensive income for the year, net of tax</b>                           |         | <b>(7,097)</b>   | 82,675         | <b>24,387</b>    | 41,463         |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP AND COMPANY FOR THE YEAR</b> |         | <b>2,160,392</b> | 1,205,983      | <b>2,071,313</b> | 1,123,959      |
| <b>Total comprehensive income for the year attributable to:</b>                      |         |                  |                |                  |                |
| Owners of the parent   |         | 2,160,149        | 1,205,713      | 2,071,313        | 1,123,959      |
| Non-controlling interests  |         | 243              | 270            | –                | –              |
|  |         | <b>2,160,392</b> | 1,205,983      | <b>2,071,313</b> | 1,123,959      |

The notes on pages 102 to 199 form an integral part of these financial statements. Auditor's report on pages 93 to 95.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

| THE GROUP                                      |             |                             |                                |                                 |  |   |                               |                            |   |                                  |   |  |                 |
|--|-------------|-----------------------------|--------------------------------|---------------------------------|--|---|-------------------------------|----------------------------|---|----------------------------------|---|--|-----------------|
|  | NOTES       | Stated<br>Capital<br>Rs'000 | Retained<br>Earnings<br>Rs'000 | Restricted<br>Reserve<br>Rs'000 | Properties<br>Revaluation<br>Reserve<br>Rs'000 | Investments<br>Revaluation<br>Reserve<br>Rs'000 | Actuarial<br>Losses<br>Rs'000 | Other<br>Reserve<br>Rs'000 | General<br>Banking<br>Reserve<br>Rs'000 | Translation<br>Reserve<br>Rs'000 | Attributable<br>to Equity<br>Holders Of<br>Parent<br>Rs'000 | Non-Controlling<br>Interests<br>Rs'000 | Total<br>Rs'000 |
| <b>BALANCE AT 1 JULY 2024</b>                  |             | 70,000                      | 8,719,978                      | –                               | 164,095  | (262,681)                                       | (690,848)                     | 68,856                     | 37,781                                  | 238,850                          | 8,346,031   | 4,685                                  | 8,350,716       |
| Profit for the year                            |             | –                           | 2,167,263                      | –                               | –  | –   | –                             | –                          | –                                       | –                                | 2,167,263   | 226                                    | 2,167,489       |
| Other comprehensive income for the year        |             | –                           | –                              | –                               | –  | (10,249)  | 43,422                        | –                          | –                                       | (40,287)                         | (7,114)   | 17                                     | (7,097)         |
| <b>Total comprehensive income for the year</b> |             | –                           | 2,167,263                      | –                               | –  | (10,249)  | 43,422                        | –                          | –                                       | (40,287)                         | 2,160,149   | 243                                    | 2,160,392       |
| Transfer from/(to) reserve                     | 23(f) & (g) | –                           | (3,392)                        | –                               | –  | –   | –                             | 3,392                      | –                                       | –                                | –   | –                                      | –               |
| Dividend                                       | 32          | –                           | (184,481)                      | –                               | –  | –   | –                             | –                          | –                                       | –                                | (184,481)   | (192)                                  | (184,673)       |
| <b>Balance at 30 June 2025</b>                 |             | 70,000                      | 10,699,368                     | –                               | 164,095  | (272,930)                                       | (647,426)                     | 72,248                     | 37,781                                  | 198,563                          | 10,321,699  | 4,736                                  | 10,326,435      |
| <b>BALANCE AT 1 JULY 2023</b>                  |             | 70,000                      | 7,798,782                      | 9,565                           | 164,095  | (261,756)                                       | (743,061)                     | 64,997                     | 6,929                                   | 207,476                          | 7,317,027   | 4,634                                  | 7,321,661       |
| Profit for the year                            |             | –                           | 1,123,051                      | –                               | –  | –   | –                             | –                          | –                                       | –                                | 1,123,051   | 257                                    | 1,123,308       |
| Transfer from restricted reserves              |             | –                           | 9,565                          | (9,565)                         | –  | –   | –                             | –                          | –                                       | –                                | –   | –                                      | –               |
| Other comprehensive income for the year        |             | –                           | –                              | –                               | –  | (925)   | 52,213                        | –                          | –                                       | 31,374                           | 82,662  | 13                                     | 82,675          |
| <b>Total comprehensive income for the year</b> |             | –                           | 1,132,616                      | (9,565)                         | –  | (925)   | 52,213                        | –                          | –                                       | 31,374                           | 1,205,713   | 270                                    | 1,205,983       |
| Transfer from/(to) reserve                     | 23(f) & (g) | –                           | (34,711)                       | –                               | –  | –   | –                             | 3,859                      | 30,852                                  | –                                | –   | –                                      | –               |
| Dividend                                       | 32          | –                           | (176,709)                      | –                               | –  | –   | –                             | –                          | –                                       | –                                | (176,709)   | (219)                                  | (176,928)       |
| <b>Balance at 30 June 2024</b>                 |             | 70,000                      | 8,719,978                      | –                               | 164,095  | (262,681)                                       | (690,848)                     | 68,856                     | 37,781                                  | 238,850                          | 8,346,031   | 4,685                                  | 8,350,716       |

The notes on pages 102 to 199 form an integral part of these financial statements. Auditor's report on pages 93 to 95.

# STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2025

| THE COMPANY                                    |       |        | Stated<br>Capital<br>Rs'000 | Retained<br>Earnings<br>Rs'000 | Restricted<br>Reserve<br>Rs'000 | Properties<br>Revaluation<br>Reserve<br>Rs'000 | Actuarial<br>Losses<br>Rs'000 | Total<br>Rs'000 |
|--|-------|--------|-----------------------------|--------------------------------|---------------------------------|--|-------------------------------|-----------------|
|  | NOTES |        |                             |                                |                                 |  |                               |                 |
| <b>BALANCE AT 1 JULY 2024</b>                  |       | 70,000 | 7,807,297                   | –                              | 154,537                         | (525,125)                                      | 7,506,709                     |                 |
| Profit for the year                            |       | –      | 2,046,926                   | –                              | –                               | –  | 2,046,926                     |                 |
| Other comprehensive income for the year        |       | –      | –                           | –                              | –                               | 24,387   | 24,387                        |                 |
| <b>Total comprehensive income for the year</b> |       | –      | 2,046,926                   | –                              | –                               | 24,387   | 2,071,313                     |                 |
| Dividend                                       | 32    | –      | (184,481)                   | –                              | –                               | –  | (184,481)                     |                 |
| <b>Balance at 30 June 2025</b>                 |       | 70,000 | 9,669,742                   | –                              | 154,537                         | (500,738)                                      | 9,393,541                     |                 |
| <b>BALANCE AT 1 JULY 2023</b>                  |       | 70,000 | 6,891,945                   | 9,565                          | 154,537                         | (566,588)                                      | 6,559,459                     |                 |
| Profit for the year                            |       | –      | 1,082,496                   | –                              | –                               | –  | 1,082,496                     |                 |
| Transfer from restricted reserves              |       | –      | 9,565                       | (9,565)                        | –                               | –  | –                             |                 |
| Other comprehensive income for the year        |       | –      | –                           | –                              | –                               | 41,463   | 41,463                        |                 |
| <b>Total comprehensive income for the year</b> |       | –      | 1,092,061                   | (9,565)                        | –                               | 41,463   | 1,123,959                     |                 |
| Dividend                                       | 32    | –      | (176,709)                   | –                              | –                               | –  | (176,709)                     |                 |
| <b>Balance at 30 June 2024</b>                 |       | 70,000 | 7,807,297                   | –                              | 154,537                         | (525,125)                                      | 7,506,709                     |                 |

The notes on pages 102 to 199 form an integral part of these financial statements. Auditor's report on pages 93 to 95.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

|   | NOTES      | THE GROUP          |                  | THE COMPANY      |                  |
|---|------------|--------------------|------------------|------------------|------------------|
|   |            | 2025<br>Rs'000     | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |            |                    |                  |                  |                  |
| Cash generated from/(used in) operations  | 35         | 425,100            | 247,127          | 23,716           | (108,525)        |
| Interest received   |            | 861,526            | 824,257          | 615,103          | 614,796          |
| Dividend received   |            | 175,893            | 139,419          | 155,719          | 137,193          |
| Interest paid   |            | (41,027)           | (31,866)         | (2,202)          | (1,995)          |
| Income tax paid   | 16         | (55,140)           | (108,858)        | (31,501)         | (86,302)         |
| Contributions paid  | 24         | (145,164)          | (144,375)        | (117,435)        | (116,665)        |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>   |            | <b>1,221,188</b>   | <b>925,704</b>   | <b>643,400</b>   | <b>438,502</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |            |                    |                  |                  |                  |
| Purchase of intangible assets   | 9          | (17,365)           | (25,117)         | (14,537)         | (21,535)         |
| Purchase of property, plant and equipment   | 7          | (80,860)           | (182,040)        | (36,522)         | (69,690)         |
| Proceeds from sale of property, plant and equipment   |            | 1,750              | –                | –                | –                |
| Purchase of financial assets measured at FVOCI, FVTPL and at amortised cost                           | 11 (a)-(c) | (6,016,949)        | (6,436,248)      | (3,899,741)      | (4,347,561)      |
| Proceeds from disposal or maturity of financial assets measured at FVOCI, FVTPL and at amortised cost | 11 (a)-(c) | 5,083,803          | 6,143,528        | 3,358,182        | 4,048,451        |
| Disposal of right of use assets   |            | –                  | (3,472)          | –                | –                |
| Disposal of repossessed leased assets   |            | 205                | –                | –                | –                |
| Mortgage and other loans granted during the year  | 12 (b)     | (451,013)          | (478,081)        | (319,667)        | (312,800)        |
| Mortgage and other loans repayment received during the year   | 12 (b)     | 415,404            | 346,511          | 224,724          | 178,204          |
| Additions to investment properties  | 8          | (14,992)           | (16,845)         | (15,252)         | (17,155)         |
| Dividend received from subsidiaries   | 10 (d)     | –                  | –                | 243,183          | 188,281          |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  |            | <b>(1,080,017)</b> | <b>(651,764)</b> | <b>(459,630)</b> | <b>(353,805)</b> |

|   | NOTES  | THE GROUP        |                  | THE COMPANY      |                  |
|---|--------|------------------|------------------|------------------|------------------|
|   |        | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |        |                  |                  |                  |                  |
| Borrowings taken during the year                              | 19     | 33,061           | 23,330           | 33,061           | 23,330           |
| Borrowings repaid during the year                             | 19     | (23,533)         | (24,296)         | (23,533)         | (24,296)         |
| Dividend paid   | 32     | (184,673)        | (176,928)        | (184,481)        | (176,709)        |
| Investment in Subsidiary                                      | 10 (a) | –                | –                | (5,000)          | –                |
| Payment of lease liability                                    | 35 (b) | (14,958)         | (10,076)         | (10,584)         | (10,076)         |
| <b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b> |        | <b>(190,103)</b> | <b>(187,970)</b> | <b>(190,537)</b> | <b>(187,751)</b> |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>   |        | <b>(48,932)</b>  | <b>85,970</b>    | <b>(6,767)</b>   | <b>(103,054)</b> |
| <b>CASH AND CASH EQUIVALENTS AT 1 JULY</b>                    |        | <b>782,925</b>   | <b>696,955</b>   | <b>407,511</b>   | <b>510,565</b>   |
| <b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>                   |        | <b>733,993</b>   | <b>782,925</b>   | <b>400,744</b>   | <b>407,511</b>   |
| <b>CASH AND CASH EQUIVALENTS</b>                              |        | <b>733,993</b>   | <b>782,925</b>   | <b>400,744</b>   | <b>407,511</b>   |
| Bank and cash balances  |        | 733,993          | 782,925          | 400,744          | 407,511          |

The notes on pages 102 to 199 form an integral part of these financial statements. Auditor's report on pages 93 to 95.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 1. GENERAL INFORMATION

State Insurance Company of Mauritius Ltd (the “Company”) is a public company incorporated in Mauritius. Its registered office is situated at Sir Célécourt Antelme Street, Port-Louis, Mauritius. The Company is mainly engaged in long term insurance business whilst its subsidiaries carry out general insurance business, depository, investment and management activities.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

### 2.1 Basis of preparation

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

- i. Land and buildings are measured at fair value;
- ii. investment properties are measured at fair value;
- iii. financial assets at fair value through profit or loss (FVTPL);
- iv. financial assets at fair value through other comprehensive income (FVOCI); and
- v. non-current assets held-for-sale are measured at the lower of carrying amount and fair value less cost to sell.

The financial statements are presented in Mauritian Rupees (Rs) which is the functional and presentation currency, and all values are rounded to the nearest thousand (Rs’000), except when otherwise indicated.

The Group and Company have presented the statement of profit or loss and other comprehensive income and statement of financial position following adoption of IFRS 17, Insurance Contracts such that it will help the users of the financial statements to understand the amounts disclosed in the financial statements that arises from insurance contracts.

The Group has applied IFRS 9 to all types of financial instruments except for rights and obligations arising under a contract within the scope of IFRS 17 Insurance Contracts.

#### Statement of compliance

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

### 2.2 Application of new and revised standards

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2024. None of these have a significant and material effect on the financial statements of the Group and Company in the current reporting period.

- Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-Current  
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

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

- IAS 21- Effect of changes in foreign exchange rates – Amendments regarding Lack of Exchangeability (effective 1 January 2025).
- IFRS 7 - Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026).
- IFRS 9 - Financial Instruments - Amendments regarding the classification and measurement of financial instruments (effective 1 January 2026).
- IFRS 18 - Presentation and Disclosures in Financial Statements - Original issue (Effective 1 January 2027).
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures- Original Issue (Effective 1 January 2027).

The directors are still assessing the impact on the Group’s and Company’s financial statements in future periods.

### 2.3 Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries collectively referred to as the “Group”. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.3 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.4 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

- **Separate financial statements**

Investment in subsidiaries in the separate financial statements of the Company are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquirer, net of any impairment. Acquisition-related costs are generally recognised in profit or loss as incurred. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and carrying amount is recognised in profit or loss.

- **Consolidated financial statements**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those return through its power over the entity.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

### 2.5 Foreign currencies

The individual financial statements of each group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the functional currency of the Company, and the presentation currency for the group financial statements. The results of subsidiaries whose functional currency is in a currency other than Mauritian Rupee are retranslated to Mauritian Rupee using the average exchange rates and balances at the reporting date are retranslated using the closing exchange rate.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at that date. Profits and losses arising on exchange are included in the profit or loss for the year. Translation of non-monetary items, such as equities classified as fair value through other comprehensive income are included in the investment revaluation reserve in equity. For the purpose of presenting consolidated financial statements, the assets and liabilities of subsidiaries denominated in foreign currencies are translated into Mauritian rupees at closing rate of exchange. Income and expense items are translated at the average rates of exchange for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

### 2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any cumulative impairment loss. Land and buildings are stated at revalued amounts less accumulated depreciation and any impairment loss. Freehold land is not depreciated.

It is the Group's policy to revalue its buildings and land at least every five years by independent valuers. Any revaluation surplus is credited to the property revaluation reserve, net of tax. Any revaluation decrease is first charged directly against the property revaluation reserve held in respect of the respective asset, and then to the Statements of profit or loss. The directors do not currently intend to make any distribution from the properties revaluation reserve.

Work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other tangible fixed assets, commences when the assets are ready for their intended use.

Depreciation is calculated to write off the cost or revalued amounts of property, plant and equipment over their estimated useful lives on a straight-line basis.

Depreciation is calculated from the month the asset is capitalised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.6 Property, plant and equipment (continued)

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

|  |             |
|--|-------------|
| Buildings on leasehold and freehold land | - 1% - 50%  |
| Furniture and fittings                   | - 9% - 50%  |
| Office equipment                         | - 13% - 50% |
| Computer equipment                       | - 13% - 50% |
| Motor vehicles - owned                   | - 20%       |

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset. These are included within Other operating income in the Statements of profit or loss.

### 2.7 Investment properties

Properties held to earn rentals or capital appreciation or both and not occupied by the Group are classified as investment properties. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss under Other income (Note 29). Fair values are determined based on the valuation performed by an accredited external, independent valuer.

Investment properties are derecognized when either these have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss under Other income (Note 29) in the year of retirement or disposal.

Transfers made to or from investment properties are only made when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

### 2.8 Intangible Assets - Computer Software

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

#### Computer software

Computer software is initially recorded at cost and amortized using the straight-line method over the estimated useful life of 3 to 10 years.

#### Derecognition of intangible assets

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

### 2.9 Impairment of non-financial assets

The carrying amounts of assets are assessed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated, being the higher of the asset's net selling price and its value in use, to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense immediately, unless the asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

### 2.10 Financial Investments

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in the Statements of profit or loss.

#### Initial recognition, classification and measurement

The Group and Company adopted IFRS 9 on 01 July 2018 and the financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

As permitted by IFRS 17, the Company and its Subsidiary SICOM General Insurance Ltd (SGIN) have reassessed/revoked the previous designation of a financial assets under FVOCI and amortised costs and reclassified them under fair value through profit or loss with a view to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The net gains and losses for these financial assets are recognised as part of investment income in the Income Statement.

In order for a debt instrument to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.10 Financial Investments (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Debt instruments at fair value through OCI with recycling.
- Equity instruments at fair value through OCI with no recycling.
- Financial assets at fair value through profit or loss.

*Financial assets at amortised cost (debt instruments)*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired

*Financial assets at fair value through profit or loss (FVTPL)*

This category has two sub-categories: 'financial assets held for trading and those that are mandatorily classified and measured at fair value through profit or loss'. A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management.

Financial assets measured at fair value through profit or loss at inception are those that are:

- Held in internal funds to match insurance liabilities that are linked to the changes in fair value of these assets. The classification of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. The Group's investment strategy is to invest in mutual funds and collective investment schemes and to evaluate them with reference to their fair values. Assets that are part of these portfolios are classified upon initial recognition at fair value through profit or loss. This category includes those financial instruments which are classified as FVTPL because they do not meet SPPI tests.

These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value. Changes in fair value are recorded in net gain/ (loss) on financial assets at fair value through profit or loss.

*Equity instruments at fair value through OCI (FVOCI)*

Upon initial recognition, the Group elects to classify irrevocably its investments in equity securities as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case such gains are recorded in OCI. Dividend distribution in kind would fall in that category. Equity instrument at FVOCI are not subject to impairment.

### 2.11 Loans and Advances

The Group only measures loans and advances to customers at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

- **Stage 1:** When debt instruments are first recognised, the Group recognises an allowance based on 12m ECLs. Stage 1 instruments also include facilities where the credit risk has improved and the instrument has been reclassified from Stage 2. The loans characterised as high grade investment are classified in stage 1.
- **Stage 2:** When an instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 instruments also include facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The loans characterised as standard grade investment are classified in stage 2.
- **Stage 3:** Debt instruments considered credit-impaired and non performing. The Group records an allowance for the LTECLs.

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

The calculation of ECLs

The Group calculates ECLs based on the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- The Probability of Default (PD)  
The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.11 Loans and Advances (continued)

- The Exposure at Default (EAD)

The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- The Loss Given Default (LGD)

The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method are summarised below:

- Stage 1:** The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- Stage 2:** When an instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3:** For instruments considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

#### Overview of the ECL principles

#### Forward looking information

In its ECL models, the Group relies on forward looking information as economic inputs which are GDP growth, unemployment rate and inflation rate. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

#### Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties Valuers.

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

### 2.12 Net investment in finance leases

Amounts due from lessees under finance leases are recorded as investment in finance lease at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

The Group applies a simplified approach to measure the lifetime ECLs on its lease receivables and recognised the ECLs at each reporting date, from the initial recognition. To measure the ECLs, the Group has grouped its lease receivables based on shared credit risk characteristics (e.g by sectors) and days past due. The Group determines the default rate based on the provision matrix, which uses the free-flow rate method based on historical default rates. The calculation reflects the probability weighted outcome, the time value of money, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. The Group further calibrates the provision matrix to adjust the historical credit loss experience with forward looking information.

### 2.13 Leases

Group and Company as Lessee

The Group's leasing activities and how these are accounted for are described below.

The Group leases office premises and leasehold rights on land and the rental contract is for fixed periods of 5 years and 30 years respectively but may have renewal option as described below. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

However, for leases of office premises for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Under IFRS 16, assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- amounts expected to be payable by the Company under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the lease for the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.13 Leases (continued)

#### Group as a lessee

#### Right-of-Use assets

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the Group revalue its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

#### Short-term leases and low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### Lease liabilities

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

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

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

### 2.14 Deferred Taxation

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

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

Deferred income taxes are calculated on all temporary differences under the liability method.

### 2.15 Other receivables

Other assets and other receivables are those that have fixed or determinable payments and that are not quoted in an active market and classified as financial assets at amortised cost. They are measured at amortised cost, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.16 Equity instruments issued by the Group and Company

#### *Classification*

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement.

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

### 2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdrafts and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown in current liabilities in the statements of financial position. The Carrying amount of these assets is approximately equal to their fair value. Cash and Cash Equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position.

### 2.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

### 2.19 Financial Liabilities

#### *Initial recognition and measurement*

Financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in case of financial liabilities at amortised cost, directly attributable transaction costs.

The Group's financial liabilities include borrowings, trade and other payables, deposits from customers and bank overdrafts.

#### *Subsequent measurement*

#### *Financial liabilities at amortised cost*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

#### *Derecognition of financial liabilities*

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

### 2.20 Taxation

#### *Income tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

#### *Corporate Social Responsibility (CSR) and Corporate Climate Responsibility (CCR)*

In line with the definition within the Income Tax Act 1995, CSR and CCR are regarded as taxes and are therefore subsumed with the current income tax recognised in profit or loss and the income tax liability on the statement of financial position. The CSR and CCR rates and tax laws used to compute these amounts are those charged or substantively enacted by the reporting date.

### 2.21 Deposits from Customers

Deposits from customers are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or expired.

### 2.22 Stated Capital

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

### 2.23 Employee Benefit Obligations

#### *i. Defined Contribution Plan*

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

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

#### *ii. Defined Benefit Plan*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.23 Employee Benefit Obligations (continued)

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

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

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

#### iii. Unfunded benefits

In addition to the Defined Benefit (DB) Plan SICOM also provides benefits outside the pension funds to members of the DB funds.

The liability recognised in the statement of financial position in respect of unfunded benefits is the present value of the unfunded obligation at the end of the reporting period. The unfunded obligation is calculated annually by independent actuaries using the projected unit credit method.

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

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

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

#### iv. State plan

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

### 2.24 Assets Held for Sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Foreclosed properties represent seized assets acquired through auction at the Master's Bar as a result of default by client. The loan is derecognised at the value the properties acquired by the Company and the foreclosed properties are initially recognised at the consideration paid. Intention of management is to sell those assets once required conditions relating to the sale have been completed.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant

changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

An exception to the one-year requirement is applied in the situation where at the date an entity commits itself to a plan to sell a non-current asset it reasonably expects that others (not a buyer) will impose conditions on the transfer of the asset that will extend the period required to complete the sale, and:

- i. Actions necessary to respond to those conditions cannot be initiated until after a firm purchase commitment is obtained, and
- ii. A firm purchase commitment is highly probable within one year.

The assets are not depreciated or amortised once classified as held for sale.

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

### 2.25 Interest Expenses on Financial Liabilities not measured at FVTPL

Finance costs represent interests on borrowings and are accrued using the EIR method.

### 2.26 Insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts.

The following established policies and methodologies are set out below

#### 1) **Key types of insurance contracts issued, and reinsurance contracts held**

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

##### Life business

- non-participating contracts including:
  - Term life insurance contracts providing level or decreasing sum assured coverage for a limited period of time in exchange for renewable fixed premiums.
  - Fixed annuity contracts providing the annuitant with a guaranteed income payout for life.
  - Other life insurance savings contracts which also provide policyholders with risk benefits.

The Group accounts for these policies applying the General Model.

- direct participating contracts including:
  - Investment-linked insurance policies which include life insurance coverage and an investment component.
  - investment contracts with discretionary participation features, payments that vary based on the returns on underlying items and resulting from any embedded guarantees.

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

The Group accounts for these policies applying the Variable Fee Approach (VFA).

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

General insurance policies:

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

The Company accounts for these contracts applying the Premium Allocation Approach (PAA) as they have passed the PAA eligibility testing.

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

- For term life, savings policies, investment-linked insurance policies, the Group holds quota share and risk premium reinsurance treaties and accounts for these treaties applying the General Model. The PAA is applied for Group term Assurance. Treaty.
- For general insurance business, the Company reinsures either on a treaty basis (proportional or non- proportional) or on a facultative basis, both accounted for applying the PAA.
- Proportional reinsurance may be either in the form of a quota share whereby the proportion of each risk reinsured is fixed, or in the form of surplus whereby the Company can retain a part of a risk within a fixed limit, and the reinsurer accepts part of the risk as a multiple of the Company's retention.
- Under the non-proportional type of reinsurance, the Company uses the Excess of Loss treaty whereby in consideration for a premium, the reinsurer agrees to pay claims in excess of a specified amount (the retention), up to a specified maximum amount.
- Under facultative reinsurance, risks are offered to the reinsurer on an individual basis and can be accepted or rejected by the reinsurer.

#### 2) *Definitions and classifications*

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

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

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

The Group issues certain insurance contracts that allow policyholders to participate in investment returns with the Group, in addition to compensation for losses from insured risk. Participating contracts meet the definition of insurance contracts with direct participating features if the following three criteria are met:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.
- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items.
- A substantial proportion of the cash flows that the Group expects to pay to the policyholder is expected to vary with the change in the fair value of the underlying items.

The Group assesses whether the above conditions and criteria are met using its expectations at the issue date of the contracts.

### 3) *Separating components from Insurance and Reinsurance*

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

#### **Life business**

There are no distinct investment components since the investment component cannot lapse without the insurance component and vice versa.

#### **General Insurance Business**

#### **Towing services**

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

Towing services are not distinct and will be accounted as per IFRS 17.

#### **Investment components**

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

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

### 4) *Level of aggregation*

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

The Group may acquire insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

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

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

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

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 4) *Level of aggregation (CONTINUED)*

The Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently. The Company applies significant judgement in determining at what level of granularity the Group has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information, the Group assesses each contract individually.

The composition of groups established at initial recognition is not subsequently reassessed. For contracts that existed as at the transition date to IFRS 17, all policies were classified in one group.

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

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

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

#### 5) *Recognition*

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

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

#### 6) *Contract boundaries*

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

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk.

In estimating expected future cash flows of a group of contracts, the Group applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

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

#### 7) *Measurement of insurance contracts issued*

##### **Measurement on initial recognition for contracts other than PAA**

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

##### **Fulfilment cash flows within contract boundary**

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the Group includes all cash flows within the contract boundary including:

- Premiums and any additional cash flows resulting from those premiums.
- Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.
- for investment-linked insurance policies and investment contracts with discretionary participation features, payments that vary based on the returns on underlying items and resulting from any embedded guarantees.
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs.
- Claim handling costs.
- Costs of providing contractual benefits in kind, such as repairs.
- Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows).
- Transaction-based taxes.
- An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities.
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.
- Costs incurred for providing investment-related service and investment-return service to policyholders.
- Other costs specifically chargeable to the policyholder under the terms of the contract.

The Group issues investment-linked insurance policies that result in policyholders in different groups sharing the returns on the same pool of underlying items. The Group determines each group's share of the returns from the underlying items by first determining the overall return at a higher level of aggregation than the groups and then making an allocation to each group on a systematic and rational basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 7) *Measurement of insurance contracts issued (continued)*

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

#### Discount rates

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

The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk).

Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability.

The Group will not split estimated cash flows between those varying and those not varying with the underlying item.

The Group will use a risk-neutral approach when determining the yield curve to be used for discounting. For cash flows that do not vary with the underlying item, the risk-free rate will be used to project and discount cash flows, as per paragraph B80. For cash flows that vary with the underlying item, a risk-free rate will also be used to project and discount cash flows.

#### Risk adjustment for non-financial risk

The Group measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk.

The Group uses the VaR approach at the 80% Confidence Interval. The chosen confidence level is expected to be influenced by the following:

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

#### Contractual service margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Group measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- The expected fulfilment cash flows of the group.
- The amount of any derecognised asset for insurance acquisition cash flows allocated to the group.
- Any other asset or liability previously recognised for cash flows related to the group.
- Any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Group recognises a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the CSM of the group being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts.

The Group determines at initial recognition the group's coverage units. The Group then allocates the group's CSM based on the coverage units provided in the period.

The Group allocates contracts acquired with claims in the settlement phase into annual groups based on the expected profitability of the contracts at the date of acquisition. The Group uses the consideration received or paid as an approximation of premiums to calculate the CSM on initial recognition. When, on initial recognition, contracts acquired in a portfolio transfer are determined to be onerous, the excess of the fulfilment cash flows over the consideration received is recognised in profit or loss.

#### Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group identifies at a portfolio level, insurance acquisition cash flows which are allocated to the group of insurance contracts. The remaining expenses are classified between Attributable maintenance expenses, claims handling expenses and non-attributable expenses.

All acquisition expenses are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

#### Subsequent measurement under the General Model

In estimating the total future fulfilment cash flows, the Group distinguishes between those relating to already incurred claims and those relating to future service.

At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC. The LRC is comprised of (a) the fulfilment cash flows relating to future service, (b) the CSM yet to be earned and (c) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the Group's liability to pay amounts the Group is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

#### Changes in fulfilment cash flows

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 7) *Measurement of insurance contracts issued (continued)*

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

Experience adjustments are the difference between:

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

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

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

For insurance contracts without direct participating features, the following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

- Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised.
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised. All financial variables are locked in at initial recognition.
- Changes in the risk adjustment for non-financial risk relating to future service. The Group has elected to disaggregate the change in the risk adjustment for non-financial risk between (i) a change related to non-financial risk and (ii) the effect of the time value of money and changes in the time value of money.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof.
- Changes in the fulfilment cash flows relating to the LIC.
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Any further increases in fulfilment cash flows relating to future coverage are recognised in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.

The changes in fulfilment cash flows related to future service, except:

- Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous.
- Decreases in fulfilment cash flows that reverse a previously recognised loss on a group of onerous contracts.

- The effect of any currency exchange differences on the CSM.
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

#### Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events. By determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviour to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods (e.g. policyholder exercising an option and adding an additional for a previously guaranteed price) and the 'quantity of benefits' provided under a contract.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 7) *Measurement of insurance contracts issued (continued)*

##### Contracts with cash flows not dependent on underlying items

The coverage units are determined on an undiscounted basis and have been defined as follows for Life business:

- Conventional Products and Term Assurances: Basic Sum Assured, including vested bonuses for With Profits.
- Annuities: Annuity payments.
- Linked Products: Based on unit fund, except for Group Life savings where we use Sum Assured as SA is sometimes higher than unit fund.
- General insurance contracts are accounted for using the PAA.
- For facultative (excess of individual loss) reinsurance contracts held, a straight-line allocation over the passage of time represents the quantity of coverage units over each period. This is because the amount that can be claimed under the contract is the same in each period.
- For term life quota share reinsurance contracts held, a method based on the expected duration and maximum contractual cover expected to be in force in each period is applied.

The amount of CSM allocated to each coverage unit changes over time, as the amount of CSM changes. The allocation of the CSM to coverage units is done at the end of the period, after reflecting all other CSM adjustments (the accretion of interest and the effect of change in assumptions relating to future coverage), but before any of it is released to profit or loss. The amount of CSM remaining at the end of the reporting period is allocated equally to the coverage units provided in the period and the remaining coverage units relating to future periods.

##### Insurance contracts measured under the premium allocation approach

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

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

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

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

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

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

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

For General insurance contracts issued and reinsurance contracts held, the carrying amount of the LIC is measured applying the PAA. The Company adjust its future cash flows for the time value of money and the effects of financial risks on all outstanding claim reserves.

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

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

##### Subsequent measurement for direct participating contracts (accounted for under the VFA)

The Group issues insurance contracts with substantial investment-related services. When assessing whether a contract meets the definition of a direct participating contract, the Group applies the definition of IFRS 17.

In applying the definition of a direct participating contract, the Group considers the legal enforceability of the contractual link with the participating policyholder to a share of returns from a clearly defined pool of underlying items.

The Group's obligation to the policyholders consists of the obligation to pay policyholders the fair value of the underlying items less a variable fee for future service provided under the insurance contract.

In determining the policyholder's share of returns from the underlying items and how substantial the degree of variability in total payments to the policyholder is due to returns from underlying items, the Group makes the assessment:

- Over the duration of the insurance contract.
- On a present value probability-weighted average basis.

When calculating the probability-weighted average of multiple scenarios where some of those scenarios result in the payments to the policyholder not equalling a substantial share of the fair value of the underlying items, the Group applies judgement as to whether a contract meets the definition of a direct participating contract.

The carrying amount of the CSM for direct participating contracts at the end of the reporting period is the carrying amount at the beginning of reporting period adjusted for:

- The effect of any new contracts added to the group.
- The change in the amount of the Group's share of the fair value of the underlying items except for:
  - The amount of CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments.
  - The decrease in the amount of the Group's share of the fair value of the underlying items that exceeds the carrying amount of the CSM giving rise to a loss that makes the associated group of contracts onerous, or that results in a loss for an existing onerous group becoming more onerous.
  - The increase in the amount of Group's share of the fair value of the underlying items that reverses a previously recognised loss on an onerous group of contracts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 7) *Measurement of insurance contracts issued (continued)*

The changes in fulfilment cash flows relating to future service, except:

- The amount of the CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments.
- Such increases in the fulfilment cash flows that exceed the carrying amount of CSM and the group of contracts becomes onerous or more onerous.
- Such decreases in the fulfilment cash flows that reverse a previously recognised loss on an onerous group of contracts.
- The effect of any currency exchange differences arising on the CSM.
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period.

This amount is determined by the allocation of the CSM remaining at the end of the reporting period (after all other adjustments but before any allocation) over the current and remaining coverage period based on the amount of coverage units provided in the period when determining the number of coverage units for contracts accounted for under VFA, the Group applies the following methods:

– For investment-linked insurance policies, the Group weights the benefits from investment-related services and insurance coverage services to calculate the total coverage units of the group based on the relative weight that the fulfilment cash flows associated with these two services have in the determination of the CSM balance. This calculation is updated at each reporting date, taking into account the experience to date and the current estimate of future cash flows at the reporting date. The total quantity of coverage units is then allocated based on the expected duration of the contracts.

All CSM adjustments are measured considering a current measure of the time value of money with full allowance of its dependency on the financial variables affecting the fair value returns of the underlying items.

Applying the VFA, the changes in fulfilment cash flows that adjust the CSM are changes in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that do not vary based on the returns of the underlying items. The changes in fulfilment cash flows that do not vary based on the returns of the underlying items are:

- Changes in the effect of the time value of money and financial risks not arising from the underlying items, for example the impact of financial guarantees.
- Experience adjustments arising from premiums received in the period related to future service.
- Changes in the estimate of future expected cash flows of the liability for remaining coverage.
- Differences arising from timing of payment of investment components.
- Changes in the risk adjustment for non-financial risk related to future service.

#### **Onerous contracts**

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

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

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

After the loss component is recognised, the Group allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

For groups of onerous contracts, without direct participating features, the Group uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense.
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period.
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Group determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for nonfinancial risk, excluding any investment component amount.

The Group does not disaggregate the total finance income or expenses between profit or loss or OCI.

Any subsequent decreases in fulfilment cash flows relating to future service allocated to the group (arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk) are allocated first to the loss component only. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service results in the establishment of the group's CSM.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expenses expected at the beginning of the period that form part of revenue and reflects only:

- The change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component).
- The estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component).
- The allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for as a reduction of the LRC excluding the loss component.

The Group recognises amounts in insurance service expenses related to the loss component arising from:

- Changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component.
- Subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted .

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 7) *Measurement of insurance contracts issued (continued)*

- For direct participating contracts only, subsequent decreases in the entity's share of the fair value of the underlying items, that result in or further increase the loss component.
- For direct participating contracts only, subsequent increases in the entity's share of the fair value of the underlying items that reduce the loss component until it is exhausted.
- Systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

#### 8) *Reinsurance contracts held*

##### Recognition

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

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

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

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

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

In determining the timing of initial recognition of a reinsurance contract held, the Group assesses whether the reinsurance contract's terms provide protection on losses on a proportionate basis. The Group recognises a group of reinsurance 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 Group recognises all reinsurance contracts at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

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

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

#### Reinsurance contracts held measured under the General Model

The Group's proportional reinsurance treaties and the catastrophe excess of loss treaty held are accounted for applying the measurement requirements of the General Model for estimates of cash flows and discount rates. The Group measures the reinsurance contracts held and the underlying insurance contracts issued using consistent assumptions. The Group includes in the estimates of the present value of expected future cash flows for a group of reinsurance contracts held the effect of any risk of non-performance by the reinsurer, including the effects of any collateral and losses from disputes. The effect of non-performance risk of the reinsurer is assessed at each reporting date.

In determining the asset representing the risk adjustment for non-financial risk transferred to the reinsurer, the Group assesses the amount of risk transferred by the Group to the reinsurer by calculating the risk adjustment of the underlying contracts before and after the effect of the reinsurance contracts held. The difference is recognised as the asset representing the risk adjustment reinsured.

On initial recognition, the Group recognises any net cost or net gain on purchasing the group of reinsurance contracts held as a reinsurance CSM, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, where the Group recognises such a cost immediately in profit or loss as an expense as part of insurance service result.

For a group of reinsurance contracts held, on initial recognition of an underlying onerous group of insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group establishes a loss recovery component and, as a result, recognises a gain in profit or loss. The amount of the loss recovery component adjusts the CSM of a group of reinsurance contracts held. It is calculated at an amount equal to the loss recognised on the underlying insurance contracts multiplied by the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. After initial recognition, the carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held. Reversal of the loss recovery component adjusts the CSM and the risk adjustment of the group of reinsurance contracts held. After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying groups, its amount is adjusted for:

- Changes in fulfilment cash flows of underlying insurance contracts related to future service and do not adjust the CSM of their respective groups.
- Loss recovery component reversals to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.

These adjustments are calculated and presented in profit or loss.

The Group adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfilment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfilment cash flows for underlying insurance contracts is recognised in profit or loss by adjusting the loss component. The respective changes in reinsurance contracts held is also recognised in profit or loss (adjusting the loss recovery component).

#### Reinsurance contracts held measured under the PAA

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 9) *Modification and derecognition*

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

- If the modified terms were included at contract inception and the Group would have concluded that the modified contract:
  - Is outside of the scope of IFRS 17.
  - Results in a different insurance contract due to separating components from the host contract.
  - Results in a substantially different contract boundary.
  - Would be included in a different group of contracts.
- The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.
- The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Group 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 Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying either the VFA or the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period.

This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

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

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

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

When the Group derecognises an insurance contract from within a group of contracts, it:

- Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group
- Adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component).
- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognised from the group, and recognises in profit or loss in the period the amount of CSM based on that adjusted number.

When the Group transfers an insurance contract to a third party and that results in derecognition, the Group adjusts the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group caused by the derecognised fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognises an insurance contract due to modification, it derecognises the original insurance contract and recognises a new one. The Group adjusts the CSM of the group from which the modified contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

#### 10) *Presentation*

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

The Group disaggregates the amounts recognised in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another subtotal: net insurance and investment result, which also includes the income from all the assets backing the Group's insurance liabilities.

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

The Group disaggregates the change in risk adjustment for non-financial risk between a financial and nonfinancial portion. It includes the entire change as part of the insurance service result.

#### 11) *Insurance revenue*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 11) *Insurance revenue (continued)*

For groups of insurance contracts measured under the General Model and VFA, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
  - Amounts allocated to the loss component.
  - Repayments of investment components.
  - Amounts that relate to transaction-based taxes collected on behalf of third parties.
  - Insurance acquisition expenses.
  - Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:
  - Changes that relate to future service that adjust the CSM.
  - Amounts allocated to the loss component.
- The amount of CSM for the services provided in the period.
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any.

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

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

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

#### 12) *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.

#### 13) *Income or expenses from reinsurance contracts held*

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

The Group presents cash flows that are contingent on claims as part of the amount recovered from reinsurers.

Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

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

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

#### 14) *Insurance finance income and expenses*

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

The use of OCI presentation for insurance finance income and expenses

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

The Group chose not to disaggregate the presentation of insurance finance income or expenses and determined the cumulative amount recognised in OCI as Nil for all contracts

##### **For PAA contracts**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.26 Insurance contracts (continued)

#### 14) *Insurance finance income and expenses (continued)*

##### **For non-participating contracts**

For non-participating contracts whose cash flows are not affected by underlying items, the Group has elected to present all insurance finance income or expenses in profit or loss.

##### **For indirect participating contracts**

For indirect participating contracts where the entity holds the underlying items, the Group does not disaggregate the presentation of total insurance finance income or expenses.

##### **For direct participating contracts where the underlying items are held**

For direct participating contracts, for which the Group holds the underlying items, the Group does not disaggregate the total insurance finance income or expenses.

##### **For reinsurance contracts held**

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

##### **Exchange differences**

Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held are recognised in profit or loss in the period in which they arise. Exchange differences arising from changes in the carrying amount of groups of insurance contracts issued and reinsurance contracts held included in other comprehensive income, if any, are recognised in other comprehensive income.

The group of insurance contracts with cash flows in different foreign currencies is assessed to be denominated in a single currency. Accordingly, the risk adjustment for non-financial risks and the CSM of the group of insurance contracts are determined in the currency of the group of contracts.

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

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

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

### 2.27 Liability adequacy test

#### Long-term insurance

The Group's Actuary reviews the adequacy of insurance liabilities for long term contracts on an annual basis and ensures that provisions made by the Group are adequate.

### 2.28 Investment and other income

#### *Investment and other income*

Investment income comprises of dividend, interest and net fair value gains for the year. Dividend income is accounted when the right for payment is established. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. The net fair value gains is recognised for debt instruments and equity measured at fair value through profit or loss.

#### *Other income*

Other income comprises mainly of rental income and revaluation of investment property and finance lease income.

### 2.29 Revenue from Contracts with Customers

The Company provides actuarial services, management services, administration and investment management services to entities within the group and pension funds under administration. Revenue from contract with customers is recognised when control of the services are transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

#### *Services transferred over time*

The Company recognises revenue from these services over-time because customer simultaneously receives and consumes the benefits provided by the Group.

#### *Services transferred at a point in time*

Revenue from such services is recognised at a point in time, generally upon delivery of the service.

### 2.30 Dividend Paid

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

### 2.31 Related Party Disclosures

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 3. MANAGEMENT OF FINANCIAL AND INSURANCE RISKS

The primary objective of the Company's Enterprise Risk Management Framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Company has set up an Enterprise Risk Management Framework required under the Insurance (Risk Management) Rules 2016 made by the Financial Services Commission under section 130 of the Insurance Act and section 93 of the Financial Services Act 2007.

The Enterprise Risk Management Framework includes the following components:

- (a) A Risk Appetite Statement;
- (b) A Risk Management Strategy;
- (c) A three-year rolling business plan;
- (d) An Own Risk Solvency Assessment (ORSA) Framework;
- (e) The liquidity policy;
- (f) A designated risk management function; and
- (g) Description of the responsibilities, roles and reporting lines within the insurer for the management of material risks.

A detailed description of the Enterprise Risk Management Framework is disclosed hereunder and in the Integrated Report.

The Group has established a risk management function with clear terms of reference from the board of directors and the Risk and Audit Committee. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors in line with the Three Lines of Defence Model. Lastly, an Enterprise Risk Management Framework and Policy which sets out the risk profiles for the Company, risk management, control and business conduct standards for the Company's operations has been put in place.

The board of directors approves the Company's risk management policies and meets as and when required to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

### Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern and also comply with applicable laws and regulations.

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 30 June 2025 and 2024.

The operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for the statement of financial position as per Rule 6, capital required for investment above concentration limit as per Rule 7, capital required for policy liabilities as per Rule 8, capital required for catastrophes as per Rule 9 and capital required for reinsurance ceded under Rule 10.

Under the Insurance (Long-Term Insurance Business Solvency) Rules 2007, the minimum capital requirement for long-term business is determined by the actuary, which is the higher of:

- (a) a stress test requirement determined in accordance with guidelines issued by the Financial Services Commission to ensure that the company remains solvent; or
- (b) the higher of:
  - an amount of Rs 25 million; or
  - an amount representing 13 weeks' operating financial services, with operating expenses as defined and reported in the annual statutory return submitted to the Financial Services Commission.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Financial Services Commission (FSC). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Group's capital management policy for its insurance is to hold sufficient capital to cover the statutory requirements based on the FSC directives, including any additional amounts required by the regulator.

For the years ended 30 June 2025 and 30 June 2024, the Group and Company have satisfied the minimum capital requirements.

The capital structure of the subsidiary (SICOM Financial Services Ltd) consists of stated capital, reserves and retained earnings. The subsidiary has to comply with the Banking Act 2004 in respect of both its stated capital and reserves. As at 30 June 2025 and 30 June 2024, the legislative requirement has been met for both stated capital and reserves. The subsidiary manages its capital with an aim to maximise return to its shareholders.

### Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 4. INSURANCE RISKS

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

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Also, the Group makes use of reinsurance arrangements to reduce exposure to risk.

The Group purchases reinsurance as part of its risk mitigation programme, Reinsurance ceded is placed on both a treaty and facultative basis. Amount recoverable from reinsurers are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligation to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

A key risk for the Group is that the proceeds from its assets will not be sufficient to fund the obligations arising from its insurance. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (i.e., subrogation).

### (a) Short-term insurance

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

The Group's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Group has in place underwriting criteria to ensure that the risks accepted are as per acceptance guidelines. Where relevant, the Group may pursue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are closely monitored.

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

### (b) Long-term insurance

For long-term insurance contracts, where the insured event is death, the most significant factors that could impact on insurance claims are diseases like heart problems, diabetes, high blood pressures or changes in lifestyle, resulting in higher and earlier claims being submitted to the Group. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. The liabilities in terms of insurance contracts are based on recommendations of the Group's Actuary.

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

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The Group manages these risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. For example, the Group balances death risk and survival risk across its portfolio. Medical selection is also included in the Group's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants.

The Group has defined retention limits on all lives insured and reinsures the excess of the insured benefit over its retention limit.

The tables below present the concentration of insured benefits across bands of insured benefits per individual life assured. Management have assessed that the sum assured is an appropriate measure of concentration of insurance risk as the Company is exposed to an obligation representing the sum assured should an insured event occurs.

| Benefits assured per life assured as at 30 June 2025 | GROUP AND COMPANY      |            |                              |            |
|--|------------------------|------------|------------------------------|------------|
|  | Total Benefits Insured |            |                              |            |
|  | Before Reinsurance     |            | After Reinsurance (Retained) |            |
| <b>Rs'000</b>  | <b>Rs'000</b>          | <b>%</b>   | <b>Rs'000</b>                | <b>%</b>   |
| 0 – 100  | 484,279                | 2          | 484,279                      | 3          |
| 100 – 200  | 1,648,047              | 6          | 1,648,047                    | 9          |
| 200 – 300  | 1,915,684              | 7          | 1,915,684                    | 11         |
| 300 – 400  | 1,546,838              | 6          | 1,546,838                    | 9          |
| 400 +  | 21,590,616             | 79         | 11,879,133                   | 68         |
| <b>TOTAL</b>   | <b>27,185,464</b>      | <b>100</b> | <b>17,473,981</b>            | <b>100</b> |

| Benefits assured per life assured as at 30 June 2024 | GROUP AND COMPANY      |            |                              |            |
|--|------------------------|------------|------------------------------|------------|
|  | Total Benefits Insured |            |                              |            |
|  | Before Reinsurance     |            | After Reinsurance (Retained) |            |
| <b>Rs'000</b>  | <b>Rs'000</b>          | <b>%</b>   | <b>Rs'000</b>                | <b>%</b>   |
| 0 – 100  | 528,403                | 2          | 528,403                      | 3          |
| 100 – 200  | 1,794,071              | 7          | 1,655,039                    | 10         |
| 200 – 300  | 2,028,488              | 8          | 1,915,233                    | 12         |
| 300 – 400  | 1,606,934              | 6          | 1,423,185                    | 9          |
| 400 +  | 20,988,237             | 77         | 10,382,728                   | 66         |
| <b>TOTAL</b>   | <b>26,946,133</b>      | <b>100</b> | <b>15,904,588</b>            | <b>100</b> |

The following table for annuity insurance contracts illustrates the concentration of risk based on bands that group these contracts in relation to the amount payable per annum as if the annuity were in payment as at financial years ended 30 June 2025 and 30 June 2024. The Group does not hold any reinsurance contracts against the liabilities carried for these contracts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 4. INSURANCE RISKS (CONTINUED)

(b) Long-term insurance (continued)

| Annuity payable per annum per life assured as at 30 June 2025 | GROUP AND COMPANY                 |               |
|---|-----------------------------------|---------------|
|   | Total annuities payable per annum |               |
| Rs'000  | Rs'000                            | %             |
| 0 – 10  | 1,270                             | 0.3           |
| 10 – 20   | 3,372                             | 0.9           |
| 20 – 50   | 32,311                            | 8.8           |
| 50 – 100  | 86,551                            | 23.5          |
| 100 – 150   | 65,679                            | 17.8          |
| More than 150   | 179,314                           | 48.7          |
| <b>Total</b>  | <b>368,497</b>                    | <b>100.00</b> |

| Annuity payable per annum per life assured as at 30 June 2024 | GROUP AND COMPANY                 |               |
|---|-----------------------------------|---------------|
|   | Total annuities payable per annum |               |
| Rs'000  | Rs'000                            | %             |
| 0 – 10  | 1,057                             | 0.33          |
| 10 – 20   | 3,188                             | 1.00          |
| 20 – 50   | 29,074                            | 9.00          |
| 50 – 100  | 72,248                            | 22.36         |
| 100 – 150   | 50,708                            | 15.70         |
| More than 150   | 166,770                           | 51.61         |
| <b>Total</b>  | <b>323,045</b>                    | <b>100.00</b> |

With regards to Group Assurances the Total Sum Assured is Rs'000 90,324,167 (2024: Rs'000 81,004,503) and the Sum Assured retained is Rs'000 73,327,151 (2024: Rs'000 65,704,169).

### 4.1.2 Sources of uncertainty

(a) Short-term insurance

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

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

The Group has ensured that liabilities as stated in the statements of financial position are adequate.

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

|                    | THE GROUP             |                             |  |                             |                  |
|--------------------|-----------------------|-----------------------------|--|-----------------------------|------------------|
|                    | 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           |
| <b>2025</b>        |                       |                             |  |                             |                  |
| Average claim cost | 10%                   | 76,023                      | 43,851                                     | 32,172                      | 26,702           |
| 2024               |                       |                             |  |                             |                  |
| Average claim cost | 10%                   | 78,659                      | 45,960                                     | 32,699                      | 27,140           |

(b) Long-term insurance

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holders' behaviour.

The Group uses appropriate base tables of standard mortality according to the type of contract being written and statistical data are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. When data is not sufficient to be statistically credible, the best estimate of future mortality is based on standard industry tables adjusted for the Group's experience.

The Group manages long term insurance risks through its underwriting strategy and reinsurance arrangements. Management ensures that risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is included in the Group's underwriting procedures, with premiums, varied to reflect the health condition and family medical history of the applicant. Insurance risk may also be affected by the contract holder's behaviour whereby he/she may decide to amend terms or terminate the contract or exercise a guaranteed annuity option.

The Group has a predetermined retention limit on any single life insured and the Group reinsures the excess of the insured benefit above the retention limit.

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

#### Mortality and morbidity rates

Assumptions are based on standard industry and mortality tables adjusted for the Mauritius context, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 4. INSURANCE RISKS (CONTINUED)

### 4.1.2 Sources of uncertainty (continued)

#### (b) Long-term insurance (continued)

##### Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

##### Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

##### Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

##### Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

##### Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure. A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

##### Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross figures. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

The following table presents the sensitivity of the value of insurance liabilities disclosed to movements in assumptions used in the estimation of insurance liabilities.

The table below indicated the level of the respective variables that will trigger an adjustment and then indicates the liability adjustment required as a result of a further deterioration of the variable.

#### Year ended 30 June 2025

| Sensitivity run            | Change in assumptions | Insurance Liabilities* (Rs '000) | % change relative to main basis | Reinsurance Liabilities* (Rs'000) | % Change Relative to Main Basis |
|----------------------------|-----------------------|----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Main Basis                 | –                     | 8,838,575                        | –                               | 507,288                           | –                               |
| Renewal expense            | +10%                  | 9,096,022                        | 102.9%                          | 504,313                           | 99.4%                           |
| Withdrawals                | +10%                  | 9,002,098                        | 101.9%                          | 498,734                           | 98.3%                           |
| Inflation                  | +1%                   | 9,296,893                        | 105.2%                          | 504,512                           | 99.5%                           |
| Investment return          | -1%                   | 11,384,311                       | 128.8%                          | 552,264                           | 108.9%                          |
| Mortality and other claims | +10%                  | 9,311,949                        | 105.4%                          | 400,073                           | 78.9%                           |

#### Year ended 30 June 2024

| Sensitivity run            | Change in assumptions | Insurance Liabilities* (Rs '000) | % change relative to main basis | Reinsurance Liabilities* (Rs'000) | % Change Relative to Main Basis |
|----------------------------|-----------------------|----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Main Basis                 | –                     | 9,515,841                        | –                               | 527,633                           | –                               |
| Renewal expense            | +10%                  | 9,687,254                        | 101.8%                          | 527,633                           | 100.0%                          |
| Withdrawals                | +10%                  | 9,574,050                        | 100.6%                          | 518,683                           | 98.3%                           |
| Inflation                  | +1%                   | 9,891,988                        | 104.0%                          | 527,633                           | 100.0%                          |
| Investment return          | -1%                   | 12,235,997                       | 128.6%                          | 576,022                           | 109.2%                          |
| Mortality and other claims | +10%                  | 10,014,658                       | 105.2%                          | 461,747                           | 87.5%                           |

\*Liabilities include best estimate liability and risk adjustment

#### Short term insurance

Interest rate sensitivity on liabilities disclosed in table below:

| Changes in discount rates | 2025 Impact on contract assets and liabilities Rs'000 | 2024 Impact on contract assets and liabilities Rs'000 |
|---------------------------|---|---|
| +1%                       | 7,417   | 3,055   |
| -1%                       | (7,700)   | (3,226)   |

### 4.1.3 Reinsurance strategy

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 4. INSURANCE RISKS (CONTINUED)

### 4.1.4 Claims development table

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

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<br>Rs'000 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|-----------------|
|  | 2019<br>Rs'000 | 2020<br>Rs'000 | 2021<br>Rs'000 | 2022<br>Rs'000 | 2023<br>Rs'000 | 2024<br>Rs'000 | 2025<br>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      | <b>1,485,787</b>   | 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  | 452,087        | 525,080        | 654,089        | 791,953        | –              | –              | –                  | 2,423,209       |
| 4 years later  | 450,800        | 521,613        | 622,318        | –              | –              | –              | –                  | 1,594,731       |
| 5 years later  | 488,212        | 518,062        | –              | –              | –              | –              | –                  | 1,006,274       |
| 6 years later  | 487,692        | –              | –              | –              | –              | –              | –                  | 487,692         |
| Cumulative gross claims and other directly attributable expenses paid  | (440,118)      | (504,401)      | (533,570)      | (776,428)      | (841,078)      | (1,119,508)    | <b>(1,037,479)</b> | (5,252,582)     |
| Gross cumulative claims liabilities - accident years from 2019 to 2025 | 47,574         | 13,661         | 88,748         | 15,525         | 38,376         | 26,440         | <b>448,308</b>     | 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                                 |                |                |                |                |                |                |                    | 760,227         |

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<br>Rs'000 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|------------------|-----------------|
|   | 2019<br>Rs'000 | 2020<br>Rs'000 | 2021<br>Rs'000 | 2022<br>Rs'000 | 2023<br>Rs'000 | 2024<br>Rs'000 | 2025<br>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        | 823,452        | <b>1,106,888</b> | 4,250,452       |
| 1 year later  | 306,700        | 320,690        | 383,381        | 595,679        | 717,101        | 806,895        | –                | 3,130,446       |
| 2 years later   | 308,389        | 324,645        | 386,846        | 606,839        | 755,834        | –              | –                | 2,382,554       |
| 3 years later   | 314,616        | 317,961        | 391,542        | 581,088        | –              | –              | –                | 1,605,207       |
| 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 net claims and other directly attributable expenses paid   | (305,625)      | (300,779)      | (369,083)      | (579,683)      | (732,519)      | (833,653)      | <b>(857,303)</b> | (3,978,645)     |
| Net cumulative claims liabilities - accident years from 2019 to 2025  | 13,766         | 13,028         | 10,869         | 1,405          | 23,315         | (26,758)       | <b>249,585</b>   | 285,210         |
| Net 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               |                |                |                |                |                |                |                  | 32,725          |
| <b>NET LIC for the contracts originated</b>                           |                |                |                |                |                |                |                  | 321,716         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS

The Group is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts. The most important components of this financial risk are market risks (including foreign currency risk, interest rate risk, equity price risk), credit risk and liquidity risk.

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

### 5.1 Market risks

Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are foreign currency risk, interest rate risk and equity price risk.

The Group manages these positions within an asset liability management framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance contracts.

The principal technique of the Group's assets and liabilities management is to match assets to liabilities arising from insurance by reference to the type of benefits payable to policyholders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

#### i. Foreign currency risk

The Group's financial instruments which are exposed to foreign currency risks consist mainly of deposits, insurance and other receivables and overseas investments. Management monitors the Group's currency position on a regular basis. The carrying amounts of the Group's financial assets and liabilities at the reporting date are as follows:

#### Other financial assets, Fixed Deposits & Cash Deposits (Short-term & Long Term)

|     | THE GROUP      |                | THE COMPANY    |                |
|-----|----------------|----------------|----------------|----------------|
|     | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| USD | 8,216,802      | 7,749,435      | 7,307,167      | 6,863,880      |
| GBP | 370            | 387            | –              | –              |
| EUR | 47,243         | 38,341         | –              | –              |
| MUR | 18,880,227     | 17,757,587     | 15,344,690     | 14,659,775     |
|     | 27,144,642     | 25,545,750     | 22,651,857     | 21,523,655     |

#### Short-term and long-term financial liabilities including payables, loans and borrowings

|     | THE GROUP      |                | THE COMPANY    |                |
|-----|----------------|----------------|----------------|----------------|
|     | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| USD | 222,919        | 209,866        | –              | –              |
| MUR | 2,333,584      | 2,080,033      | 253,528        | 219,416        |
|     | 2,556,503      | 2,289,899      | 253,528        | 219,416        |

#### Net exposure

|     | THE GROUP      |                | THE COMPANY    |                |
|-----|----------------|----------------|----------------|----------------|
|     | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| USD | 7,993,883      | 7,539,569      | 7,307,167      | 6,863,880      |
| GBP | 370            | 387            | –              | –              |
| EUR | 47,243         | 38,341         | –              | –              |
| MUR | 16,546,643     | 15,677,554     | 15,091,162     | 14,440,359     |
|     | 24,588,139     | 23,255,851     | 22,398,329     | 21,304,239     |

Consequently, the Group and Company are exposed to risks that the exchange rate relative to these currencies may change in a manner which has an effect on the reported value of that portion of the Group and Company's assets which are denominated in currencies other than the Mauritian Rupee. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at year end for a 5% change in foreign currency rates. The following table details the sensitivity to a 5% increase or decrease of the USD, GBP and EUR against the Rupee.

|     | Changes<br>in variables | THE GROUP                                |                               |  |                               |
|-----|-------------------------|--|-------------------------------|--|-------------------------------|
|     |                         | 2025                                     | 2024                          | 2025                                     | 2024                          |
|     |                         | Impact on profit<br>before tax<br>Rs'000 | Impact<br>on equity<br>Rs'000 | Impact on profit<br>before tax<br>Rs'000 | Impact on<br>equity<br>Rs'000 |
| USD | 5%                      | 399,694                                  | 399,694                       | 376,978                                  | 376,978                       |
|     | -5%                     | (399,694)                                | (399,694)                     | (376,978)                                | (376,978)                     |
| GBP | 5%                      | 19                                       | 19                            | 19                                       | 19                            |
|     | -5%                     | (19)                                     | (19)                          | (19)                                     | (19)                          |
| EUR | 5%                      | 2,362                                    | 2,362                         | 1,917                                    | 1,917                         |
|     | -5%                     | (2,362)                                  | (2,362)                       | (1,917)                                  | (1,917)                       |

|     | Changes<br>in variables | THE COMPANY                              |                               |  |                               |
|-----|-------------------------|--|-------------------------------|--|-------------------------------|
|     |                         | 2025                                     | 2024                          | 2025                                     | 2024                          |
|     |                         | Impact on profit<br>before tax<br>Rs'000 | Impact<br>on equity<br>Rs'000 | Impact on profit<br>before tax<br>Rs'000 | Impact on<br>equity<br>Rs'000 |
| USD | 5%                      | 365,358                                  | 365,358                       | 343,194                                  | 343,194                       |
|     | -5%                     | (365,358)                                | (365,358)                     | (343,194)                                | (343,194)                     |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.1 Market risks (continued)

#### i. Foreign currency risk (continued)

| 2025 | THE GROUP                   |                                 |                             |                                 |
|------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
|      | Insurance Contracts         |                                 | Reinsurance Contracts       |                                 |
|      | In asset position<br>Rs'000 | In Liability position<br>Rs'000 | In asset position<br>Rs'000 | In Liability position<br>Rs'000 |
| USD  | –                           | 95,146                          | 60,205                      | 10,741                          |
| GBP  | –                           | 14                              | 56                          | –                               |
| EUR  | 4,298                       | 67,663                          | 937                         | 9,026                           |
| AUD  | –                           | 397                             | –                           | –                               |
| MUR  | 168,650                     | 15,787,425                      | 537,646                     | 453,690                         |
|      | 172,948                     | 15,950,645                      | 598,844                     | 473,457                         |

| 2024 | THE GROUP                   |                                 |                             |                                 |
|------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
|      | Insurance Contracts         |                                 | Reinsurance Contracts       |                                 |
|      | In asset position<br>Rs'000 | In Liability position<br>Rs'000 | In asset position<br>Rs'000 | In Liability position<br>Rs'000 |
| USD  | 2,576                       | 70,280                          | 18,672                      | 6,441                           |
| GBP  | –                           | 13                              | 56                          | –                               |
| EUR  | 4,234                       | 27,686                          | 21,966                      | 4,381                           |
| MUR  | 62,679                      | 16,207,397                      | 517,676                     | 541,929                         |
|      | 69,489                      | 16,305,376                      | 558,370                     | 552,751                         |

#### ii. Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or the future cash flows related to financial instruments will change due to a change in interest rate. The risk is also that there will be insufficient funds to fund the guaranteed payable amount especially under long term life assurance contracts. Under short-term insurance contracts liabilities are not directly sensitive to the level of market interest rates as they are contractually non-interest bearing; except in the case of bodily injury claims which are settled over long periods. Fluctuations in interest rates however impact on returns on financial instruments. This is closely monitored by management through a well-diversified portfolio of fixed income securities and equity securities.

The interest rate profile was:

|   | GROUP                       |                             | COMPANY                     |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 2025<br>% p.a               | 2024<br>% p.a               | 2025<br>% p.a               | 2024<br>% p.a               |
| <b>Financial assets</b>                             |                             |                             |                             |                             |
| Treasury Notes                                      | 3.68 – 5.41                 | 2.02 – 4.82                 | 3.68 – 5.41                 | 2.02 – 4.82                 |
| Treasury Bills                                      | 4.35 – 4.96                 | 3.21 – 4.11                 | 4.35 – 4.96                 | 3.21 – 4.11                 |
| Government Bonds                                    | 3.78 – 11.75                | 3.77 – 11.75                | 3.78 – 11.75                | 3.77 – 11.75                |
| Mortgage & other loans                              | 2.00 – 8.70                 | 2.00 – 8.70                 | 2.00 – 6.25                 | 2.00 – 6.25                 |
| Net Investment in finance leases                    | 4.95 – 12.50                | 4.95 – 12.50                | –                           | –                           |
| Term deposits (excluding foreign currency deposits) | 3.85 – 5.50                 | 3.40 – 5.42                 | 3.85 – 5.40                 | 4.90 – 5.40                 |
| <b>Corporate Bond - Local</b>                       |                             |                             |                             |                             |
| MUR – Fixed   | 3.20 – 6.40                 | 3.20 – 6.40                 | 3.20 – 6.40                 | 3.20 – 6.40                 |
| MUR - Floating                                      | Key rate +<br>(0.35 – 2.05) | Key rate +<br>(0.35 – 2.05) | Key rate +<br>(0.35 – 2.05) | Key rate +<br>(0.35 – 2.05) |
| <b>Foreign currency term deposits</b>               |                             |                             |                             |                             |
| USD   | 3.85 – 5.55                 | 4.65 – 5.70                 | 4.00 – 5.45                 | 4.65 – 5.60                 |
| <b>Foreign currency call deposits</b>               |                             |                             |                             |                             |
| USD   | 0.02                        | 0.00 – 0.50                 | 0.02                        | –                           |
| GBP   | 0.02                        | 0.00 – 0.50                 | 0.02                        | –                           |
| EUR   | 0.01                        | 0.00 – 0.25                 | 0.01                        | –                           |
| Local Call deposits                                 | 0.00 – 3.70                 | 0.00 – 3.60                 | 0.00 – 3.70                 | 0.00 – 3.60                 |
| <b>Financial liabilities</b>                        |                             |                             |                             |                             |
| At amortised cost                                   |                             |                             |                             |                             |
| Deposit   | 1.40 – 5.25                 | 1.35 – 5.25                 | –                           | –                           |
| Borrowings  | 1.85 – 4.50                 | 1.85 – 4.50                 | 1.85 – 4.50                 | 1.85 – 4.50                 |
| Insurance contract liabilities                      | 4.40 – 6.44                 | 3.13 – 5.64                 | 4.40 – 6.44                 | 3.13 – 5.64                 |
| Reinsurance contract liabilities                    | 4.40 – 6.44                 | 3.13 – 5.64                 | 4.40 – 6.44                 | 3.13 – 5.64                 |

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

|                                      | GROUP                                      | COMPANY                                    |
|--------------------------------------|--|--|
|                                      | 30-Jun-25<br>Interest receivable<br>Rs'000 | 30-Jun-25<br>Interest receivable<br>Rs'000 |
| MUR (Floating rate fixed deposits)   | 2,228                                      | 1,432                                      |
| MUR (Call deposits)                  | 28,709                                     | 21,866                                     |
| USD (Call deposits)                  | 8  | –  |
| MUR (Floating rate Government Bonds) | 15,002                                     | 15,002                                     |
| MUR (Floating rate Corporate Bonds)  | 15,232                                     | 13,528                                     |
|                                      | 61,179                                     | 51,828                                     |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.1 Market risks (continued)

#### ii. Interest rate risk (continued)

|                                      | GROUP AND COMPANY                                   |   |
|--------------------------------------|---|---|
|                                      | GROUP<br>30-Jun-24<br>Interest receivable<br>Rs'000 | COMPANY<br>30-Jun-24<br>Interest receivable<br>Rs'000 |
| MUR (Call deposits)                  | 27,151  | 23,195  |
| USD (Call deposits)                  | 26  | –   |
| MUR (Floating rate BOM Certificate)  | 4,928   | 4,446   |
| MUR (Floating rate Government Bonds) | 35,136  | 35,136  |
| MUR (Floating rate Corporate Bonds)  | 19,002  | 15,881  |
|                                      | 86,243  | 78,658  |

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

|                          | GROUP                                 |                            |                                       |                            |
|--------------------------|---------------------------------------|----------------------------|---------------------------------------|----------------------------|
|                          | 2025                                  |                            | 2024                                  |                            |
| Changes in interest rate | Impact on profit before tax<br>Rs'000 | Impact on equity<br>Rs'000 | Impact on profit before tax<br>Rs'000 | Impact on equity<br>Rs'000 |
| + 50 basis points        | 3,059                                 | 3,059                      | 4,312                                 | 4,312                      |
| - 50 basis points        | (3,059)                               | (3,059)                    | (4,312)                               | (4,312)                    |

|                          | COMPANY                               |                            |                                       |                            |
|--------------------------|---------------------------------------|----------------------------|---------------------------------------|----------------------------|
|                          | 2025                                  |                            | 2024                                  |                            |
| Changes in interest rate | Impact on profit before tax<br>Rs'000 | Impact on equity<br>Rs'000 | Impact on profit before tax<br>Rs'000 | Impact on equity<br>Rs'000 |
| + 50 basis points        | 2,591                                 | 2,591                      | 3,933                                 | 3,933                      |
| - 50 basis points        | (2,591)                               | (2,591)                    | (3,933)                               | (3,933)                    |

The increase or decrease in the interest rate sensitivity is due to fluctuations in the interest rates of foreign and local currency.

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

The following table details the Group's and Company's sensitivity to a 50 basis points increase/decrease of the rate of interest on mortgage loans which are subject to floating rate of interest.

|                          | GROUP AND COMPANY                     |                            |                                       |                            |
|--------------------------|---------------------------------------|----------------------------|---------------------------------------|----------------------------|
|                          | 2025                                  |                            | 2024                                  |                            |
| Changes in interest rate | Impact on profit before tax<br>Rs'000 | Impact on equity<br>Rs'000 | Impact on profit before tax<br>Rs'000 | Impact on equity<br>Rs'000 |
| + 50 basis points        | 9,076                                 | 9,076                      | 7,988                                 | 7,988                      |
| - 50 basis points        | (9,076)                               | 9,076                      | (7,988)                               | (7,988)                    |

#### iii. Price risk

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

The price risk arises on the financial instruments held at fair value through other comprehensive income and at fair value through profit or loss.

The maximum risk resulting from securities investments is determined by the fair value of the financial instruments. The Group's overall market positions are monitored on a regular basis.

|                               | GROUP            |                  | COMPANY          |                  |
|-------------------------------|------------------|------------------|------------------|------------------|
|                               | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| <b>Quoted</b>                 |                  |                  |                  |                  |
| Financial Investments - FVTPL | 3,458,072        | 2,960,991        | 3,348,487        | 2,869,228        |
| Financial Investments - FVOCI | 16,827           | 27,076           | –                | –                |
| <b>Total</b>                  | <b>3,474,899</b> | <b>2,988,067</b> | <b>3,348,487</b> | <b>2,869,228</b> |

The following table details the Group's and Company's sensitivity to a 5% increase/decrease in the prices of securities investments.

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Increase/decrease of 5% in prices of securities            |                |                |                |                |
| Increase/decrease in other comprehensive income and equity | 841            | 1,354          | –              | –              |
| <b>Increase/decrease in profit or loss</b>                 | <b>172,904</b> | <b>148,050</b> | <b>167,424</b> | <b>143,461</b> |

### 5.2 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when due. The Group's credit risk is primarily attributable to its reinsurance assets, mortgage and other loans, finance lease receivables, insurance and other receivables, fixed deposits, cash and short-term deposits and investment in debt securities. The amounts presented in the statements of financial position are net of allowances for credit losses, estimated by management based on prior experience and the current economic environment.

The Group provides secured advances to clients and there is credit risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group's policy is to deal with creditworthy counterparties and obtaining sufficient

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.2 Credit risk (continued)

collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Appraisals are systematically carried out for any application, and we also have a credit committee which continuously monitors and controls the Group's exposure to credit risk.

The carrying amount of mortgage loans recorded in the financial statements, which is net of expected credit losses, represents the Group's maximum exposure to credit risk taking account of the value of collateral obtained.

When financial assets are impaired by credit losses, the Group records the impairment in a separate account rather than directly reducing the carrying amount of the assets.

#### Probability of Default – PD estimation process

The PD estimation depends on the type of instruments the Group has in its portfolio. These are discussed below:

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

The Group's government bonds, corporate bonds, treasury bills and short & long-term deposits comprise of instruments issued by the Bank of Mauritius, financial and non-financial institutions. For these relationships, the Group's credit risk/investment department analyses publicly available information such as financial information and other external data, e.g., the rating of Moody's and S&P. The PD is derived using a transition matrix to convert the ratings into PDs.

- Mortgage and Other Loans

For mortgage and other loans, the borrowers are assessed by specialised credit risk employees of the Group. The PD estimation on the Group's mortgage and other loans is based using a transition matrix in assessing the Group exposure to default from customers based on the age profile of its customer base.

#### Exposure at Default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the reporting date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2 and Stage 3, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Group's model.

#### Loss Given Default

For corporate financial instruments, LGD values are assessed at least every year by accounts managers and reviewed and approved by the Group's specialised credit risk/investment department. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial statements. The forward-looking information has not provided any correlation with the Group's situation and thus not taken into account. However, the Group built a refined model for the forward-looking information and incorporated same in the current models.

#### Significant increase in credit risk

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

Since last year, the Group had reassessed the key economic factors used in its ECL model, the PD and LGD were revised to reflect the current customer behaviour.

#### Grouping financial assets measured on an individual or collective basis

The Group measures the ECL on an individual assets' basis for all its financial assets subject to ECL.

#### Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are for mortgage, other loans and leases. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In its normal course of business, the Group can physically repossess properties or other assets in its portfolio, but undertakes to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

#### Net investment in finance leases

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e by sectors). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward looking information. For instance, if forecast economic conditions (e.g gross domestic product, inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in any particular sector, the historical observed default rates are updated and changes in the forward looking estimates are analysed, the assessment of correlation between historical observed default rates, forecast economic conditions. The Group's historical loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. For all finance leases, the Group retains ownership of the leased assets. The concentration of its lease portfolio is as disclosed in note 13(a).

#### Reinsurance assets

The maximum exposure to credit risk from reinsurance contracts is insignificant. Our reinsurers are Financial Services Commission (FSC) category 1 reinsurers, rated A or higher AM Best or S&P.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.2 Credit risk (continued)

The table below shows the maximum exposure to credit risk.

|                                     | GROUP          |                | COMPANY        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Financial assets</b>             |                |                |                |                |
| Measured at FVTPL                   | 21,181,226     | 19,939,501     | 19,970,355     | 19,053,505     |
| Measured at FVOCI                   | 16,827         | 27,076         | –              | –              |
| Financial assets at amortised cost: |                |                |                |                |
| Debt instruments at amortised cost  | 1,196,966      | 1,143,592      | –              | –              |
| Finance Lease receivables           | 1,245,615      | 1,022,263      | –              | –              |
| Mortgage and other Loans            | 2,280,547      | 2,246,319      | 1,625,737      | 1,532,243      |
| Other receivables*                  | 465,366        | 384,074        | 630,925        | 530,396        |
| Bank and cash balances              | 733,993        | 782,925        | 400,744        | 407,511        |
| Other financial assets              | 24,102         | –              | 24,102         | –              |
| Insurance contract assets           | 172,948        | 69,489         | 158,104        | 52,986         |
| Reinsurance contract assets         | 598,844        | 558,370        | 4,549          | 1,428          |
|                                     | 27,916,434     | 26,173,609     | 22,814,516     | 21,578,069     |

\*Excludes sundry deposits, deferred expenses and prepayments.

The fair value of the collateral of loans has been disclosed in Note 12(b) of the Financial Statements.

### 5.3 Liquidity risk

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

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

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

As at 30 June 2025, the Group and Company have a net current liabilities (Rs'000 5,155 and Rs'000 323,645) (2024 – Company (Rs'000 236,982) which arise principally from the short-term insurance liabilities. The Group and Company expect to meet these obligations through prudent treasury management, including maintaining adequate liquidity by not reinvesting maturing proceeds and, where necessary, disposing of non-current financial assets.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

At 30 June 2025

|                                  | GROUP                      |                                 |                           |                    |                        |                                 |                   |
|----------------------------------|----------------------------|---------------------------------|---------------------------|--------------------|------------------------|---------------------------------|-------------------|
|                                  | 1 to<br>3 months<br>Rs'000 | 3 months<br>to 1 year<br>Rs'000 | 1 to 5<br>years<br>Rs'000 | >5 years<br>Rs'000 | On<br>demand<br>Rs'000 | No stated<br>maturity<br>Rs'000 | Total<br>Rs'000   |
| Deposit from Customers           | 34,752                     | 174,651                         | 2,091,624                 | 190,059            | –                      | –                               | 2,491,086         |
| Borrowings                       | 4,271                      | 15,696                          | 47,545                    | –                  | –                      | –                               | 67,512            |
| Lease Liability                  | 6,048                      | 20,382                          | 75,178                    | 723,887            | –                      | –                               | 825,495           |
| Trade and other payables         | 151,471                    | 62,670                          | 7,209                     | –                  | 27,696                 | 32,091                          | 281,137           |
| Insurance contract Liabilities   | –                          | –                               | –                         | –                  | –                      | 15,950,645                      | 15,950,645        |
| Reinsurance contract liabilities | –                          | –                               | –                         | –                  | –                      | 473,457                         | 473,457           |
| <b>Total liabilities</b>         | <b>196,542</b>             | <b>273,399</b>                  | <b>2,221,556</b>          | <b>913,946</b>     | <b>27,696</b>          | <b>16,456,193</b>               | <b>20,089,332</b> |

|                                  | COMPANY                    |                                 |                           |                    |                                 |                   |
|----------------------------------|----------------------------|---------------------------------|---------------------------|--------------------|---------------------------------|-------------------|
|                                  | 1 to<br>3 months<br>Rs'000 | 3 months<br>to 1 year<br>Rs'000 | 1 to 5<br>years<br>Rs'000 | >5 years<br>Rs'000 | No stated<br>maturity<br>Rs'000 | Total<br>Rs'000   |
| Borrowings                       | 4,271                      | 15,696                          | 47,545                    | –                  | –                               | 67,512            |
| Lease Liability                  | 5,388                      | 16,236                          | 49,436                    | 599,429            | –                               | 670,489           |
| Trade and other payables         | 149,171                    | 4,747                           | –                         | –                  | 32,091                          | 186,009           |
| Insurance contract Liabilities   | –                          | –                               | –                         | –                  | 14,748,245                      | 14,748,245        |
| Reinsurance contract liabilities | –                          | –                               | –                         | –                  | 424,801                         | 424,801           |
| <b>Total liabilities</b>         | <b>158,830</b>             | <b>36,679</b>                   | <b>96,981</b>             | <b>599,429</b>     | <b>15,205,137</b>               | <b>16,097,056</b> |

At 30 June 2024

|                                  | GROUP                      |                                 |                           |                    |                        |                                 |                   |
|----------------------------------|----------------------------|---------------------------------|---------------------------|--------------------|------------------------|---------------------------------|-------------------|
|                                  | 1 to<br>3 months<br>Rs'000 | 3 months<br>to 1 year<br>Rs'000 | 1 to 5<br>years<br>Rs'000 | >5 years<br>Rs'000 | On<br>demand<br>Rs'000 | No stated<br>maturity<br>Rs'000 | Total<br>Rs'000   |
| Deposit from Customers           | 40,861                     | 289,438                         | 1,787,566                 | 135,122            | –                      | –                               | 2,252,987         |
| Borrowings                       | 8,457                      | 10,704                          | 42,900                    | –                  | –                      | –                               | 62,061            |
| Lease Liability                  | 4,764                      | 8,086                           | 40,317                    | 596,474            | –                      | –                               | 649,641           |
| Trade and other payables         | 138,306                    | 22,370                          | 6,443                     | –                  | 39,741                 | 33,120                          | 239,980           |
| Insurance contract Liabilities   | –                          | –                               | –                         | –                  | –                      | 16,305,376                      | 16,305,376        |
| Reinsurance contract liabilities | –                          | –                               | –                         | –                  | –                      | 552,751                         | 552,751           |
| <b>Total liabilities</b>         | <b>192,388</b>             | <b>330,598</b>                  | <b>1,877,226</b>          | <b>731,596</b>     | <b>39,741</b>          | <b>16,891,247</b>               | <b>20,062,796</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.3 Liquidity risk (continued)

At 30 June 2024

|                                  | COMPANY       |                    |              |          |                    | Total      |
|----------------------------------|---------------|--------------------|--------------|----------|--------------------|------------|
|                                  | 1 to 3 months | 3 months to 1 year | 1 to 5 years | >5 years | No stated maturity |            |
|                                  | Rs'000        | Rs'000             | Rs'000       | Rs'000   | Rs'000             | Rs'000     |
| Borrowings                       | 8,457         | 10,704             | 42,900       | –        | –                  | 62,061     |
| Lease Liability                  | 4,764         | 8,086              | 40,317       | 596,474  | –                  | 649,641    |
| Trade and other payables         | 123,781       | 4,531              | –            | –        | 33,120             | 161,432    |
| Insurance contract Liabilities   | –             | –                  | –            | –        | 15,258,197         | 15,258,197 |
| Reinsurance contract liabilities | –             | –                  | –            | –        | 530,641            | 530,641    |
| Total liabilities                | 137,002       | 23,321             | 83,217       | 596,474  | 15,821,958         | 16,661,972 |

Insurance contract liabilities at Group and Company level are outstanding claims where Significant delays can be expected in the notification and settlement of these claims and the ultimate cost of which cannot be known with certainty at the end of the reporting period. Given the uncertainty involved in timing of repayment of these liabilities, the Group's normal operation cycle is not clearly identifiable. Consequently, the insurance contract liabilities have been disclosed under 'Not Stated' maturity.

### 5.4 Fair value measurements recognised in the statements of financial position

The carrying amounts of receivables, short term bank deposits, cash at bank and in hand, amount payable to reinsurers, trade and other payables approximate their fair values either because they are measured at fair value or because of the short term nature.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between the fair value hierarchy levels.

The following table presents the Group's financial assets measured at fair values on a recurring basis. The fair value disclosure for investment properties and property, plant and equipment are included in note 8 and note 7 respectively. This note provides information and how the Group determines fair value of various assets and liabilities.

|   | GROUP 2025 |           |            |            |
|---|------------|-----------|------------|------------|
|   | Level 1    | Level 2   | Level 3    | Total      |
|   | Rs'000     | Rs'000    | Rs'000     | Rs'000     |
| FVTPL   |            |           |            |            |
| <b>Quoted:</b>  |            |           |            |            |
| Investment in Exchange Traded Funds/<br>Preference shares/Quoted Shares | 2,741,765  | –         | –          | 2,741,765  |
| Debt securities   | 716,307    | –         | –          | 716,307    |
| <b>Unquoted:</b>  |            |           |            |            |
| Investment in mutual funds/collective investment schemes/Shares         | –          | 7,366,237 | 419,388    | 7,785,625  |
| Debt securities   | –          | –         | 9,937,529  | 9,937,529  |
| Total   | 3,458,072  | 7,366,237 | 10,356,917 | 21,181,226 |

|                 | 2025    |         |         |        |
|-----------------|---------|---------|---------|--------|
|                 | Level 1 | Level 2 | Level 3 | Total  |
|                 | Rs'000  | Rs'000  | Rs'000  | Rs'000 |
| FVOCI           |         |         |         |        |
| Debt securities | 16,827  | –       | –       | 16,827 |
| Total           | 16,827  | –       | –       | 16,827 |

|   | COMPANY 2025 |           |           |            |
|---|--------------|-----------|-----------|------------|
|   | Level 1      | Level 2   | Level 3   | Total      |
|   | Rs'000       | Rs'000    | Rs'000    | Rs'000     |
| FVTPL   |              |           |           |            |
| <b>Quoted:</b>  |              |           |           |            |
| Investment in Exchange Traded Funds/<br>Preference shares | 2,686,599    | –         | –         | 2,686,599  |
| Debt securities   | 661,888      | –         | –         | 661,888    |
| <b>Unquoted:</b>  |              |           |           |            |
| Investment in mutual funds/collective investment schemes  | –            | 7,480,950 | 337,150   | 7,818,100  |
| Debt securities   | –            | –         | 8,803,768 | 8,803,768  |
| Total   | 3,348,487    | 7,480,950 | 9,140,918 | 19,970,355 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.4 Fair value measurements recognised in the statements of financial position (continued)

The valuation approach and the observable input for the level 2 investments is the Net Asset Value per share.

|  | GROUP 2024       |                  |                   |                   |
|--|------------------|------------------|-------------------|-------------------|
|  | Level 1          | Level 2          | Level 3           | Total             |
|  | Rs'000           | Rs'000           | Rs'000            | Rs'000            |
| FVTPL  |                  |                  |                   |                   |
| Quoted:  |                  |                  |                   |                   |
| Investment in Exchange Traded Funds/                     |                  |                  |                   |                   |
| Preference shares  | 2,368,221        | –                | –                 | 2,368,221         |
| Debt securities  | 592,770          | –                | –                 | 592,770           |
| Unquoted:  |                  |                  |                   |                   |
| Investment in mutual funds/collective investment schemes | –                | 6,888,555        | 406,378           | 7,294,933         |
| Debt securities  | –                | –                | 9,683,577         | 9,683,577         |
| <b>Total</b>   | <b>2,960,991</b> | <b>6,888,555</b> | <b>10,089,955</b> | <b>19,939,501</b> |

|                 | 2024    |         |         |        |
|-----------------|---------|---------|---------|--------|
|                 | Level 1 | Level 2 | Level 3 | Total  |
|                 | Rs'000  | Rs'000  | Rs'000  | Rs'000 |
| FVOCI           |         |         |         |        |
| Quoted Equities |         |         |         |        |
| Total           | 27,076  | –       | –       | 27,076 |

|  | COMPANY 2024     |                  |                  |                   |
|--|------------------|------------------|------------------|-------------------|
|  | Level 1          | Level 2          | Level 3          | Total             |
|  | Rs'000           | Rs'000           | Rs'000           | Rs'000            |
| FVTPL  |                  |                  |                  |                   |
| Quoted:  |                  |                  |                  |                   |
| Investment in Exchange Traded Funds/                     |                  |                  |                  |                   |
| Preference shares  | 2,322,465        | –                | –                | 2,322,465         |
| Debt securities  | 546,763          | –                | –                | 546,763           |
| Unquoted:  |                  |                  |                  |                   |
| Investment in mutual funds/collective investment schemes | –                | 7,063,418        | 322,331          | 7,385,749         |
| Debt securities  | –                | –                | 8,798,528        | 8,798,528         |
| <b>Total</b>   | <b>2,869,228</b> | <b>7,063,418</b> | <b>9,120,859</b> | <b>19,053,505</b> |

Reconciliation of Level 3 fair value measurements of financial assets

|                          | GROUP          |                | COMPANY        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Unquoted Equities</b> |                |                |                |                |
| Opening Balance          | 406,378        | 352,881        | 322,331        | 302,760        |
| Fair Value adjustments   | 13,010         | 53,497         | 14,819         | 19,571         |
| <b>Closing Balance</b>   | <b>419,388</b> | <b>406,378</b> | <b>337,150</b> | <b>322,331</b> |

|                               | GROUP            |                  | COMPANY          |                  |
|-------------------------------|------------------|------------------|------------------|------------------|
|                               | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| <b>Other debt instruments</b> |                  |                  |                  |                  |
| Opening Balance               | 9,683,577        | 9,696,629        | 8,798,528        | 8,849,512        |
| Issues                        | 4,158,105        | 4,274,897        | 3,383,098        | 3,792,724        |
| Settlements                   | (3,615,082)      | (4,434,410)      | (3,114,534)      | (3,968,704)      |
| Fair Value adjustments        | (289,071)        | 146,461          | (263,324)        | 124,996          |
| <b>Closing balance</b>        | <b>9,937,529</b> | <b>9,683,577</b> | <b>8,803,768</b> | <b>8,798,528</b> |

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

| Type                   | GROUP as at 30 June 2025                   |                             |   |                                    |  |
|------------------------|--|-----------------------------|---|------------------------------------|--|
|                        | Fair value as at<br>30 June 2025<br>Rs,000 | Valuation<br>approach       | Key unobservable<br>inputs  | Range of<br>unobservable<br>inputs | Relationship of unobservable<br>inputs to fair value   |
| Financial Services     | 253,197                                    | Comparable price multiples  | Discount due to lack of marketability and due to smaller size compared with peers | 20% - 65%                          | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 30.01 million in fair value |
| Real estate and others | 83,228                                     | Net asset value             | Discount due to lack of marketability   | 30% - 70%                          | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 6.23 million in fair value  |
|                        |  |                             | Fluctuation in net asset value  | 0% - 0%                            | A 5% increase/decrease in Net asset value will lead to an increase/decrease of Rs 4.16 million in fair value |
| Leisure                | 769  | Comparable Enterprise Value | Discount due to lack of marketability and due to smaller size compared with peers | 35%                                | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 0.06 million in fair value  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.4 Fair value measurements recognised in the statements of financial position (continued)

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

| Type                   | GROUP as at 30 June 2024                |                             |   |                              |  |
|------------------------|---|-----------------------------|---|------------------------------|--|
|                        | Fair value as at 30 June 2024<br>Rs,000 | Valuation approach          | Key unobservable inputs   | Range of unobservable inputs | Relationship of unobservable inputs to fair value  |
| Financial Services     | 240,257                                 | Comparable price multiples  | Discount due to lack of marketability and due to smaller size compared with peers | 20% - 65%                    | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 24.74 million in fair value |
| Real estate and others | 81,140                                  | Net asset value             | Discount due to lack of marketability   | 30% - 70%                    | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 6.07 million in fair value  |
|                        |   |                             | Fluctuation in net asset value  | 0% - 0%                      | A 5% increase/decrease in Net asset value will lead to an increase/decrease of Rs 4.06 million in fair value |
| Leisure                | 970                                     | Comparable Enterprise Value | Discount due to lack of marketability and due to smaller size compared with peers | 35%                          | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 0.07 million in fair value  |

| Type                   | COMPANY as at 30 June 2025              |                             |   |                              |  |
|------------------------|---|-----------------------------|---|------------------------------|--|
|                        | Fair value as at 30 June 2025<br>Rs,000 | Valuation approach          | Key unobservable inputs   | Range of unobservable inputs | Relationship of unobservable inputs to fair value  |
| Financial Services     | 253,153                                 | Comparable price multiples  | Discount due to lack of marketability and due to smaller size compared with peers | 20% - 65%                    | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 30.01 million in fair value |
| Real estate and others | 83,228                                  | Net asset value             | Discount due to lack of marketability   | 30% - 70%                    | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 6.23 million in fair value  |
|                        |   |                             | Fluctuation in net asset value  | 0% - 0%                      | A 5% increase/decrease in Net asset value will lead to an increase/decrease of Rs 4.16 million in fair value |
| Leisure                | 769                                     | Comparable Enterprise Value | Discount due to lack of marketability and due to smaller size compared with peers | 35%                          | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 0.06 million in fair value  |

| Type                   | Fair value as at 30 June 2025<br>Rs,000 | Valuation approach          | COMPANY as at 30 June 2024  |                              |  |
|------------------------|---|-----------------------------|---|------------------------------|--|
|                        |   |                             | Key unobservable inputs   | Range of unobservable inputs | Relationship of unobservable inputs to fair value  |
| Financial Services     | 240,257                                 | Comparable price multiples  | Discount due to lack of marketability and due to smaller size compared with peers | 20% - 65%                    | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 24.74 million in fair value |
| Real estate and others | 81,140                                  | Net asset value             | Discount due to lack of marketability   | 30% - 70%                    | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 6.07 million in fair value  |
|                        |   |                             | Fluctuation in net asset value  | 0% - 0%                      | A 5% increase/decrease in Net asset value will lead to an increase/decrease of Rs 4.06 million in fair value |
| Leisure                | 934                                     | Comparable Enterprise Value | Discount due to lack of marketability and due to smaller size compared with peers | 35%                          | A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs 0.07 million in fair value  |

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. All financial assets measured on a fair value basis have been classified as level 1 or level 2 in the fair value hierarchy.

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

The fair value of the instruments classified as Level 1 was derived from quoted prices for that financial instrument. The fair value of the instruments classified as Level 2 was based on observable inputs (for example floating market rate and government bond yields). There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in current year or in prior year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 5. FINANCIAL RISKS FACTORS (CONTINUED)

### 5.4 Fair value measurements recognised in the statements of financial position (continued)

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

| Loans and receivables:                    | GROUP                              |                    |                        |                  |                  |                  |                  |
|---|------------------------------------|--------------------|------------------------|------------------|------------------|------------------|------------------|
|   | Fair value hierarchy - 2025 & 2024 | Valuation approach | Observable inputs      | Carrying amount  |                  | Fair Value       |                  |
|   |                                    |                    |                        | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| Mortgage Loans and other loans            | Level 2                            | DCF                | Floating market rate   | 2,280,547        | 2,246,319        | 2,224,719        | 2,187,450        |
| <b>Other financial assets:</b>            |                                    |                    |                        |                  |                  |                  |                  |
| Government and other bonds                | Level 2                            | YTM                | Government bond yields | 125,400          | 140,241          | 148,527          | 175,311          |
| Fixed deposits                            |                                    |                    |                        | 1,071,566        | 1,003,351        | 1,083,415        | 1,113,463        |
| Finance lease                             | Level 2                            | DCF                | Fixed market rate      | 1,245,615        | 1,022,263        | 1,245,615        | 1,022,263        |
| <b>Financial assets at amortised cost</b> |                                    |                    |                        | <b>4,723,128</b> | <b>4,412,174</b> | <b>4,702,276</b> | <b>4,498,487</b> |

| Loans and receivables:                    | COMPANY                            |                    |                      |                  |                  |                  |                  |
|---|------------------------------------|--------------------|----------------------|------------------|------------------|------------------|------------------|
|   | Fair value hierarchy - 2025 & 2024 | Valuation approach | Observable inputs    | Carrying amount  |                  | Fair Value       |                  |
|   |                                    |                    |                      | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| Mortgage Loans and other loans            | Level 2                            | DCF                | Floating market rate | 1,625,731        | 1,532,243        | 1,569,902        | 1,472,438        |
| <b>Financial assets at amortised cost</b> |                                    |                    |                      | <b>1,625,731</b> | <b>1,532,243</b> | <b>1,569,902</b> | <b>1,472,438</b> |

## 6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

#### Deferred tax on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors reviewed the Group's investment property portfolio and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxes on investment properties.

#### Impairment of investment in subsidiaries

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The recoverable amount of a CGU is determined based on the value in use calculations. These calculations use cash flow projections based on financial budgets approved by management. Cash flows are extrapolated using the estimated growth rates. Management does not expect the growth rate to exceed the long term average growth rate in which the CGU operates. Management believes that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. Management has reviewed the carrying amount of the investment in subsidiaries at the end of the reporting period.

#### Impairment of Loans and Advances

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on Probability of default, Exposure at Default and Loss Given Default;

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the Group's accounting policies (Continued)

### *Impairment of Loans and Advances (continued)*

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Refer to Note 5.2 Credit risks for reassessment of key economic factors used by the Group in the ECL model.

In relation to credit impaired facilities, the Group determines expected credit losses by estimating the shortfall between the present value of expected cash flows and the present value of contractual cash flows. The estimation of expected cash flows is inherently judgemental and involves an estimation of proceeds from liquidation of the borrowers and proceeds from realisation of collaterals.

### *Revaluation of building on leasehold land and investment properties*

The Group measures its building on leasehold land and freehold land at revalued amounts with changes in fair value being recognised in profit or loss and other comprehensive Income. The Group engaged an independent professional valuer to determine the fair value. These estimates have been derived using the market comparison and income approaches. The actual amount of the building on leasehold land and investment properties could therefore differ significantly from the estimates in the future.

The determined fair values of the building on leasehold land and investment properties are most sensitive to the price per square metre. The key assumptions used to determine the fair value of the building and investment properties, are further explained in Notes 7 and 8 respectively.

### *Valuation of short term insurance contract liabilities*

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

#### **These estimates are described below:**

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

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

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

Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled

using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

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

### *Recoverable amount on insurance and other receivables*

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

### *Limitation of sensitivity analysis*

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

### *Reinsurance*

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

### *Valuation of employee benefit obligations*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

### *Valuation of life insurance contract liabilities*

The liability for life insurance contracts with DPF is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on the Ultimate Table (UK) which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insured risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide ranging changes to lifestyle, could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments. Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION

### UNCERTAINTY (CONTINUED)

Critical judgements in applying the Group's accounting policies (Continued)

#### *Assessment of significance of insurance risk*

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the benefit payable in some circumstances being at least 5% higher than the premium paid by the client.

#### *Consideration whether there are investment components*

The Group considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Group considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder

#### *Determination of the contract boundary*

The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio.

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

#### *Identification of portfolios*

The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product line are expected to be in the same portfolio as they have similar risks and are managed together. The assessment of which risks are similar and how contracts are managed requires the exercise of judgement. Where similar products are issued by different entities within a group, they are considered to be separate portfolios. Despite the oversight provided by management at the group level, the Group determines that these contracts are managed at the local issuing entity level. For some product lines, the group acquires insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Group considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line. For investment-linked insurance policies, the Group considers groups of contracts participating in different pools of underlying items to be in different portfolios, because they are subject to different risks from underlying items. However, where different products participate in the same pool of underlying items (e.g. investment-linked insurance policies and investment contracts with discretionary participating features), these are also considered separate portfolios due to different insurance risks

#### *Level of aggregation*

The Group applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts

#### *Assessment of directly attributable cash flows:*

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

#### *Assessment of eligibility for PAA*

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

#### *Assessment of the eligibility for meeting the criteria for direct participating contracts*

Direct participating contracts are considered to be sufficiently different from other participating contracts due to the enforceable link to the underlying items, the significance of policyholders' share in the pool and the significance of those returns to the overall policyholder payments. The Group assesses whether a contract meets the definition of a direct participating contract using the Group's expectations existing at inception of the contract. This assessment is performed, on a contract-by-contract basis, for all insurance contracts with direct participating features. In assessing the significance of the policyholder's share of returns from the underlying items and the degree of variability in total payments to the policyholder, the Group applies significant judgement. The Group applies significant judgement in determining the policyholder share of returns. The Group considers that variable annual charges applied to the policyholder amount reduce the policyholder share of fair value returns. The Group considers it significant if, over the duration of the contract, on a present value probability-weighted average basis, the Group expects to pay to policyholder more than 50% of the fair value returns from underlying items. At inception, in considering the expected degree of variability in total payments to the policyholder with the changes in fair value of underlying items, the Group considers the range of possible scenarios and estimates their probabilities. The Group considers a proportion of all payments to the policyholder that are expected to vary with the returns on underlying items to be substantial, if on a present value probability-weighted average of all scenarios there is a strong positive correlation (greater than 0.75) between the returns on underlying items and the benefits payable to policyholders.

#### *Assessment of significance of modification*

The Group derecognises the original contracts and recognises the modified contract as a new contract, if the derecognition criteria are met. The Group applies judgement to assess whether the modified terms of the contract would result in the original contract meeting the criteria for derecognition

#### *Level of aggregation for determining the risk adjustment for non-financial risk*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 6. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION

### UNCERTAINTY (CONTINUED)

#### Selecting a method of allocation of coverage units

IFRS 17 establishes a principle for determining coverage units, not a set of detailed requirements or methods. The selection of the appropriate method for determining the amount of coverage units is not an accounting policy choice. It involves the exercise of significant judgement and development of estimates considering individual facts and circumstances. The Group selects the appropriate method on a portfolio-by-portfolio basis. In determining the appropriate method, the Group considers the likelihood of insured events occurring to the extent that they affect expected period of coverage in the group, different levels of service across the period and the quantity of benefits expected to be received by the policyholder. For contracts providing both insurance coverage and investment-related services or both insurance coverage and investment-return services, the Group exercises judgement in determining the scaling factor applied in the weighting of benefits determined at initial recognition. The weights are recalculated in each subsequent period, reflecting historical experience and changes in assumptions for future periods that are determined at the reporting date.

- Assessment of discretionary cash flows for indirect participating contracts

The terms of some indirect participating contracts, such as deferred variable annuities, give the Group discretion over the cash flows to be paid to policyholders. Changes in discretionary cash flows are considered to be related to future service, and, accordingly, adjust the CSM. To identify whether changes in cash flows are deemed to be changes in discretionary cash flows, the Group exercises judgement in specifying at inception what it regards as their commitment under the contract. How the Group specifies its commitment under the contract will determine how much of the changes in expected future cash flows will be reflected immediately in profit or loss or will adjust CSM. For deferred variable annuities, the Group considers its commitment under the contract to be the minimum guaranteed return in the accumulation phase and the guaranteed annuity rates in the pay-out phase

#### Key sources of estimation uncertainty

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

#### Insurance contract assets and liabilities and reinsurance contract assets and liabilities

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

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

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

- Insurance contracts issued that are assets was **Rs'000 172,948** (2024: Rs'000 69,489) for the Group and **Rs'000 158,104** (2024: Rs'000 52,986) for the Company.
- Insurance contracts issued that are liabilities was **Rs'000 15,950,645** (2024: Rs'000 16,305,376) for the Group and **Rs'000 14,748,245** (2024: Rs'000 15,258,197) for the Company.
- Reinsurance contracts issued that are assets was **Rs'000 598,844** (2024: Rs'000 558,370) for the Group and **Rs'000 4,549** (2024: Rs'000 1,428) for the Company.
- Reinsurance contracts issued that are liabilities was **Rs'000 473,457** (2024: Rs'000 552,751) for the Group and **Rs'000 424,801** (2024: Rs'000 530,641) for the Company.

## 7. PROPERTY, PLANT AND EQUIPMENT

(a) GROUP

|                                | GROUP                               |                                      |                                |                            |                              |                          |  |                 |
|--------------------------------|-------------------------------------|--------------------------------------|--------------------------------|----------------------------|------------------------------|--------------------------|--|-----------------|
|                                | Building on freehold land<br>Rs'000 | Building on leasehold land<br>Rs'000 | Furniture & fittings<br>Rs'000 | Office equipment<br>Rs'000 | Computer equipment<br>Rs'000 | Motor vehicles<br>Rs'000 | Motor vehicles under operating lease<br>Rs'000 | Total<br>Rs'000 |
| <b>COST OR VALUATION</b>       |                                     |                                      |                                |                            |                              |                          |  |                 |
| At 1 July 2023                 | 13,425                              | 272,081                              | 64,259                         | 47,674                     | 100,536                      | 11,155                   | 45,045   | 554,175         |
| Additions                      | 945                                 | 30,611                               | 1,574                          | 2,027                      | 33,602                       | 1,390                    | 111,891  | 182,040         |
| Disposals/scrapped             | –                                   | (2,133)                              | (51,627)                       | (35,406)                   | (170)                        | (1,160)                  | –  | (90,496)        |
| At 30 June 2024                | 14,370                              | 300,559                              | 14,206                         | 14,295                     | 133,968                      | 11,385                   | 156,936  | 645,719         |
| <b>At 1 July 2024</b>          | <b>14,370</b>                       | <b>300,559</b>                       | <b>14,206</b>                  | <b>14,295</b>              | <b>133,968</b>               | <b>11,385</b>            | <b>156,936</b>                                 | <b>645,719</b>  |
| <b>Additions</b>               | <b>103</b>                          | <b>17,564</b>                        | <b>1,220</b>                   | <b>1,484</b>               | <b>16,545</b>                | <b>–</b>                 | <b>43,944</b>                                  | <b>80,860</b>   |
| <b>Disposals/scrapped</b>      | <b>–</b>                            | <b>–</b>                             | <b>–</b>                       | <b>(24)</b>                | <b>(2,673)</b>               | <b>–</b>                 | <b>(8,829)</b>                                 | <b>(11,526)</b> |
| <b>At 30 June 2025</b>         | <b>14,473</b>                       | <b>318,123</b>                       | <b>15,426</b>                  | <b>15,755</b>              | <b>147,840</b>               | <b>11,385</b>            | <b>192,051</b>                                 | <b>715,053</b>  |
| <b>DEPRECIATION</b>            |                                     |                                      |                                |                            |                              |                          |  |                 |
| At 1 July 2023                 | –                                   | 21,380                               | 57,620                         | 42,670                     | 59,480                       | 3,591                    | 6,934  | 191,675         |
| Charge for the year            |                                     |                                      |                                |                            |                              |                          |  |                 |
| - Life fund                    | –                                   | –                                    | –                              | –                          | 3,913                        | –                        | –  | 3,913           |
| - Shareholders' funds          | 163                                 | 26,013                               | 1,775                          | 2,254                      | 11,030                       | 1,017                    | –  | 42,252          |
| - under operating lease        | –                                   | –                                    | –                              | –                          | –                            | –                        | 13,786   | 13,786          |
| Disposals/scrapped             | –                                   | (2,132)                              | (51,627)                       | (35,397)                   | (156)                        | (760)                    | –  | (90,072)        |
| At 30 June 2024                | 163                                 | 45,261                               | 7,768                          | 9,527                      | 74,267                       | 3,848                    | 20,720   | 161,554         |
| <b>At 1 July 2024</b>          | <b>163</b>                          | <b>45,261</b>                        | <b>7,768</b>                   | <b>9,527</b>               | <b>74,267</b>                | <b>3,848</b>             | <b>20,720</b>                                  | <b>161,554</b>  |
| Charge for the year            |                                     |                                      |                                |                            |                              |                          |  |                 |
| - Life fund                    | –                                   | –                                    | –                              | –                          | 4,935                        | –                        | –  | 4,935           |
| - Shareholders' funds          | 28                                  | 29,112                               | 2,052                          | 2,169                      | 14,220                       | 1,119                    | –  | 48,700          |
| - Rented under operating lease | –                                   | –                                    | –                              | –                          | –                            | –                        | 24,508   | 24,508          |
| Disposals/scrapped             | –                                   | –                                    | –                              | (24)                       | (1,906)                      | –                        | (7,079)  | (9,009)         |
| At 30 June 2025                | 191                                 | 74,373                               | 9,820                          | 11,672                     | 91,516                       | 4,967                    | 38,149   | 230,688         |
| <b>CARRYING AMOUNT</b>         |                                     |                                      |                                |                            |                              |                          |  |                 |
| At 30 June 2025                | 14,282                              | 243,750                              | 5,606                          | 4,083                      | 56,324                       | 6,418                    | 153,902  | 484,365         |
| At 30 June 2024                | 14,207                              | 255,298                              | 6,438                          | 4,768                      | 59,701                       | 7,537                    | 136,216  | 484,165         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) COMPANY

| COST OR VALUATION         | COMPANY                             |                                      |                                |                            |                              |                          |                 |
|---------------------------|-------------------------------------|--------------------------------------|--------------------------------|----------------------------|------------------------------|--------------------------|-----------------|
|                           | Building on freehold land<br>Rs'000 | Building on leasehold land<br>Rs'000 | Furniture & fittings<br>Rs'000 | Office equipment<br>Rs'000 | Computer equipment<br>Rs'000 | Motor vehicles<br>Rs'000 | Total<br>Rs'000 |
| At 1 July 2023            | 13,425                              | 237,117                              | 59,991                         | 46,724                     | 90,664                       | 10,642                   | 458,563         |
| Additions                 | 945                                 | 30,299                               | 1,574                          | 1,905                      | 33,577                       | 1,390                    | 69,690          |
| Disposals/scrapped        | –                                   | (2,133)                              | (51,627)                       | (35,406)                   | –                            | (1,160)                  | (90,326)        |
| At 30 June 2024           | 14,370                              | 265,283                              | 9,938                          | 13,223                     | 124,241                      | 10,872                   | 437,927         |
| <b>At 1 July 2024</b>     | <b>14,370</b>                       | <b>265,283</b>                       | <b>9,938</b>                   | <b>13,223</b>              | <b>124,241</b>               | <b>10,872</b>            | <b>437,927</b>  |
| <b>Additions</b>          | <b>103</b>                          | <b>17,304</b>                        | <b>1,206</b>                   | <b>1,364</b>               | <b>16,545</b>                | <b>–</b>                 | <b>36,522</b>   |
| <b>Disposals/scrapped</b> | <b>–</b>                            | <b>–</b>                             | <b>–</b>                       | <b>–</b>                   | <b>(1,846)</b>               | <b>–</b>                 | <b>(1,846)</b>  |
| <b>At 30 June 2025</b>    | <b>14,473</b>                       | <b>282,587</b>                       | <b>11,144</b>                  | <b>14,587</b>              | <b>138,940</b>               | <b>10,872</b>            | <b>472,603</b>  |
| <b>DEPRECIATION</b>       |                                     |                                      |                                |                            |                              |                          |                 |
| At 1 July 2023            | –                                   | 17,777                               | 55,164                         | 42,026                     | 52,346                       | 3,079                    | 170,392         |
| Charge for the year       | –                                   | –                                    | –                              | –                          | 3,913                        | –                        | 3,913           |
| - Life fund               | –                                   | –                                    | –                              | –                          | 3,913                        | –                        | 3,913           |
| - Shareholders' funds     | 163                                 | 22,409                               | 1,449                          | 2,064                      | 10,257                       | 1,017                    | 37,359          |
| Disposals/scrapped        | –                                   | (2,133)                              | (51,627)                       | (35,397)                   | –                            | (760)                    | (89,917)        |
| At 30 June 2024           | 163                                 | 38,053                               | 4,986                          | 8,693                      | 66,516                       | 3,336                    | 121,747         |
| <b>At 1 July 2024</b>     | <b>163</b>                          | <b>38,053</b>                        | <b>4,986</b>                   | <b>8,693</b>               | <b>66,516</b>                | <b>3,336</b>             | <b>121,747</b>  |
| Charge for the year       | –                                   | –                                    | –                              | –                          | 4,935                        | –                        | 4,935           |
| - Life fund               | –                                   | –                                    | –                              | –                          | 4,935                        | –                        | 4,935           |
| - Shareholders' funds     | 28                                  | 25,476                               | 1,627                          | 2,072                      | 13,677                       | 1,119                    | 43,999          |
| Disposals/scrapped        | –                                   | –                                    | –                              | –                          | (1,154)                      | –                        | (1,154)         |
| <b>At 30 June 2025</b>    | <b>191</b>                          | <b>63,529</b>                        | <b>6,613</b>                   | <b>10,765</b>              | <b>83,974</b>                | <b>4,455</b>             | <b>169,527</b>  |
| <b>CARRYING AMOUNT</b>    |                                     |                                      |                                |                            |                              |                          |                 |
| At 30 June 2025           | 14,282                              | 219,058                              | 4,531                          | 3,822                      | 54,966                       | 6,417                    | 303,076         |
| At 30 June 2024           | 14,207                              | 227,230                              | 4,952                          | 4,530                      | 57,725                       | 7,536                    | 316,180         |

Out of the depreciation charge of **Rs'000 43,999** (2024: Rs'000 37,359) on the Shareholders' Funds for the year, an amount of **Rs'000 4,481** (2024: Rs'000 3,339) has been recharged as support cost to SICOM General Insurance Ltd.

- (c) The Group's Property, plant and equipment include motor vehicles under operating lease to third parties that are expected to generate a yield of **6.0% to 9.75%** (30 June 2024: 6.0% to 9.75%) on an ongoing basis. The motor vehicles held have committed lessees up to seven years.

At the end of the reporting date, the Group has contracted with lessees the following future income (including buy-back options):

|                                   | Motor vehicles under operating lease |                |
|-----------------------------------|--------------------------------------|----------------|
|                                   | 2025<br>Rs'000                       | 2024<br>Rs'000 |
| Within one year                   | 36,260                               | 27,313         |
| In the second to the seventh year | 148,695                              | 127,037        |
|                                   | <b>184,955</b>                       | <b>154,350</b> |

- (d) The building on leasehold land and freehold building were revalued in June 2022 by Mr N Jeetun MSc, MRICS, PMAPI, MMIS, Chartered Valuation Surveyor. The surplus on revaluation has been credited to property revaluation reserve and adjusted for deferred taxation.

Had the buildings been accounted at historical cost less accumulated depreciation, the carrying amount would have been Rs'000 141,020 (2024 : Rs'000 144,121).

Details of the Group's buildings measured at fair value and information about the fair value hierarchy as at 30 June 2025 and 30 June 2024 are as follows:

|                            | GROUP                     |                           | COMPANY                   |                           |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                            | 2025<br>Rs'000<br>Level 3 | 2024<br>Rs'000<br>Level 3 | 2025<br>Rs'000<br>Level 3 | 2024<br>Rs'000<br>Level 3 |
| Building on leasehold land | 243,750                   | 255,298                   | 219,058                   | 227,230                   |
| Building on freehold land  | 14,282                    | 14,207                    | 14,282                    | 14,207                    |
|                            | <b>258,032</b>            | <b>269,505</b>            | <b>233,340</b>            | <b>241,437</b>            |

Buildings amounting to **Rs 258.0 million** (2024: Rs 269.5 million) for the Group and **Rs 233.3 million** (2024: Rs 241.4 million) for the Company are classified as level 3 in the fair value hierarchy. The movement for the building on leasehold land and freehold building is given in the note 7(a) and 7(b) for the Group and Company respectively.

The fair values of the building on leasehold land and freehold building were derived using the sales comparative method of valuation. The Comparative method is based on comparison of prices paid for similar properties within close vicinity of the site and adjusted to reflect the characteristics of the subject property, at the relevant date. The most significant input into this valuation approach is the market value of similar sites within close vicinity of the subject property. The fair value of the building was determined using the price range of Rs 62,000 per square metre (2024: Rs 50,000 per square metre).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) (Continued)

Description of the valuation technique used and key inputs to the valuation of freehold and leasehold building:

| GROUP               |                               |        |        |   |   |
|---------------------|-------------------------------|--------|--------|---|---|
| Valuation technique | Significant observable inputs | 2025   | 2024   | Relationship of observable inputs to fair value   |   |
|                     |                               | Rs'000 | Rs'000 | 2025  | 2024  |
| Buildings           | Comparative method            | 62     | 50     | An increase/ decrease of 5% in the observable input would lead to an increase/decrease in FV of Rs 15,400,000 | An increase/ decrease of 5% in the observable input would lead to an increase/decrease in FV of Rs 12,290,000 |
|                     |                               |        |        |   |   |

| COMPANY             |                               |        |        |   |   |
|---------------------|-------------------------------|--------|--------|---|---|
| Valuation technique | Significant observable inputs | 2025   | 2024   | Relationship of observable inputs to fair value   |   |
|                     |                               | Rs'000 | Rs'000 | 2025  | 2024  |
| Buildings           | Comparative method            | 62     | 50     | An increase/ decrease of 5% in the observable input would lead to an increase/decrease in FV of Rs 15,400,000 | An increase/ decrease of 5% in the observable input would lead to an increase/decrease in FV of Rs 12,290,000 |
|                     |                               |        |        |   |   |

## 8. INVESTMENT PROPERTIES

|                                     | GROUP          |                | COMPANY        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July                           | 1,577,210      | 1,590,291      | 1,691,548      | 1,702,266      |
| Additions                           | 14,992         | 16,845         | 15,252         | 17,155         |
| Fair value gain (note 29)           | 32,578         | 36,274         | 34,137         | 38,327         |
| Transfer from/(to) other receivable | 66,200         | (66,200)       | 66,200         | (66,200)       |
| At 30 June                          | 1,690,980      | 1,577,210      | 1,807,137      | 1,691,548      |

The transfer from Investment properties of Rs 66,200,000 to other receivable in 2024 was effected because of the change in use where the transferred property, at the stage of work in progress as at 30 June 2024, to meet the definition of Investment Properties did not happen.

In 2025, the same amount of Rs 66,200,000 was transferred back to Investment Properties, as the property is now for rental purposes which demonstrates the change in use.

Rental income generated amounted to **Rs 99,355,118** (2024: Rs 93,213,108) for the Group and **Rs 105,769,800** (2024: Rs 98,736,862) for the Company. The direct operating expenses incurred during the year for the Group and the Company amounted to **Rs 29,608,446** (2024: Rs 25,030,850).

There is no restriction on realisability of investment properties or the remittance of income and proceeds of sale.

Details of the Group's and the Company's land and buildings measured at fair value and information about the fair value hierarchy are as follows:

|                                      | GROUP          |                | COMPANY        |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Level 3</b>                       |                |                |                |                |
| Right-of-use (ROU) of leasehold land | 65,795         | 64,795         | 141,686        | 140,041        |
| Freehold Land                        | 53,600         | 52,000         | 53,600         | 52,000         |
| Buildings                            | 1,571,585      | 1,460,415      | 1,611,851      | 1,499,507      |
|                                      | 1,690,980      | 1,577,210      | 1,807,137      | 1,691,548      |

The fair value of land and buildings has been arrived on the basis of valuations carried during the year by Mr N Jeetun MSc, MRICS, PMAPI, MMIS, Chartered Valuation Surveyor, using the market comparison approach and investment approach. The comparative method is based on comparison of prices paid for similar properties within close vicinity of the site and adjusted to reflect the characteristics of the subject property, at the relevant date. The most significant input into this valuation approach is the market value of similar sites within close vicinity of the subject property. There has been no change in valuation technique during the year for these properties. For the investment property for which the investment approach was used, the net annual rent has been capitalised at an all risk yield of 6.25% to reflect the higher risk of the property investment.

The Group and Company rent office buildings on leasehold land. One of the leases has a remaining lease term of 13 years with an extension period of 60 years. The other lease has a remaining period of 45 years.

The fair value of the buildings was determined using prices in the range of **Rs 58,000** per square metre to **Rs 70,000** per square metre (2024: Rs 58,000 - Rs 64,000); and ranges from **Rs 5,900** to **Rs 98,000** per square metre for land (2024: Rs 5,800 - Rs 95,000) for the Group and Company.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (b) The financial statements of the following subsidiaries have been included in the consolidated financial statements. The subsidiaries have the same reporting date as the holding company.

Details of investments:

| Name of subsidiaries         | Principal activity   | Classes of Shares | Country of incorporation & operation | % Direct Holding 2025 | % Direct Holding 2024 |
|------------------------------|--|-------------------|--------------------------------------|-----------------------|-----------------------|
| SICOM Financial Services Ltd | Depository, investment business, leasing and loan activities   | Ordinary          | Mauritius                            | 99                    | 99                    |
| SICOM Management Limited     | Investment and management                                      | Ordinary          | Mauritius                            | 100                   | 100                   |
| SICOM Global Fund Limited    | Investment in overseas securities                              | Management        | Mauritius                            | 100                   | 100                   |
| SICOM General Insurance Ltd  | General insurance business                                     | Ordinary          | Mauritius                            | 100                   | 100                   |
| SICOM Properties Ltd         | Real estate activities with (rental of) own or leased property | Ordinary          | Mauritius                            | 100                   | 100                   |

The 1% held by non controlling interests in SICOM Financial Services Ltd was determined as not material and consequently no additional disclosures were given in these financial statements.

- (c) Subordinated loan

Pursuant to the Insurance Act 2005 which provides that an insurance company cannot transact both Long Term and General Insurance Businesses, State Insurance Company of Mauritius Ltd incorporated a new entity, SICOM General Insurance Ltd, to transact General Insurance Business only as from 1 July 2010.

All the assets and liabilities of the General Insurance Business were transferred to the new company, SICOM General Insurance Ltd (SGIN), on 1 July 2010. The accumulated reserves were converted into share capital and as subordinated loan, which is unsecured and interest free. The subordinated loan is considered as a quasi-equity investment in SGIN.

- (d) Dividends from subsidiaries

During the year ended 30 June 2025, dividends of **Rs'000 273,370** (2024: Rs'000 243,183) from its equity instruments were recorded in the statements of profit or loss as net investments income - other (Note 27). Dividends received amounted to **Rs'000 243,183** (2024: Rs'000 188,281).

## 11. FINANCIAL INVESTMENTS

- (a) Financial assets at fair value through other comprehensive income (FVOCI)

|                   | GROUP          |                | COMPANY        |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Equity Securities | 16,827         | 27,076         | –              | –              |
| Quoted            | 16,827         | 27,076         | –              | –              |

More information regarding the valuation methodologies are disclosed in note 5.

|                        | GROUP          |                | COMPANY        |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July              | 27,076         | 21,094         | –              | –              |
| Additions              | –              | 6,908          | –              | –              |
| Fair value adjustments | (10,249)       | (926)          | –              | –              |
| At 30 June             | 16,827         | 27,076         | –              | –              |

- (b) Financial assets at fair value through profit or loss

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Investment in mutual funds/collective investment schemes      | 7,785,625      | 7,078,281      | 7,818,100      | 7,169,097      |
| Quoted Investment in Exchange Traded Funds/ Preference shares | 2,741,765      | 2,368,220      | 2,686,600      | 2,322,467      |
| Quoted Debt Securities  | 716,307        | 592,770        | 661,888        | 546,760        |
| Unquoted Debt Securities                                      | 9,937,529      | 9,900,230      | 8,803,767      | 9,015,181      |
|   | 21,181,226     | 19,939,501     | 19,970,355     | 19,053,505     |
| Analysed as:  |                |                |                |                |
| Quoted  | 3,458,072      | 2,960,991      | 3,348,487      | 2,869,228      |
| Unquoted  | 17,723,154     | 16,978,510     | 16,621,868     | 16,184,277     |
|   | 21,181,226     | 19,939,501     | 19,970,355     | 19,053,505     |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 11. FINANCIAL INVESTMENTS (CONTINUED)

### (b) Financial assets at fair value through profit or loss (continued)

Financial assets held at FVTPL comprise of quoted equities, unquoted equities, overseas equities, quoted exchange traded funds, units of mutual funds, SICOM Global Fund and structured products.

The fair value of quoted securities is based on the Stock Exchange and brokers' statement prices at close of business at reporting date. Unquoted securities have also been fair valued as at end of reporting date based on common valuation techniques (price to book value, dividend discount model, Net Asset Value).

The Group has classified its investments in mutual funds, collective investment schemes, exchange traded funds and convertible preference shares, as financial assets at fair value through profit or loss.

Interest received from equity instruments amounted to **Rs'000 612,199** (2024:Rs'000 615,744) for the Group and **Rs'000 534,930** (2024:Rs'000 535,813) for the company.

Dividend received from equity instruments (excluding dividend from subsidiaries) amounted to **Rs'000 175,893** (2024:Rs'000 139,419) for the Group and **Rs'000 155,719** (2024:Rs'000 137,193) for the company.

|                        | GROUP             |                   | COMPANY           |                   |
|------------------------|-------------------|-------------------|-------------------|-------------------|
|                        | 2025<br>Rs'000    | 2024<br>Rs'000    | 2025<br>Rs'000    | 2024<br>Rs'000    |
| At 1 July              | 19,939,501        | 18,439,822        | 19,053,505        | 17,608,819        |
| Additions              | 4,943,915         | 5,196,938         | 3,899,741         | 4,347,561         |
| Disposals              | (4,046,221)       | (4,837,809)       | (3,348,301)       | (4,048,451)       |
| Fair value adjustments | 344,031           | 1,140,550         | 365,410           | 1,145,576         |
| <b>At 30 June</b>      | <b>21,181,226</b> | <b>19,939,501</b> | <b>19,970,355</b> | <b>19,053,505</b> |

### (c) Debt instruments at amortised cost

|                   | GROUP            |                  |
|-------------------|------------------|------------------|
|                   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| Government bonds  | 121,757          | 122,154          |
| Corporate bonds   | 3,643            | 18,087           |
| Term deposits     | 1,071,566        | 1,003,351        |
|                   | <b>1,196,966</b> | <b>1,143,592</b> |
| Analysed between: |                  |                  |
| Current           | 611,056          | 564,490          |
| Non-Current       | 585,910          | 579,102          |
|                   | <b>1,196,966</b> | <b>1,143,592</b> |

The Group (except for SICOM Ltd and SGIN) has classified all of its quoted debt securities as debt instruments at amortised cost on the basis that they are now held to collect cash flows till maturity.

The Group's investments in Government bonds, Corporate bonds and term deposits are classified as financial assets at amortised cost as these are kept under the business model with the objective to hold these instruments in order to collect contractual cash flows and the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Interest received from debt instruments amounted to **Rs'000 45,736** (2024:Rs'000 36,015) for the Group.

### Term deposits

The deposits earn interest at rates varying between **3.85% - 5.55%** (2024: 3.40% - 5.70%) for the Group per annum. The balance due within 1 year include fixed deposits and overseas call deposits.

### Statutory deposits

In compliance with the regulatory requirements of the Insurance Act 2005, included in debt instruments measured at FVTPL are statutory deposits amounting to **Rs 14 million** (2024: Rs 16 million) for the Group and **Rs 6 million** (2024: Rs 8 million) for the Company. These represent investments in Government Securities and earn interest between **6.75% - 7.80%** (2024: 6.75% - 7.80%) per annum and have maturity dates varying between 2028 - 2029 and included in debt securities measured at FVTPL.

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

|                       | GROUP 2025                      |                                 |                                 |                 |
|-----------------------|---------------------------------|---------------------------------|---------------------------------|-----------------|
|                       | Stage 1<br>Individual<br>Rs'000 | Stage 2<br>Individual<br>Rs'000 | Stage 3<br>Individual<br>Rs'000 | Total<br>Rs'000 |
| Performing high grade | 1,198,116                       | –                               | –                               | 1,198,116       |
|                       | GROUP 2024                      |                                 |                                 |                 |
| Performing high grade | 1,144,716                       |                                 |                                 | 1,144,716       |

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

|                                | GROUP 2025                      |                                 |                                 |                  |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------|
|                                | Stage 1<br>Individual<br>Rs'000 | Stage 2<br>Individual<br>Rs'000 | Stage 3<br>Individual<br>Rs'000 | Total<br>Rs'000  |
| At 1 July 2024                 | 1,144,716                       | –                               | –                               | 1,144,716        |
| New assets purchased           | 1,074,114                       | –                               | –                               | 1,074,114        |
| Assets derecognised or matured | (1,010,780)                     | –                               | –                               | (1,010,780)      |
| Amortisation adjustments       | (9,934)                         | –                               | –                               | (9,934)          |
| <b>At 30 June 2025</b>         | <b>1,198,116</b>                | <b>–</b>                        | <b>–</b>                        | <b>1,198,116</b> |

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 11. FINANCIAL INVESTMENTS (CONTINUED)

(c) Debt instruments at amortised cost (continued)

|                                | GROUP 2025   |            |            |              |
|--------------------------------|--------------|------------|------------|--------------|
|                                | Stage 1      | Stage 2    | Stage 3    | Total        |
|                                | Individual   | Individual | Individual |              |
|                                | Rs'000       | Rs'000     | Rs'000     | Rs'000       |
| At 1 July 2024                 | 1,124        | –          | –          | 1,124        |
| New assets purchased           | 1,080        | –          | –          | 1,080        |
| Assets derecognised or matured | (1,102)      | –          | –          | (1,102)      |
| Amortisation adjustments       | 48           | –          | –          | 48           |
| <b>At 30 June 2025</b>         | <b>1,150</b> | <b>–</b>   | <b>–</b>   | <b>1,150</b> |

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

|                                | GROUP 2024       |            |            |                  |
|--------------------------------|------------------|------------|------------|------------------|
|                                | Stage 1          | Stage 2    | Stage 3    | Total            |
|                                | Individual       | Individual | Individual |                  |
|                                | Rs'000           | Rs'000     | Rs'000     | Rs'000           |
| At 1 July 2023                 | 1,140,986        | –          | –          | 1,140,986        |
| New assets purchased           | 1,233,299        | –          | –          | 1,233,299        |
| Assets derecognised or matured | (1,273,740)      | –          | –          | (1,273,740)      |
| Amortisation adjustments       | 44,171           | –          | –          | 44,171           |
| <b>At 30 June 2024</b>         | <b>1,144,716</b> | <b>–</b>   | <b>–</b>   | <b>1,144,716</b> |

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

|                                | GROUP 2024   |            |            |              |
|--------------------------------|--------------|------------|------------|--------------|
|                                | Stage 1      | Stage 2    | Stage 3    | Total        |
|                                | Individual   | Individual | Individual |              |
|                                | Rs'000       | Rs'000     | Rs'000     | Rs'000       |
| At 1 July 2023                 | 1,151        | –          | –          | 1,151        |
| New assets purchased           | 897          | –          | –          | 897          |
| Assets derecognised or matured | (883)        | –          | –          | (883)        |
| Amortisation adjustments       | (41)         | –          | –          | (41)         |
| <b>At 30 June 2024</b>         | <b>1,124</b> | <b>–</b>   | <b>–</b>   | <b>1,124</b> |

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

## 12. LOANS AND ADVANCES

(a) Net investment in finance leases

|  | GROUP     |           |
|--|-----------|-----------|
|  | 2025      | 2024      |
|  | Rs'000    | Rs'000    |
| i. Finance lease receivables                       | 1,245,092 | 1,023,198 |
| Interest receivable                                | 5,305     | 7,702     |
| Allowance for expected credit losses               | (4,782)   | (8,637)   |
| Net investment in finance leases                   | 1,245,615 | 1,022,263 |
| Analysed as:-                                      |           |           |
| - Non-current finance lease receivables            | 932,936   | 755,956   |
| - Current finance lease receivables                | 312,679   | 266,307   |
|  | 1,245,615 | 1,022,263 |
| ii. Gross and net investment in finance leases     |           |           |
| Gross investment in finance leases                 |           |           |
| - within one year                                  | 340,494   | 301,749   |
| - within 1 and 2 years                             | 311,242   | 268,230   |
| - within 2 to 3 years                              | 270,416   | 223,140   |
| - within 3 to 4 years                              | 217,043   | 176,359   |
| - within 4 to 5 years                              | 150,034   | 120,101   |
| - more than five years                             | 120,609   | 101,061   |
|  | 1,409,838 | 1,190,640 |
| Less: Unearned finance income                      | (194,089) | (191,171) |
|  | 1,215,749 | 999,469   |
| Instalments due                                    | 34,648    | 31,431    |
| Less: Allowance for expected credit losses         | (4,782)   | (8,637)   |
| Present value of minimum lease payments receivable | 1,245,615 | 1,022,263 |
| Analysed as:-                                      |           |           |
| - Current finance lease receivables                | 313,880   | 268,557   |
| - Non-current finance lease receivables            | 936,517   | 762,343   |
|  | 1,250,397 | 1,030,900 |
| Less: Allowance for expected credit losses         | (4,782)   | (8,637)   |
|  | 1,245,615 | 1,022,263 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 12. LOANS AND ADVANCES (CONTINUED)

(a) Net investment in finance leases (continued)

|   | GROUP            |                  |
|---|------------------|------------------|
|   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| iii. Credit concentration of risk by industry sectors |                  |                  |
| Manufacturing   | 16,211           | 11,000           |
| Transport   | 94,631           | 89,503           |
| Construction  | 60,445           | 53,877           |
| Personal  | 653,924          | 628,034          |
| Financial and business services                       | 92,005           | 72,584           |
| Education   | 13,895           | 8,903            |
| Tourism   | 39,710           | 24,710           |
| Information, Communication and Technology             | 32,437           | 14,366           |
| Others*   | 242,357          | 119,286          |
|   | <b>1,245,615</b> | <b>1,022,263</b> |

\* Includes wholesale, health, agriculture and security services

|  | GROUP 2025                         |                                |                 |
|--|------------------------------------|--------------------------------|-----------------|
|  | Non performing<br>leases<br>Rs'000 | Performing<br>leases<br>Rs'000 | Total<br>Rs'000 |
| iv. Allowance for expected credit losses |                                    |                                |                 |
| At 1 July                                | 7,680                              | 957                            | 8,637           |
| Release during the year (Note 33)        | (2,982)                            | (873)                          | (3,855)         |
| At 30 June                               | <b>4,698</b>                       | <b>84</b>                      | <b>4,782</b>    |

|                                  | GROUP 2024                         |                                |                 |
|----------------------------------|------------------------------------|--------------------------------|-----------------|
|                                  | Non performing<br>leases<br>Rs'000 | Performing<br>leases<br>Rs'000 | Total<br>Rs'000 |
| At 1 July                        | 6,885                              | 637                            | 7,522           |
| Charge during the year (Note 33) | 795                                | 320                            | 1,115           |
| At 30 June                       | <b>7,680</b>                       | <b>957</b>                     | <b>8,637</b>    |

The allowance for expected credit losses is analysed as follows:

|   | GROUP          |                |
|---|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Manufacturing                             | 4              | 16             |
| Transport                                 | 3,139          | 3,387          |
| Construction                              | 3              | 1,338          |
| Personal                                  | 1,558          | 2,753          |
| Financial and business services           | 3              | 110            |
| Education                                 | 1              | 1              |
| Tourism                                   | 3              | 430            |
| Information, Communication and Technology | 4              | 54             |
| Others*                                   | 67             | 548            |
| Total                                     | <b>4,782</b>   | <b>8,637</b>   |

\* Includes wholesale, health, agriculture and security services

The above allowance for expected credit losses includes impaired finance leases, which are past due at the end of the reporting date

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 12. LOANS AND ADVANCES (CONTINUED)

### (a) Net investment in finance leases (continued)

#### v. Collateral

For finance leases, the ownership of lease assets remain with the Group until full settlement of the lease when it is then transferred to the lessee. Collaterals for impaired leases are reviewed by the Group in line with the regulatory provisions and the Group's internal policies. The fair value of the collaterals are obtained by independent surveyors and factors in the ECL computations for the non-performing book, after taking into account the cost to sell and a haircut based on expected loss on repossession.

As a last resort, the Group would repossess leased assets for impaired exposures, after all other means of remediation and recoveries have been exhausted. Financial assets which are credit impaired and related collaterals held in order to mitigate potential losses are shown below:

|  | Gross exposure<br>Rs'000 | Loss allowance<br>Rs'000 | Fair value of<br>collateral held<br>Rs'000 |
|--|--------------------------|--------------------------|--|
| <b>Credit impaired leases at 30 June</b> |                          |                          |  |
| <b>2025</b>                              | <b>34,649</b>            | <b>4,698</b>             | <b>14,894</b>                              |
| 2024                                     | 77,694                   | 7,680                    | 89,058                                     |

#### vi. Interest rate profile

The interest rate inherent in the finance lease is fixed at the contract date for the entire lease term. The average effective interest rate contracted is **6.73%** (2024: 6.65%) per annum with interest rates ranging from **4.95% to 12.50%** (2024: 4.95% to 12.50%).

Unguaranteed residual values of assets leased under finance leases at end of reporting date are estimated at **Rs.28,389,705** (2024: Rs.20,608,072).

Interest received from investment in finance leases amounted to **Rs'000 75,970** (2024:Rs'000 52,024).

#### vii. Ageing analysis (Provision matrix)

For purpose of the Group's disclosure regarding credit quality, its finance leases have been analysed as follows:

| Rs'000   | GROUP                                   |                                     |                    |   |   |   |
|--|---|-------------------------------------|--------------------|---|---|---|
|  | Net investment in finance leases        |                                     |                    |   |   |   |
|  | Days past due                           |                                     |                    |   |   |   |
| 30 June 2025                                     | Current                                 | 1-90 days                           | 91 -180 days       | 181- 360 days   | >360 days                                 | Total                                     |
| Expected credit loss rate                        | 0.01%                                   | 0.01%                               | 0.77%              | 0.00%   |   |   |
| Estimated total gross carrying amount at default | 915,350                                 | 272,131                             | 24,627             | 12,579  | 25,710                                    | 1,250,397                                 |
| Expected credit losses                           | 58                                      | 26                                  | 191                | -   | 4,507                                     | 4,782                                     |
|  | Neither past due nor impaired<br>Rs'000 | Past due but not impaired<br>Rs'000 | Impaired<br>Rs'000 | Net Investment in finance lease before impairment<br>Rs'000 | Allowance for credit impairment<br>Rs'000 | Net Investment in finance lease<br>Rs'000 |
| <b>30 June 2025</b>                              |   |                                     |                    |   |   |   |
| Leases   | 915,349                                 | 300,399                             | 34,649             | 1,250,397   | (4,782)                                   | 1,245,615                                 |

| Rs'000   | GROUP                                   |                                     |                    |   |   |   |
|--|---|-------------------------------------|--------------------|---|---|---|
|  | Net investment in finance leases        |                                     |                    |   |   |   |
| 30 June 2024                                     | Current                                 | 1-90 days                           | 91 -180 days       | 181- 360 days   | >360 days                                 | Total                                     |
| Expected credit loss rate                        | 0.09%                                   | 0.12%                               | 5.36%              | 6.41%   | 22.01%                                    |   |
| Estimated total gross carrying amount at default | 695,446                                 | 257,760                             | 29,468             | 28,934  | 19,292                                    | 1,030,900                                 |
| Expected credit losses                           | 655                                     | 303                                 | 1,580              | 1,855   | 4,244                                     | 8,637                                     |
|  | Neither past due nor impaired<br>Rs'000 | Past due but not impaired<br>Rs'000 | Impaired<br>Rs'000 | Net Investment in finance lease before impairment<br>Rs'000 | Allowance for credit impairment<br>Rs'000 | Net Investment in finance lease<br>Rs'000 |
| <b>30 June 2024</b>                              |   |                                     |                    |   |   |   |
| Leases   | 695,446                                 | 257,760                             | 77,694             | 1,030,900   | (8,637)                                   | 1,022,263                                 |

### (b) Mortgage and other loans

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Loan and advances                           | 2,301,444      | 2,265,835      | 1,645,774      | 1,550,831      |
| Less: Allowances for expected credit losses | (20,897)       | (19,516)       | (20,043)       | (18,588)       |
|   | 2,280,547      | 2,246,319      | 1,625,731      | 1,532,243      |
| Analysed as:-                               |                |                |                |                |
| Non-current                                 | 2,050,274      | 2,025,543      | 1,564,170      | 1,464,469      |
| Current                                     | 230,273        | 220,776        | 61,561         | 67,774         |
|   | 2,280,547      | 2,246,319      | 1,625,731      | 1,532,243      |

The table below shows the credit quality and maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

|                       | GROUP 2025        |                   |                   |                 |
|-----------------------|-------------------|-------------------|-------------------|-----------------|
|                       | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| <b>Performing</b>     |                   |                   |                   |                 |
| High Grade            | 2,204,792         | -                 | -                 | 2,204,792       |
| Standard Grade        | -                 | 2,549             | -                 | 2,549           |
| <b>Non-performing</b> |                   |                   |                   |                 |
| Individually impaired | -                 | -                 | 94,103            | 94,103          |
|                       | 2,204,792         | 2,549             | 94,103            | 2,301,444       |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 12. LOANS AND ADVANCES (CONTINUED)

(b) Mortgage and other loans (continued)

|                       | COMPANY 2025      |                   |                   |                 |
|-----------------------|-------------------|-------------------|-------------------|-----------------|
|                       | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| <b>Performing</b>     |                   |                   |                   |                 |
| High Grade            | 1,549,122         | –                 | –                 | 1,549,122       |
| Standard Grade        | –                 | 2,549             | –                 | 2,549           |
| <b>Non-performing</b> |                   |                   |                   |                 |
| Individually impaired | –                 | –                 | 94,103            | 94,103          |
|                       | 1,549,122         | 2,549             | 94,103            | 1,645,774       |

|                       | GROUP 2024        |                   |                   |                 |
|-----------------------|-------------------|-------------------|-------------------|-----------------|
|                       | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| <b>Performing</b>     |                   |                   |                   |                 |
| High Grade            | 2,137,089         | –                 | –                 | 2,137,089       |
| Standard Grade        | –                 | 44,712            | –                 | 44,712          |
| <b>Non-performing</b> |                   |                   |                   |                 |
| Individually impaired | –                 | –                 | 84,034            | 84,034          |
|                       | 2,137,089         | 44,712            | 84,034            | 2,265,835       |

|                       | COMPANY 2024      |                   |                   |                 |
|-----------------------|-------------------|-------------------|-------------------|-----------------|
|                       | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| <b>Performing</b>     |                   |                   |                   |                 |
| High Grade            | 1,422,085         | –                 | –                 | 1,422,085       |
| Standard Grade        | –                 | 44,712            | –                 | 44,712          |
| <b>Non-performing</b> |                   |                   |                   |                 |
| Individually impaired | –                 | –                 | 84,034            | 84,034          |
|                       | 1,422,085         | 44,712            | 84,034            | 1,550,831       |

An analysis of changes in the gross carrying amount and the corresponding ECLs allowances in relation to mortgage and other loans is as follows:

|  | GROUP 2025        |                   |                   |                  |
|--|-------------------|-------------------|-------------------|------------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000  |
| At 1 July 2024                                       | 2,137,089         | 44,712            | 84,034            | 2,265,835        |
| New loan granted                                     | 451,013           | –                 | –                 | 451,013          |
| Loans matured or derecognised (excluding write-offs) | (396,761)         | (11,486)          | (7,157)           | (415,404)        |
| Transfer from Stage 1                                | (48,570)          | 34,192            | 14,378            | –                |
| Transfer from Stage 2                                | 51,689            | (75,114)          | 23,425            | –                |
| Transfer from Stage 3                                | 10,332            | 10,245            | (20,577)          | –                |
| <b>At 30 June 2025</b>                               | <b>2,204,792</b>  | <b>2,549</b>      | <b>94,103</b>     | <b>2,301,444</b> |

|  | COMPANY 2025      |                   |                   |                  |
|--|-------------------|-------------------|-------------------|------------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000  |
| At 1 July 2024                                       | 1,422,085         | 44,712            | 84,034            | 1,550,831        |
| New loans granted                                    | 319,667           | –                 | –                 | 319,667          |
| Loans matured or derecognised (excluding write-offs) | (206,081)         | (11,486)          | (7,157)           | (224,724)        |
| Transfer from Stage 1                                | (48,570)          | 34,192            | 14,378            | –                |
| Transfer from Stage 2                                | 51,689            | (75,114)          | 23,425            | –                |
| Transfer from Stage 3                                | 10,332            | 10,245            | (20,577)          | –                |
| <b>At 30 June 2025</b>                               | <b>1,549,122</b>  | <b>2,549</b>      | <b>94,103</b>     | <b>1,645,774</b> |

|  | GROUP 2025        |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| ECL allowance as at 01 July 2024                     | 2,836             | 2,659             | 14,021            | 19,516          |
| New loans granted                                    | 1,302             | –                 | –                 | 1,302           |
| Loans matured or derecognised (excluding write-offs) | (1,216)           | (214)             | (201)             | (1,631)         |
| Transfer from Stage 1                                | (3,157)           | 100               | 3,057             | –               |
| Transfer from Stage 2                                | 27                | (4,704)           | 4,677             | –               |
| Transfer from Stage 3                                | 7                 | 21                | (28)              | –               |
| Remeasurement of loss allowance                      | 2,216             | 2,372             | (2,878)           | 1,710           |
| <b>At 30 June 2025</b>                               | <b>2,015</b>      | <b>234</b>        | <b>18,648</b>     | <b>20,897</b>   |

|  | COMPANY 2025      |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| ECL allowance as at 01 July 2024                     | 1,908             | 2,659             | 14,021            | 18,588          |
| New loans granted                                    | 1,378             | –                 | –                 | 1,378           |
| Loans matured or derecognised (excluding write-offs) | (1,216)           | (214)             | (201)             | (1,631)         |
| Transfer from Stage 1                                | (3,157)           | 100               | 3,057             | –               |
| Transfer from Stage 2                                | 27                | (4,704)           | 4,677             | –               |
| Transfer from Stage 3                                | 7                 | 21                | (28)              | –               |
| Remeasurement of loss allowance                      | 2,214             | 2,372             | (2,878)           | 1,708           |
| <b>At 30 June 2025</b>                               | <b>1,161</b>      | <b>234</b>        | <b>18,648</b>     | <b>20,043</b>   |

|  | GROUP 2024        |                   |                   |                  |
|--|-------------------|-------------------|-------------------|------------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000  |
| At 1 July 2023                                       | 2,015,128         | 37,721            | 81,416            | 2,134,265        |
| New loans granted                                    | 478,081           | –                 | –                 | 478,081          |
| Loans matured or derecognised (excluding write-offs) | (320,450)         | (16,530)          | (9,531)           | (346,511)        |
| Transfer from Stage 1                                | (90,096)          | 71,808            | 18,288            | –                |
| Transfer from Stage 2                                | 44,586            | (55,738)          | 11,152            | –                |
| Transfer from Stage 3                                | 9,840             | 7,451             | (17,291)          | –                |
| <b>At 30 June 2024</b>                               | <b>2,137,089</b>  | <b>44,712</b>     | <b>84,034</b>     | <b>2,265,835</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 12. LOANS AND ADVANCES (CONTINUED)

(b) Mortgage and other loans (continued)

|  | COMPANY 2024      |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| At 1 July 2023                                       | 1,297,098         | 37,721            | 81,416            | 1,416,235       |
| New loans granted                                    | 312,800           | –                 | –                 | 312,800         |
| Loans matured or derecognised (excluding write-offs) | (152,143)         | (16,530)          | (9,531)           | (178,204)       |
| Transfer from Stage 1                                | (90,096)          | 71,808            | 18,288            | –               |
| Transfer from Stage 2                                | 44,586            | (55,738)          | 11,152            | –               |
| Transfer from Stage 3                                | 9,840             | 7,451             | (17,291)          | –               |
| At 30 June 2024                                      | 1,422,085         | 44,712            | 84,034            | 1,550,831       |

|  | GROUP 2024        |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| ECL allowance as at 01 July 2023                     | 4,535             | 2,156             | 11,735            | 18,426          |
| New loans granted                                    | 953               | –                 | –                 | 953             |
| Loans matured or derecognised (excluding write-offs) | (1,020)           | (160)             | (741)             | (1,921)         |
| Transfer from Stage 1                                | (3,977)           | 1,513             | 2,464             | –               |
| Transfer from Stage 2                                | 51                | (2,550)           | 2,499             | –               |
| Transfer from Stage 3                                | 10                | 64                | (74)              | –               |
| Remeasurement of loss allowance                      | 2,284             | 1,636             | (1,862)           | 2,058           |
| At 30 June 2024                                      | 2,836             | 2,659             | 14,021            | 19,516          |

|  | COMPANY 2024      |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| ECL allowance as at 01 July 2023                     | 3,616             | 2,156             | 11,735            | 17,507          |
| New loans granted                                    | 955               | –                 | –                 | 955             |
| Loans matured or derecognised (excluding write-offs) | (1,022)           | (160)             | (741)             | (1,923)         |
| Transfer from Stage 1                                | (3,977)           | 1,513             | 2,464             | –               |
| Transfer from Stage 2                                | 51                | (2,550)           | 2,499             | –               |
| Transfer from Stage 3                                | 10                | 64                | (74)              | –               |
| Remeasurement of loss allowance                      | 2,275             | 1,636             | (1,862)           | 2,049           |
| At 30 June 2024                                      | 1,908             | 2,659             | 14,021            | 18,588          |

The loans are secured and bear interest at rates varying between **2% - 8.70%** (2024: 2% - 14%) per annum and have repayment terms not exceeding thirty five years.

The Group and the Company have granted unsecured loans.

The fair value of the collateral of loans amounting to **Rs'000 3,716,556** (2024: Rs'000 3,757,167) are considered greater than the carrying value of the loans.

Undrawn commitments in respect of mortgage loans for the year under review amounted to **Rs'000 32,663** and ECL allowance amounting to **Rs 71,000** for the Group and Company (Group and Company - 2024 :Rs'000 18,886, ECL allowance:Rs 64,000).

Interest received on loans amounted to **Rs'000 127,621** (2024:Rs'000 120,474) for the Group and **Rs'000 80,173** (2024:Rs'000 78,983) for the company.

## 13. LEASES

(a) Right-of use assets

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

|              | GROUP<br>2025                |                             |                 | GROUP<br>2024                |                             |                 | COMPANY                   |         |
|--------------|------------------------------|-----------------------------|-----------------|------------------------------|-----------------------------|-----------------|---------------------------|---------|
|              | Office<br>building<br>Rs'000 | Leasehold<br>land<br>Rs'000 | Total<br>Rs'000 | Office<br>building<br>Rs'000 | Leasehold<br>land<br>Rs'000 | Total<br>Rs'000 | Office building<br>Rs'000 | 2024    |
| At 01 July   | 7,982                        | 66,836                      | 74,818          | 13,893                       | 68,312                      | 82,205          | 7,982                     | 13,893  |
| Additions    | 12,756                       | 35,916                      | 48,672          | –                            | –                           | –               | 12,756                    | –       |
| Disposals    | (1,709)                      | –                           | (1,709)         | –                            | –                           | –               | (1,709)                   | –       |
| Adjustments  | –                            | –                           | –               | 37                           | –                           | 37              | –                         | 37      |
| Depreciation | (6,242)                      | (3,372)                     | (9,614)         | (5,948)                      | (1,476)                     | (7,424)         | (6,242)                   | (5,948) |
| At 30 June   | 12,787                       | 99,380                      | 112,167         | 7,982                        | 66,836                      | 74,818          | 12,787                    | 7,982   |

Out of the depreciation charge of **Rs'000 6,242** (2024: Rs'000 5,911) on the Shareholders' Funds for the year, an amount of **Rs'000 2,417** (2024: Rs'000 2,860) has been recharged as support cost to SICOM General Insurance Ltd.

(b) Lease liabilities

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

|                       | GROUP          |                | COMPANY        |                |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 01 July            | 62,319         | 67,887         | 62,319         | 67,887         |
| Additions             | 48,672         | –              | 12,756         | –              |
| Disposals             | (1,938)        | –              | (1,938)        | –              |
| Repayment             | (14,958)       | (10,076)       | (10,584)       | (10,076)       |
| Accretion of interest | 8,871          | 4,448          | 4,805          | 4,448          |
| Adjustments           | 4,087          | 60             | 4,082          | 60             |
| At 30 June            | 107,053        | 62,319         | 71,440         | 62,319         |
| Current               | 14,958         | 10,076         | 10,584         | 10,076         |
| Non-current           | 92,095         | 52,243         | 60,856         | 52,243         |
|                       | 107,053        | 62,319         | 71,440         | 62,319         |

Disclosure required by IFRS 16

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 13. LEASES (CONTINUED)

(b) Lease liabilities (continued)

|                          | GROUP          |                | COMPANY        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Maturity analysis</b> |                |                |                |                |
| Year 1                   | 18,402         | 12,850         | 13,596         | 12,850         |
| Year 2                   | 17,412         | 9,838          | 12,385         | 9,838          |
| Year 3                   | 14,880         | 7,777          | 9,833          | 7,777          |
| Year 4                   | 14,837         | 7,487          | 9,768          | 7,487          |
| Year 5                   | 14,184         | 7,568          | 8,888          | 7,568          |
| Onwards                  | 745,780        | 604,121        | 616,019        | 604,121        |
|                          | <b>825,495</b> | <b>649,641</b> | <b>670,489</b> | <b>649,641</b> |

The Group and the Company do not face a significant liquidity risk with regard to their lease liabilities.

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

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

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Maturity analysis</b>                                       |                |                |                |                |
| Depreciation expense of right-of-use assets                    | 9,614          | 7,387          | 6,242          | 5,911          |
| Interest expense on lease liabilities                          | 8,871          | 4,448          | 4,805          | 4,448          |
| <b>Total amount recognised in statements of profit or loss</b> | <b>18,485</b>  | <b>11,835</b>  | <b>11,047</b>  | <b>10,359</b>  |

The total cash outflows for leases (variable payments) amounted to **Rs'000 14,958** (2024: Rs'000 10,076) for the Group and **Rs'000 10,584** for the Company (2024: Rs'000 10,076). Total cash outflows includes principal portion of **Rs'000 6,087** (2024: Rs'000 5,628) for the Group and **Rs'000 5,779** for the Company (2024: Rs'000 5,628) and interest portion amounting to **Rs'000 8,871** (2024: Rs'000 4,448) for the Group and **Rs'000 4,805** for the Company (2024: Rs'000 4,448). Out of the interest expense of **Rs'000 4,805** (2024: Rs'000 4,448) on the Shareholders' Funds for the year, an amount of **Rs'000 257** (2024: Rs'000 334) has been recharged as support cost to SICOM General Insurance Ltd.

### Group and Company as Lessor

The Group and the Company have entered into operating lease agreements for the rental of office spaces. The leases have an average life of between three and ten years. All the lease contracts contain extension and termination options which can be negotiated by the Group and the Company.

Future minimum rentals receivable under the operating leases as at 30 June 2025 and 30 June 2024 are as follows:

|                   | GROUP          |                | COMPANY        |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Within 1 year     | 22,168         | 22,048         | 25,286         | 25,075         |
| Within 2 years    | 22,168         | 22,048         | 25,286         | 25,075         |
| Within 3 years    | 21,542         | 14,727         | 24,661         | 17,754         |
| Within 4 years    | 20,844         | 14,727         | 23,962         | 17,754         |
| Within 5 years    | 20,844         | 13,403         | 23,962         | 16,430         |
| More than 5 years | 7,430          | 13,403         | 10,548         | 16,430         |
|                   | <b>114,996</b> | <b>100,356</b> | <b>133,705</b> | <b>118,518</b> |

Details for future minimum rentals receivables under finance lease is given in note 13(a).

## 14. DEFERRED TAXATION

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position.

|  | GROUP           |                 | COMPANY          |                 |
|--|-----------------|-----------------|------------------|-----------------|
|  | 2025<br>Rs'000  | 2024<br>Rs'000  | 2025<br>Rs'000   | 2024<br>Rs'000  |
| Deferred tax assets                          | 30,516          | 35,867          | –                | –               |
| Deferred tax liabilities                     | (114,282)       | (64,136)        | (112,766)        | (62,620)        |
| <b>Net deferred tax assets/(liabilities)</b> | <b>(83,766)</b> | <b>(28,269)</b> | <b>(112,766)</b> | <b>(62,620)</b> |

At the end of the reporting period, the Group had tax losses of Rs'000 905 (2024: Rs'000 1,053). No deferred tax asset has been recognised in respect of such losses due to unpredictability of future profit streams (2024:nil). The tax losses expire on a rolling basis over 5 years.

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

|  | GROUP           |                 | COMPANY          |                 |
|--|-----------------|-----------------|------------------|-----------------|
|  | 2025<br>Rs'000  | 2024<br>Rs'000  | 2025<br>Rs'000   | 2024<br>Rs'000  |
| At 01 July                             | (28,269)        | (1,568)         | (62,620)         | (41,076)        |
| Charged to profit or loss (note 16(b)) | (45,833)        | (16,007)        | (44,427)         | (13,052)        |
| Credited to other comprehensive income | (9,664)         | (10,694)        | (5,719)          | (8,492)         |
| <b>At 30 June</b>                      | <b>(83,766)</b> | <b>(28,269)</b> | <b>(112,766)</b> | <b>(62,620)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 14. DEFERRED TAXATION (CONTINUED)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

### i. Deferred tax assets

|   | GROUP                            |                             |  |                 |
|---|----------------------------------|-----------------------------|--|-----------------|
|   | Expected credit losses<br>Rs'000 | Lease Liabilities<br>Rs'000 | Retirement benefit obligations<br>Rs'000 | Total<br>Rs'000 |
| At 1 July 2024  | 6,545                            | 950                         | 155,483                                  | 162,978         |
| Credited to profit or loss                                  | 86                               | (627)                       | 3,441                                    | 2,900           |
| Charged to other comprehensive income                       | –                                | –                           | (9,664)                                  | (9,664)         |
|   | 6,631                            | 323                         | 149,260                                  | 156,214         |
| Offset by deferred tax liabilities within same jurisdiction |                                  |                             |  | (125,698)       |
| At 30 June 2025   |                                  |                             |  | 30,516          |
| At 01 July 2023   | 6,920                            | 756                         | 173,918                                  | 181,594         |
| Charged to profit or loss                                   | (375)                            | 194                         | (7,741)                                  | (7,922)         |
| Credited to other comprehensive income                      | –                                | –                           | (10,694)                                 | (10,694)        |
|   | 6,545                            | 950                         | 155,483                                  | 162,978         |
| Offset by deferred tax liabilities within same jurisdiction |                                  |                             |  | (127,111)       |
| At 30 June 2024   |                                  |                             |  | 35,867          |

### ii. Deferred tax liabilities

|  | GROUP                                  |                                    |                               |                                 |                 |
|--|--|------------------------------------|-------------------------------|---------------------------------|-----------------|
|  | Accelerated tax depreciation<br>Rs'000 | Revaluation of buildings<br>Rs'000 | Right of Use Assets<br>Rs'000 | Investment properties<br>Rs'000 | Total<br>Rs'000 |
| At 1 July 2024   | 21,381                                 | 11,621                             | 1,006                         | 157,239                         | 191,247         |
| Charged to profit or loss                              | 366                                    | –                                  | 181                           | 48,186                          | 48,733          |
|  | 21,747                                 | 11,621                             | 1,187                         | 205,425                         | 239,980         |
| Offset by deferred tax assets within same jurisdiction |  |                                    |                               |                                 | (125,698)       |
| At 30 June 2025  |  |                                    |                               |                                 | 114,282         |
| At 1 July 2023   | 18,189                                 | 11,621                             | 910                           | 152,442                         | 183,162         |
| Charged to profit or loss                              | 3,192                                  | –                                  | 96                            | 4,797                           | 8,085           |
|  | 21,381                                 | 11,621                             | 1,006                         | 157,239                         | 191,247         |
| Offset by deferred tax assets within same jurisdiction |  |                                    |                               |                                 | (127,111)       |
| At 30 June 2024  |  |                                    |                               |                                 | 64,136          |

|                              | COMPANY        |                |
|------------------------------|----------------|----------------|
|                              | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Deferred tax assets          | 117,179        | 119,135        |
| Deferred tax liabilities     | (229,945)      | (181,755)      |
| Net deferred tax liabilities | (112,766)      | (62,620)       |

### iii. Deferred tax assets

|  | COMPANY                                  |                             |                                  |                 |
|--|--|-----------------------------|----------------------------------|-----------------|
|  | Retirement benefit obligations<br>Rs'000 | Lease Liabilities<br>Rs'000 | Expected Credit Losses<br>Rs'000 | Total<br>Rs'000 |
| At 1 July 2024                         | 115,026                                  | 951                         | 3,158                            | 119,135         |
| Debited/(credited) to profit or loss   | 3,741                                    | (628)                       | 650                              | 3,763           |
| Debited to other comprehensive income  | (5,719)                                  | –                           | –                                | (5,719)         |
| At 30 June 2025                        | 113,048                                  | 323                         | 3,808                            | 117,179         |
| At 01 July 2023                        | 130,728                                  | 757                         | 3,866                            | 135,351         |
| (Credited) to profit or loss           | (7,210)                                  | 194                         | (708)                            | (7,724)         |
| Credited to other comprehensive income | (8,492)                                  | –                           | –                                | (8,492)         |
| At 30 June 2024                        | 115,026                                  | 951                         | 3,158                            | 119,135         |

### iv. Deferred tax liabilities

|                           | COMPANY                                |                                    |                               |                                 |                 |
|---------------------------|--|------------------------------------|-------------------------------|---------------------------------|-----------------|
|                           | Accelerated tax depreciation<br>Rs'000 | Revaluation of buildings<br>Rs'000 | Right of Use Assets<br>Rs'000 | Investment properties<br>Rs'000 | Total<br>Rs'000 |
| At 1 July 2024            | 13,399                                 | 10,105                             | 1,006                         | 157,245                         | 181,755         |
| Charged to profit or loss | (172)                                  | –                                  | 180                           | 48,182                          | 48,190          |
| At 30 June 2025           | 13,227                                 | 10,105                             | 1,186                         | 205,427                         | 229,945         |
| At 1 July 2023            | 12,964                                 | 10,105                             | 910                           | 152,448                         | 176,427         |
| Charged to profit or loss | 435                                    | –                                  | 96                            | 4,797                           | 5,328           |
| At 30 June 2024           | 13,399                                 | 10,105                             | 1,006                         | 157,245                         | 181,755         |

## 15. OTHER RECEIVABLES

|                   | GROUP          |                | COMPANY        |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Prepayments       | 37,793         | 27,576         | 29,935         | 21,346         |
| Debtors           | 187,625        | 151,735        | 107,525        | 63,522         |
| Deposits          | 13,202         | 80,782         | 10,790         | 77,468         |
| Investment income | 276,495        | 232,347        | 522,111        | 457,246        |
| Other receivables | 1,246          | –              | 1,289          | 9,628          |
|                   | 516,361        | 492,440        | 671,650        | 629,210        |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 16. TAXATION

### Income Tax

Income tax is calculated at the rate of **15%** and Corporate Social Responsibility (CSR) of **2%** and Corporate Climate Responsibility (CCR) Levy of **2%** (2024: Income 15% and CSR 2%) on the profit for the year as adjusted for income tax purposes.

#### (a) Statements of financial position

|                         | GROUP          |                | COMPANY        |                |
|-------------------------|----------------|----------------|----------------|----------------|
|                         | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| - Non Life Business     | 52,751         | 16,148         | 20,444         | 10,591         |
| - Life Business         | (5,242)        | (4,934)        | (5,242)        | (4,934)        |
|                         | 47,509         | 11,214         | 15,202         | 5,657          |
| Analysed as follows:    |                |                |                |                |
| Current tax assets      | -              | (2,183)        | -              | -              |
| Current tax liabilities | 47,509         | 13,397         | 15,202         | 5,657          |
|                         | 47,509         | 11,214         | 15,202         | 5,657          |

#### (b) Statements of profit or loss

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| - Current tax expense                                | 101,112        | 67,192         | 53,245         | 43,232         |
| - Under/(Over) provision in respect of previous year | (9,677)        | (1,775)        | (12,199)       | (1,852)        |
|  | 91,435         | 65,417         | 41,046         | 41,380         |
| - Deferred tax charge (note 14(b))                   | 45,833         | 16,007         | 44,427         | 13,052         |
|  | 137,268        | 81,424         | 85,473         | 54,432         |

#### (c) Tax payable

|                          | GROUP          |                | COMPANY        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July                | 11,214         | 54,655         | 5,657          | 50,579         |
| Tax charge for the year  | 91,435         | 65,417         | 41,046         | 41,380         |
| Tax paid during the year | (55,140)       | (108,858)      | (31,501)       | (86,302)       |
| At 30 June               | 47,509         | 11,214         | 15,202         | 5,657          |

#### (d) Tax Reconciliation

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Profit before taxation                                       | 2,304,757      | 1,204,732      | 2,132,399      | 1,136,928      |
| Applicable Tax Rate (%)                                      | 19.00          | 17.00          | 19.00          | 17.00          |
| Tax effect of:   |                |                |                |                |
| - Exempt income and other relief                             | (6.95)         | (7.56)         | (7.67)         | (12.61)        |
| - Expenses not deductible for tax purposes                   | 2.44           | (2.31)         | 1.99           | 0.60           |
| - Expenses entitled to 200% deduction                        | (0.05)         | (0.02)         | (0.05)         | (0.02)         |
| - Rental of leased assets                                    | (0.05)         | (0.11)         | (0.06)         | (0.12)         |
| - Assets not eligible for capital allowances                 | -              | 0.04           | -              | 0.05           |
| - Over-provision in current tax in respect of previous year  | (0.42)         | 0.03           | (0.57)         | 0.02           |
| - Over-provision in deferred tax in respect of previous year | 0.11           | -              | -              | -              |
| - Life Business  | (7.99)         | (0.12)         | (8.63)         | (0.13)         |
| - CSR Expense  | 0.07           | 0.00           | -              | -              |
| - Tax differential on consolidation                          | (0.20)         | (0.10)         | -              | -              |
| - Utilisation of previously unrecognised tax losses          | -              | (0.10)         | -              | -              |
| Effective Tax Rate   | 5.96           | 6.75           | 4.01           | 4.79           |

## 17. BANK AND CASH BALANCES

|                        | GROUP          |                | COMPANY        |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Bank and cash balances | 733,993        | 782,925        | 400,744        | 407,511        |
|                        | 733,993        | 782,925        | 400,744        | 407,511        |

Bank and Cash balances are maintained with reputable financial institutions. The credit risk has been assessed to be very low and the resulting ECL considered not material.

#### 17.(a) Other financial assets

|                                   | GROUP & COMPANY |                |
|-----------------------------------|-----------------|----------------|
|                                   | 2025<br>Rs'000  | 2024<br>Rs'000 |
| Fixed deposits less than 3 months | 24,102          | -              |
|                                   | 24,102          | -              |

As at 30 June 2025, the Group and Company held fixed deposits with original maturity of less than three months amounting to **Rs'000 24,102** (2024: Nil). These deposits are classified as other financial assets as they are not readily convertible to known amount of cash without restriction (interest rate of 4.35% and maturing on 17 September 2025).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 18. ASSETS HELD FOR SALE

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Foreclosed properties/Repossessed assets</b> |                |                |                |                |
| At 1 July                                       | 6,353          | 12,488         | 6,353          | 6,353          |
| Transfer to Other Receivables                   | -              | (5,526)        | -              | -              |
| Fair value loss recognised in profit or loss    | -              | (609)          | -              | -              |
| <b>At 30 June</b>                               | <b>6,353</b>   | <b>6,353</b>   | <b>6,353</b>   | <b>6,353</b>   |

Foreclosed properties are stated at the lower of their carrying amount and fair value less cost to sell. The foreclosed properties of the Company represent seized assets acquired through auction at the Master's Bar as a result of default by clients. The Company has firm commitment to sell those assets once the required conditions relating to the sale have been completed.

## 19. BORROWINGS

|                          | GROUP & COMPANY |                |
|--------------------------|-----------------|----------------|
|                          | 2025<br>Rs'000  | 2024<br>Rs'000 |
| Repayable by instalments |                 |                |
| - within one year        | 19,967          | 22,200         |
| - in the second year     | 17,021          | 13,355         |
| - in the third year      | 15,360          | 10,409         |
| - in the fourth year     | 9,885           | 8,747          |
| - in the fifth year      | 5,279           | 3,273          |
| <b>Total</b>             | <b>67,512</b>   | <b>57,984</b>  |
| Analysed as follows:     |                 |                |
| Current                  | 19,967          | 22,200         |
| Non-current              | 47,545          | 35,784         |
|                          | <b>67,512</b>   | <b>57,984</b>  |

The loans are unsecured and bear interest at rates varying between **1.85% - 4.50%** (2024: 1.85% - 4.50%) per annum.

The carrying amounts of the Group's and the Company's borrowings are denominated in Mauritian Rupees and are not materially different from the fair value.

For the year ended 30 June 2025, interest paid amounted to **Rs'000 2,202** (2024:Rs'000 1,995) for the Group and Company.

The table below shows the movement of borrowings:-

|                   | GROUP & COMPANY |                |
|-------------------|-----------------|----------------|
|                   | 2025<br>Rs'000  | 2024<br>Rs'000 |
| At 1 July         | 57,984          | 58,950         |
| Additions         | 33,061          | 23,330         |
| Repayments        | (23,533)        | (24,296)       |
| <b>At 30 June</b> | <b>67,512</b>   | <b>57,984</b>  |

## 20. OTHER PAYABLES

|                             | GROUP          |                | COMPANY        |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Other payables and accruals | 280,255        | 280,255        | 186,009        | 161,432        |
|                             | <b>280,255</b> | <b>280,255</b> | <b>186,009</b> | <b>161,432</b> |

Other payables and accruals at Company level comprise mainly of accrued expenses of **Rs'000 98,184** (2024: Rs'000 88,229), creditors of **Rs'000 22,149** (2024: Rs'000 13,773) and other accruals of **Rs'000 65,676** (2024: Rs'000 59,430).

Other payables and accruals at Group level comprise mainly of accrued expenses of **Rs'000 123,147** (2024: Rs'000 115,679), creditors of **Rs'000 55,581** (2024: Rs'000 29,881) and other accruals of **Rs'000 101,527** (2024: Rs'000 94,420).

The above amounts are interest free and unsecured and repayable at their stated maturity dates. The carrying amounts of trade and other payables approximate their fair values.

## 21. DEPOSITS FROM CUSTOMERS

|   | GROUP            |                  |
|---|------------------|------------------|
|   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| Term deposits with remaining terms to maturity: |                  |                  |
| - Within one year                               | 179,073          | 302,475          |
| - In the second to fifth years inclusive        | 2,029,656        | 1,689,460        |
|   | <b>2,208,729</b> | <b>1,991,935</b> |

The time deposits bear interests at rates ranging from **1.40% to 5.25%** (2024: 1.35% to 5.25%) per annum.

For the year ended 30 June 2025, interest paid amounted to **Rs'000 38,825** (2024:Rs'000 29,871) for the Group.

## 22. STATED CAPITAL

|   | GROUP & COMPANY         |                |                |
|---|-------------------------|----------------|----------------|
|   | 2025<br>Rs'000          | 2024<br>Rs'000 | 2024<br>Rs'000 |
| Share capital                           | 25,000                  | 25,000         |                |
| Share premium                           | 45,000                  | 45,000         |                |
|   | <b>70,000</b>           | <b>70,000</b>  |                |
|   |                         | Share capital  | Share premium  |
|   |                         | Rs'000         | Rs'000         |
| <b>At 30 June 2024 and 30 June 2025</b> | <b>Number of shares</b> |                |                |
| The share capital comprises of: -       |                         |                |                |
| 250,000 ordinary shares of Rs 100 each  | <b>250</b>              | 25,000         | 45,000         |

The total authorised number of ordinary shares is 300,000 (2024: 300,000) with a par value of Rs.100 each. All issued shares are fully paid. The Company has one class of ordinary share capital of Rs 100 each which carries a right to vote and a right to dividend.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 23. RESERVES

|                                 | GROUP             |                  | COMPANY          |                  |
|---------------------------------|-------------------|------------------|------------------|------------------|
|                                 | 2025<br>Rs'000    | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| Retained earnings               | 10,699,368        | 8,719,978        | 9,669,742        | 7,807,297        |
| Properties revaluation reserve  | 164,095           | 164,095          | 154,537          | 154,537          |
| Investments revaluation reserve | (272,930)         | (262,681)        | –                | –                |
| Actuarial losses                | (647,426)         | (690,848)        | (500,738)        | (525,125)        |
| Translation reserve             | 198,563           | 238,850          | –                | –                |
| General risk reserve            | 37,781            | 37,781           | –                | –                |
| Statutory reserve               | 72,248            | 68,856           | –                | –                |
|                                 | <b>10,251,699</b> | <b>8,276,031</b> | <b>9,323,541</b> | <b>7,436,709</b> |

### (a) Retained earnings

|   | GROUP             |                  | COMPANY          |                  |
|---|-------------------|------------------|------------------|------------------|
|   | 2025<br>Rs'000    | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| At 1 July   | 8,719,978         | 7,798,782        | 7,807,297        | 6,891,945        |
| Profit attributable to equity holders of the parent | 2,167,263         | 1,123,051        | 2,046,926        | 1,082,496        |
| Payments of dividends                               | (184,481)         | (176,709)        | (184,81)         | (176,709)        |
| Transfer to other reserve                           | (3,392)           | (34,711)         | –                | –                |
| Transfer from restricted reserves                   | –                 | 9,565            | –                | 9,565            |
| <b>At 30 June</b>                                   | <b>10,699,368</b> | <b>8,719,978</b> | <b>9,669,742</b> | <b>7,807,297</b> |

### (b) Properties revaluation reserve

|                   | GROUP          |                | COMPANY        |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July         | 164,095        | 164,095        | 154,537        | 154,537        |
| <b>At 30 June</b> | <b>164,095</b> | <b>164,095</b> | <b>154,537</b> | <b>154,537</b> |

The properties revaluation reserve arises on the revaluation of buildings (Note 7).

### (c) Investments revaluation reserve

|   | GROUP            |                  |
|---|------------------|------------------|
|   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| At 1 July   | (262,681)        | (261,756)        |
| Revaluation gains on equity instruments at Fair value through OCI | (10,249)         | (925)            |
| <b>At 30 June</b>   | <b>(272,930)</b> | <b>(262,681)</b> |

The investments revaluation reserve represents accumulated gains and losses arising on the revaluation of financial assets at FVOCI that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of.

### (d) Actuarial losses

|   | GROUP            |                  | COMPANY          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| At 1 July   | (690,848)        | (743,061)        | (525,125)        | (566,588)        |
| Other comprehensive income attributable to equity holders of the parent, net of tax | 43,422           | 52,213           | 24,387           | 41,463           |
| <b>At 30 June</b>   | <b>(647,426)</b> | <b>(690,848)</b> | <b>(500,738)</b> | <b>(525,125)</b> |

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligations recognised.

### (e) Translation reserve

|                          | GROUP          |                |
|--------------------------|----------------|----------------|
|                          | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July                | 238,850        | 207,476        |
| Movement during the year | (40,287)       | 31,374         |
| <b>At 30 June</b>        | <b>198,563</b> | <b>238,850</b> |

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies (USD) to the Group's presentation currency (MUR) are recognised directly in other comprehensive income and accumulated in the foreign translation reserve.

### (f) General risk reserve

With the enforcement by the *Bank of Mauritius Guideline Classification, Provisioning and Write Off of Credit Exposures* of the Guideline in September 2024, management has performed an assessment of the Company's compliance to the provisioning requirements of the Guideline. As at 30 June 2025, there is no shortfall between IFRS 9 provisions and the prudential provision required by the Guideline (2024: Rs'000 37,781).

### (g) Statutory reserve

Under Section 21 of the Banking Act 2004, any financial institution shall maintain a reserve account and shall, each year, transfer therein a sum equal to not less than 15% of the profit of the year after due provision for income tax until the balance in the Reserve Account is equal to the amount paid as stated capital. An amount of Rs'000 3,392 was transferred in 2025 (2024: Rs'000 3,859).

### (h) Restricted reserves

Restricted reserves have been established to reflect the difference between profits reported under IFRS 17 and the amount permitted to be transferred under the Insurance Act. The Act, which governs insurance companies in Mauritius, limits shareholder entitlement to a maximum of 10% of any surplus distributed from the With Profits Fund. These reserves may also be utilised to offset any future losses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 23. RESERVES (CONTINUED)

| SHAREHOLDERS' FUNDS                                       | GROUP                       |  |                             |                             |  |                             |
|---|-----------------------------|--|-----------------------------|-----------------------------|--|-----------------------------|
|   | 2025                        |  |                             | 2024                        |  |                             |
|   | Before tax amount<br>Rs'000 | Tax (expense benefit)<br>Note 14<br>Rs'000 | Net of tax amount<br>Rs'000 | Before tax amount<br>Rs'000 | Tax (expense benefit)<br>Note 14<br>Rs'000 | Net of tax amount<br>Rs'000 |
| Exchange differences on translation of foreign operations | (40,287)                    | –  | (40,287)                    | 31,374                      | –  | 31,374                      |
| Remeasurement (losses)/gains on defined benefit plan      | 53,082                      | (9,660)                                    | 43,422                      | 62,907                      | (10,682)                                   | 52,225                      |
| Fair value through OCI                                    | (10,249)                    | –  | (10,249)                    | (925)                       | –  | (925)                       |
|   | <b>2,546</b>                | <b>(9,660)</b>                             | <b>(7,114)</b>              | <b>93,356</b>               | <b>(10,682)</b>                            | <b>82,674</b>               |

| SHAREHOLDERS' FUNDS                         | COMPANY                     |  |                             |                             |  |                             |
|---|-----------------------------|--|-----------------------------|-----------------------------|--|-----------------------------|
|   | 2025                        |  |                             | 2024                        |  |                             |
|   | Before tax amount<br>Rs'000 | Tax (expense benefit)<br>Note 14<br>Rs'000 | Net of tax amount<br>Rs'000 | Before tax amount<br>Rs'000 | Tax (expense benefit)<br>Note 14<br>Rs'000 | Net of tax amount<br>Rs'000 |
| Remeasurement gains on defined benefit plan | 30,102                      | (5,715)                                    | 24,387                      | 49,955                      | (8,492)                                    | 41,463                      |
|   | <b>30,102</b>               | <b>(5,715)</b>                             | <b>24,387</b>               | <b>49,955</b>               | <b>(8,492)</b>                             | <b>41,463</b>               |

## 24. EMPLOYEE BENEFIT OBLIGATIONS

### (a) Pension benefits

|  | GROUP  |                | COMPANY        |                |
|--|--|----------------|----------------|----------------|
|  | 2025<br>Rs'000                                   | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
|  | Amount recognised in the statements of financial |                |                |                |
| - Funded pension benefits (note 24b)(ii))    | 680,770  | 791,198        | 495,226        | 576,609        |
| - Unfunded pension benefits (note 24(d)(ii)) | 125,432  | 124,643        | 99,760         | 99,991         |
|  | <b>806,202</b>                                   | <b>915,841</b> | <b>594,986</b> | <b>676,600</b> |

|  | GROUP                             |                | COMPANY        |                |
|--|-----------------------------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000                    | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
|  | Amount charged to profit or loss: |                |                |                |
| - Funded Pension benefits (note 30(a))   | 78,795                            | 88,763         | 58,205         | 66,379         |
| - Unfunded Pension benefits (note 30(a)) | 9,812                             | 10,073         | 7,718          | 7,878          |
|  | <b>88,607</b>                     | <b>98,836</b>  | <b>65,923</b>  | <b>74,257</b>  |

|   | GROUP           |                 | COMPANY         |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 2025<br>Rs'000  | 2024<br>Rs'000  | 2025<br>Rs'000  | 2024<br>Rs'000  |
| Amount charged to other comprehensive income: |                 |                 |                 |                 |
| - Funded Pension benefits (note 24(b)(vii))   | (48,866)        | (60,791)        | (26,621)        | (49,736)        |
| - Unfunded Pension benefits (note 24(d)(vi))  | (4,216)         | (2,116)         | (3,481)         | (219)           |
|   | <b>(53,082)</b> | <b>(62,907)</b> | <b>(30,102)</b> | <b>(49,955)</b> |

### (b) Funded Pension benefits

- i. The Group operates a defined benefit pension. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final year leading up to retirement.

The assets of the fund are held independently and administered by State Insurance Company of Mauritius Ltd.

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

- ii. Amounts recognised in the statements of financial position

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Present value of funded obligations                 | 1,996,761      | 1,964,901      | 1,500,083      | 1,474,059      |
| Fair value of plan assets                           | (1,315,991)    | (1,173,703)    | (1,004,857)    | (897,450)      |
| Liabilities in the statements of financial position | <b>680,770</b> | <b>791,198</b> | <b>495,226</b> | <b>576,609</b> |

- iii. The movements in the statements of financial position are as follows:

|                                   | GROUP          |                | COMPANY        |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July                         | 791,198        | 903,867        | 576,609        | 673,157        |
| Profit or loss charge             | 78,795         | 88,763         | 58,205         | 66,379         |
| Other comprehensive income charge | (48,866)       | (60,791)       | (26,621)       | (49,736)       |
| Contributions paid                | (140,357)      | (140,641)      | (112,967)      | (113,191)      |
| <b>At 30 June</b>                 | <b>680,770</b> | <b>791,198</b> | <b>495,226</b> | <b>576,609</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 24. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(b) Funded Pension benefits (continued)

iv. The movement in the defined benefit obligations over the year is as follows:

|   | GROUP            |                  | COMPANY          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000   |
| At 1 July   | 1,964,901        | 1,905,218        | 1,474,059        | 1,426,947        |
| Current service cost  | 35,718           | 36,238           | 27,052           | 27,484           |
| Interest expense  | 111,862          | 114,974          | 83,978           | 86,322           |
| Employee contributions                                      | 13,776           | 13,891           | 10,218           | 10,310           |
| Liability experience loss                                   | 8,969            | (207)            | 6,761            | (3,415)          |
| Liability Loss/(gain) due to change in financial assumption | (71,814)         | (29,599)         | (53,819)         | (23,412)         |
| Benefits paid   | (64,210)         | (72,993)         | (46,349)         | (48,282)         |
| Administrative Expenses                                     | (982)            | (1,179)          | (733)            | (824)            |
| Risk Premiums   | (1,459)          | (1,442)          | (1,084)          | (1,071)          |
| <b>At 30 June</b>   | <b>1,996,761</b> | <b>1,964,901</b> | <b>1,500,083</b> | <b>1,474,059</b> |

v. The movement in the fair value of plan assets over the year is as follows:

|   | GROUP            |                  | COMPANY          |                |
|---|------------------|------------------|------------------|----------------|
|   | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000 |
| At 1 July                                       | 1,173,703        | 1,001,351        | 897,450          | 753,789        |
| Interest income                                 | 68,785           | 62,449           | 52,825           | 47,427         |
| Employer contributions                          | 140,357          | 140,641          | 112,967          | 113,192        |
| Employee contributions                          | 13,776           | 13,891           | 10,218           | 10,310         |
| Benefits paid                                   | (64,210)         | (72,993)         | (46,349)         | (48,282)       |
| Return on plan assets excluding interest income | (13,979)         | 30,985           | (20,437)         | 22,909         |
| Administrative Expenses                         | (982)            | (1,179)          | (733)            | (824)          |
| Risk Premiums                                   | (1,459)          | (1,442)          | (1,084)          | (1,071)        |
| <b>At 30 June</b>                               | <b>1,315,991</b> | <b>1,173,703</b> | <b>1,004,857</b> | <b>897,450</b> |

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

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Current service cost                            | 35,718         | 36,238         | 27,052         | 27,484         |
| Net interest on net defined benefit liabilities | 43,077         | 52,525         | 31,153         | 38,895         |
| <b>Total cost (note 30a)</b>                    | <b>78,795</b>  | <b>88,763</b>  | <b>58,205</b>  | <b>66,379</b>  |
| Allocation of support costs:                    |                |                |                |                |
| Life Fund                                       | 13,698         | 16,122         | 13,698         | 16,122         |
| SICOM General Insurance Ltd                     | 17,958         | 19,635         | –              | –              |
| Shareholders' Fund                              | 47,139         | 53,006         | 44,507         | 50,257         |
|   | <b>78,795</b>  | <b>88,763</b>  | <b>58,205</b>  | <b>66,379</b>  |
| <b>Actual return in plan assets</b>             | <b>54,806</b>  | <b>93,434</b>  | <b>32,388</b>  | <b>70,336</b>  |

vii. The amounts recognised in other comprehensive income are as follows:

|  | GROUP           |                 | COMPANY         |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 2025<br>Rs'000  | 2024<br>Rs'000  | 2025<br>Rs'000  | 2024<br>Rs'000  |
| Below interest income/Return on plan assets(above)           | 13,979          | (30,985)        | 20,437          | (22,909)        |
| Liability experience loss                                    | 8,969           | (207)           | 6,761           | (3,415)         |
| Liability Loss/(gain) due to change in financial assumptions | (71,814)        | (29,599)        | (53,819)        | (23,412)        |
| <b>Actual return in plan assets</b>                          | <b>(48,866)</b> | <b>(60,791)</b> | <b>(26,621)</b> | <b>(49,736)</b> |

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

|                         | GROUP            |                  | COMPANY          |                |
|-------------------------|------------------|------------------|------------------|----------------|
|                         | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000   | 2024<br>Rs'000 |
| Equity - local quoted   | 201,610          | 144,835          | 153,944          | 110,745        |
| Equity - local unquoted | 13,950           | 14,906           | 10,651           | 11,398         |
| Debt - local quoted     | 12,107           | 13,145           | 9,245            | 10,051         |
| Debt - local unquoted   | 573,509          | 579,692          | 437,917          | 443,251        |
| Investment funds        | 432,961          | 361,853          | 330,598          | 276,684        |
| Property                | 6,712            | 5,986            | 5,125            | 4,577          |
| Cash and others         | 34,216           | 35,563           | 26,126           | 27,193         |
| Loans and advances      | 40,926           | 17,723           | 31,251           | 13,551         |
|                         | <b>1,315,991</b> | <b>1,173,703</b> | <b>1,004,857</b> | <b>897,450</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 24. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

### (b) Funded Pension benefits (continued)

#### ix. Principal actuarial assumptions at end of the reporting date:

|                              | GROUP |       | COMPANY |       |
|------------------------------|-------|-------|---------|-------|
|                              | 2025  | 2024  | 2025    | 2024  |
| Discount rate                | 6.10% | 5.65% | 6.10%   | 5.65% |
| Future salary increases      | 4.0%  | 3.5%  | 4.0%    | 3.5%  |
| Future pension increases     | 3.5%  | 3.5%  | 3.5%    | 3.5%  |
| Inflation rate               | 3.5%  | 3.5%  | 3.5%    | 3.5%  |
| Average Retirement Age (ARA) | 65    | 65    | 65      | 65    |
| Average life expectancy for: |       |       |         |       |
| - Male at ARA                | 16.0  | 16.0  | 16.0    | 16.0  |
| - Female at ARA              | 19.1  | 19.1  | 19.1    | 19.1  |

#### x. Sensitivity analysis on defined benefit obligations at end of the reporting date:

|                                | GROUP          |                | COMPANY        |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Discount rate (1% movement)    |                |                |                |                |
| Increase                       | 240,556        | 250,809        | 166,846        | 175,656        |
| Decrease                       | 278,410        | 295,196        | 190,822        | 205,368        |
| Salary increase (1% movement)  |                |                |                |                |
| Increase                       | 121,596        | 133,487        | 90,498         | 99,653         |
| Decrease                       | 113,662        | 121,691        | 85,069         | 90,903         |
| Pension increase (1% movement) |                |                |                |                |
| Increase                       | 210,511        | 216,469        | 155,160        | 161,867        |
| Decrease                       | 190,277        | 192,566        | 140,822        | 143,979        |

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

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

#### xi. The risks to the Company in respect of the benefits are summarised and described below:

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

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

xiii. Expected contributions to post employment benefit plan for the year ending 30 June 2026 are Rs 160 million for the Group and Rs 114 million for the Company.

xiv. The weighted average duration of the defined benefit obligation is 16 years at the end of the reporting period.

### (c) Unfunded Defined Benefit Plan

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Amount recognised in the statements of financial position as non-current liabilities: |                |                |                |                |
| - Pension benefits (note 24(d)(ii))   | 125,432        | 124,643        | 99,760         | 99,991         |
| Amount charged to profit or loss:   |                |                |                |                |
| - Pension benefits (note 30(a))   | 9,812          | 10,073         | 7,718          | 7,878          |
| Amount charged to other comprehensive income:   |                |                |                |                |
| - Pension benefits (note 24(d)(ii))   | (4,216)        | (2,116)        | (3,481)        | (219)          |

### (d) Unfunded Pension benefits

#### i. Amounts recognised in the statements of financial position

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Present value of unfunded obligations               | 125,432        | 124,643        | 99,760         | 99,991         |
| Liabilities in the statements of financial position | 125,432        | 124,643        | 99,760         | 99,991         |

#### ii. The movements in the statements of financial position are as follows:

|                                   | GROUP          |                | COMPANY        |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July                         | 124,643        | 120,420        | 99,991         | 95,806         |
| Profit or loss charge             | 9,812          | 10,073         | 7,718          | 7,878          |
| Other comprehensive income charge | (4,216)        | (2,116)        | (3,481)        | (219)          |
| Contributions paid                | (4,807)        | (3,734)        | (4,468)        | (3,474)        |
| At 30 June                        | 125,432        | 124,643        | 99,760         | 99,991         |

iii. Principal actuarial assumptions at end of the reporting date for the Group & Company are: Discount rate 6.1% (2024: 5.65%), Inflation rate 3.5% (2024: 3.5%), salary increase rate 4.0% (2024: 3.50%), pension increase rate 3.5% (2024: 3.5%)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 24. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(d) Unfunded Pension benefits (Continued)

iv. The movement in the defined benefit obligations over the year is as follows:

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July   | 124,643        | 120,420        | 99,991         | 95,806         |
| Current service cost                                  | 2,752          | 2,793          | 2,078          | 2,108          |
| Interest expense                                      | 7,060          | 7,280          | 5,640          | 5,770          |
| Liability experience gain                             | (181)          | 665            | (327)          | 2,135          |
| Liability Loss due to change in financial assumptions | (4,035)        | (2,781)        | (3,154)        | (2,354)        |
| Benefits paid   | (4,807)        | (3,734)        | (4,468)        | (3,474)        |
| <b>At 30 June</b>                                     | <b>125,432</b> | <b>124,643</b> | <b>99,760</b>  | <b>99,991</b>  |

v. The amounts recognised in profit or loss are as follows:

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Current service cost                            | 2,752          | 2,793          | 2,078          | 2,108          |
| Net interest on net defined benefit liabilities | 7,060          | 7,280          | 5,640          | 5,770          |
| <b>Total cost (note 30(a))</b>                  | <b>9,812</b>   | <b>10,073</b>  | <b>7,718</b>   | <b>7,878</b>   |
| Allocation of support costs:                    |                |                |                |                |
| Life Fund                                       | 1,723          | 1,819          | 1,723          | 1,819          |
| SICOM General Insurance Ltd                     | 1,840          | 1,943          | –              | –              |
| Shareholders' Funds                             | 6,249          | 6,311          | 5,995          | 6,059          |
|   | <b>9,812</b>   | <b>10,073</b>  | <b>7,718</b>   | <b>7,878</b>   |

vi. The amounts recognised in other comprehensive income are as follows:

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Liability experience gain                             | (181)          | 665            | (327)          | 2,135          |
| Liability Loss due to change in financial assumptions | (4,035)        | (2,781)        | (3,154)        | (2,354)        |
|   | <b>(4,216)</b> | <b>(2,116)</b> | <b>(3,481)</b> | <b>(219)</b>   |

vii. Sensitivity analysis on defined benefit obligations at end of the reporting date:

|                                | GROUP          |                | COMPANY        |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Discount rate (1% movement)    |                |                |                |                |
| Increase                       | 18,324         | 18,826         | 14,451         | 15,056         |
| Decrease                       | 21,822         | 22,579         | 17,185         | 18,043         |
| Salary increase (1% movement)  |                |                |                |                |
| Increase                       | 10,831         | 11,605         | 8,523          | 9,229          |
| Decrease                       | 9,917          | 10,546         | 7,832          | 8,419          |
| Pension increase (1% movement) |                |                |                |                |
| Increase                       | 12,090         | 12,189         | 9,585          | 9,792          |
| Decrease                       | 11,002         | 11,057         | 8,733          | 8,892          |

(e) Funded Defined Contribution Plan

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| National pension scheme contributions charges for employees on a contractual basis                  | –              | –              | –              | –              |
| Contributions to defined contribution plan administered by State Insurance Company of Mauritius Ltd | 10,714         | 8,226          | 7,703          | 5,755          |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(a) Composition of the Statement of Financial Position

i. Insurance contracts

|   | GROUP            |                       |                  |                       |
|---|------------------|-----------------------|------------------|-----------------------|
|   | 2025             |                       | 2024             |                       |
|   | Assets<br>Rs'000 | Liabilities<br>Rs'000 | Assets<br>Rs'000 | Liabilities<br>Rs'000 |
| Non Participating contracts                 | 158,104          | 5,530,574             | 52,986           | 6,313,105             |
| Direct Participating contracts - Linked     | –                | 1,482,165             | –                | 1,465,875             |
| Direct Participating contracts - Non Linked | –                | 7,093,326             | –                | 6,973,147             |
| Investment contract with DPF                | –                | 603,524               | –                | 454,274               |
| Non Participating contracts - PAA           | 14,844           | 1,241,056             | 16,503           | 1,098,975             |
|   | 172,948          | 15,950,645            | 69,489           | 16,305,376            |

|             | GROUP            |                       |                  |                       |
|-------------|------------------|-----------------------|------------------|-----------------------|
|             | 2025             |                       | 2024             |                       |
|             | Assets<br>Rs'000 | Liabilities<br>Rs'000 | Assets<br>Rs'000 | Liabilities<br>Rs'000 |
| Non-current | 158,104          | 13,612,516            | 30,668           | 14,194,996            |
| Current     | 14,844           | 2,338,129             | 38,821           | 2,110,380             |
|             | 172,948          | 15,950,645            | 69,489           | 16,305,376            |

|   | COMPANY          |                       |                  |                       |
|---|------------------|-----------------------|------------------|-----------------------|
|   | 2025             |                       | 2024             |                       |
|   | Assets<br>Rs'000 | Liabilities<br>Rs'000 | Assets<br>Rs'000 | Liabilities<br>Rs'000 |
| Non Participating contracts                 | 158,104          | 5,530,574             | 52,986           | 6,313,105             |
| Direct Participating contracts - Linked     | –                | 1,482,165             | –                | 1,465,875             |
| Direct Participating contracts - Non Linked | –                | 7,093,326             | –                | 6,973,147             |
| Investment contract with DPF                | –                | 603,524               | –                | 454,274               |
| Non Participating contracts - PAA           | –                | 38,656                | –                | 51,796                |
|   | 158,104          | 14,748,245            | 52,986           | 15,258,197            |

|             | COMPANY          |                       |                  |                       |
|-------------|------------------|-----------------------|------------------|-----------------------|
|             | 2025             |                       | 2024             |                       |
|             | Assets<br>Rs'000 | Liabilities<br>Rs'000 | Assets<br>Rs'000 | Liabilities<br>Rs'000 |
| Non-current | 158,104          | 13,612,516            | 30,668           | 14,194,996            |
| Current     | –                | 1,135,729             | 22,318           | 1,063,201             |
|             | 158,104          | 14,748,245            | 52,986           | 15,258,197            |

ii. Reinsurance contracts

|                                  | GROUP             |                       |                 |                   |                       |                 |
|----------------------------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
|                                  | 2025              |                       |                 | 2024              |                       |                 |
|                                  | Current<br>Rs'000 | Non-current<br>Rs'000 | Total<br>Rs'000 | Current<br>Rs'000 | Non-current<br>Rs'000 | Total<br>Rs'000 |
| Reinsurance contract assets      | 598,844           | –                     | 598,844         | 557,143           | 1,227                 | 558,370         |
| Reinsurance contract liabilities | 173,769           | 299,688               | 473,457         | 129,894           | 422,857               | 552,751         |

|                                  | COMPANY           |                       |                 |                   |                       |                 |
|----------------------------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
|                                  | 2025              |                       |                 | 2024              |                       |                 |
|                                  | Current<br>Rs'000 | Non-current<br>Rs'000 | Total<br>Rs'000 | Current<br>Rs'000 | Non-current<br>Rs'000 | Total<br>Rs'000 |
| Reinsurance contract assets      | 4,549             | –                     | 4,549           | 201               | 1,227                 | 1,428           |
| Reinsurance contract liabilities | 125,113           | 299,688               | 424,801         | 107,783           | 422,858               | 530,641         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(b) Non Participating contracts

|   | GROUP & COMPANY                    |                          |               |                  |
|---|------------------------------------|--------------------------|---------------|------------------|
|   | 2025                               |                          |               |                  |
|   | LFRC                               |                          | LIC           | Total            |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | Rs'000        | Rs'000           |
| Opening insurance contract liabilities  | 6,209,766                          | 31,675                   | 71,664        | 6,313,105        |
| Opening insurance contract assets   | (65,129)                           | 4,112                    | 8,031         | (52,986)         |
| Net balance as at 1 July 2024   | 6,144,637                          | 35,787                   | 79,695        | 6,260,119        |
| <b>Insurance revenue</b>  | <b>(695,932)</b>                   | <b>–</b>                 | <b>–</b>      | <b>(695,932)</b> |
| <b>Insurance service expenses</b>   |                                    |                          |               |                  |
| Incurring claims and other directly attributable expenses                           | –                                  | (12,582)                 | 301,941       | 289,359          |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | (14,843)      | (14,843)         |
| Losses on onerous contracts and reversals of those losses                           | –                                  | 32,302                   | –             | 32,302           |
| Insurance acquisition cash flows amortisation                                       | 12,628                             | –                        | –             | 12,628           |
| Total insurance service expenses  | 12,628                             | 19,720                   | 287,098       | 319,446          |
| Insurance service result  | (683,304)                          | 19,720                   | 287,098       | (376,486)        |
| Finance (income)/expenses from insurance contracts issued                           | (681,253)                          | (2,976)                  | (1,966)       | (686,195)        |
| Total amounts recognised in comprehensive income                                    | (1,364,557)                        | 16,744                   | 285,132       | (1,062,681)      |
| Investment components   | (776,943)                          | –                        | 776,943       | –                |
| <b>Cash Flows</b>   |                                    |                          |               |                  |
| Premiums received   | 1,259,199                          | –                        | –             | 1,259,199        |
| Claims and other directly attributable expenses paid including investment component | (9,295)                            | –                        | (1,044,291)   | (1,053,586)      |
| Insurance acquisition cash flows paid   | (30,581)                           | –                        | –             | (30,581)         |
| Total cash flows  | 1,219,323                          | –                        | (1,044,291)   | 175,032          |
| Net balance as at 30 June 2025  | 5,222,460                          | 52,531                   | 97,479        | 5,372,470        |
| Closing insurance contract liabilities  | 5,387,925                          | 49,409                   | 93,240        | 5,530,574        |
| Closing insurance contract assets   | (165,465)                          | 3,122                    | 4,239         | (158,104)        |
| <b>Net balance as at 30 June 2025</b>   | <b>5,222,460</b>                   | <b>52,531</b>            | <b>97,479</b> | <b>5,372,470</b> |

|   | GROUP & COMPANY                    |                          |               |                  |
|---|------------------------------------|--------------------------|---------------|------------------|
|   | 2024                               |                          |               |                  |
|   | LFRC                               |                          | LIC           | Total            |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | Rs'000        | Rs'000           |
| Opening insurance contract liabilities  | 5,820,525                          | 122,151                  | 63,831        | 6,006,507        |
| Opening insurance contract assets   | (110,356)                          | 144                      | 1,919         | (108,293)        |
| Net balance as at 1 July 2023   | 5,710,169                          | 122,295                  | 65,750        | 5,898,214        |
| <b>Insurance revenue</b>  | <b>(606,355)</b>                   | <b>–</b>                 | <b>–</b>      | <b>(606,355)</b> |
| <b>Insurance service expenses</b>   |                                    |                          |               |                  |
| Incurring claims and other directly attributable expenses                           | –                                  | (36,272)                 | 259,360       | 223,088          |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | (326)         | (326)            |
| Losses on onerous contracts and reversals of those losses                           | –                                  | (58,934)                 | –             | (58,934)         |
| Insurance acquisition cash flows amortisation                                       | 10,289                             | –                        | –             | 10,289           |
| Total insurance service expenses  | 10,289                             | (95,206)                 | 259,034       | 174,117          |
| Insurance service result  | (596,066)                          | (95,206)                 | 259,034       | (432,238)        |
| Finance (income)/expenses from insurance contracts issued                           | 585,327                            | 8,698                    | 6,706         | 600,731          |
| Total amounts recognised in comprehensive income                                    | (10,739)                           | (86,508)                 | 265,740       | 168,493          |
| Investment components   | (733,812)                          | –                        | 733,812       | –                |
| <b>Cash Flows</b>   |                                    |                          |               |                  |
| Premiums received   | 1,230,628                          | –                        | –             | 1,230,628        |
| Claims and other directly attributable expenses paid including investment component | (17,156)                           | –                        | (985,607)     | (1,002,763)      |
| Insurance acquisition cash flows paid   | (34,453)                           | –                        | –             | (34,453)         |
| Total cash flows  | 1,179,019                          | –                        | (985,607)     | 193,412          |
| Net balance as at 30 June 2024  | 6,144,637                          | 35,787                   | 79,695        | 6,260,119        |
| Closing insurance contract liabilities  | 6,209,766                          | 31,675                   | 71,664        | 6,313,105        |
| Closing insurance contract assets   | (65,129)                           | 4,112                    | 8,031         | (52,986)         |
| <b>Net balance as at 30 June 2024</b>   | <b>6,144,637</b>                   | <b>35,787</b>            | <b>79,695</b> | <b>6,260,119</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(b) Non Participating contracts

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |           |
|---|------------------------------------|--|--|-----------------|-----------|
|   | 2025                               |  |  |                 |           |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |           |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total     |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |           |
| Opening insurance contract liabilities  | 2,762,797                          | 675,145                                | 2,560,999  | 314,164         | 6,313,105 |
| Opening insurance contract assets   | (2,445,186)                        | 245,922                                | 1,813,989  | 332,289         | (52,986)  |
| Net balance as at 1 July 2024   | 317,611                            | 921,067                                | 4,374,988  | 646,453         | 6,260,119 |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |           |
| CSM recognised for the services provided  | –                                  | –                                      | (304,457)  | (57,243)        | (361,700) |
| Change in the risk adjustment for non-financial risk for the risk expired                           | –                                  | (28,517)                               | –  | –               | (28,517)  |
| Experience adjustments - relating to insurance service expenses                                     | (3,246)                            | (481)                                  | –  | –               | (3,727)   |
|   | (3,246)                            | (28,998)                               | (304,457)  | (57,243)        | (393,944) |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |           |
| Changes in estimates that adjust the CSM  | 54,945                             | 149,581                                | (350,831)  | 146,305         | –         |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | 3,169                              | (24)                                   | –  | –               | 3,145     |
| Contracts initially recognised in the period  | (275,980)                          | 43,499                                 | –  | 261,637         | 29,156    |
| Experience adjustments - arising from premiums received in the period that relate to future service | (25,051)                           | 211                                    | (43,477)   | 68,317          | –         |
|   | (242,917)                          | 193,267                                | (394,308)  | 476,259         | 32,301    |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                  |                  |
|---|------------------------------------|--|--|------------------|------------------|
|   | 2025                               |  |  |                  |                  |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                  |                  |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts  | Total            |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000           |                  |
| <b>Changes that relate to past services</b>   |                                    |  |  |                  |                  |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | (14,843)                           | –                                      | –  | –                | (14,843)         |
|   | (14,843)                           | –                                      | –  | –                | (14,843)         |
| Insurance service result  | (261,006)                          | 164,269                                | (698,765)  | 419,016          | (376,486)        |
| Finance (income)/expenses from insurance contracts issued                           | (788,843)                          | (85,798)                               | 152,475  | 35,971           | (686,195)        |
| Total amounts recognised in comprehensive income                                    | (1,049,849)                        | 78,471                                 | (546,290)  | 454,987          | (1,062,681)      |
| <b>Cash Flows</b>   |                                    |  |  |                  |                  |
| Premiums received   | 1,259,199                          | –                                      | –  | –                | 1,259,199        |
| Claims and other directly attributable expenses paid including investment component | (1,053,586)                        | –                                      | –  | –                | (1,053,586)      |
| Insurance acquisition cash flows paid   | (30,581)                           | –                                      | –  | –                | (30,581)         |
| Total cash flows  | 175,032                            | –                                      | –  | –                | 175,032          |
| Net balance as at 30 June 2025  | (557,206)                          | 999,538                                | 3,828,698  | 1,101,440        | 5,372,470        |
| Closing insurance contract liabilities  | 2,237,788                          | 685,914                                | 2,089,561  | 517,311          | 5,530,574        |
| Closing insurance contract assets   | (2,794,994)                        | 313,624                                | 1,739,137  | 584,129          | (158,104)        |
| <b>Net balance as at 30 June 2025</b>   | <b>(557,206)</b>                   | <b>999,538</b>                         | <b>3,828,698</b>   | <b>1,101,440</b> | <b>5,372,470</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(b) Non Participating contracts

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |           |
|---|------------------------------------|--|--|-----------------|-----------|
|   | 2024                               |  |  |                 |           |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |           |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total     |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |           |
| Opening insurance contract liabilities  | 3,631,389                          | 935,308                                | 1,407,227  | 32,583          | 6,006,507 |
| Opening insurance contract assets   | (1,777,957)                        | 414,092                                | 1,190,992  | 64,580          | (108,293) |
| Net balance as at 1 July 2024   | 1,853,432                          | 1,349,400                              | 2,598,219  | 97,163          | 5,898,214 |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |           |
| CSM recognised for the services provided  | –                                  | –                                      | (295,327)  | (24,389)        | (319,716) |
| Change in the risk adjustment for non-financial risk for the risk expired                           | –                                  | 7,649                                  | –  | –               | 7,649     |
| Insurance revenue from contracts measured under the PAA   | –                                  | –                                      | –  | –               | –         |
| Experience adjustments - relating to insurance service expenses                                     | (59,981)                           | (928)                                  | –  | –               | (60,909)  |
|   | (59,981)                           | 6,721                                  | (295,327)  | (24,389)        | (372,976) |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |           |
| Changes in estimates that adjust the CSM  | (1,747,733)                        | (495,971)                              | 2,044,578  | 199,125         | (1)       |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | (69,535)                           | (7,714)                                | –  | –               | (77,249)  |
| Contracts initially recognised in the period  | (330,929)                          | 69,124                                 | –  | 280,119         | 18,314    |
| Experience adjustments - arising from premiums received in the period that relate to future service | (31,953)                           | (493)                                  | (50,868)   | 83,314          | –         |
|   | (2,180,150)                        | (435,054)                              | 1,993,710  | 562,558         | (58,936)  |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                 |             |
|---|------------------------------------|--|--|-----------------|-------------|
|   | 2024                               |  |  |                 |             |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |             |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total       |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |             |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |             |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | (326)                              | –                                      | –  | –               | (326)       |
|   | (326)                              | –                                      | –  | –               | (326)       |
| <b>Insurance service result</b>   | (2,240,457)                        | (428,333)                              | 1,698,383  | 538,169         | (432,238)   |
| Finance (income)/expenses from insurance contracts issued                           | 511,224                            | –                                      | 78,386   | 11,121          | 600,731     |
| <b>Total amounts recognised in comprehensive income</b>                             | (1,729,233)                        | (428,333)                              | 1,776,769  | 549,290         | 168,493     |
| <b>Cash Flows</b>   |                                    |  |  |                 |             |
| Premiums received   | 1,230,628                          | –                                      | –  | –               | 1,230,628   |
| Claims and other directly attributable expenses paid including investment component | (1,002,763)                        | –                                      | –  | –               | (1,002,763) |
| Other pre-recognition cash flows paid   | –                                  | –                                      | –  | –               | –           |
| Insurance acquisition cash flows paid   | (34,453)                           | –                                      | –  | –               | (34,453)    |
| <b>Total cash flows</b>   | 193,412                            | –                                      | –  | –               | 193,412     |
| Net balance as at 30 June 2024  | 317,611                            | 921,067                                | 4,374,988  | 646,453         | 6,260,119   |
| Closing insurance contract liabilities  | 2,762,797                          | 675,145                                | 2,560,999  | 314,164         | 6,313,105   |
| Closing insurance contract assets   | (2,445,186)                        | 245,922                                | 1,813,989  | 332,289         | (52,986)    |
| <b>Net balance as at 30 June 2024</b>   | 317,611                            | 921,067                                | 4,374,988  | 646,453         | 6,260,119   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(b) Direct Participating contracts - Linked

|   | GROUP & COMPANY                    |                          |                  |                  |
|---|------------------------------------|--------------------------|------------------|------------------|
|   | 2025                               |                          |                  |                  |
|   | LFRC                               |                          |                  |                  |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | LIC<br>Rs'000    | Total<br>Rs'000  |
| Opening insurance contract liabilities  | 1,451,842                          | 4,572                    | 9,461            | 1,465,875        |
| Opening insurance contract assets   | –                                  | –                        | –                | –                |
| Net balance as at 1 July 2024   | 1,451,842                          | 4,572                    | 9,461            | 1,465,875        |
| <b>Insurance revenue</b>  | <b>(38,338)</b>                    | <b>–</b>                 | <b>–</b>         | <b>(38,338)</b>  |
| <b>Insurance service expenses</b>   |                                    |                          |                  |                  |
| Incurring claims and other directly attributable expenses                           | –                                  | (348)                    | 15,108           | 14,760           |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | (1,146)          | (1,146)          |
| Losses on onerous contracts and reversals of those losses                           | –                                  | 3,900                    | –                | 3,900            |
| Insurance acquisition cash flows amortisation                                       | 164                                | –                        | –                | 164              |
| <b>Total insurance service expenses</b>   | <b>164</b>                         | <b>3,552</b>             | <b>13,962</b>    | <b>17,678</b>    |
| Insurance service result  | (38,174)                           | 3,552                    | 13,962           | (20,660)         |
| Finance (income)/expenses from insurance contracts issued                           | 65,927                             | –                        | (834)            | 65,093           |
| <b>Total amounts recognised in comprehensive income</b>                             | <b>27,753</b>                      | <b>3,552</b>             | <b>13,128</b>    | <b>44,433</b>    |
| Investment components   | (95,538)                           | –                        | 95,538           | –                |
| <b>Cash Flows</b>   |                                    |                          |                  |                  |
| Premiums received   | 74,356                             | –                        | –                | 74,356           |
| Claims and other directly attributable expenses paid including investment component | (2,516)                            | –                        | (107,140)        | (109,656)        |
| Other pre-recognition cash flows paid   | 10,261                             | –                        | –                | 10,261           |
| Insurance acquisition cash flows paid   | (3,104)                            | –                        | –                | (3,104)          |
| <b>Total cash flows</b>   | <b>78,997</b>                      | <b>–</b>                 | <b>(107,140)</b> | <b>(28,143)</b>  |
| Net balance as at 30 June 2025  | 1,463,054                          | 8,124                    | 10,987           | 1,482,165        |
| Closing insurance contract liabilities  | 1,463,054                          | 8,124                    | 10,987           | 1,482,165        |
| Closing insurance contract assets   | –                                  | –                        | –                | –                |
| <b>Net balance as at 30 June 2025</b>   | <b>1,463,054</b>                   | <b>8,124</b>             | <b>10,987</b>    | <b>1,482,165</b> |

(b) Direct Participating contracts - Linked

|   | GROUP & COMPANY                    |                          |                  |                  |
|---|------------------------------------|--------------------------|------------------|------------------|
|   | 2024                               |                          |                  |                  |
|   | LFRC                               |                          |                  |                  |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | LIC<br>Rs'000    | Total<br>Rs'000  |
| Opening insurance contract liabilities  | 1,380,412                          | 3,447                    | 4,503            | 1,388,362        |
| Opening insurance contract assets   | –                                  | –                        | –                | –                |
| Net balance as at 1 July 2023   | 1,380,412                          | 3,447                    | 4,503            | 1,388,362        |
| <b>Insurance revenue</b>  | <b>(33,740)</b>                    | <b>–</b>                 | <b>–</b>         | <b>(33,740)</b>  |
| <b>Insurance service expenses</b>   |                                    |                          |                  |                  |
| Incurring claims and other directly attributable expenses                           | –                                  | (136)                    | 36,341           | 36,205           |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | (575)            | (575)            |
| Losses on onerous contracts and reversals of those losses                           | –                                  | 1,261                    | –                | 1,261            |
| Insurance acquisition cash flows amortisation                                       | 55                                 | –                        | –                | 55               |
| <b>Total insurance service expenses</b>   | <b>55</b>                          | <b>1,125</b>             | <b>35,766</b>    | <b>36,946</b>    |
| Insurance service result  | (33,685)                           | 1,125                    | 35,766           | 3,206            |
| Finance (income)/expenses from insurance contracts issued                           | 156,810                            | –                        | 742              | 157,552          |
| <b>Total amounts recognised in comprehensive income</b>                             | <b>123,125</b>                     | <b>1,125</b>             | <b>36,508</b>    | <b>160,758</b>   |
| Investment components   | (96,240)                           | –                        | 96,240           | –                |
| <b>Cash Flows</b>   |                                    |                          |                  |                  |
| Premiums received   | 45,456                             | –                        | –                | 45,456           |
| Claims and other directly attributable expenses paid including investment component | (2,793)                            | –                        | (127,790)        | (130,583)        |
| Other pre-recognition cash flows paid   | 3,595                              | –                        | –                | 3,595            |
| Insurance acquisition cash flows paid   | (1,713)                            | –                        | –                | (1,713)          |
| <b>Total cash flows</b>   | <b>44,545</b>                      | <b>–</b>                 | <b>(127,790)</b> | <b>(83,245)</b>  |
| Net balance as at 30 June 2024  | 1,451,842                          | 4,572                    | 9,461            | 1,465,875        |
| Closing insurance contract liabilities  | 1,451,842                          | 4,572                    | 9,461            | 1,465,875        |
| Closing insurance contract assets   | –                                  | –                        | –                | –                |
| <b>Net balance as at 30 June 2024</b>   | <b>1,451,842</b>                   | <b>4,572</b>             | <b>9,461</b>     | <b>1,465,875</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Direct Participating contracts - Linked

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |           |
|---|------------------------------------|--|--|-----------------|-----------|
|   | 2025                               |  |  |                 |           |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |           |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total     |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |           |
| Opening insurance contract liabilities  | 1,297,679                          | 6,389                                  | 157,716  | 4,091           | 1,465,875 |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               | –         |
| Net balance as at 1 July 2024   | 1,297,679                          | 6,389                                  | 157,716  | 4,091           | 1,465,875 |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |           |
| CSM recognised for the services provided  | –                                  | –                                      | (11,374)   | (41)            | (11,415)  |
| Change in the risk adjustment for non-financial risk for the risk expired                           | –                                  | (662)                                  | –  | –               | (662)     |
| Insurance revenue from contracts measured under the PAA   | –                                  | –                                      | –  | –               | –         |
| Experience adjustments - relating to insurance service expenses                                     | (11,310)                           | (27)                                   | –  | –               | (11,337)  |
|   | (11,310)                           | (689)                                  | (11,374)   | (41)            | (23,414)  |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |           |
| Changes in estimates that adjust the CSM  | (36,464)                           | 3,493                                  | 32,931   | 40              | –         |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | 2,063                              | 540                                    | –  | –               | 2,603     |
| Contracts initially recognised in the period  | (673)                              | 539                                    | –  | 1,431           | 1,297     |
| Experience adjustments - arising from premiums received in the period that relate to future service | 4,246                              | (640)                                  | (1,877)  | (1,729)         | –         |
|   | (30,828)                           | 3,932                                  | 31,054   | (258)           | 3,900     |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                 |                  |
|---|------------------------------------|--|--|-----------------|------------------|
|   | 2025                               |  |  |                 |                  |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |                  |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total            |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |                  |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |                  |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | (1,146)                            | –                                      | –  | –               | (1,146)          |
|   | (1,146)                            | –                                      | –  | –               | (1,146)          |
| <b>Insurance service result</b>   |                                    |  |  |                 |                  |
| Finance (income)/expenses from insurance contracts issued                           | (43,284)                           | 3,243                                  | 19,680   | (299)           | (20,660)         |
| Total amounts recognised in comprehensive income                                    | 65,093                             | –                                      | –  | –               | 65,093           |
|   | 21,809                             | 3,243                                  | 19,680   | (299)           | 44,433           |
| <b>Cash Flows</b>   |                                    |  |  |                 |                  |
| Premiums received   | 74,356                             | –                                      | –  | –               | 74,356           |
| Claims and other directly attributable expenses paid including investment component | (109,656)                          | –                                      | –  | –               | (109,656)        |
| Other pre-recognition cash flows paid   | 10,261                             | –                                      | –  | –               | 10,261           |
| Insurance acquisition cash flows paid   | (3,104)                            | –                                      | –  | –               | (3,104)          |
| <b>Total cash flows</b>   | (28,143)                           | –                                      | –  | –               | (28,143)         |
| Net balance as at 30 June 2025  | 1,291,345                          | 9,632                                  | 177,396  | 3,792           | 1,482,165        |
| Closing insurance contract liabilities  | 1,291,345                          | 9,632                                  | 177,396  | 3,792           | 1,482,165        |
| Closing insurance contract assets   | –                                  | –                                      | –  | –               | –                |
| <b>Net balance as at 30 June 2025</b>   | <b>1,291,345</b>                   | <b>9,632</b>                           | <b>177,396</b>   | <b>3,792</b>    | <b>1,482,165</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Direct Participating contracts - Linked

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |           | Total |
|---|------------------------------------|--|--|-----------------|-----------|-------|
|   | 2024                               |  |  |                 |           |       |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |           |       |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |           |       |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |           |       |
| Opening insurance contract liabilities  | 1,201,791                          | 4,960                                  | 181,611  | –               | 1,388,362 |       |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               | –         |       |
| Net balance as at 1 July 2023   | 1,201,791                          | 4,960                                  | 181,611  | –               | 1,388,362 |       |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |           |       |
| CSM recognised for the services provided  | –                                  | –                                      | (9,878)  | (1)             | (9,879)   |       |
| Change in the risk adjustment for non-financial risk for the risk expired                           | –                                  | (595)                                  | –  | –               | (595)     |       |
| Insurance revenue from contracts measured under the PAA   | –                                  | –                                      | –  | –               | –         |       |
| Experience adjustments - relating to insurance service expenses                                     | 13,012                             | (18)                                   | –  | –               | 12,994    |       |
|   | 13,012                             | (613)                                  | (9,878)  | (1)             | 2,520     |       |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |           |       |
| Changes in estimates that adjust the CSM  | 15,756                             | 973                                    | (16,298)   | (431)           | –         |       |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | (1,046)                            | 753                                    | –  | –               | (293)     |       |
| Contracts initially recognised in the period  | 604                                | 498                                    | –  | 452             | 1,554     |       |
| Experience adjustments - arising from premiums received in the period that relate to future service | (6,170)                            | (182)                                  | 2,281  | 4,071           | –         |       |
|   | 9,144                              | 2,042                                  | (14,017)   | 4,092           | 1,261     |       |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                 |           | Total |
|---|------------------------------------|--|--|-----------------|-----------|-------|
|   | 2024                               |  |  |                 |           |       |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |           |       |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |           |       |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |           |       |
| Opening insurance contract liabilities  | 1,201,791                          | 4,960                                  | 181,611  | –               | 1,388,362 |       |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               | –         |       |
| Net balance as at 1 July 2023   | 1,201,791                          | 4,960                                  | 181,611  | –               | 1,388,362 |       |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |           |       |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | (575)                              | –                                      | –  | –               | (575)     |       |
|   | (575)                              | –                                      | –  | –               | (575)     |       |
| <b>Insurance service result</b>   | 21,581                             | 1,429                                  | (23,895)   | 4,091           | 3,206     |       |
| Finance (income)/expenses from insurance contracts issued                           | 157,552                            | –                                      | –  | –               | 157,552   |       |
| <b>Total amounts recognised in comprehensive income</b>                             | 179,133                            | 1,429                                  | (23,895)   | 4,091           | 160,758   |       |
| <b>Cash Flows</b>   |                                    |  |  |                 |           |       |
| Premiums received   | 45,456                             | –                                      | –  | –               | 45,456    |       |
| Claims and other directly attributable expenses paid including investment component | (130,583)                          | –                                      | –  | –               | (130,583) |       |
| Other pre-recognition cash flows paid   | 3,595                              | –                                      | –  | –               | 3,595     |       |
| Insurance acquisition cash flows paid   | (1,713)                            | –                                      | –  | –               | (1,713)   |       |
| <b>Total cash flows</b>   | (83,245)                           | –                                      | –  | –               | (83,245)  |       |
| Net balance as at 30 June 2024  | 1,297,679                          | 6,389                                  | 157,716  | 4,091           | 1,465,875 |       |
| Closing insurance contract liabilities  | 1,297,679                          | 6,389                                  | 157,716  | 4,091           | 1,465,875 |       |
| Closing insurance contract assets   | –                                  | –                                      | –  | –               | –         |       |
| <b>Net balance as at 30 June 2024</b>   | 1,297,679                          | 6,389                                  | 157,716  | 4,091           | 1,465,875 |       |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Direct Participating contracts - Non Linked

|   | GROUP & COMPANY                    |                          |                  |                  |
|---|------------------------------------|--------------------------|------------------|------------------|
|   | 2025                               |                          |                  |                  |
|   | LFRC                               |                          |                  |                  |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | LIC<br>Rs'000    | Total<br>Rs'000  |
| Opening insurance contract liabilities  | 6,627,342                          | 204,593                  | 141,212          | 6,973,147        |
| Opening insurance contract assets   | –                                  | –                        | –                | –                |
| Net balance as at 1 July 2024   | 6,627,342                          | 204,593                  | 141,212          | 6,973,147        |
| <b>Insurance revenue</b>  | <b>(311,123)</b>                   | <b>–</b>                 | <b>–</b>         | <b>(311,123)</b> |
| <b>Insurance service expenses</b>   |                                    |                          |                  |                  |
| Incurred claims and other directly attributable expenses                            | –                                  | (12,481)                 | 158,119          | 145,638          |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | (24,133)         | (24,133)         |
| Losses on onerous contracts and reversals of those losses                           | –                                  | 185,859                  | –                | 185,859          |
| Insurance acquisition cash flows amortisation                                       | 6,855                              | –                        | –                | 6,855            |
| <b>Total insurance service expenses</b>   | <b>6,855</b>                       | <b>173,378</b>           | <b>133,986</b>   | <b>314,219</b>   |
| Insurance service result  | (304,268)                          | 173,378                  | 133,986          | 3,096            |
| Finance (income)/expenses from insurance contracts issued                           | 401,532                            | –                        | 6,721            | 408,253          |
| <b>Total amounts recognised in comprehensive income</b>                             | <b>97,264</b>                      | <b>173,378</b>           | <b>140,707</b>   | <b>411,349</b>   |
| Investment components   | (888,087)                          | –                        | 888,087          | –                |
| <b>Cash Flows</b>   |                                    |                          |                  |                  |
| Premiums received   | 764,126                            | –                        | –                | 764,126          |
| Claims and other directly attributable expenses paid including investment component | (27,460)                           | –                        | (998,004)        | (1,025,464)      |
| Other pre-recognition cash flows paid   | 438                                | –                        | –                | 438              |
| Insurance acquisition cash flows paid   | (30,270)                           | –                        | –                | (30,270)         |
| <b>Total cash flows</b>   | <b>706,834</b>                     | <b>–</b>                 | <b>(998,004)</b> | <b>(291,170)</b> |
| Net balance as at 30 June 2025  | 6,543,353                          | 377,971                  | 172,002          | 7,093,326        |
| Closing insurance contract liabilities  | 6,543,353                          | 377,971                  | 172,002          | 7,093,326        |
| Closing insurance contract assets   | –                                  | –                        | –                | –                |
| <b>Net balance as at 30 June 2025</b>   | <b>6,543,353</b>                   | <b>377,971</b>           | <b>172,002</b>   | <b>7,093,326</b> |

(c) Direct Participating contracts - Non Linked

|   | GROUP & COMPANY                    |                          |                    |                  |
|---|------------------------------------|--------------------------|--------------------|------------------|
|   | 2024                               |                          |                    |                  |
|   | LFRC                               |                          |                    |                  |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | LIC<br>Rs'000      | Total<br>Rs'000  |
| Opening insurance contract liabilities  | 6,501,191                          | 111,523                  | 125,383            | 6,738,097        |
| Opening insurance contract assets   | –                                  | –                        | –                  | –                |
| Net balance as at 1 July 2023   | 6,501,191                          | 111,523                  | 125,383            | 6,738,097        |
| <b>Insurance revenue</b>  | <b>(292,638)</b>                   | <b>–</b>                 | <b>–</b>           | <b>(292,638)</b> |
| <b>Insurance service expenses</b>   |                                    |                          |                    |                  |
| Incurred claims and other directly attributable expenses                            | –                                  | (7,782)                  | 125,013            | 117,231          |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | 2,047              | 2,047            |
| Losses on onerous contracts and reversals of those losses                           | –                                  | 100,852                  | –                  | 100,852          |
| Insurance acquisition cash flows amortisation                                       | 4,891                              | –                        | –                  | 4,891            |
| <b>Total insurance service expenses</b>   | <b>4,891</b>                       | <b>93,070</b>            | <b>127,060</b>     | <b>225,021</b>   |
| Insurance service result  | (287,747)                          | 93,070                   | 127,060            | (67,617)         |
| Finance (income)/expenses from insurance contracts issued                           | 651,730                            | –                        | (875)              | 650,855          |
| <b>Total amounts recognised in comprehensive income</b>                             | <b>363,983</b>                     | <b>93,070</b>            | <b>126,185</b>     | <b>583,238</b>   |
| Investment components   | (919,307)                          | –                        | 919,307            | –                |
| <b>Cash Flows</b>   |                                    |                          |                    |                  |
| Premiums received   | 751,492                            | –                        | –                  | 751,492          |
| Claims and other directly attributable expenses paid including investment component | (31,360)                           | –                        | (1,029,663)        | (1,061,023)      |
| Other pre-recognition cash flows paid   | –                                  | –                        | –                  | –                |
| Insurance acquisition cash flows paid   | (38,657)                           | –                        | –                  | (38,657)         |
| <b>Total cash flows</b>   | <b>681,475</b>                     | <b>–</b>                 | <b>(1,029,663)</b> | <b>(348,188)</b> |
| Net balance as at 30 June 2024  | 6,627,342                          | 204,593                  | 141,212            | 6,973,147        |
| Closing insurance contract liabilities  | 6,627,342                          | 204,593                  | 141,212            | 6,973,147        |
| Closing insurance contract assets   | –                                  | –                        | –                  | –                |
| <b>Net balance as at 30 June 2024</b>   | <b>6,627,342</b>                   | <b>204,593</b>           | <b>141,212</b>     | <b>6,973,147</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Direct Participating contracts - Non Linked

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |           |
|---|------------------------------------|--|--|-----------------|-----------|
|   | 2025                               |  |  |                 |           |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |           |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total     |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |           |
| Opening insurance contract liabilities  | 6,082,158                          | 408,531                                | 481,983  | 475             | 6,973,147 |
| Opening insurance contract assets   | -                                  | -                                      | -  | -               | -         |
| Net balance as at 1 July 2024   | 6,082,158                          | 408,531                                | 481,983  | 475             | 6,973,147 |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |           |
| CSM recognised for the services provided  | -                                  | -                                      | (45,724)   | (7)             | (45,731)  |
| Change in the risk adjustment for non-financial risk for the risk expired                           | -                                  | (19,877)                               | -  | -               | (19,877)  |
| Insurance revenue from contracts measured under the PAA   | -                                  | -                                      | -  | -               | -         |
| Experience adjustments - relating to insurance service expenses                                     | (90,607)                           | (2,415)                                | -  | -               | (93,022)  |
|   | (90,607)                           | (22,292)                               | (45,724)   | (7)             | (158,630) |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |           |
| Changes in estimates that adjust the CSM  | 95,074                             | (89,492)                               | (5,173)  | (409)           | -         |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | 77,822                             | 14,732                                 | -  | -               | 92,554    |
| Contracts initially recognised in the period  | 58,218                             | 35,084                                 | -  | 3               | 93,305    |
| Experience adjustments - arising from premiums received in the period that relate to future service | 1,105                              | (243)                                  | (877)  | 15              | -         |
|   | 232,219                            | (39,919)                               | (6,050)  | (391)           | 185,859   |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                 |             |
|---|------------------------------------|--|--|-----------------|-------------|
|   | 2025                               |  |  |                 |             |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |             |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total       |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |             |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |             |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | (24,133)                           | -                                      | -  | -               | (24,133)    |
|   | (24,133)                           | -                                      | -  | -               | (24,133)    |
| <b>Insurance service result</b>   |                                    |  |  |                 |             |
| Finance (income)/expenses from insurance contracts issued                           | 117,479                            | (62,211)                               | (51,774)   | (398)           | 3,096       |
| <b>Total amounts recognised in comprehensive income</b>                             | 525,732                            | (62,211)                               | (51,774)   | (398)           | 411,349     |
| <b>Cash Flows</b>   |                                    |  |  |                 |             |
| Premiums received   | 764,126                            | -                                      | -  | -               | 764,126     |
| Claims and other directly attributable expenses paid including investment component | (1,025,464)                        | -                                      | -  | -               | (1,025,464) |
| Other pre-recognition cash flows paid   | 438                                | -                                      | -  | -               | 438         |
| Insurance acquisition cash flows paid   | (30,270)                           | -                                      | -  | -               | (30,270)    |
| <b>Total cash flows</b>   | (291,170)                          | -                                      | -  | -               | (291,170)   |
| Net balance as at 30 June 2025  | 6,316,720                          | 346,320                                | 430,209  | 77              | 7,093,326   |
| Closing insurance contract liabilities  | 6,316,720                          | 346,320                                | 430,209  | 77              | 7,093,326   |
| Closing insurance contract assets   | -                                  | -                                      | -  | -               | -           |
| <b>Net balance as at 30 June 2025</b>   | 6,316,720                          | 346,320                                | 430,209  | 77              | 7,093,326   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Direct Participating contracts - Non Linked

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |           |
|---|------------------------------------|--|--|-----------------|-----------|
|   | 2024                               |  |  |                 |           |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |           |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total     |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |           |
| Opening insurance contract liabilities  | 6,045,797                          | 398,076                                | 294,093  | 131             | 6,738,097 |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               | –         |
| Net balance as at 1 July 2023   | 6,045,797                          | 398,076                                | 294,093  | 131             | 6,738,097 |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |           |
| CSM recognised for the services provided  | –                                  | –                                      | (54,039)   | (32)            | (54,071)  |
| Change in the risk adjustment for non-financial risk for the risk expired                           | –                                  | (15,911)                               | –  | –               | (15,911)  |
| Insurance revenue from contracts measured under the PAA   | –                                  | –                                      | –  | –               | –         |
| Experience adjustments - relating to insurance service expenses                                     | (99,149)                           | (1,385)                                | –  | –               | (100,534) |
|   | (99,149)                           | (17,296)                               | (54,039)   | (32)            | (170,516) |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |           |
| Changes in estimates that adjust the CSM  | (239,308)                          | (2,597)                                | 241,947  | (42)            | –         |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | 8,972                              | 2,511                                  | –  | –               | 11,483    |
| Contracts initially recognised in the period  | 60,508                             | 28,445                                 | –  | 416             | 89,369    |
| Experience adjustments - arising from premiums received in the period that relate to future service | 624                                | (608)                                  | (18)   | 2               | –         |
|   | (169,204)                          | 27,751                                 | 241,929  | 376             | 100,852   |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                 |             |
|---|------------------------------------|--|--|-----------------|-------------|
|   | 2024                               |  |  |                 |             |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |             |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts | Total       |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |             |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |             |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | 2,047                              | –                                      | –  | –               | 2,047       |
|   | 2,047                              | –                                      | –  | –               | 2,047       |
| <b>Insurance service result</b>   | (266,306)                          | 10,455                                 | 187,890  | 344             | (67,617)    |
| Finance (income)/expenses from insurance contracts issued                           | 650,855                            | –                                      | –  | –               | 650,855     |
| <b>Total amounts recognised in comprehensive income</b>                             | 384,549                            | 10,455                                 | 187,890  | 344             | 583,238     |
| <b>Cash Flows</b>   |                                    |  |  |                 |             |
| Premiums received   | 751,492                            | –                                      | –  | –               | 751,492     |
| Claims and other directly attributable expenses paid including investment component | (1,061,023)                        | –                                      | –  | –               | (1,061,023) |
| Other pre-recognition cash flows paid   | –                                  | –                                      | –  | –               | –           |
| Insurance acquisition cash flows paid   | (38,657)                           | –                                      | –  | –               | (38,657)    |
| <b>Total cash flows</b>   | (348,188)                          | –                                      | –  | –               | (348,188)   |
| Net balance as at 30 June 2024  | 6,082,158                          | 408,531                                | 481,983  | 475             | 6,973,147   |
| Closing insurance contract liabilities  | 6,082,158                          | 408,531                                | 481,983  | 475             | 6,973,147   |
| Closing insurance contract assets   | –                                  | –                                      | –  | –               | –           |
| <b>Net balance as at 30 June 2024</b>   | 6,082,158                          | 408,531                                | 481,983  | 475             | 6,973,147   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Investment contract with DPF

|   | GROUP & COMPANY          |               |                |                 |
|---|--------------------------|---------------|----------------|-----------------|
|   | 2025                     |               |                |                 |
|   | LFRC                     |               | LIC<br>Rs'000  | Total<br>Rs'000 |
| Excluding loss<br>component<br>Rs'000   | Loss component<br>Rs'000 |               |                |                 |
| Opening insurance contract liabilities  | 446,378                  | 7,896         | –              | 454,274         |
| Opening insurance contract assets   | –                        | –             | –              | –               |
| Net balance as at 1 July 2024   | 446,378                  | 7,896         | –              | 454,274         |
| <b>Insurance revenue</b>  | (7,398)                  | –             | –              | (7,398)         |
| <b>Insurance service expenses</b>   |                          |               |                |                 |
| Incurred claims and other directly attributable expenses                            | –                        | (374)         | 4,712          | 4,338           |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                        | –             | –              | –               |
| Losses on onerous contracts and reversals of those losses                           | –                        | 41,570        | –              | 41,570          |
| Insurance acquisition cash flows amortisation                                       | 187                      | –             | –              | 187             |
| <b>Total insurance service expenses</b>   | <b>187</b>               | <b>41,196</b> | <b>4,712</b>   | <b>46,095</b>   |
| Insurance service result  | (7,211)                  | 41,196        | 4,712          | 38,697          |
| Finance (income)/expenses from insurance contracts issued                           | 19,981                   | –             | –              | 19,981          |
| Total amounts recognised in comprehensive income                                    | 12,770                   | 41,196        | 4,712          | 58,678          |
| Investment components   | (1,111)                  | –             | 1,111          | –               |
| <b>Cash Flows</b>   |                          |               |                |                 |
| Premiums received   | 102,510                  | –             | –              | 102,510         |
| Claims and other directly attributable expenses paid including investment component | –                        | –             | (5,823)        | (5,823)         |
| Other pre-recognition cash flows paid   | –                        | –             | –              | –               |
| Insurance acquisition cash flows paid   | (6,115)                  | –             | –              | (6,115)         |
| <b>Total cash flows</b>   | <b>96,395</b>            | <b>–</b>      | <b>(5,823)</b> | <b>90,572</b>   |
| Net balance as at 30 June 2025  | 554,432                  | 49,092        | –              | 603,524         |
| Closing insurance contract liabilities  | 554,432                  | 49,092        | –              | 603,524         |
| Closing insurance contract assets   | –                        | –             | –              | –               |
| <b>Net balance as at 30 June 2025</b>   | <b>554,432</b>           | <b>49,092</b> | <b>–</b>       | <b>603,524</b>  |

(c) Investment contract with DPF

|   | GROUP & COMPANY          |              |                |                 |
|---|--------------------------|--------------|----------------|-----------------|
|   | 2024                     |              |                |                 |
|   | LFRC                     |              | LIC<br>Rs'000  | Total<br>Rs'000 |
| Excluding loss<br>component<br>Rs'000   | Loss component<br>Rs'000 |              |                |                 |
| Opening insurance contract liabilities  | 372,097                  | 4,840        | –              | 376,937         |
| Opening insurance contract assets   | –                        | –            | –              | –               |
| Net balance as at 1 July 2024   | 372,097                  | 4,840        | –              | 376,937         |
| <b>Insurance revenue</b>  | (6,106)                  | –            | –              | (6,106)         |
| <b>Insurance service expenses</b>   |                          |              |                |                 |
| Incurred claims and other directly attributable expenses                            | –                        | (221)        | 1,018          | 797             |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                        | –            | –              | –               |
| Losses on onerous contracts and reversals of those losses                           | –                        | 3,277        | –              | 3,277           |
| Insurance acquisition cash flows amortisation                                       | 101                      | –            | –              | 101             |
| <b>Total insurance service expenses</b>   | <b>101</b>               | <b>3,056</b> | <b>1,018</b>   | <b>4,175</b>    |
| Insurance service result  | (6,005)                  | 3,056        | 1,018          | (1,931)         |
| Finance (income)/expenses from insurance contracts issued                           | 5,401                    | –            | –              | 5,401           |
| Total amounts recognised in comprehensive income                                    | (604)                    | 3,056        | 1,018          | 3,470           |
| Investment components   | –                        | –            | –              | –               |
| <b>Cash Flows</b>   |                          |              |                |                 |
| Premiums received   | 80,901                   | –            | –              | 80,901          |
| Claims and other directly attributable expenses paid including investment component | –                        | –            | (1,018)        | (1,018)         |
| Other pre-recognition cash flows paid   | –                        | –            | –              | –               |
| Insurance acquisition cash flows paid   | (6,016)                  | –            | –              | (6,016)         |
| <b>Total cash flows</b>   | <b>74,885</b>            | <b>–</b>     | <b>(1,018)</b> | <b>73,867</b>   |
| Net balance as at 30 June 2025  | 446,378                  | 7,896        | –              | 454,274         |
| Closing insurance contract liabilities  | 446,378                  | 7,896        | –              | 454,274         |
| Closing insurance contract assets   | –                        | –            | –              | –               |
| <b>Net balance as at 30 June 2025</b>   | <b>446,378</b>           | <b>7,896</b> | <b>–</b>       | <b>454,274</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Investment contract with DPF

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |  | Total   |
|---|------------------------------------|--|--|-----------------|--|---------|
|   | 2025                               |  |  |                 |  |         |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |  |         |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |  |         |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |  |         |
| Opening insurance contract liabilities  | 438,129                            | 3,226                                  | –  | 12,919          |  | 454,274 |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               |  | –       |
| Net balance as at 1 July 2024   | 438,129                            | 3,226                                  | –  | 12,919          |  | 454,274 |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |  |         |
| CSM recognised for the services provided  | –                                  | –                                      | –  | (3)             |  | (3)     |
| Change in the risk adjustment for non-financial risk for the risk expired                           | –                                  | (182)                                  | –  | –               |  | (182)   |
| Insurance revenue from contracts measured under the PAA   | –                                  | –                                      | –  | –               |  | –       |
| Experience adjustments - relating to insurance service expenses                                     | (2,675)                            | (13)                                   | –  | –               |  | (2,688) |
|   | (2,675)                            | (195)                                  | –  | (3)             |  | (2,873) |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |  |         |
| Changes in estimates that adjust the CSM  | 18,154                             | 1,608                                  | –  | (19,762)        |  | –       |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | 38,821                             | 911                                    | –  | –               |  | 39,732  |
| Contracts initially recognised in the period  | (6,753)                            | 658                                    | –  | 7,933           |  | 1,838   |
| Experience adjustments - arising from premiums received in the period that relate to future service | 204                                | 40                                     | –  | (244)           |  | –       |
|   | 50,426                             | 3,217                                  | –  | (12,073)        |  | 41,570  |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                 |  | Total   |
|---|------------------------------------|--|--|-----------------|--|---------|
|   | 2025                               |  |  |                 |  |         |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |  |         |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |  |         |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |  |         |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |  |         |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | –                                  | –                                      | –  | –               |  | –       |
|   | –                                  | –                                      | –  | –               |  | –       |
| <b>Insurance service result</b>   |                                    |  |  |                 |  |         |
| Finance (income)/expenses from insurance contracts issued                           | 47,751                             | 3,022                                  | –  | (12,076)        |  | 38,697  |
| Total amounts recognised in comprehensive income                                    | 19,981                             | –                                      | –  | –               |  | 19,981  |
|   | 67,732                             | 3,022                                  | –  | (12,076)        |  | 58,678  |
| <b>Cash Flows</b>   |                                    |  |  |                 |  |         |
| Premiums received   | 102,510                            | –                                      | –  | –               |  | 102,510 |
| Claims and other directly attributable expenses paid including investment component | (5,823)                            | –                                      | –  | –               |  | (5,823) |
| Insurance acquisition cash flows paid   | (6,115)                            | –                                      | –  | –               |  | (6,115) |
| <b>Total cash flows</b>   | 90,572                             | –                                      | –  | –               |  | 90,572  |
| Net balance as at 30 June 2025  | 596,433                            | 6,248                                  | –  | 843             |  | 603,524 |
| Closing insurance contract liabilities  | 596,433                            | 6,248                                  | –  | 843             |  | 603,524 |
| Closing insurance contract assets   | –                                  | –                                      | –  | –               |  | –       |
| <b>Net balance as at 30 June 2025</b>   | 596,433                            | 6,248                                  | –  | 843             |  | 603,524 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Investment contract with DPF

| Reconciliation of the measurement components of insurance contract balances                         | GROUP & COMPANY                    |  |  |                 |        | Total   |
|---|------------------------------------|--|--|-----------------|--------|---------|
|   | 2024                               |  |  |                 |        |         |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |        |         |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |        |         |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          | Rs'000 |         |
| Opening insurance contract liabilities  | 343,930                            | 2,458                                  | 17,960   | 12,589          |        | 376,937 |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               |        | –       |
| Net balance as at 1 July 2023   | 343,930                            | 2,458                                  | 17,960   | 12,589          |        | 376,937 |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |        |         |
| CSM recognised for the services provided  | –                                  | –                                      | –  | (54)            |        | (54)    |
| Change in the risk adjustment for non-financial risk for the risk expired                           | –                                  | (155)                                  | –  | –               |        | (155)   |
| Insurance revenue from contracts measured under the PAA   | –                                  | –                                      | –  | –               |        | –       |
| Experience adjustments - relating to insurance service expenses                                     | (4,990)                            | (8)                                    | –  | –               |        | (4,998) |
|   | (4,990)                            | (163)                                  | –  | (54)            |        | (5,207) |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |        |         |
| Changes in estimates that adjust the CSM  | 47,476                             | (50)                                   | (27,163)   | (20,263)        |        | –       |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | 2,680                              | 77                                     | –  | –               |        | 2,757   |
| Contracts initially recognised in the period  | (7,539)                            | 521                                    | –  | 7,537           |        | 519     |
| Experience adjustments - arising from premiums received in the period that relate to future service | (22,697)                           | 383                                    | 9,203  | 13,111          |        | –       |
|   | 19,920                             | 931                                    | (17,960)   | 385             |        | 3,276   |

| Reconciliation of the measurement components of insurance contract balances         | GROUP & COMPANY                    |  |  |                 |        | Total   |
|---|------------------------------------|--|--|-----------------|--------|---------|
|   | 2024                               |  |  |                 |        |         |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |        |         |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |        |         |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          | Rs'000 |         |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |        |         |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | –                                  | –                                      | –  | –               |        | –       |
|   | –                                  | –                                      | –  | –               |        | –       |
| <b>Insurance service result</b>   | 14,930                             | 768                                    | (17,960)   | 331             |        | (1,931) |
| Finance (income)/expenses from insurance contracts issued                           | 5,401                              | –                                      | –  | –               |        | 5,401   |
| <b>Total amounts recognised in comprehensive income</b>                             | 20,331                             | 768                                    | (17,960)   | 331             |        | 3,470   |
| <b>Cash Flows</b>   |                                    |  |  |                 |        |         |
| Premiums received   | 80,901                             | –                                      | –  | –               |        | 80,901  |
| Claims and other directly attributable expenses paid including investment component | (1,018)                            | –                                      | –  | –               |        | (1,018) |
| Other pre-recognition cash flows paid   | –                                  | –                                      | –  | –               |        | –       |
| Insurance acquisition cash flows paid   | (6,016)                            | –                                      | –  | –               |        | (6,016) |
| <b>Total cash flows</b>   | 73,867                             | –                                      | –  | –               |        | 73,867  |
| Net balance as at 30 June 2024  | 438,128                            | 3,226                                  | –  | 12,920          |        | 454,274 |
| Closing insurance contract liabilities  | 438,128                            | 3,226                                  | –  | 12,920          |        | 454,274 |
| Closing insurance contract assets   | –                                  | –                                      | –  | –               |        | –       |
| <b>Net balance as at 30 June 2024</b>   | 438,128                            | 3,226                                  | –  | 12,920          |        | 454,274 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Non Participating contracts - PAA

|   | GROUP                              |                          |                                 |               |                  |
|---|------------------------------------|--------------------------|---------------------------------|---------------|------------------|
|   | 2025                               |                          |                                 |               |                  |
|   | LFRC                               |                          | LIC for contracts under the PAA |               |                  |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | BEL<br>Rs'000                   | RA<br>Rs'000  | Total<br>Rs'000  |
| Opening insurance contract liabilities  | 454,313                            | 16,650                   | 579,797                         | 48,215        | 1,098,975        |
| Opening insurance contract assets   | (63,698)                           | –                        | 40,950                          | 6,245         | (16,503)         |
| Net balance as at 1 July 2024   | 390,615                            | 16,650                   | 620,747                         | 54,460        | 1,082,472        |
| <b>Insurance revenue</b>  | (2,501,383)                        | –                        | –                               | –             | (2,501,383)      |
| <b>Insurance service expenses</b>   |                                    |                          |                                 |               |                  |
| Incurring claims and other directly attributable expenses                           | –                                  | (21,070)                 | 1,625,838                       | 39,716        | 1,644,484        |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | (151,091)                       | (29,384)      | (180,475)        |
| Losses on onerous contracts and reversals of those losses                           | –                                  | 10,993                   | –                               | –             | 10,993           |
| Insurance acquisition cash flows amortisation                                       | 253,663                            | –                        | –                               | –             | 253,663          |
| Total insurance service expenses  | 253,663                            | (10,077)                 | 1,474,747                       | 10,332        | 1,728,665        |
| Insurance service result  | (2,247,720)                        | (10,077)                 | 1,474,747                       | 10,332        | (772,718)        |
| Finance (income)/expenses from insurance contracts issued                           | –                                  | –                        | 16,300                          | –             | 16,300           |
| Total amounts recognised in comprehensive income                                    | (2,247,720)                        | (10,077)                 | 1,491,047                       | 10,332        | (756,418)        |
| Investment components   | –                                  | –                        | –                               | –             | –                |
| <b>Cash Flows</b>   |                                    |                          |                                 |               |                  |
| Premiums received   | 2,555,210                          | –                        | –                               | –             | 2,555,210        |
| Claims and other directly attributable expenses paid including investment component | –                                  | –                        | (1,367,823)                     | –             | (1,367,823)      |
| Other pre-recognition cash flows paid   | –                                  | –                        | –                               | –             | –                |
| Insurance acquisition cash flows paid   | (287,229)                          | –                        | –                               | –             | (287,229)        |
| Total cash flows  | 2,267,981                          | –                        | (1,367,823)                     | –             | 900,158          |
| Net balance as at 30 June 2025  | 410,876                            | 6,573                    | 743,971                         | 64,792        | 1,226,212        |
| Closing insurance contract liabilities  | 425,720                            | 6,573                    | 743,971                         | 64,792        | 1,241,056        |
| Closing insurance contract assets   | (14,844)                           | –                        | –                               | –             | (14,844)         |
| <b>Net balance as at 30 June 2025</b>   | <b>410,876</b>                     | <b>6,573</b>             | <b>743,971</b>                  | <b>64,792</b> | <b>1,226,212</b> |

(c) Non Participating contracts - PAA

|   | GROUP                              |                          |                                 |               |                  |
|---|------------------------------------|--------------------------|---------------------------------|---------------|------------------|
|   | 2024                               |                          |                                 |               |                  |
|   | LFRC                               |                          | LIC for contracts under the PAA |               |                  |
|   | Excluding loss component<br>Rs'000 | Loss component<br>Rs'000 | BEL<br>Rs'000                   | RA<br>Rs'000  | Total<br>Rs'000  |
| Opening insurance contract liabilities  | 329,662                            | –                        | 470,440                         | 42,648        | 842,750          |
| Opening insurance contract assets   | (12,093)                           | –                        | 288                             | 20            | (11,785)         |
| Net balance as at 1 July 2023   | 317,569                            | –                        | 470,728                         | 42,668        | 830,965          |
| <b>Insurance revenue</b>  | (1,956,529)                        | –                        | –                               | –             | (1,956,529)      |
| <b>Insurance service expenses</b>   |                                    |                          |                                 |               |                  |
| Incurring claims and other directly attributable expenses                           | –                                  | (14,440)                 | 1,369,746                       | 54,460        | 1,409,766        |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                                  | –                        | 13,703                          | (42,668)      | (28,965)         |
| Losses on onerous contracts and reversals of those losses                           | –                                  | 31,090                   | –                               | –             | 31,090           |
| Insurance acquisition cash flows amortisation                                       | 228,608                            | –                        | –                               | –             | 228,608          |
| Total insurance service expenses  | 228,608                            | 16,650                   | 1,383,449                       | 11,792        | 1,640,499        |
| Insurance service result  | (1,727,921)                        | 16,650                   | 1,383,449                       | 11,792        | (316,030)        |
| Finance (income)/expenses from insurance contracts issued                           | –                                  | –                        | 21,952                          | –             | 21,952           |
| Total amounts recognised in comprehensive income                                    | (1,727,921)                        | 16,650                   | 1,405,401                       | 11,792        | (294,078)        |
| Investment components   | –                                  | –                        | –                               | –             | –                |
| <b>Cash Flows</b>   |                                    |                          |                                 |               |                  |
| Premiums received   | 2,045,536                          | –                        | –                               | –             | 2,045,536        |
| Claims and other directly attributable expenses paid including investment component | –                                  | –                        | (1,255,382)                     | –             | (1,255,382)      |
| Other pre-recognition cash flows paid   | –                                  | –                        | –                               | –             | –                |
| Insurance acquisition cash flows paid   | (244,569)                          | –                        | –                               | –             | (244,569)        |
| Total cash flows  | 1,800,967                          | –                        | (1,255,382)                     | –             | 545,585          |
| Net balance as at 30 June 2024  | 390,615                            | 16,650                   | 620,747                         | 54,460        | 1,082,472        |
| Closing insurance contract liabilities  | 454,313                            | 16,650                   | 579,797                         | 48,215        | 1,098,975        |
| Closing insurance contract assets   | (63,698)                           | –                        | 40,950                          | 6,245         | (16,503)         |
| <b>Net balance as at 30 June 2024</b>   | <b>390,615</b>                     | <b>16,650</b>            | <b>620,747</b>                  | <b>54,460</b> | <b>1,082,472</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Non Participating contracts - PAA

|   | COMPANY                  |               |                                 |                 |                  |
|---|--------------------------|---------------|---------------------------------|-----------------|------------------|
|   | 2025                     |               |                                 |                 |                  |
|   | LFRC                     |               | LIC for contracts under the PAA |                 |                  |
| Excluding loss component<br>Rs'000  | Loss component<br>Rs'000 | BEL<br>Rs'000 | RA<br>Rs'000                    | Total<br>Rs'000 |                  |
| Opening insurance contract liabilities  | (3,632)                  | –             | 55,428                          | –               | 51,796           |
| Opening insurance contract assets   | –                        | –             | –                               | –               | –                |
| Net balance as at 1 July 2024   | (3,632)                  | –             | 55,428                          | –               | 51,796           |
| <b>Insurance revenue</b>  | <b>(103,319)</b>         | –             | –                               | –               | <b>(103,319)</b> |
| <b>Insurance service expenses</b>   |                          |               |                                 |                 |                  |
| Incurring claims and other directly attributable expenses                           | –                        | –             | 97,311                          | –               | 97,311           |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                        | –             | (36,084)                        | –               | (36,084)         |
| Losses on onerous contracts and reversals of those losses                           | –                        | –             | –                               | –               | –                |
| Insurance acquisition cash flows amortisation                                       | 3,517                    | –             | –                               | –               | 3,517            |
| <b>Total insurance service expenses</b>   | <b>3,517</b>             | –             | <b>61,227</b>                   | –               | <b>64,744</b>    |
| Insurance service result  | (99,802)                 | –             | 61,227                          | –               | (38,575)         |
| Finance (income)/expenses from insurance contracts issued                           | –                        | –             | 199                             | –               | 199              |
| Total amounts recognised in comprehensive income                                    | (99,802)                 | –             | 61,426                          | –               | (38,376)         |
| Investment components   | –                        | –             | –                               | –               | –                |
| <b>Cash Flows</b>   |                          |               |                                 |                 |                  |
| Premiums received   | 97,071                   | –             | –                               | –               | 97,071           |
| Claims and other directly attributable expenses paid including investment component | –                        | –             | (68,318)                        | –               | (68,318)         |
| Other pre-recognition cash flows paid   | –                        | –             | –                               | –               | –                |
| Insurance acquisition cash flows paid   | (3,517)                  | –             | –                               | –               | (3,517)          |
| <b>Total cash flows</b>   | <b>93,554</b>            | –             | <b>(68,318)</b>                 | –               | <b>25,236</b>    |
| Net balance as at 30 June 2025  | (9,880)                  | –             | 48,536                          | –               | 38,656           |
| Closing insurance contract liabilities  | (9,880)                  | –             | 48,536                          | –               | 38,656           |
| Closing insurance contract assets   | –                        | –             | –                               | –               | –                |
| <b>Net balance as at 30 June 2025</b>   | <b>(9,880)</b>           | –             | <b>48,536</b>                   | –               | <b>38,656</b>    |

(c) Non Participating contracts - PAA

|   | COMPANY                  |               |                                 |                 |                 |
|---|--------------------------|---------------|---------------------------------|-----------------|-----------------|
|   | 2024                     |               |                                 |                 |                 |
|   | LFRC                     |               | LIC for contracts under the PAA |                 |                 |
| Excluding loss component<br>Rs'000  | Loss component<br>Rs'000 | BEL<br>Rs'000 | RA<br>Rs'000                    | Total<br>Rs'000 |                 |
| Opening insurance contract liabilities  | (2,326)                  | –             | 5,121                           | –               | 2,795           |
| Opening insurance contract assets   | –                        | –             | –                               | –               | –               |
| Net balance as at 1 July 2023   | (2,326)                  | –             | 5,121                           | –               | 2,795           |
| <b>Insurance revenue</b>  | <b>(79,448)</b>          | –             | –                               | –               | <b>(79,448)</b> |
| <b>Insurance service expenses</b>   |                          |               |                                 |                 |                 |
| Incurring claims and other directly attributable expenses                           | –                        | –             | 103,230                         | –               | 103,230         |
| Changes that relate to past service - changes in the FCF relating to the LIC        | –                        | –             | 498                             | –               | 498             |
| Losses on onerous contracts and reversals of those losses                           | –                        | –             | –                               | –               | –               |
| Insurance acquisition cash flows amortisation                                       | –                        | –             | –                               | –               | –               |
| <b>Total insurance service expenses</b>   | <b>–</b>                 | –             | <b>103,728</b>                  | –               | <b>103,728</b>  |
| Insurance service result  | (79,448)                 | –             | 103,728                         | –               | 24,280          |
| Finance (income)/expenses from insurance contracts issued                           | –                        | –             | 300                             | –               | 300             |
| Total amounts recognised in comprehensive income                                    | (79,448)                 | –             | 104,028                         | –               | 24,580          |
| Investment components   | –                        | –             | –                               | –               | –               |
| <b>Cash Flows</b>   |                          |               |                                 |                 |                 |
| Premiums received   | 78,142                   | –             | –                               | –               | 78,142          |
| Claims and other directly attributable expenses paid including investment component | –                        | –             | (53,721)                        | –               | (53,721)        |
| Other pre-recognition cash flows paid   | –                        | –             | –                               | –               | –               |
| Insurance acquisition cash flows paid   | –                        | –             | –                               | –               | –               |
| <b>Total cash flows</b>   | <b>78,142</b>            | –             | <b>(53,721)</b>                 | –               | <b>24,421</b>   |
| Net balance as at 30 June 2024  | (3,632)                  | –             | 55,428                          | –               | 51,796          |
| Closing insurance contract liabilities  | (3,632)                  | –             | 55,428                          | –               | 51,796          |
| Closing insurance contract assets   | –                        | –             | –                               | –               | –               |
| <b>Net balance as at 30 June 2024</b>   | <b>(3,632)</b>           | –             | <b>55,428</b>                   | –               | <b>51,796</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Non Participating contracts - PAA

| Reconciliation of the measurement components of insurance contract balances              | GROUP<br>2025                                |  |  |                           |  | Total       |
|--|--|--|--|---------------------------|--|-------------|
|  | CONTRACTUAL Service Margin (CSM)             |  |  |                           |  |             |
|  | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 |  |             |
| Opening insurance contract liabilities   | 1,050,760                                    | 48,215   | –  | –                         |  | 1,098,975   |
| Opening insurance contract assets  | (22,748)                                     | 6,245  | –  | –                         |  | (16,503)    |
| Net balance as at 1 July 2024  | 1,028,012                                    | 54,460   | –  | –                         |  | 1,082,472   |
| <b>Changes that relate to current service</b>  |  |  |  |                           |  |             |
| Insurance revenue from contracts measured under the PAA                                  | (2,501,384)                                  | –  | –  | –                         |  | (2,501,384) |
| Experience adjustments - relating to insurance service expenses                          | 1,858,431                                    | 39,717   | –  | –                         |  | 1,898,148   |
|  | (642,953)                                    | 39,717   | –  | –                         |  | (603,236)   |
| <b>Changes that relate to future service</b>   |  |  |  |                           |  |             |
| Changes in estimates that result in onerous contract losses or reversals of those losses | 10,993                                       | –  | –  | –                         |  | 10,993      |
|  | 10,993                                       | –  | –  | –                         |  | 10,993      |
| <b>Changes that relate to past services</b>  |  |  |  |                           |  |             |
| Changes that relate to past service - changes in the FCFs relating to the LIC            | (151,091)                                    | (29,384)   | –  | –                         |  | (180,475)   |
|  | (151,091)                                    | (29,384)   | –  | –                         |  | (180,475)   |

| Reconciliation of the measurement components of insurance contract balances         | GROUP<br>2025                                |  |  |                           |  | Total       |
|---|--|--|--|---------------------------|--|-------------|
|   | CONTRACTUAL Service Margin (CSM)             |  |  |                           |  |             |
|   | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 |  |             |
| <b>Insurance service result</b>   | (783,051)                                    | 10,333   | –  | –                         |  | (772,718)   |
| Finance (income)/expenses from insurance contracts issued                           | 16,300                                       | –  | –  | –                         |  | 16,300      |
| Total amounts recognised in comprehensive income                                    | (766,751)                                    | 10,333   | –  | –                         |  | (756,418)   |
| <b>Cash Flows</b>   |  |  |  |                           |  |             |
| Premiums received   | 2,555,210                                    | –  | –  | –                         |  | 2,555,210   |
| Claims and other directly attributable expenses paid including investment component | (1,367,823)                                  | –  | –  | –                         |  | (1,367,823) |
| Insurance acquisition cash flows paid   | (287,229)                                    | –  | –  | –                         |  | (287,229)   |
| <b>Total cash flows</b>   | 900,158                                      | –  | –  | –                         |  | 900,158     |
| Net balance as at 30 June 2025  | 1,161,419                                    | 64,793   | –  | –                         |  | 603,524     |
| Closing insurance contract liabilities  | 1,176,263                                    | 64,793   | –  | –                         |  | 1,241,056   |
| Closing insurance contract assets   | (14,844)                                     | –  | –  | –                         |  | (14,844)    |
| <b>Net balance as at 30 June 2025</b>   | 1,161,419                                    | 64,793   | –  | –                         |  | 1,226,212   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Non Participating contracts - PAA

| Reconciliation of the measurement components of insurance contract balances   | GROUP<br>2024                                |  |  |                           |  | Total       |
|---|--|--|--|---------------------------|--|-------------|
|   | CONTRACTUAL Service Margin (CSM)             |  |  |                           |  |             |
|   | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 |  |             |
| Opening insurance contract liabilities  | 800,102                                      | 42,648   | –  | –                         |  | 842,750     |
| Opening insurance contract assets   | (11,805)                                     | 20   | –  | –                         |  | (11,785)    |
| Net balance as at 1 July 2023   | 788,297                                      | 42,668   | –  | –                         |  | 830,965     |
| <b>Changes that relate to current service</b>                                 |  |  |  |                           |  |             |
| Insurance revenue from contracts measured under the PAA                       | (1,956,530)                                  | –  | –  | –                         |  | (1,956,530) |
| Experience adjustments - relating to insurance service expenses               | 1,583,915                                    | 54,460   | –  | –                         |  | 1,638,375   |
|   | (372,615)                                    | 54,460   | –  | –                         |  | (318,155)   |
| <b>Changes that relate to future service</b>                                  |  |  |  |                           |  |             |
| Contracts initially recognised in the period                                  | 31,090                                       | –  | –  | –                         |  | 31,090      |
|   | 31,090                                       | –  | –  | –                         |  | 31,090      |
| <b>Changes that relate to past services</b>                                   |  |  |  |                           |  |             |
| Changes that relate to past service - changes in the FCFs relating to the LIC | 13,703                                       | (42,668)   | –  | –                         |  | (28,965)    |
|   | 13,703                                       | (42,668)   | –  | –                         |  | (28,965)    |

| Reconciliation of the measurement components of insurance contract balances         | GROUP<br>2024                                |  |  |                           |  | Total       |
|---|--|--|--|---------------------------|--|-------------|
|   | CONTRACTUAL Service Margin (CSM)             |  |  |                           |  |             |
|   | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 |  |             |
| <b>Insurance service result</b>   | (327,822)                                    | 11,792   | –  | –                         |  | (316,030)   |
| Finance (income)/expenses from insurance contracts issued                           | 21,952                                       | –  | –  | –                         |  | 21,952      |
| Total amounts recognised in comprehensive income                                    | (305,870)                                    | 11,792   | –  | –                         |  | (294,078)   |
| <b>Cash Flows</b>   |  |  |  |                           |  |             |
| Premiums received   | 2,045,536                                    | –  | –  | –                         |  | 2,045,536   |
| Claims and other directly attributable expenses paid including investment component | (1,255,382)                                  | –  | –  | –                         |  | (1,255,382) |
| Insurance acquisition cash flows paid   | (244,569)                                    | –  | –  | –                         |  | (244,569)   |
| <b>Total cash flows</b>   | 545,585                                      | –  | –  | –                         |  | 545,585     |
| Net balance as at 30 June 2024  | 1,028,012                                    | 54,460   | –  | –                         |  | 1,082,472   |
| Closing insurance contract liabilities  | 1,050,760                                    | 48,215   | –  | –                         |  | 1,098,975   |
| Closing insurance contract assets   | (22,748)                                     | 6,245  | –  | –                         |  | (16,503)    |
| <b>Net balance as at 30 June 2024</b>   | 1,028,012                                    | 54,460   | –  | –                         |  | 1,082,472   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Non Participating contracts - PAA

| Reconciliation of the measurement components of insurance contract balances   | COMPANY                            |  |  |                 |  | Total     |
|---|------------------------------------|--|--|-----------------|--|-----------|
|   | 2025                               |  |  |                 |  |           |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |  |           |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |  |           |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |  |           |
| Opening insurance contract liabilities  | 51,796                             | –                                      | –  | –               |  | 51,796    |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               |  | –         |
| Net balance as at 1 July 2024   | 51,796                             | –                                      | –  | –               |  | 51,796    |
| <b>Changes that relate to current service</b>                                 |                                    |  |  |                 |  |           |
| Insurance revenue from contracts measured under the PAA                       | (103,319)                          | –                                      | –  | –               |  | (103,319) |
| Experience adjustments - relating to insurance service expenses               | 100,828                            | –                                      | –  | –               |  | 100,828   |
|   | (2,491)                            | –                                      | –  | –               |  | (2,491)   |
| <b>Changes that relate to past services</b>                                   |                                    |  |  |                 |  |           |
| Changes that relate to past service - changes in the FCFs relating to the LIC | (36,084)                           | –                                      | –  | –               |  | (36,084)  |
|   | (36,084)                           | –                                      | –  | –               |  | (36,084)  |
| <b>Insurance service result</b>   | (38,575)                           | –                                      | –  | –               |  | (38,575)  |
| Finance (income)/expenses from insurance contracts issued                     | 199                                | –                                      | –  | –               |  | 199       |
| Total amounts recognised in comprehensive income                              | (38,376)                           | –                                      | –  | –               |  | (38,376)  |

| Reconciliation of the measurement components of insurance contract balances         | COMPANY                            |  |  |                 |  | Total    |
|---|------------------------------------|--|--|-----------------|--|----------|
|   | 2025                               |  |  |                 |  |          |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |  |          |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |  |          |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |  |          |
| <b>Cash Flows</b>   |                                    |  |  |                 |  |          |
| Premiums received   | 97,071                             | –                                      | –  | –               |  | 97,071   |
| Claims and other directly attributable expenses paid including investment component | (68,318)                           | –                                      | –  | –               |  | (68,318) |
| Insurance acquisition cash flows paid   | (3,517)                            | –                                      | –  | –               |  | (3,517)  |
| <b>Total cash flows</b>   | 25,236                             | –                                      | –  | –               |  | 25,236   |
| Net balance as at 30 June 2025  | 38,656                             | –                                      | –  | –               |  | 38,656   |
| Closing insurance contract liabilities  | 38,656                             | –                                      | –  | –               |  | 38,656   |
| Closing insurance contract assets   | –                                  | –                                      | –  | –               |  | –        |
| <b>Net balance as at 30 June 2025</b>   | 38,656                             | –                                      | –  | –               |  | 38,656   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(c) Non Participating contracts - PAA

| Reconciliation of the measurement components of insurance contract balances                         | COMPANY                            |  |  |                 |   | Total    |
|---|------------------------------------|--|--|-----------------|---|----------|
|   | 2024                               |  |  |                 |   |          |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |   |          |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |   |          |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |   |          |
| Opening insurance contract liabilities  | 2,795                              | –                                      | –  | –               | – | 2,795    |
| Opening insurance contract assets   | –                                  | –                                      | –  | –               | – | –        |
| Net balance as at 1 July 2023   | 2,795                              | –                                      | –  | –               | – | 2,795    |
| <b>Changes that relate to current service</b>   |                                    |  |  |                 |   |          |
| Insurance revenue from contracts measured under the PAA   | (79,448)                           | –                                      | –  | –               | – | (79,448) |
| Experience adjustments - relating to insurance service expenses                                     | 103,230                            | –                                      | –  | –               | – | 103,230  |
|   | 23,782                             | –                                      | –  | –               | – | 23,782   |
| <b>Changes that relate to future service</b>  |                                    |  |  |                 |   |          |
| Changes in estimates that adjust the CSM  | –                                  | –                                      | –  | –               | – | –        |
| Changes in estimates that result in onerous contract losses or reversals of those losses            | –                                  | –                                      | –  | –               | – | –        |
| Contracts initially recognised in the period  | –                                  | –                                      | –  | –               | – | –        |
| Experience adjustments - arising from premiums received in the period that relate to future service | –                                  | –                                      | –  | –               | – | –        |

| Reconciliation of the measurement components of insurance contract balances         | COMPANY                            |  |  |                 |   | Total    |
|---|------------------------------------|--|--|-----------------|---|----------|
|   | 2024                               |  |  |                 |   |          |
|   | CONTRACTUAL Service Margin (CSM)   |  |  |                 |   |          |
|   | Present value of future cash flows | Risk adjustment for non-financial risk | Contracts measured under the fair value approach at transition | Other contracts |   |          |
|   | Rs'000                             | Rs'000                                 | Rs'000   | Rs'000          |   |          |
| <b>Changes that relate to past services</b>   |                                    |  |  |                 |   |          |
| Changes that relate to past service - changes in the FCFs relating to the LIC       | 498                                | –                                      | –  | –               | – | 498      |
|   | 498                                | –                                      | –  | –               | – | 498      |
| <b>Insurance service result</b>   |                                    |  |  |                 |   |          |
| Finance (income)/expenses from insurance contracts issued                           | 24,280                             | –                                      | –  | –               | – | 24,280   |
|   | 300                                | –                                      | –  | –               | – | 300      |
| Total amounts recognised in comprehensive income                                    | 24,580                             | –                                      | –  | –               | – | 24,580   |
| <b>Cash Flows</b>   |                                    |  |  |                 |   |          |
| Premiums received   | 78,142                             | –                                      | –  | –               | – | 78,142   |
| Claims and other directly attributable expenses paid including investment component | (53,721)                           | –                                      | –  | –               | – | (53,721) |
| Other pre-recognition cash flows paid   | –                                  | –                                      | –  | –               | – | –        |
| Insurance acquisition cash flows paid   | –                                  | –                                      | –  | –               | – | –        |
| <b>Total cash flows</b>   | 24,421                             | –                                      | –  | –               | – | 24,421   |
| Net balance as at 30 June 2024  | 51,796                             | –                                      | –  | –               | – | 51,796   |
| Closing insurance contract liabilities  | 51,796                             | –                                      | –  | –               | – | 51,796   |
| Closing insurance contract assets   | –                                  | –                                      | –  | –               | – | –        |
| <b>Net balance as at 30 June 2024</b>   | 51,796                             | –                                      | –  | –               | – | 51,796   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(d) Total - Reinsurance contracts held

|   | GROUP<br>2025                               |                                   |   |  |  |                 |
|---|---|-----------------------------------|---|--|--|-----------------|
|   | Remaining Coverage Component                |                                   | Incurred claims for contracts under the PAA               |  |  |                 |
|   | Excluding loss recovery component<br>Rs'000 | Loss recovery component<br>Rs'000 | Incurred claims for contracts not under the PAA<br>Rs'000 | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Total<br>Rs'000 |
| Opening Reinsurance contract liabilities  | 679,223                                     | (27,162)                          | (69,088)  | (28,741)                                     | (1,481)  | 552,751         |
| Opening Reinsurance contract assets   | 126,297                                     | 4,505                             | 1,428   | 404,665                                      | 21,475   | 558,370         |
| <b>Net balances as at 1 July 2024</b>   | <b>552,926</b>                              | <b>(31,667)</b>                   | <b>(70,516)</b>   | <b>(433,406)</b>                             | <b>(22,956)</b>                                  | <b>(5,619)</b>  |
| <b>Net (income)/expenses from reinsurance contracts held</b>  |   |                                   |   |  |  |                 |
| Reinsurance expenses  | 964,262                                     | –                                 | –   | –  | –  | 964,262         |
| Incurred claims recovery  | –   | 11,100                            | (105,582)   | (386,135)                                    | (14,460)   | (495,077)       |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | –   | –                                 | 587   | 87,903                                       | 5,349  | 93,839          |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | –   | (56,750)                          | –   | –  | –  | (56,750)        |
| Recoveries of loss on recognition of underlying onerous contracts   | –   | –                                 | –   | (125)  | –  | (125)           |
| <b>Net (income)/expenses from reinsurance contracts held</b>  | <b>964,262</b>                              | <b>(45,650)</b>                   | <b>(104,995)</b>  | <b>(298,357)</b>                             | <b>(9,111)</b>                                   | <b>506,149</b>  |
| Finance (income)/expenses from reinsurance contracts held   | (2,671)                                     | 707                               | (889)   | (10,917)                                     | –  | (13,770)        |
| <b>Total amounts recognised in comprehensive income</b>   | <b>961,591</b>                              | <b>(44,943)</b>                   | <b>(105,884)</b>  | <b>(309,274)</b>                             | <b>(9,111)</b>                                   | <b>492,379</b>  |

|   | GROUP<br>2025                               |                                   |   |  |  |                  |
|---|---|-----------------------------------|---|--|--|------------------|
|   | Remaining Coverage Component                |                                   | Incurred claims for contracts under the PAA               |  |  |                  |
|   | Excluding loss recovery component<br>Rs'000 | Loss recovery component<br>Rs'000 | Incurred claims for contracts not under the PAA<br>Rs'000 | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Total<br>Rs'000  |
| <b>Cash Flows</b>   |   |                                   |   |  |  |                  |
| Premiums paid net of ceding commissions and other directly attributable expenses paid | (1,012,837)                                 | –                                 | –   | –  | –  | (1,012,837)      |
| Recoveries from reinsurance   | –   | –                                 | 75,619  | 325,071                                      | –  | 400,690          |
| <b>Total cash flows</b>   | <b>(1,012,837)</b>                          | <b>–</b>                          | <b>75,619</b>   | <b>325,071</b>                               | <b>–</b>   | <b>(612,147)</b> |
| Net balance as at 30 June 2025  | 501,680                                     | (76,610)                          | (100,781)   | (417,609)                                    | (32,067)   | (125,387)        |
| Closing reinsurance contract liabilities  | 682,684                                     | (73,103)                          | (86,348)  | (46,278)                                     | (3,498)  | 473,457          |
| Closing reinsurance contract assets   | 181,004                                     | 3,507                             | 14,433  | 371,331                                      | 28,569   | 598,844          |
| <b>Net balance as at 30 June 2025</b>   | <b>501,680</b>                              | <b>(76,610)</b>                   | <b>(100,781)</b>  | <b>(417,609)</b>                             | <b>(32,067)</b>                                  | <b>(125,387)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(d) Total - Reinsurance contracts held

|   | GROUP<br>2024                               |                                   |   |  |  |                 |
|---|---|-----------------------------------|---|--|--|-----------------|
|   | Remaining Coverage Component                |                                   | Incurred claims for contracts under the PAA               |  |  | Total<br>Rs'000 |
|   | Excluding loss recovery component<br>Rs'000 | Loss recovery component<br>Rs'000 | Incurred claims for contracts not under the PAA<br>Rs'000 | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 |                 |
| <b>Opening reinsurance contract liabilities</b>   | 614,550                                     | (29,752)                          | (46,284)  | (4,580)                                      | (5)  | 533,929         |
| <b>Opening reinsurance contract assets</b>  | 91,811                                      | –                                 | 1,837   | 323,269                                      | 15,129   | 432,046         |
| <b>Net balances as at 1 July 2023</b>   | 522,739                                     | (29,752)                          | (48,121)  | (327,849)                                    | (15,134)   | 101,883         |
| <b>Net (income)/expenses from reinsurance contracts held</b>  |   |                                   |   |  |  |                 |
| Reinsurance expenses  | 808,290                                     | –                                 | –   | –  | –  | 808,290         |
| Incurred claims recovery  | –   | 8,496                             | (99,746)  | (414,933)                                    | (22,956)   | (529,139)       |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | –   | –                                 | 5,523   | 21,692                                       | 15,134   | 42,349          |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | –   | (193)                             | –   | –  | –  | (193)           |
| Recoveries of loss on recognition of underlying onerous contracts   | –   | (8,412)                           | –   | –  | –  | (8,412)         |
| Effect of changes in non performance risk of reinsurers   | –   | –                                 | –   | 233  | –  | 233             |
| <b>Net (income)/expenses from reinsurance contracts held</b>  | 808,290                                     | (109)                             | (94,223)  | (393,008)                                    | (7,822)  | 313,128         |
| Finance (income)/expenses from reinsurance contracts held   | 63,382                                      | (1,806)                           | (411)   | (13,655)                                     | –  | 47,510          |
| <b>Total amounts recognised in comprehensive income</b>   | 871,672                                     | (1,915)                           | (94,634)  | (406,663)                                    | (7,822)  | 360,638         |

|   | GROUP<br>2024                               |                                   |   |  |  |                 |
|---|---|-----------------------------------|---|--|--|-----------------|
|   | Remaining Coverage Component                |                                   | Incurred claims for contracts under the PAA               |  |  | Total<br>Rs'000 |
|   | Excluding loss recovery component<br>Rs'000 | Loss recovery component<br>Rs'000 | Incurred claims for contracts not under the PAA<br>Rs'000 | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 |                 |
| <b>Cash Flows</b>   |   |                                   |   |  |  |                 |
| Premiums paid net of ceding commissions and other directly attributable expenses paid | (841,485)                                   | –                                 | –   | –  | –  | (841,485)       |
| Recoveries from reinsurance   | –   | –                                 | 72,239  | 301,106                                      | –  | 373,345         |
| <b>Total cash flows</b>   | (841,485)                                   | –                                 | 72,239  | 301,106                                      | –  | (468,140)       |
| Net balance as at 30 June 2024  | 552,926                                     | (31,667)                          | (70,516)  | (433,406)                                    | (22,956)   | (5,619)         |
| Closing Reinsurance contract liabilities  | 679,223                                     | (27,162)                          | (69,088)  | (28,741)                                     | (1,481)  | 552,751         |
| Closing Reinsurance contract assets   | 126,297                                     | 4,505                             | 1,428   | 404,665                                      | 21,475   | 558,370         |
| <b>Net balance as at 30 June 2024</b>   | 552,926                                     | (31,667)                          | (70,516)  | (433,406)                                    | (22,956)   | (5,619)         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(d) Total - Reinsurance contracts held

|   | COMPANY                                     |                                   |   |  |  |                 |
|---|---|-----------------------------------|---|--|--|-----------------|
|   | 2025  |                                   |   |  |  |                 |
|   | Remaining Coverage Component                |                                   | Incurred claims for contracts under the PAA               |  |  |                 |
|   | Excluding loss recovery component<br>Rs'000 | Loss recovery component<br>Rs'000 | Incurred claims for contracts not under the PAA<br>Rs'000 | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Total<br>Rs'000 |
| Opening reinsurance contract liabilities  | 634,521                                     | (27,162)                          | (69,088)  | (7,630)                                      | –  | 530,641         |
| Opening reinsurance contract assets   | –   | –                                 | 1,428   | –  | –  | 1,428           |
| <b>Net balances as at 1 July 2024</b>   | <b>634,521</b>                              | <b>(27,162)</b>                   | <b>(70,516)</b>   | <b>(7,630)</b>                               | <b>–</b>   | <b>529,213</b>  |
| <b>Net (income)/expenses from reinsurance contracts held</b>  |   |                                   |   |  |  |                 |
| Reinsurance expenses  | 154,527                                     | –                                 | –   | –  | –  | 154,527         |
| Incurred claims recovery  | –   | 4,385                             | (105,582)   | (23,935)                                     | –  | (125,132)       |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | –   | –                                 | 587   | (7,617)                                      | –  | (7,030)         |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | –   | (51,254)                          | –   | –  | –  | (51,254)        |
| Recoveries of loss on recognition of underlying onerous contracts   | –   | –                                 | –   | –  | –  | –               |
| Effect of changes in non performance risk of reinsurers   | –   | –                                 | –   | –  | –  | –               |
| <b>Net (income)/expenses from reinsurance contracts held</b>  | <b>154,527</b>                              | <b>(46,869)</b>                   | <b>(104,995)</b>  | <b>(31,552)</b>                              | <b>–</b>   | <b>(28,889)</b> |
| Finance (income)/expenses from reinsurance contracts held   | (2,671)                                     | 707                               | (888)   | 11   | –  | (2,841)         |
| <b>Total amounts recognised in comprehensive income</b>   | <b>151,856</b>                              | <b>(46,162)</b>                   | <b>(105,883)</b>  | <b>(31,541)</b>                              | <b>–</b>   | <b>(31,730)</b> |

|   | COMPANY                                     |                                   |   |  |  |                 |
|---|---|-----------------------------------|---|--|--|-----------------|
|   | 2025  |                                   |   |  |  |                 |
|   | Remaining Coverage Component                |                                   | Incurred claims for contracts under the PAA               |  |  |                 |
|   | Excluding loss recovery component<br>Rs'000 | Loss recovery component<br>Rs'000 | Incurred claims for contracts not under the PAA<br>Rs'000 | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Total<br>Rs'000 |
| <b>Cash Flows</b>   |   |                                   |   |  |  |                 |
| Premiums paid net of ceding commissions and other directly attributable expenses paid | (180,856)                                   | –                                 | –   | –  | –  | (180,856)       |
| Recoveries from reinsurance   | –   | –                                 | 75,620  | 28,005                                       | –  | 103,625         |
| <b>Total cash flows</b>   | <b>(180,856)</b>                            | <b>–</b>                          | <b>75,620</b>   | <b>28,005</b>                                | <b>–</b>   | <b>(77,231)</b> |
| Net balance as at 30 June 2025  | 605,521                                     | (73,324)                          | (100,779)   | (11,166)                                     | –  | 420,252         |
| Closing Reinsurance contract liabilities  | 595,418                                     | (73,104)                          | (86,347)  | (11,166)                                     | –  | 424,801         |
| Closing Reinsurance contract assets   | (10,103)                                    | 220                               | 14,432  | –  | –  | 4,549           |
| <b>Net balance as at 30 June 2025</b>   | <b>605,521</b>                              | <b>(73,324)</b>                   | <b>(100,779)</b>  | <b>(11,166)</b>                              | <b>–</b>   | <b>420,252</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(d) Total - Reinsurance contracts held

|   | COMPANY                      |   |   |  |          |                |
|---|------------------------------|---|---|--|----------|----------------|
|   | 2024                         |   |   |  |          |                |
|   | Remaining Coverage Component |   | Incurred claims for contracts under the PAA |  |          |                |
| Excluding loss recovery component   | Loss recovery component      | Incurred claims for contracts not under the PAA | Present value of future cash flows          | Risk adjustment for non-financial risk | Total    |                |
| Rs'000  | Rs'000                       | Rs'000  | Rs'000                                      | Rs'000                                 | Rs'000   | Rs'000         |
| Opening reinsurance contract liabilities  | 602,528                      | (29,752)  | (46,284)                                    | (4,438)                                | –        | 522,054        |
| Opening reinsurance contract assets   | –                            | –   | 1,837                                       | –                                      | –        | 1,837          |
| <b>Net balances as at 1 July 2023</b>   | <b>602,528</b>               | <b>(29,752)</b>                                 | <b>(48,121)</b>                             | <b>(4,438)</b>                         | <b>–</b> | <b>520,217</b> |
| <b>Net (income)/expenses from reinsurance contracts held</b>  |                              |   |   |  |          |                |
| Reinsurance expenses  | 135,081                      | –   | –   | –                                      | –        | 135,081        |
| Incurred claims recovery  | –                            | 4,588   | (99,746)                                    | (27,600)                               | –        | (122,758)      |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | –                            | –   | 5,523                                       | 3,885                                  | –        | 9,408          |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | –                            | (193)   | –   | –                                      | –        | (193)          |
| Recoveries of loss on recognition of underlying onerous contracts   | –                            | –   | –   | –                                      | –        | –              |
| Effect of changes in non performance risk of reinsurers   | –                            | –   | –   | –                                      | –        | –              |
| <b>Net (income)/expenses from reinsurance contracts held</b>  | <b>135,081</b>               | <b>4,395</b>                                    | <b>(94,223)</b>                             | <b>(23,715)</b>                        | <b>–</b> | <b>21,538</b>  |
| Finance (income)/expenses from reinsurance contracts held   | 63,380                       | (1,805)   | (411)                                       | (41)                                   | –        | 61,123         |
| <b>Total amounts recognised in comprehensive income</b>   | <b>198,461</b>               | <b>2,590</b>                                    | <b>(94,634)</b>                             | <b>(23,756)</b>                        | <b>–</b> | <b>82,661</b>  |

|   | COMPANY                      |   |   |  |          |                 |
|---|------------------------------|---|---|--|----------|-----------------|
|   | 2024                         |   |   |  |          |                 |
|   | Remaining Coverage Component |   | Incurred claims for contracts under the PAA |  |          |                 |
| Excluding loss recovery component   | Loss recovery component      | Incurred claims for contracts not under the PAA | Present value of future cash flows          | Risk adjustment for non-financial risk | Total    |                 |
| Rs'000  | Rs'000                       | Rs'000  | Rs'000                                      | Rs'000                                 | Rs'000   | Rs'000          |
| <b>Cash Flows</b>   |                              |   |   |  |          |                 |
| Premiums paid net of ceding commissions and other directly attributable expenses paid | (166,468)                    | –   | –   | –                                      | –        | (166,468)       |
| Recoveries from reinsurance   | –                            | –   | 72,239                                      | 20,564                                 | –        | 92,803          |
| <b>Total cash flows</b>   | <b>(166,468)</b>             | <b>–</b>  | <b>72,239</b>                               | <b>20,564</b>                          | <b>–</b> | <b>(73,665)</b> |
| Net balance as at 30 June 2024  | 634,521                      | (27,162)  | (70,516)                                    | (7,630)                                | –        | 529,213         |
| Closing reinsurance contract liabilities  | 634,521                      | (27,162)  | (69,088)                                    | (7,630)                                | –        | 530,641         |
| Closing reinsurance contract assets   | –                            | –   | 1,428                                       | –                                      | –        | 1,428           |
| <b>Net balance as at 30 June 2024</b>   | <b>634,521</b>               | <b>(27,162)</b>                                 | <b>(70,516)</b>                             | <b>(7,630)</b>                         | <b>–</b> | <b>529,213</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(e) Total - Reinsurance contracts held

| Reconciliation of the measurement components of insurance contract balances                            | GROUP<br>2025                                |  |  |                           |                 |
|--|--|--|--|---------------------------|-----------------|
|  | CSM  |  |  |                           | Total<br>Rs'000 |
|  | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 |                 |
| <b>Total - Reinsurance contracts held</b>  |  |  |  |                           |                 |
| Opening reinsurance contract liabilities   | 643,354                                      | (80,821)   | 97,323   | (107,105)                 | 552,751         |
| Opening reinsurance contract assets  | 536,895                                      | 21,475   | –  | –                         | 558,370         |
| Net balances as at 1 July 2024   | 106,459                                      | (102,296)  | 97,323   | (107,105)                 | (5,619)         |
| <b>Changes that relate to current service</b>  |  |  |  |                           |                 |
| CSM recognised for the services received   | –  | –  | (15,180)   | 17,193                    | 2,013           |
| Change in the risk adjustment for non-financial risk for the risk expired                              | –  | 20,042   | –  | –                         | 20,042          |
| Reinsurance premium (and other related cash flows) experience adjustments relating to current service  | 6,726  | –  | –  | –                         | 6,726           |
| Reinsurance expenses - contracts measured under the PAA  | 839,843                                      | –  | –  | –                         | 839,843         |
| Incurred claims recovery - contracts measured under the PAA  | (355,485)                                    | (14,460)   | –  | –                         | (369,945)       |
| Experience adjustments - relating to incurred claims and other directly attributable expenses recovery | (30,378)                                     | 884  | –  | –                         | (29,494)        |
|  | 460,706                                      | 6,466  | (15,180)   | 17,193                    | 469,185         |
| <b>Changes in estimates that adjust the CSM</b>  |  |  |  |                           |                 |
| Contracts initially recognised in the period   | 74,488                                       | (97,420)   | 7,895  | 15,037                    | –               |
| Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts          | 48,565                                       | (8,567)  | –  | (83,608)                  | (43,610)        |
|  | (13,154)                                     | 15   | –  | –                         | (13,139)        |

| Reconciliation of the measurement components of insurance contract balances                           | GROUP<br>2025                                |  |  |                           |                 |
|---|--|--|--|---------------------------|-----------------|
|   | CSM  |  |  |                           | Total<br>Rs'000 |
|   | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 |                 |
| Experience adjustments - arising from ceded premiums paid in the period that relate to future service | 1,574  | (122)  | 7,191  | (8,643)                   | –               |
| <b>Changes that relate to future service</b>  | 111,473                                      | (106,094)  | 15,086   | (77,214)                  | (56,749)        |
| Changes that relate to past service - changes in the FCF relating to the incurred claims recovery     | 88,489                                       | 5,349  | –  | –                         | 93,838          |
| Recoveries of loss on recognition of underlying onerous contracts                                     | –  | –  | –  | –                         | –               |
| Effect of changes in non-performance risk of reinsurers   | (125)  | –  | –  | –                         | (125)           |
| <b>Net (income)/expenses from reinsurance contracts held</b>  | 660,543                                      | (94,279)   | (94)   | (60,021)                  | 506,149         |
| Finance (income)/expenses from reinsurance contracts held   | (22,777)                                     | 4,581  | 9,156  | (4,730)                   | (13,770)        |
| <b>Total amounts recognised in comprehensive income</b>   | 637,766                                      | (89,698)   | 9,062  | (64,751)                  | 492,379         |
| <b>Cash Flows</b>   |  |  |  |                           |                 |
| Premiums paid net of ceding commissions and other directly attributable expenses paid                 | (1,012,837)                                  | –  | –  | –                         | (1,012,837)     |
| Recoveries from reinsurance   | 400,690                                      | –  | –  | –                         | 400,690         |
| <b>Total cash flows</b>   | (612,147)                                    | –  | –  | –                         | (612,147)       |
| <b>Net balance as at 30 June 2025</b>   | 132,078                                      | (191,994)  | 106,385  | (171,856)                 | (125,387)       |
| Closing reinsurance contract liabilities  | 701,174                                      | (157,949)  | 101,518  | (171,286)                 | 473,457         |
| Closing reinsurance contract assets   | 569,096                                      | 34,045   | (4,867)  | 570                       | 598,844         |
| <b>Net balances as at 30 June 2025</b>  | 132,078                                      | (191,994)  | 106,385  | (171,856)                 | (125,387)       |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(e) Total - Reinsurance contracts held

| Reconciliation of the measurement components of reinsurance contract balances                          | GROUP<br>2024                                |  |  |                           |                 |
|--|--|--|--|---------------------------|-----------------|
|  | CSM  |  |  |                           |                 |
|  | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 | Total<br>Rs'000 |
| <b>Total - Reinsurance contracts held</b>  |  |  |  |                           |                 |
| Opening reinsurance contract liabilities   | 502,790                                      | (97,645)   | 185,722  | (56,938)                  | 533,929         |
| Opening reinsurance contract assets  | 416,917                                      | 15,129   | –  | –                         | 432,046         |
| Net balances as at 1 July 2023   | 85,873                                       | (112,774)  | 185,722  | (56,938)                  | 101,883         |
| <b>Changes that relate to current service</b>  |  |  |  |                           |                 |
| CSM recognised for the services received   | –  | –  | (12,529)   | 11,934                    | (595)           |
| Change in the risk adjustment for non-financial risk for the risk expired                              | –  | 7,547  | –  | –                         | 7,547           |
| Reinsurance premium (and other related cash flows) experience adjustments relating to current service  | 45,781                                       | –  | –  | –                         | 45,781          |
| Reinsurance expenses - contracts measured under the PAA  | 701,030                                      | –  | –  | –                         | 701,030         |
| Incurred claims recovery - contracts measured under the PAA  | (383,425)                                    | (22,956)   | –  | –                         | (406,381)       |
| Experience adjustments - relating to incurred claims and other directly attributable expenses recovery | (69,016)                                     | 786  | –  | –                         | (68,230)        |
|  | 294,370                                      | (14,623)   | (12,529)   | 11,934                    | 279,152         |
| <b>Changes in estimates that adjust the CSM</b>  |  |  |  |                           |                 |
| Contracts initially recognised in the period   | 71,417                                       | 15,348   | (73,591)   | (13,175)                  | (1)             |
| Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts          | 32,333                                       | (8,682)  | –  | (43,188)                  | (19,537)        |
|  | 16,339                                       | 3,005  | –  | –                         | 19,344          |

| Reconciliation of the measurement components of reinsurance contract balances                         | GROUP<br>2024                                |  |  |                           |                   |
|---|--|--|--|---------------------------|-------------------|
|   | CSM  |  |  |                           |                   |
|   | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | Contracts measured under the fair value approach at transition<br>Rs'000 | Other contracts<br>Rs'000 | Total<br>Rs'000   |
| Experience adjustments - arising from ceded premiums paid in the period that relate to future service | 10,117                                       | 296  | (7,353)  | (3,060)                   | –                 |
| <b>Changes that relate to future service</b>  | 130,206                                      | 9,967  | (80,944)   | (59,423)                  | (194)             |
| Changes that relate to past service - changes in the FCF relating to the incurred claims recovery     | 27,215<br>(8,413)                            | 15,134   | –  | –                         | 42,349<br>(8,413) |
| Effect of changes in non-performance risk of reinsurers   | 233  | –  | –  | –                         | 233               |
| <b>Net (income)/expenses from reinsurance contracts held</b>  | 443,611                                      | 10,478   | (93,473)   | (47,489)                  | 313,127           |
| Finance (income)/expenses from reinsurance contracts held   | 45,114                                       | –  | 5,074  | (2,678)                   | 47,510            |
| <b>Total amounts recognised in comprehensive income</b>   | 488,725                                      | 10,478   | (88,399)   | (50,167)                  | 360,637           |
| <b>Cash Flows</b>   |  |  |  |                           |                   |
| Premiums paid net of ceding commissions and other directly attributable expenses paid                 | (841,484)                                    | –  | –  | –                         | (841,484)         |
| Recoveries from reinsurance   | 373,345                                      | –  | –  | –                         | 373,345           |
| <b>Total cash flows</b>   | (468,139)                                    | –  | –  | –                         | (468,139)         |
| <b>Net balance as at 30 June 2024</b>   | 106,459                                      | (102,296)  | 97,323   | (107,105)                 | (5,619)           |
| Closing reinsurance contract liabilities  | 643,354                                      | (80,821)   | 97,323   | (107,105)                 | 552,751           |
| Closing reinsurance contract assets   | 536,895                                      | 21,475   | –  | –                         | 558,370           |
| <b>Net balances as at 30 June 2024</b>  | 106,459                                      | (102,296)  | 97,323   | (107,105)                 | (5,619)           |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(e) Total - Reinsurance contracts held

| Reconciliation of the measurement components of reinsurance contract balances                          | COMPANY                                      |  |                           |           |                 |
|--|--|--|---------------------------|-----------|-----------------|
|  | 2025   |  |                           |           |                 |
|  | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | CSM                       |           | Total<br>Rs'000 |
| Contracts measured under the fair value approach at transition<br>Rs'000                               |  |  | Other contracts<br>Rs'000 |           |                 |
| <b>Total - Reinsurance contracts held</b>  |  |  |                           |           |                 |
| Opening reinsurance contract liabilities   | 619,764                                      | (79,340)   | 97,323                    | (107,106) | 530,641         |
| Opening reinsurance contract assets  | 1,428  | –  | –                         | –         | 1,428           |
| Net balances as at 1 July 2024   | 618,336                                      | (79,340)   | 97,323                    | (107,106) | 529,213         |
| <b>Changes that relate to current service</b>  |  |  |                           |           |                 |
| CSM recognised for the services received   | –  | –  | (15,180)                  | 17,193    | 2,013           |
| Change in the risk adjustment for non-financial risk for the risk expired                              | –  | 20,042   | –                         | –         | 20,042          |
| Reinsurance premium (and other related cash flows) experience adjustments relating to current service  | 6,726  | –  | –                         | –         | 6,726           |
| Reinsurance expenses - contracts measured under the PAA  | 30,107                                       | –  | –                         | –         | 30,107          |
| Experience adjustments - relating to incurred claims and other directly attributable expenses recovery | (30,378)                                     | 884  | –                         | –         | (29,494)        |
|  | 6,455  | 20,926   | (15,180)                  | 17,193    | 29,394          |
| <b>Changes in estimates that adjust the CSM</b>  |  |  |                           |           |                 |
| Contracts initially recognised in the period   | 48,565                                       | (8,567)  | –                         | (83,608)  | (43,610)        |
| Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts          | (7,658)                                      | 15   | –                         | –         | (7,643)         |
| Experience adjustments - arising from ceded premiums paid in the period that relate to future service  | 1,574  | (122)  | 7,191                     | (8,643)   | –               |
| <b>Changes that relate to future service</b>   | 116,969                                      | (106,094)  | 15,086                    | (77,214)  | (51,253)        |

| Reconciliation of the measurement components of reinsurance contract balances                     | COMPANY                                      |  |                           |           |                 |
|---|--|--|---------------------------|-----------|-----------------|
|   | 2025   |  |                           |           |                 |
|   | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | CSM                       |           | Total<br>Rs'000 |
| Contracts measured under the fair value approach at transition<br>Rs'000                          |  |  | Other contracts<br>Rs'000 |           |                 |
| Changes that relate to past service - changes in the FCF relating to the incurred claims recovery | (7,030)                                      | –  | –                         | –         | (7,030)         |
| <b>Net (income)/expenses from reinsurance contracts held</b>                                      | 116,394                                      | (85,168)   | (94)                      | (60,021)  | (28,889)        |
| Finance (income)/expenses from reinsurance contracts held   | (11,848)                                     | 4,581  | 9,156                     | (4,730)   | (2,841)         |
| <b>Total amounts recognised in comprehensive income</b>   | 104,546                                      | (80,587)   | 9,062                     | (64,751)  | (31,730)        |
| <b>Cash Flows</b>   |  |  |                           |           |                 |
| Premiums paid net of ceding commissions and other directly attributable expenses paid             | (180,856)                                    | –  | –                         | –         | (180,856)       |
| Recoveries from reinsurance   | 103,625                                      | –  | –                         | –         | 103,625         |
| <b>Total cash flows</b>   | (77,231)                                     | –  | –                         | –         | (77,231)        |
| <b>Net balance as at 30 June 2025</b>   | 645,651                                      | (159,927)  | 106,385                   | (171,857) | 420,252         |
| Closing reinsurance contract liabilities  | 649,021                                      | (154,451)  | 101,518                   | (171,287) | 424,801         |
| Closing reinsurance contract assets   | 3,370  | 5,476  | (4,867)                   | 570       | 4,549           |
| <b>Net balance as at 30 June 2025</b>   | 645,651                                      | (159,927)  | 106,385                   | (171,857) | 420,252         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(e) Total - Reinsurance contracts held

| Reconciliation of the measurement components of insurance contract balances                            | COMPANY                                      |  |                           |          |                 |
|--|--|--|---------------------------|----------|-----------------|
|  | 2024   |  |                           |          |                 |
|  | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | CSM                       |          | Total<br>Rs'000 |
| Contracts measured under the fair value approach at transition<br>Rs'000                               |  |  | Other contracts<br>Rs'000 |          |                 |
| <b>Total - Reinsurance contracts held</b>  |  |  |                           |          |                 |
| Opening reinsurance contract liabilities   | 490,910                                      | (97,640)   | 185,722                   | (56,938) | 522,054         |
| Opening reinsurance contract assets  | 1,837  | –  | –                         | –        | 1,837           |
| Net balances as at 1 July 2023   | 489,073                                      | (97,640)   | 185,722                   | (56,938) | 520,217         |
| <b>Changes that relate to current service</b>  |  |  |                           |          |                 |
| CSM recognised for the services received   | –  | –  | (12,529)                  | 11,934   | (595)           |
| Change in the risk adjustment for non-financial risk for the risk expired                              | –  | 7,547  | –                         | –        | 7,547           |
| Reinsurance premium (and other related cash flows) experience adjustments relating to current service  | 45,781                                       | –  | –                         | –        | 45,781          |
| Reinsurance expenses - contracts measured under the PAA  | 27,820                                       | –  | –                         | –        | 27,820          |
| Experience adjustments - relating to incurred claims and other directly attributable expenses recovery | (69,016)                                     | 786  | –                         | –        | (68,230)        |
|  | 4,585  | 8,333  | (12,529)                  | 11,934   | 12,323          |
| <b>Changes in estimates that adjust the CSM</b>  |  |  |                           |          |                 |
| Contracts initially recognised in the period   | 32,333                                       | (8,682)  | –                         | (43,189) | (19,538)        |
| Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts          | 16,339                                       | 3,005  | –                         | –        | 19,344          |
| Experience adjustments - arising from ceded premiums paid in the period that relate to future service  | 10,117                                       | 296  | (7,353)                   | (3,060)  | –               |
| <b>Changes that relate to future service</b>   | 130,206                                      | 9,967  | (80,944)                  | (59,424) | (194)           |

| Reconciliation of the measurement components of insurance contract balances                       | COMPANY                                      |  |                           |           |                 |
|---|--|--|---------------------------|-----------|-----------------|
|   | 2024   |  |                           |           |                 |
|   | Present value of future cash flows<br>Rs'000 | Risk adjustment for non-financial risk<br>Rs'000 | CSM                       |           | Total<br>Rs'000 |
| Contracts measured under the fair value approach at transition<br>Rs'000                          |  |  | Other contracts<br>Rs'000 |           |                 |
| Changes that relate to past service - changes in the FCF relating to the incurred claims recovery | 9,409  | –  | –                         | –         | 9,409           |
| <b>Net (income)/expenses from reinsurance contracts held</b>                                      | 144,200                                      | 18,300   | (93,473)                  | (47,490)  | 21,538          |
| Finance (income)/expenses from reinsurance contracts held   | 58,727                                       | –  | 5,074                     | (2,678)   | 61,123          |
| <b>Total amounts recognised in comprehensive income</b>   | 202,927                                      | 18,300   | (88,399)                  | (50,168)  | 82,661          |
| <b>Cash Flows</b>   |  |  |                           |           |                 |
| Premiums paid net of ceding commissions and other directly attributable expenses paid             | (166,468)                                    | –  | –                         | –         | (166,468)       |
| Recoveries from reinsurance   | 92,803                                       | –  | –                         | –         | 92,803          |
| <b>Total cash flows</b>   | (73,665)                                     | –  | –                         | –         | (73,665)        |
| <b>Net balance as at 30 June 2024</b>   | 618,335                                      | (79,340)   | 97,323                    | (107,106) | 529,213         |
| Closing reinsurance contract liabilities  | 619,764                                      | (79,340)   | 97,323                    | (107,106) | 530,641         |
| Closing reinsurance contract assets   | 1,428  | –  | –                         | –         | 1,428           |
| <b>Net balances as at 30 June 2024</b>  | 618,336                                      | (79,340)   | 97,323                    | (107,106) | 529,213         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 25. INSURANCE CONTRACT ASSETS, INSURANCE CONTRACT LIABILITIES, REINSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT LIABILITIES

(CONTINUED)

(f) Expected recognition of the contractual service margin

|                  | GROUP & COMPANY             |   |   |                              |  |                             |
|------------------|-----------------------------|---|---|------------------------------|--|-----------------------------|
|                  | 2025                        |   |   |                              |  |                             |
|                  | Insurance contracts issued  |   |   |                              |  | Reinsurance contracts held  |
|                  | Non-Participating contracts | Direct Participating contracts - Linked | Direct Participating contracts - Non-Linked | Investment contract with DPF | Total CSM for insurance contracts issued | Non-Participating contracts |
| Rs'000           | Rs'000                      | Rs'000                                  | Rs'000                                      | Rs'000                       | Rs'000                                   |                             |
| Projection years |                             |   |   |                              |  |                             |
| 1                | (618,521)                   | (17,641)                                | (60,125)                                    | (21)                         | (696,308)                                | 8,856                       |
| 2                | (569,770)                   | (16,551)                                | (51,596)                                    | (25)                         | (637,942)                                | 7,980                       |
| 3                | (527,786)                   | (15,046)                                | (44,348)                                    | (28)                         | (587,208)                                | 7,154                       |
| 4                | (490,610)                   | (14,163)                                | (37,681)                                    | (31)                         | (542,485)                                | 6,537                       |
| 5                | (455,552)                   | (13,136)                                | (31,599)                                    | (33)                         | (500,320)                                | 6,119                       |
| 6-10             | (1,854,021)                 | (53,010)                                | (100,871)                                   | (185)                        | (2,008,087)                              | 25,466                      |
| >10              | (3,937,341)                 | (51,640)                                | (104,065)                                   | (522)                        | (4,093,568)                              | 44,953                      |
| Total            | (8,453,601)                 | (181,187)                               | (430,285)                                   | (845)                        | (9,065,918)                              | 107,065                     |

|                  | GROUP & COMPANY             |   |   |                              |  |                             |
|------------------|-----------------------------|---|---|------------------------------|--|-----------------------------|
|                  | 2024                        |   |   |                              |  |                             |
|                  | Insurance contracts issued  |   |   |                              |  | Reinsurance contracts held  |
|                  | Non-Participating contracts | Direct Participating contracts - Linked | Direct Participating contracts - Non-Linked | Investment contract with DPF | Total CSM for insurance contracts issued | Non-Participating contracts |
| Rs'000           | Rs'000                      | Rs'000                                  | Rs'000                                      | Rs'000                       | Rs'000                                   |                             |
| Projection years |                             |   |   |                              |  |                             |
| 1                | (589,713)                   | (15,370)                                | (68,146)                                    | (268)                        | (673,497)                                | 3,680                       |
| 2                | (555,532)                   | (14,488)                                | (58,974)                                    | (276)                        | (629,270)                                | 1,977                       |
| 3                | (517,454)                   | (13,491)                                | (50,419)                                    | (296)                        | (581,660)                                | 727                         |
| 4                | (483,363)                   | (12,233)                                | (43,192)                                    | (343)                        | (539,131)                                | (24)                        |

|        | GROUP & COMPANY             |   |   |                              |  |                             |
|--------|-----------------------------|---|---|------------------------------|--|-----------------------------|
|        | 2024                        |   |   |                              |  |                             |
|        | Insurance contracts issued  |   |   |                              |  | Reinsurance contracts held  |
|        | Non-Participating contracts | Direct Participating contracts - Linked | Direct Participating contracts - Non-Linked | Investment contract with DPF | Total CSM for insurance contracts issued | Non-Participating contracts |
| Rs'000 | Rs'000                      | Rs'000                                  | Rs'000                                      | Rs'000                       | Rs'000                                   |                             |
| 5      | (452,005)                   | (11,482)                                | (36,575)                                    | (387)                        | (500,449)                                | (419)                       |
| 6-10   | (1,856,509)                 | (45,871)                                | (115,263)                                   | (2,464)                      | (2,020,107)                              | (1,218)                     |
| >10    | (4,182,602)                 | (48,871)                                | (109,888)                                   | (8,886)                      | (4,350,247)                              | 13,039                      |
| Total  | (8,637,178)                 | (161,806)                               | (482,457)                                   | (12,920)                     | (9,294,361)                              | 17,762                      |

(g) The following table details the composition and the fair value of underlying items of the Group's direct participating contracts.

|  | GROUP & COMPANY                         |   |           |   |   |           |
|--|---|---|-----------|---|---|-----------|
|  | 2025                                    |   |           | 2024                                    |   |           |
|  | Direct Participating contracts - Linked | Direct Participating contracts - Non-Linked | Total     | Direct Participating contracts - Linked | Direct Participating contracts - Non-Linked | Total     |
| Rs'000   | Rs'000                                  | Rs'000                                      | Rs'000    | Rs'000                                  | Rs'000                                      |           |
| Financial assets mandatorily measured at FVTPL |   |   |           |   |   |           |
| Debt instruments                               | 1,282,003                               | 1,920,014                                   | 3,202,017 | 1,076,753                               | 2,372,558                                   | 3,449,311 |
| Equity instruments                             | 834,074                                 | 3,828,252                                   | 4,662,326 | 753,716                                 | 3,624,705                                   | 4,378,421 |
|  | 2,116,077                               | 5,748,266                                   | 7,864,343 | 1,830,469                               | 5,997,263                                   | 7,827,732 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT

### (a) Insurance revenue

|   | GROUP                                 |   |   |  |   |                  |
|---|---------------------------------------|---|---|--|---|------------------|
|   | 2025                                  |   |   |  |   |                  |
|   | Non-Participating contracts<br>Rs'000 | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non-Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000  |
| Amounts relating to changes in LRC  |                                       |   |   |  |   |                  |
| Expected incurred claims and other directly attributed expenses           | 293,087                               | 26,097  | 238,660   | 7,026                                  | –   | 564,870          |
| Change in the risk adjustment for non-financial risk for the risk expired | 28,517                                | 662   | 19,877  | 182                                    | –   | 49,238           |
| CSM recognised for the services provided                                  | 361,700                               | 11,415  | 45,731  | 3                                      | –   | 418,849          |
| Insurance acquisition cash flow recovery                                  | 12,628                                | 164   | 6,855   | 187                                    | –   | 19,834           |
| Insurance revenue from contracts not measured under the PAA               | 695,932                               | 38,338  | 311,123   | 7,398                                  | –   | 1,052,791        |
| Insurance revenue from contracts measured under the PAA                   | –                                     | –   | –   | –                                      | 2,501,383                                 | 2,501,383        |
| <b>Total insurance revenue</b>  | <b>695,932</b>                        | <b>38,338</b>                                     | <b>311,123</b>  | <b>7,398</b>                           | <b>2,501,383</b>                          | <b>3,554,174</b> |

### (b) Insurance service expenses

|  |                  |                 |                  |                 |                    |                    |
|--|------------------|-----------------|------------------|-----------------|--------------------|--------------------|
| Incurred claims and other directly attributable expenses                     | (289,359)        | (14,760)        | (145,638)        | (4,338)         | (1,644,484)        | (2,098,579)        |
| Changes that relate to past service - changes in the FCF relating to the LIC | 14,843           | 1,146           | 24,133           | –               | 180,475            | 220,597            |
| Losses on onerous contracts and reversal of those losses                     | (32,302)         | (3,900)         | (185,859)        | (41,570)        | (10,993)           | (274,624)          |
| Insurance acquisition cash flows amortisation                                | (12,628)         | (164)           | (6,855)          | (187)           | (253,663)          | (273,497)          |
| <b>Total insurance service expenses</b>                                      | <b>(319,446)</b> | <b>(17,678)</b> | <b>(314,219)</b> | <b>(46,095)</b> | <b>(1,728,665)</b> | <b>(2,426,103)</b> |
| <b>Insurance service result</b>  | <b>376,486</b>   | <b>20,660</b>   | <b>(3,096)</b>   | <b>(38,697)</b> | <b>772,718</b>     | <b>1,128,071</b>   |

### (c) Net income/(expenses) from reinsurance contracts held

|   | GROUP                                 |   |                  |
|---|---------------------------------------|---|------------------|
|   | 2025                                  |   |                  |
|   | Non-Participating contracts<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000  |
| Expected incurred claims and other directly attributable expenses recovery  | (95,639)                              | –   | (95,639)         |
| Change in the risk adjustment for non-financial risk for the risk expired   | (20,042)                              | –   | (20,042)         |
| CSM recognised for the services received  | (2,013)                               | –   | (2,013)          |
| Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service                | (6,728)                               | –   | (6,728)          |
| Reinsurance expenses - contracts not measured under the PAA   | (124,422)                             | –   | (124,422)        |
| Reinsurance expenses - contracts measured under the PAA   | –                                     | (839,842)                                 | (839,842)        |
| Effect of changes in the risk of reinsurers non-performance   | –                                     | 125                                       | 125              |
| Claims recovered  | 125,134                               | 369,945                                   | 495,079          |
| Recoveries of loss on recognition of underlying onerous contracts   | –                                     | 5,496                                     | 5,496            |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | 51,254                                | –   | 51,254           |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | 7,030                                 | (100,869)                                 | (93,839)         |
| <b>Net income/(expenses) from reinsurance contracts held</b>  | <b>58,996</b>                         | <b>(565,145)</b>                          | <b>(506,149)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

### (a) Insurance revenue

|   | GROUP                                 |   |   |  |   |                  |
|---|---------------------------------------|---|---|--|---|------------------|
|   | 2024                                  |   |   |  |   |                  |
|   | Non-Participating contracts<br>Rs'000 | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non-Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000  |
| Amounts relating to changes in LRC  |                                       |   |   |  |   |                  |
| Expected incurred claims and other directly attributed expenses           | 283,998                               | 23,211  | 217,766   | 5,796                                  | –   | 530,771          |
| Change in the risk adjustment for non-financial risk for the risk expired | (7,649)                               | 595   | 15,911  | 155                                    | –   | 9,012            |
| CSM recognised for the services provided                                  | 319,717                               | 9,879   | 54,071  | 54                                     | –   | 383,721          |
| Insurance acquisition cash flow recovery                                  | 10,289                                | 55  | 4,889   | 100                                    | –   | 15,333           |
| Insurance revenue from contracts not measured under the PAA               | 606,355                               | 33,740  | 292,637   | 6,105                                  | –   | 938,837          |
| Insurance revenue from contracts measured under the PAA                   | –                                     | –   | –   | –                                      | 1,956,529                                 | 1,956,529        |
| <b>Total insurance revenue</b>  | <b>606,355</b>                        | <b>33,740</b>                                     | <b>292,637</b>  | <b>6,105</b>                           | <b>1,956,529</b>                          | <b>2,895,366</b> |

### (b) Insurance service expenses

|  |                  |                 |                  |                |                    |                    |
|--|------------------|-----------------|------------------|----------------|--------------------|--------------------|
| Incurred claims and other directly attributable expenses                     | (223,088)        | (36,205)        | (117,232)        | (797)          | (1,409,766)        | (1,787,088)        |
| Changes that relate to past service - changes in the FCF relating to the LIC | 326              | 575             | (2,047)          | –              | 28,965             | 27,819             |
| Losses on onerous contracts and reversal of those losses                     | 58,934           | (1,261)         | (100,852)        | (3,277)        | (31,090)           | (77,546)           |
| Insurance acquisition cash flows amortisation                                | (10,289)         | (55)            | (4,889)          | (100)          | (228,608)          | (243,941)          |
| <b>Total insurance service expenses</b>                                      | <b>(174,117)</b> | <b>(36,946)</b> | <b>(225,020)</b> | <b>(4,174)</b> | <b>(1,640,499)</b> | <b>(2,080,756)</b> |
| <b>Insurance service result</b>  | <b>432,238</b>   | <b>(3,206)</b>  | <b>67,617</b>    | <b>1,931</b>   | <b>316,030</b>     | <b>814,610</b>     |

### (c) Net income/(expenses) from reinsurance contracts held

|   | GROUP                                 |   |                  |
|---|---------------------------------------|---|------------------|
|   | 2024                                  |   |                  |
|   | Non-Participating contracts<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000  |
| Expected incurred claims and other directly attributable expenses recovery  | (54,527)                              | –   | (54,527)         |
| Change in the risk adjustment for non-financial risk for the risk expired   | (7,547)                               | –   | (7,547)          |
| CSM recognised for the services received  | 595                                   | –   | 595              |
| Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service                | (45,781)                              | –   | (45,781)         |
| Reinsurance expenses - contracts not measured under the PAA   | (107,260)                             | –   | (107,260)        |
| Reinsurance expenses - contracts measured under the PAA   | –                                     | (701,030)                                 | (701,030)        |
|   |                                       | (233)                                     | (233)            |
| Effect of changes in the risk of reinsurers non-performance   | 122,758                               | 406,381                                   | 529,139          |
| Claims recovered  | –                                     | 8,413                                     | 8,413            |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | 193                                   | –   | 193              |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | (9,409)                               | (32,941)                                  | (42,350)         |
| <b>Net income/(expenses) from reinsurance contracts held</b>  | <b>6,282</b>                          | <b>(319,410)</b>                          | <b>(313,128)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

### (a) Insurance revenue

|   | COMPANY                               |   |                |  |   |                  |
|---|---------------------------------------|---|----------------|--|---|------------------|
|   | 2025                                  |   |                |  |   |                  |
|   | Non-Participating contracts<br>Rs'000 | Participating   |                | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000  |
| Direct Participating contracts - Linked<br>Rs'000                         |                                       | Direct Participating contracts - Non-Linked<br>Rs'000 |                |  |   |                  |
| Amounts relating to changes in LRC  |                                       |   |                |  |   |                  |
| Expected incurred claims and other directly attributed expenses           | 293,087                               | 26,097  | 238,660        | 7,026                                  | –   | 564,870          |
| Change in the risk adjustment for non-financial risk for the risk expired | 28,517                                | 662   | 19,877         | 182                                    | –   | 49,238           |
| CSM recognised for the services provided                                  | 361,700                               | 11,415  | 45,731         | 3                                      | –   | 418,849          |
| Insurance acquisition cash flow recovery                                  | 12,628                                | 164   | 6,855          | 187                                    | –   | 19,834           |
| Insurance revenue from contracts not measured under the PAA               | 695,932                               | 38,338  | 311,123        | 7,398                                  | –   | 1,052,791        |
| Insurance revenue from contracts measured under the PAA                   | –                                     | –   | –              | –                                      | 103,319                                   | 103,319          |
| <b>Total insurance revenue</b>  | <b>695,932</b>                        | <b>38,338</b>   | <b>311,123</b> | <b>7,398</b>                           | <b>103,319</b>                            | <b>1,156,110</b> |

### (b) Insurance service expenses

|  |                  |                 |                  |                 |                 |                  |
|--|------------------|-----------------|------------------|-----------------|-----------------|------------------|
| Incurred claims and other directly attributable expenses                     | (289,359)        | (14,760)        | (145,638)        | (4,338)         | (97,311)        | (551,406)        |
| Changes that relate to past service - changes in the FCF relating to the LIC | 14,843           | 1,146           | 24,133           | –               | 36,084          | 76,206           |
| Losses on onerous contracts and reversal of those losses                     | (32,302)         | (3,900)         | (185,859)        | (41,570)        | –               | (263,631)        |
| Insurance acquisition cash flows amortisation                                | (12,628)         | (164)           | (6,855)          | (187)           | (3,517)         | (23,351)         |
| <b>Total insurance service expenses</b>                                      | <b>(319,446)</b> | <b>(17,678)</b> | <b>(314,219)</b> | <b>(46,095)</b> | <b>(64,744)</b> | <b>(762,182)</b> |
| <b>Insurance service result</b>  | <b>376,486</b>   | <b>20,660</b>   | <b>(3,096)</b>   | <b>(38,697)</b> | <b>38,575</b>   | <b>393,928</b>   |

### (c) Net income/(expenses) from reinsurance contracts held

|   | COMPANY                               |   |                 |
|---|---------------------------------------|---|-----------------|
|   | 2025                                  |   |                 |
|   | Non-Participating contracts<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000 |
| Expected incurred claims and other directly attributable expenses recovery  | (95,639)                              | –   | (95,639)        |
| Change in the risk adjustment for non-financial risk for the risk expired   | (20,042)                              | –   | (20,042)        |
| CSM recognised for the services received  | (2,013)                               | –   | (2,013)         |
| Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service                | (6,728)                               | –   | (6,728)         |
| Reinsurance expenses - contracts not measured under the PAA   | (124,422)                             | –   | (124,422)       |
| Reinsurance expenses - contracts measured under the PAA   | –                                     | (30,107)                                  | (30,107)        |
| Claims recovered  | 125,134                               | –   | 125,134         |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | 51,254                                | –   | 51,254          |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | 7,030                                 | –   | 7,030           |
| <b>Net income/(expenses) from reinsurance contracts held</b>  | <b>58,996</b>                         | <b>(30,107)</b>                           | <b>28,889</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

### (a) Insurance revenue

|   | COMPANY                               |   |                |  |   |                  |
|---|---------------------------------------|---|----------------|--|---|------------------|
|   | 2024                                  |   |                |  |   |                  |
|   | Non-Participating contracts<br>Rs'000 | Participating   |                | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000  |
| Direct Participating contracts - Linked<br>Rs'000                         |                                       | Direct Participating contracts - Non-Linked<br>Rs'000 |                |  |   |                  |
| Amounts relating to changes in LRC  |                                       |   |                |  |   |                  |
| Expected incurred claims and other directly attributed expenses           | 283,998                               | 23,211  | 217,766        | 5,796                                  | –   | 530,771          |
| Change in the risk adjustment for non-financial risk for the risk expired | (7,649)                               | 595   | 15,911         | 155                                    | –   | 9,012            |
| CSM recognised for the services provided                                  | 319,717                               | 9,879   | 54,071         | 54                                     | –   | 383,721          |
| Insurance acquisition cash flow recovery                                  | 10,289                                | 55  | 4,889          | 100                                    | –   | 15,333           |
| Insurance revenue from contracts not measured under the PAA               | 606,355                               | 33,740  | 292,637        | 6,105                                  | –   | 938,837          |
| Insurance revenue from contracts measured under the PAA                   | –                                     | –   | –              | –                                      | 79,448                                    | 79,448           |
| <b>Total insurance revenue</b>  | <b>606,355</b>                        | <b>33,740</b>   | <b>292,637</b> | <b>6,105</b>                           | <b>79,448</b>                             | <b>1,018,285</b> |

### (b) Insurance service expenses

|  |                  |                 |                  |                |                  |                  |
|--|------------------|-----------------|------------------|----------------|------------------|------------------|
| Incurred claims and other directly attributable expenses                     | (223,088)        | (36,205)        | (117,232)        | (797)          | (103,230)        | (480,552)        |
| Changes that relate to past service - changes in the FCF relating to the LIC | 326              | 575             | (2,047)          | –              | (498)            | (1,644)          |
| Losses on onerous contracts and reversal of those losses                     | 58,934           | (1,261)         | (100,852)        | (3,277)        | –                | (46,456)         |
| Insurance acquisition cash flows amortisation                                | (10,289)         | (55)            | (4,889)          | (100)          | –                | (15,333)         |
| <b>Total insurance service expenses</b>                                      | <b>(174,117)</b> | <b>(36,946)</b> | <b>(225,020)</b> | <b>(4,174)</b> | <b>(103,728)</b> | <b>(543,985)</b> |
| <b>Insurance service result</b>  | <b>432,238</b>   | <b>(3,206)</b>  | <b>67,617</b>    | <b>1,931</b>   | <b>(24,280)</b>  | <b>474,300</b>   |

### (c) Net income/(expenses) from reinsurance contracts held

|   | COMPANY                               |   |                 |
|---|---------------------------------------|---|-----------------|
|   | 2024                                  |   |                 |
|   | Non-Participating contracts<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Total<br>Rs'000 |
| Expected incurred claims and other directly attributable expenses recovery  | (54,527)                              | –   | (54,527)        |
| Change in the risk adjustment for non-financial risk for the risk expired   | (7,547)                               | –   | (7,547)         |
| CSM recognised for the services received  | 595                                   | –   | 595             |
| Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service                | (45,781)                              | –   | (45,781)        |
| Reinsurance expenses - contracts not measured under the PAA   | (107,260)                             | –   | (107,260)       |
| Reinsurance expenses - contracts measured under the PAA   | –                                     | (27,820)                                  | (27,820)        |
| Claims recovered  | 122,758                               | –   | 122,758         |
| Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts | 193                                   | –   | 193             |
| Changes that relate to past service - changes in the FCF relating to incurred claims recovery   | (9,409)                               | –   | (9,409)         |
| <b>Net income/(expenses) from reinsurance contracts held</b>  | <b>6,282</b>                          | <b>(27,820)</b>                           | <b>(21,538)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 26. INSURANCE SERVICE RESULT AND NET INVESTMENT RESULT (CONTINUED)

Impact of contracts recognised in the period

|  | GROUP & COMPANY                       |                                    |                 |                                       |                                    |                 |
|--|---------------------------------------|------------------------------------|-----------------|---------------------------------------|------------------------------------|-----------------|
|  | 2025                                  |                                    |                 | 2024                                  |                                    |                 |
|  | Profitable contracts issued<br>Rs'000 | Onerous contracts issued<br>Rs'000 | Total<br>Rs'000 | Profitable contracts issued<br>Rs'000 | Onerous contracts issued<br>Rs'000 | Total<br>Rs'000 |
| <b>Total - Insurance contracts issued</b>  |                                       |                                    |                 |                                       |                                    |                 |
| Estimates of the present value of future cash outflows                             | 786,683                               | 574,118                            | 1,360,801       | 629,456                               | 780,250                            | 1,409,706       |
| Insurance acquisition cash flows   | 31,467                                | 39,441                             | 70,908          | 12,940                                | 64,226                             | 77,166          |
| Claims and other directly attributable expenses                                    | 755,216                               | 534,678                            | 1,289,894       | 616,515                               | 716,025                            | 1,332,540       |
| Estimates of the present value of future cash inflows                              | (1,100,772)                           | (485,215)                          | (1,585,987)     | (956,138)                             | (730,923)                          | (1,687,061)     |
| Risk adjustment for non-financial risk CSM   | 43,085                                | 36,696                             | 79,781          | 38,158                                | 60,430                             | 98,588          |
|  | 271,004                               | –                                  | 271,004         | 288,525                               | –                                  | 288,525         |
| Increase in insurance contract liabilities from contracts recognised in the period |                                       | 125,600                            | 125,600         | –                                     | 109,758                            | 109,758         |

|  | GROUP & COMPANY                                  |  |                 |  |  |                 |
|--|--|--|-----------------|--|--|-----------------|
|  | 2025   |  |                 | 2024   |  |                 |
|  | Contracts originated not in a net gain<br>Rs'000 | Contracts originated in a net gain<br>Rs'000 | Total<br>Rs'000 | Contracts originated not in a net gain<br>Rs'000 | Contracts originated in a net gain<br>Rs'000 | Total<br>Rs'000 |
| <b>Total - Reinsurance contracts held</b>  |  |  |                 |  |  |                 |
| Estimates of present value of cash inflows   | (44,144)   | (22,976)                                     | (67,120)        | (60,060)   | –  | (60,060)        |
| Estimates of present value of cash outflows  | 89,320   | 26,365                                       | 115,685         | 92,393   | –  | 92,393          |
| Risk adjustment of non-financial risk CSM  | (3,867)  | (4,701)                                      | (8,568)         | (8,682)  | –  | (8,682)         |
|  | (41,838)   | (41,770)                                     | (83,608)        | (43,189)   | –  | (43,189)        |
| Increase in reinsurance contract liabilities from contracts recognised in the period | (529)  | (43,082)                                     | (43,611)        | (19,538)   | –  | (19,538)        |

## 27. NET INVESTMENT RESULT

|  | GROUP                                 |   |   |  |   |                            |                              |                                  |                 |
|--|---------------------------------------|---|---|--|---|----------------------------|------------------------------|----------------------------------|-----------------|
|  | 2025                                  |   |   |  |   |                            |                              |                                  |                 |
|  | Non-Participating contracts<br>Rs'000 | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non-Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Other - Medisave<br>Rs'000 | Insurance Business<br>Rs'000 | Non-Insurance Business<br>Rs'000 | Total<br>Rs'000 |
| Net investment income/(expenses) - underlying assets         |                                       |   |   |  |   |                            |                              |                                  |                 |
| Interest revenue from financial assets not measured at FVTPL | –                                     | 251   | 43,977  | 78                                     | 557                                       | –                          | 44,863                       | –                                | 44,863          |
| Net gains on FVTPL investments                               | –                                     | 59,458  | 288,204   | 17,115                                 | 38,948                                    | –                          | 403,725                      | –                                | 403,725         |
| Net credit impairment losses (note 33)                       | –                                     | –   | (2,842)   | –                                      | 3   | –                          | (2,839)                      | –                                | (2,839)         |
| Net investments income (expenses) - other                    | –                                     | 14,008  | 72,193  | 7,519                                  | 3,294                                     | (3)                        | 97,011                       | –                                | 97,011          |
| <b>Net investments income - underlying assets</b>            | –                                     | 73,717  | 401,532   | 24,712                                 | 42,802                                    | (3)                        | 542,760                      | –                                | 542,760         |
| <b>Net investment income (expenses) - other investments</b>  |                                       |   |   |  |   |                            |                              |                                  |                 |
| Interest revenue from financial assets not measured at FVTPL | 24,447                                | –   | –   | –                                      | –   | –                          | 24,447                       | 113,607                          | 138,054         |
| Net gains on FVTPL investments                               | 276,939                               | –   | –   | –                                      | –   | –                          | 276,939                      | 203,371                          | 480,310         |
| Net credit impairment losses (note 33)                       | 311                                   | –   | –   | –                                      | –   | –                          | 311                          | 4,733                            | 5,044           |
| Net investments income (expenses) - other                    | 56,511                                | –   | –   | –                                      | –   | –                          | 56,511                       | 46,809                           | 103,320         |
| <b>Total net investment income</b>                           | <b>358,208</b>                        | –   | –   | –                                      | –   | –                          | <b>358,208</b>               | <b>368,520</b>                   | <b>726,728</b>  |
| <b>Interest payable on Financial liability</b>               | –                                     | (3,776)   | –   | –                                      | (3,027)                                   | 3                          | (6,800)                      | (96,401)                         | (103,201)       |
|  | 358,208                               | 69,941  | 401,532   | 24,712                                 | 39,775                                    | –                          | 894,168                      | 272,119                          | 1,166,287       |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 27. NET INVESTMENT RESULT (CONTINUED)

|  | GROUP                                 |   |   |  |   |                            |                              |                                  |                  |
|--|---------------------------------------|---|---|--|---|----------------------------|------------------------------|----------------------------------|------------------|
|  | 2024                                  |   |   |  |   |                            |                              |                                  |                  |
|  | Non-Participating contracts<br>Rs'000 | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non-Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Other - Medisave<br>Rs'000 | Insurance Business<br>Rs'000 | Non-Insurance Business<br>Rs'000 | Total<br>Rs'000  |
| Net investment income/(expenses) - underlying assets         |                                       |   |   |  |   |                            |                              |                                  |                  |
| Interest revenue from financial assets not measured at FVTPL | -                                     | 328   | 41,904  | 11                                     | 327                                       | -                          | 42,570                       | -                                | 42,570           |
| Net gains on FVTPL investments                               | -                                     | 152,552   | 551,847   | 4,996                                  | 70,192                                    | -                          | 779,587                      | -                                | 779,587          |
| Net credit impairment losses (note 33)                       | -                                     | -   | (372)   | -                                      | (16)                                      | -                          | (388)                        | -                                | (388)            |
| Net investments income (expenses) - other                    | -                                     | 12,554  | 58,351  | 394                                    | 2,464                                     | 2                          | 73,765                       | -                                | 73,765           |
| <b>Net investments income - underlying assets</b>            | <b>-</b>                              | <b>165,434</b>                                    | <b>651,730</b>  | <b>5,401</b>                           | <b>72,967</b>                             | <b>2</b>                   | <b>895,534</b>               | <b>-</b>                         | <b>895,534</b>   |
| <b>Net investment income (expenses) - other investments</b>  |                                       |   |   |  |   |                            |                              |                                  |                  |
| Interest revenue from financial assets not measured at FVTPL | 25,509                                | -   | -   | -                                      | -   | -                          | 25,509                       | 111,549                          | 137,058          |
| Net gains on FVTPL investments                               | 492,834                               | -   | -   | -                                      | -   | -                          | 492,834                      | 394,842                          | 887,676          |
| Net credit impairment losses (note 33)                       | (1,666)                               | -   | -   | -                                      | -   | -                          | (1,666)                      | (91)                             | (1,757)          |
| Net investments income (expenses) - other                    | 44,205                                | -   | -   | -                                      | -   | -                          | 44,205                       | 56,088                           | 100,293          |
| <b>Total net investment income</b>                           | <b>560,882</b>                        | <b>-</b>  | <b>-</b>  | <b>-</b>                               | <b>-</b>                                  | <b>-</b>                   | <b>560,882</b>               | <b>562,388</b>                   | <b>1,123,270</b> |
| <b>Interest payable on Financial liability</b>               | <b>-</b>                              | <b>(8,624)</b>                                    | <b>-</b>  | <b>-</b>                               | <b>(3,039)</b>                            | <b>(2)</b>                 | <b>(11,665)</b>              | <b>(67,858)</b>                  | <b>(79,523)</b>  |
|  | 560,882                               | 156,810   | 651,730   | 5,401                                  | 69,928                                    | -                          | 1,444,751                    | 494,530                          | 1,939,281        |

|  | COMPANY                               |   |   |  |   |                            |                              |                                  |                 |
|--|---------------------------------------|---|---|--|---|----------------------------|------------------------------|----------------------------------|-----------------|
|  | 2025                                  |   |   |  |   |                            |                              |                                  |                 |
|  | Non-Participating contracts<br>Rs'000 | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non-Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Other - Medisave<br>Rs'000 | Insurance Business<br>Rs'000 | Non-Insurance Business<br>Rs'000 | Total<br>Rs'000 |
| Net investment income/(expenses) - underlying assets         |                                       |   |   |  |   |                            |                              |                                  |                 |
| Interest revenue from financial assets not measured at FVTPL | -                                     | 251   | 43,977  | 78                                     | 220                                       | -                          | 44,526                       | -                                | 44,526          |
| Net gains on FVTPL investments                               | -                                     | 59,458  | 288,204   | 17,115                                 | 2,339                                     | -                          | 367,116                      | -                                | 367,116         |
| Net credit impairment losses (note 33)                       | -                                     | -   | (2,842)   | -                                      | 3   | -                          | (2,839)                      | -                                | (2,839)         |
| Net investments income (expenses) - other                    | -                                     | 14,008  | 72,193  | 7,519                                  | 463                                       | (3)                        | 94,180                       | -                                | 94,180          |
| <b>Net investments income - underlying assets</b>            | <b>-</b>                              | <b>73,717</b>                                     | <b>401,532</b>  | <b>24,712</b>                          | <b>3,025</b>                              | <b>(3)</b>                 | <b>502,983</b>               | <b>-</b>                         | <b>502,983</b>  |
| <b>Net investment income (expenses) - other investments</b>  |                                       |   |   |  |   |                            |                              |                                  |                 |
| Interest revenue from financial assets not measured at FVTPL | 24,447                                | -   | -   | -                                      | -   | -                          | 24,447                       | 11,204                           | 35,651          |
| Net gains on FVTPL investments                               | 276,939                               | -   | -   | -                                      | -   | -                          | 276,939                      | 204,945                          | 481,884         |
| Net credit impairment losses (note 33)                       | 311                                   | -   | -   | -                                      | -   | -                          | 311                          | 1,073                            | 1,384           |
| Net investments income (expenses) - other                    | 56,511                                | -   | -   | -                                      | -   | -                          | 56,511                       | 299,546                          | 356,057         |
| <b>Total net investment income</b>                           | <b>358,208</b>                        | <b>-</b>  | <b>-</b>  | <b>-</b>                               | <b>-</b>                                  | <b>-</b>                   | <b>358,208</b>               | <b>516,768</b>                   | <b>874,976</b>  |
| <b>Interest payable on Financial liability</b>               | <b>-</b>                              | <b>(3,776)</b>                                    | <b>-</b>  | <b>-</b>                               | <b>-</b>                                  | <b>3</b>                   | <b>(3,773)</b>               | <b>(10,672)</b>                  | <b>(14,445)</b> |
|  | 358,208                               | 69,941  | 401,532   | 24,712                                 | 3,025                                     | -                          | 857,418                      | 506,096                          | 1,363,514       |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 27. NET INVESTMENT RESULT (CONTINUED)

|  | COMPANY                               |   |   |  |   |                            |                              |                                  |                 |
|--|---------------------------------------|---|---|--|---|----------------------------|------------------------------|----------------------------------|-----------------|
|  | 2024                                  |   |   |  |   |                            |                              |                                  |                 |
|  | Non-Participating contracts<br>Rs'000 | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non - Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Other - Medisave<br>Rs'000 | Insurance Business<br>Rs'000 | Non-Insurance Business<br>Rs'000 | Total<br>Rs'000 |
| Net investment income/(expenses) - underlying assets         |                                       |   |   |  |   |                            |                              |                                  |                 |
| Interest revenue from financial assets not measured at FVTPL | -                                     | 328   | 41,904  | 11                                     | -   | -                          | 42,243                       | -                                | 42,243          |
| Net gains on FVTPL investments                               | -                                     | 152,552   | 551,847   | 4,996                                  | (772)                                     | -                          | 708,623                      | -                                | 708,623         |
| Net credit impairment losses (note 33)                       | -                                     | -   | (372)   | -                                      | (16)                                      | -                          | (388)                        | -                                | (388)           |
| Net investments income (expenses) - other                    | -                                     | 12,554  | 58,351  | 394                                    | -   | 2                          | 71,301                       | -                                | 71,301          |
| <b>Net investments income - underlying assets</b>            | -                                     | 165,434   | 651,730   | 5,401                                  | (788)                                     | 2                          | 821,779                      | -                                | 821,779         |
| <b>Net investment income (expenses) - other investments</b>  |                                       |   |   |  |   |                            |                              |                                  |                 |
| Interest revenue from financial assets not measured at FVTPL | 25,509                                | -   | -   | -                                      | -   | -                          | 25,509                       | 11,272                           | 36,781          |
| Net gains on FVTPL investments                               | 492,825                               | -   | -   | -                                      | -   | -                          | 492,825                      | 426,243                          | 919,068         |
| Net credit impairment losses (note 33)                       | (1,666)                               | -   | -   | -                                      | -   | -                          | (1,666)                      | 973                              | (693)           |
| Net investments income (expenses) - other                    | 44,205                                | -   | -   | -                                      | -   | -                          | 44,205                       | 263,627                          | 307,832         |
| <b>Total net investment income</b>                           | 560,873                               | -   | -   | -                                      | -   | -                          | 560,873                      | 702,115                          | 1,262,988       |
| <b>Interest payable on Financial liability</b>               | -                                     | (8,624)   | -   | -                                      | -   | (2)                        | (8,626)                      | (5,932)                          | (14,558)        |
|  | 560,873                               | 156,810   | 651,730   | 5,401                                  | (788)                                     | -                          | 1,374,026                    | 696,183                          | 2,070,209       |

|   | GROUP                                 |   |   |  |   |                         |
|---|---------------------------------------|---|---|--|---|-------------------------|
|   | 2025                                  |   |   |  |   |                         |
|   | Non-Participating contracts<br>Rs'000 | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non - Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Life Business<br>Rs'000 |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  |                                       |   |   |  |   |                         |
| Changes in fair value of underlying assets of contracts measured under the VFA    | -                                     | (65,927)  | (401,532)   | (19,980)                               | -   | (487,439)               |
| Interest accreted   | (230,635)                             | (1)   | (482)   | -                                      | (18,845)                                  | (249,963)               |
| Effect of changes in interest rates and other financial assumptions               | 890,218                               | 834   | (6,239)   | -                                      | 2,545                                     | 887,358                 |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | 26,611                                | -   | -   | -                                      | -   | 26,611                  |
| Foreign exchange differences  | -                                     | -   | -   | -                                      | -   | -                       |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  | 686,194                               | (65,094)  | (408,253)   | (19,980)                               | (16,300)                                  | 176,567                 |
| <b>Finance income (expenses) from reinsurance contracts held</b>                  |                                       |   |   |  |   |                         |
| Interest accreted   | (13,844)                              | -   | -   | -                                      | 12,442                                    | (1,402)                 |
| Effect of changes in interest rates and other financial assumptions               | 18,105                                | -   | -   | -                                      | (1,513)                                   | 16,592                  |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | (1,420)                               | -   | -   | -                                      | -   | (1,420)                 |
| <b>Finance income/(expense) from reinsurance contracts held</b>                   | 2,841                                 | -   | -   | -                                      | 10,929                                    | 13,770                  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 27. NET INVESTMENT RESULT (CONTINUED)

|   | GROUP   |   |  |   |                         |                    |
|---|---|---|--|---|-------------------------|--------------------|
|   | 2024  |   |  |   |                         |                    |
|   | Participating                                     |   |  |   |                         |                    |
| Non-Participating contracts<br>Rs'000   | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non - Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Life Business<br>Rs'000 |                    |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  |   |   |  |   |                         |                    |
| Changes in fair value of underlying assets of contracts measured under the VFA    | –   | (156,810)   | (651,730)                              | (5,401)                                   | –                       | (813,941)          |
| Interest accreted   | (175,096)   | (27)  | (581)                                  | –   | (17,758)                | (193,462)          |
| Effect of changes in interest rates and other financial assumptions               | (421,133)   | (715)   | 1,456                                  | –   | (4,194)                 | (424,586)          |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | (4,502)   | –   | –                                      | –   | –                       | (4,502)            |
| Foreign exchange differences  | –   | –   | –                                      | –   | –                       | –                  |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  | <b>(600,731)</b>                                  | <b>(157,552)</b>  | <b>(650,855)</b>                       | <b>(5,401)</b>                            | <b>(21,952)</b>         | <b>(1,436,491)</b> |
| <b>Finance income (expenses) from reinsurance contracts held</b>                  |   |   |  |   |                         |                    |
| Interest accreted   | (23,591)  | –   | –                                      | –   | 10,489                  | (13,102)           |
| Effect of changes in interest rates and other financial assumptions               | (25,973)  | –   | –                                      | –   | 3,124                   | (22,849)           |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | (11,559)  | –   | –                                      | –   | –                       | (11,559)           |
| <b>Finance income/(expense) from reinsurance contracts held</b>                   | <b>(61,123)</b>                                   | <b>–</b>  | <b>–</b>                               | <b>–</b>                                  | <b>13,613</b>           | <b>(47,510)</b>    |

|   | COMPANY   |   |  |   |                         |                |
|---|---|---|--|---|-------------------------|----------------|
|   | 2025  |   |  |   |                         |                |
|   | Participating                                     |   |  |   |                         |                |
| Non-Participating contracts<br>Rs'000   | Direct Participating contracts - Linked<br>Rs'000 | Direct Participating contracts - Non - Linked<br>Rs'000 | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Life Business<br>Rs'000 |                |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  |   |   |  |   |                         |                |
| Changes in fair value of underlying assets of contracts measured under the VFA    | –   | (65,927)  | (401,532)                              | (19,980)                                  | –                       | (487,439)      |
| Interest accreted   | (230,635)   | (1)   | (482)                                  | –   | (261)                   | (231,379)      |
| Effect of changes in interest rates and other financial assumptions               | 890,218   | 834   | (6,239)                                | –   | 62                      | 884,875        |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | 26,611  | –   | –                                      | –   | –                       | 26,611         |
| Foreign exchange differences  | –   | –   | –                                      | –   | –                       | –              |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  | <b>686,194</b>                                    | <b>(65,094)</b>   | <b>(408,253)</b>                       | <b>(19,980)</b>                           | <b>(199)</b>            | <b>192,668</b> |
| <b>Finance income (expenses) from reinsurance contracts held</b>                  |   |   |  |   |                         |                |
| Interest accreted   | (13,844)  | –   | –                                      | –   | –                       | (13,844)       |
| Effect of changes in interest rates and other financial assumptions               | 18,105  | –   | –                                      | –   | –                       | 18,105         |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | (1,420)   | –   | –                                      | –   | –                       | (1,420)        |
| <b>Finance income/(expense) from reinsurance contracts held</b>                   | <b>2,841</b>                                      | <b>–</b>  | <b>–</b>                               | <b>–</b>                                  | <b>–</b>                | <b>2,841</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 27. NET INVESTMENT RESULT (CONTINUED)

|   | COMPANY                               |   |                  |  |   |                         |
|---|---------------------------------------|---|------------------|--|---|-------------------------|
|   | 2024                                  |   |                  |  |   |                         |
|   | Non-Participating contracts<br>Rs'000 | Participating   |                  | Investment contract with DPF<br>Rs'000 | Non-Participating contracts PAA<br>Rs'000 | Life Business<br>Rs'000 |
| Direct Participating contracts - Linked<br>Rs'000                                 |                                       | Direct Participating contracts - Non-Linked<br>Rs'000 |                  |  |   |                         |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  |                                       |   |                  |  |   |                         |
| Changes in fair value of underlying assets of contracts measured under the VFA    | –                                     | (156,810)   | (651,730)        | (5,401)                                | –   | (813,941)               |
| Interest accreted   | (175,098)                             | (27)  | (581)            | –                                      | (134)                                     | (175,840)               |
| Effect of changes in interest rates and other financial assumptions               | (421,133)                             | (715)   | 1,457            | –                                      | (165)                                     | (420,556)               |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | (4,502)                               | –   | –                | –                                      | –   | (4,502)                 |
| Foreign exchange differences  | –                                     | –   | –                | –                                      | –   | –                       |
| <b>Finance income/(expenses) from insurance contracts issued</b>                  | <b>(600,733)</b>                      | <b>(157,552)</b>                                      | <b>(650,854)</b> | <b>(5,401)</b>                         | <b>(299)</b>                              | <b>(1,414,839)</b>      |
| <b>Finance income (expenses) from reinsurance contracts held</b>                  |                                       |   |                  |  |   |                         |
| Interest accreted   | (23,591)                              | –   | –                | –                                      | –   | (23,591)                |
| Effect of changes in interest rates and other financial assumptions               | (25,973)                              | –   | –                | –                                      | –   | (25,973)                |
| Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates | (11,559)                              | –   | –                | –                                      | –   | (11,559)                |
| <b>Finance income/(expense) from reinsurance contracts held</b>                   | <b>(61,123)</b>                       | <b>–</b>  | <b>–</b>         | <b>–</b>                               | <b>–</b>                                  | <b>(61,123)</b>         |

## 28. REVENUE FROM CONTRACTS WITH CUSTOMERS

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Breakdown of revenue from contracts with customers</b> |                |                |                |                |
| Actuarial fees  | 15,927         | 14,263         | 15,927         | 14,263         |
| Management fees   | 367,381        | 315,215        | 378,245        | 324,701        |
| Administration fees                                       | 303,095        | 280,609        | 134,397        | 127,397        |
| <b>Total revenue</b>                                      | <b>686,403</b> | <b>610,087</b> | <b>528,569</b> | <b>466,361</b> |

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Timing of revenue recognition</b>               |                |                |                |                |
| Services transferred at a point in time            | 15,927         | 14,263         | 15,927         | 14,263         |
| Services transferred over-time                     | 670,476        | 595,824        | 512,642        | 452,098        |
| <b>Total revenue from contracts with customers</b> | <b>686,403</b> | <b>610,087</b> | <b>528,569</b> | <b>466,361</b> |

## 29. OTHER INCOME

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Gain on revaluation of investment properties (note 8)</b> | <b>32,578</b>  | <b>36,274</b>  | <b>34,137</b>  | <b>38,327</b>  |
| Rental income  | 99,355         | 93,214         | 111,707        | 103,894        |
| Finance lease income   | 73,573         | 56,435         | –              | –              |
| Exchange difference  | (512)          | 5,280          | 8,161          | 1,940          |
| Others   | 70,159         | 48,902         | 6,343          | 5,039          |
|  | <b>275,153</b> | <b>240,105</b> | <b>160,348</b> | <b>149,200</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 30. OTHER OPERATING AND ADMINISTRATIVE COSTS

|   | GROUP            |                | COMPANY        |                |
|---|------------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000   | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Employee benefit expense (note 30(a) below)</b>                | <b>695,820</b>   | 715,265        | <b>495,734</b> | 501,080        |
| Depreciation (Note 7)   | 78,143           | 59,951         | 44,453         | 37,933         |
| Depreciation on right of use assets (Note 13(c))                  | 9,614            | 7,387          | 3,825          | 3,051          |
| Loss on disposal of property, plant and equipment                 | 919              | 733            | 698            | 733            |
| Amortisation of intangible assets (Note 9)                        | 18,708           | 17,809         | 9,694          | 9,317          |
| Repairs, maintenance and IT related costs                         | 101,925          | 99,698         | 78,251         | 71,120         |
| Printing, stationery and postage                                  | 4,459            | 4,972          | 3,589          | 3,810          |
| Rent, rates, utilities, licences, Insurance and security services | 66,868           | 51,006         | 42,325         | 35,917         |
| Advertising   | 24,280           | 22,588         | 18,518         | 16,877         |
| Professional and management fees                                  | 98,311           | 95,596         | 79,247         | 73,183         |
| Directors' and secretary fees                                     | 8,521            | 17,050         | 5,312          | 9,617          |
| Subscription fees   | 4,546            | 3,452          | 3,822          | 2,849          |
| Bank Charges  | 10,718           | 9,119          | 4,134          | 4,032          |
| Commission  | 231,868          | 196,629        | 47,888         | 53,386         |
| Others  | 20,923           | 16,475         | 9,498          | 11,219         |
|   | <b>1,375,623</b> | 1,317,730      | <b>846,988</b> | 834,124        |
| Less: Amount attributed to acquisition costs - Life business      | (73,586)         | (80,840)       | (73,586)       | (80,840)       |
| Amount attributed to acquisition costs - SGIN business            | (283,713)        | (244,568)      | –              | –              |
| Insurance service expense   | (382,979)        | (390,100)      | (235,044)      | (227,642)      |
|   | <b>635,345</b>   | 602,222        | <b>538,358</b> | 525,642        |

### (a) Employee benefit expense

|  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Wages and salaries, including termination benefits | 593,147        | 603,217        | 419,780        | 417,597        |
| Social security costs                              | 3,308          | 2,987          | 2,328          | 2,056          |
| Funded pension benefits (note 24(b)(vi))           | 78,795         | 88,763         | 58,205         | 66,379         |
| Unfunded pension benefits (note 24(d)(v))          | 9,812          | 10,073         | 7,718          | 7,878          |
| Pension cost – defined contribution plan           | 10,758         | 10,225         | 7,703          | 7,170          |
|  | <b>695,820</b> | 715,265        | <b>495,734</b> | 501,080        |

## 31. MANAGED FUNDS

The Group and Company accounts exclude the net assets of the Managed Pension Fund and Managed Medical fund as the net assets do not belong to the Group and the Company.

## 32. DIVIDEND PAID

|                         | COMPANY        |                |
|-------------------------|----------------|----------------|
|                         | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Final ordinary dividend | <b>184,481</b> | 176,709        |

The Board of Directors of the Company has, by resolution, recommended and authorised payment of a dividend of Rs 738 per share as at 30 June 2025. (2024: Rs 707 per share).

The dividend payable by the Group to non-controlling interest amounted to Rs'000 192 for the year ended 30 June 2025 (2024: Rs'000 219).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 33. EXPECTED CREDIT LOSS (CHARGE)/ REVERSAL ON FINANCIAL ASSETS

The table below shows the ECL on financial instruments recorded in the Statements of profit or loss.

|   | GROUP 2025                      |                                 |                                 |                 |
|---|---------------------------------|---------------------------------|---------------------------------|-----------------|
|   | Stage 1<br>Individual<br>Rs'000 | Stage 2<br>Individual<br>Rs'000 | Stage 3<br>Individual<br>Rs'000 | Total<br>Rs'000 |
| Mortgage and other loans                              | 821                             | 2,425                           | (4,627)                         | (1,381)         |
| Deposits  | (113)                           | –                               | –                               | (113)           |
| Finance leases (Note 12(a)iv)                         | 3,855                           | –                               | –                               | 3,855           |
| Other Liabilities                                     | (156)                           | –                               | –                               | (156)           |
| <b>Expected (charge)/Reversal on financial assets</b> | <b>4,407</b>                    | <b>2,425</b>                    | <b>(4,627)</b>                  | <b>2,205</b>    |

|  | COMPANY 2025      |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| Mortgage and other loans   | 747               | 2,425             | (4,627)           | (1,455)         |
| <b>(Charge)/Reversal of allowance for expected credit losses</b> | <b>747</b>        | <b>2,425</b>      | <b>(4,627)</b>    | <b>(1,455)</b>  |

|  | GROUP 2024                               |  |  |                          |
|--|--|--|--|--------------------------|
|  | Stage 1<br>Individual<br>Rs'000 Restated | Stage 2<br>Individual<br>Rs'000 Restated | Stage 3<br>Individual<br>Rs'000 Restated | Total<br>Rs'000 Restated |
| Mortgage and other loans   | (1,566)                                  | (31)                                     | 507                                      | (1,090)                  |
| Deposits   | 27                                       | –  | –  | 27                       |
| Finance leases (Note 12(a)iv)                                    | (1,115)                                  | –  | –  | (1,115)                  |
| Other Liabilities  | 33                                       | –  | –  | 33                       |
| <b>(Charge)/Reversal of allowance for expected credit losses</b> | <b>(2,621)</b>                           | <b>(31)</b>                              | <b>507</b>                               | <b>(2,145)</b>           |

|  | COMPANY 2024      |                   |                   |                 |
|--|-------------------|-------------------|-------------------|-----------------|
|  | Stage 1<br>Rs'000 | Stage 2<br>Rs'000 | Stage 3<br>Rs'000 | Total<br>Rs'000 |
| Mortgage and other loans   | (1,557)           | (31)              | 507               | (1,081)         |
| <b>(Charge)/Reversal of allowance for expected credit losses</b> | <b>(1,557)</b>    | <b>(31)</b>       | <b>507</b>        | <b>(1,081)</b>  |

## 34. INSURANCE PROFIT

|  | 2025                    |  |                  | 2024                    |  |                  |
|--|-------------------------|--|------------------|-------------------------|--|------------------|
|  | Life Business<br>Rs'000 | General<br>Insurance<br>Business<br>Rs'000 | Total<br>Rs'000  | Life Business<br>Rs'000 | General<br>Insurance<br>Business<br>Rs'000 | Total<br>Rs'000  |
| Insurance revenue  | 1,156,110               | 2,402,784                                  | 3,558,894        | 1,018,285               | 1,880,602                                  | 2,898,887        |
| Insurance service expenses                                   | (818,592)               | (1,680,183)                                | (2,498,775)      | (600,144)               | (1,551,565)                                | (2,151,709)      |
| Net income/(expenses) from reinsurance contracts held        | 28,889                  | (535,040)                                  | (506,151)        | (21,538)                | (291,590)                                  | (313,128)        |
| <b>Insurance service result</b>                              | <b>366,407</b>          | <b>187,561</b>                             | <b>553,968</b>   | <b>396,603</b>          | <b>37,447</b>                              | <b>434,050</b>   |
| Interest revenue from financial assets not measured at FVTPL | 68,973                  | 56,765                                     | 125,738          | 67,752                  | 44,957                                     | 112,709          |
| Net gains on FVTPL investments                               | 644,055                 | (19,805)                                   | 624,250          | 1,201,450               | 26,382                                     | 1,227,832        |
| Net credit impairment losses                                 | (2,528)                 | –  | (2,528)          | (2,054)                 | –  | (2,054)          |
| Net investments income (expenses) - other                    | 150,691                 | 2,816                                      | 153,507          | 115,506                 | 2,418                                      | 117,924          |
| Interest expenses on Financial liabilities                   | (3,773)                 | –  | (3,773)          | (8,626)                 | –  | (8,626)          |
| <b>Net investment income</b>                                 | <b>857,418</b>          | <b>39,776</b>                              | <b>897,194</b>   | <b>1,374,028</b>        | <b>73,757</b>                              | <b>1,447,785</b> |
| Finance income/(expenses) from insurance contracts issued    | 192,668                 | (16,101)                                   | 176,567          | (1,414,839)             | (21,652)                                   | (1,436,491)      |
| Finance income/(expenses) from reinsurance contracts held    | 2,841                   | 10,928                                     | 13,769           | (61,123)                | 13,613                                     | (47,510)         |
| Net insurance finance expenses                               | 195,509                 | (5,173)                                    | 190,336          | (1,475,962)             | (8,039)                                    | (1,484,001)      |
| <b>Net insurance and investment result</b>                   | <b>1,419,334</b>        | <b>222,164</b>                             | <b>1,641,498</b> | <b>294,669</b>          | <b>103,165</b>                             | <b>397,834</b>   |
| Other operating income                                       | 1,256                   | 360  | 1,616            | 120                     | 10,503                                     | 10,623           |
| Other operating costs  | (33,805)                | (42,695)                                   | (76,500)         | (74,346)                | (29,693)                                   | (104,039)        |
| <b>Insurance profit</b>                                      | <b>1,386,785</b>        | <b>179,829</b>                             | <b>1,566,614</b> | <b>220,443</b>          | <b>83,975</b>                              | <b>304,418</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 35. NOTES TO THE STATEMENTS OF CASH FLOWS

| (a)  | GROUP            |                  | COMPANY        |                  |
|--|------------------|------------------|----------------|------------------|
|  | 2025<br>Rs'000   | 2024<br>Rs'000   | 2025<br>Rs'000 | 2024<br>Rs'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                  |                  |                |                  |
| Profit before taxation                                       | 2,304,757        | 1,204,732        | 2,132,399      | 1,136,928        |
| <i>Adjustments for non cash items:</i>                       |                  |                  |                |                  |
| Depreciation on property, plant and equipment                | 78,143           | 59,951           | 48,934         | 41,272           |
| Depreciation on right of use asset                           | 9,614            | 7,387            | 6,242          | 5,911            |
| Amortisation of intangible assets                            | 18,708           | 17,809           | 12,728         | 12,187           |
| Fair value adjustments on investment property                | (32,578)         | (36,274)         | (34,137)       | (38,327)         |
| Gain on sale of investment                                   | (27,904)         | (32,862)         | (9,881)        | –                |
| Gain on disposal of right of use                             | (228)            | –                | (228)          | –                |
| Retirement benefit expense                                   | 88,607           | 98,836           | 65,923         | 74,257           |
| Provision for credit losses                                  | (2,205)          | 2,145            | 1,455          | 1,083            |
| Fair value loss on repossessed assets                        | –                | 609              | –              | –                |
| Loss on disposal of property, plant and equipment            | 919              | 733              | 698            | 733              |
| Interest income  | (833,140)        | (798,254)        | (582,389)      | (563,755)        |
| Dividend income  | (163,685)        | (138,580)        | (431,615)      | (376,517)        |
| Interest expense   | 103,201          | 79,523           | 14,445         | 14,558           |
| Net gains on financial asset at fair value to profit or loss | (344,031)        | (1,140,550)      | (365,410)      | (1,145,576)      |
| Exchange difference  | (20,832)         | 3,921            | –              | –                |
| <b>OPERATING CASH FLOWS BEFORE WORKING</b>                   | <b>1,179,346</b> | <b>(670,874)</b> | <b>859,164</b> | <b>(837,246)</b> |
| <b>CAPITAL CHANGES</b>                                       |                  |                  |                |                  |
| Increase in other receivables                                | (190,294)        | (196,721)        | (132,736)      | (114,644)        |
| Increase/(Decrease) in other payables                        | 65,479           | 126,922          | 21,319         | 33,566           |
| Decrease in insurance contract assets                        | (103,459)        | 50,588           | (105,118)      | 55,307           |
| (Increase)/Decrease in reinsurance contract assets           | (40,474)         | (126,324)        | (3,121)        | 409              |
| Increase in insurance contract liabilities                   | (354,731)        | 952,720          | (509,952)      | 745,496          |
| (Decrease)/Increase in reinsurance contract liabilities      | (79,294)         | 18,822           | (105,840)      | 8,587            |
| Leases granted during the year                               | (532,220)        | (534,164)        | –              | –                |
| Leases repayment received during the year                    | 309,561          | 270,494          | –              | –                |
| Deposits from customers - net                                | 171,186          | 355,664          | –              | –                |
| <b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>              | <b>425,100</b>   | <b>247,127</b>   | <b>23,716</b>  | <b>(108,525)</b> |

## 35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| (b)                      | GROUP  |                      | COMPANY                    |                                |                            |
|--------------------------|--|----------------------|----------------------------|--------------------------------|----------------------------|
|                          | At July 01, 2024<br>Rs'000   | Cash Flows<br>Rs'000 | At July 01, 2024<br>Rs'000 | Cash Flows<br>Rs'000           |                            |
| Borrowings               | 57,984   | (23,533)             | 33,061                     | 67,512                         |                            |
|                          | <b>57,984</b>  | <b>(23,533)</b>      | <b>33,061</b>              | <b>67,512</b>                  |                            |
|                          | At July 01, 2024<br>Rs'000   | Cash Flows<br>Rs'000 | New loans<br>Rs'000        | At June 30, 2024<br>Rs'000     |                            |
| Borrowings               | 58,950   | (24,296)             | 23,330                     | 57,984                         |                            |
|                          | <b>58,950</b>  | <b>(24,296)</b>      | <b>23,330</b>              | <b>57,984</b>                  |                            |
|                          | At July 01, 2024<br>Rs'000 <th>Cash Flows<br/>Rs'000</th> <th>New loans<br/>Rs'000</th> <th>At June 30, 2025<br/>Rs'000</th> | Cash Flows<br>Rs'000 | New loans<br>Rs'000        | At June 30, 2025<br>Rs'000     |                            |
| <b>COMPANY</b>           |  |                      |                            |                                |                            |
| Borrowings               | 57,984   | (23,533)             | 33,061                     | 67,512                         |                            |
|                          | <b>57,984</b>  | <b>(23,533)</b>      | <b>33,061</b>              | <b>67,512</b>                  |                            |
|                          | At July 01, 2024<br>Rs'000   | Cash Flows<br>Rs'000 | New loans<br>Rs'000        | At June 30, 2024<br>Rs'000     |                            |
| Borrowings               | 58,950   | (24,296)             | 23,330                     | 57,984                         |                            |
|                          | <b>58,950</b>  | <b>(24,296)</b>      | <b>23,330</b>              | <b>57,984</b>                  |                            |
| (b)                      |  |                      |                            |                                |                            |
|                          | At July 01, 2024<br>Rs'000   | Addition<br>Rs'000   | Cash Flows<br>Rs'000       | Non-cash<br>movement<br>Rs'000 | At June 30, 2025<br>Rs'000 |
| <b>GROUP</b>             |  |                      |                            |                                |                            |
| Lease liabilities        | 62,319   | 48,672               | (14,958)                   | 11,020                         | 107,053                    |
|                          | <b>62,319</b>  | <b>48,672</b>        | <b>(14,958)</b>            | <b>11,020</b>                  | <b>107,053</b>             |
|                          | At July 01, 2024<br>Rs'000   | Addition<br>Rs'000   | Cash Flows<br>Rs'000       | Non-cash<br>movement<br>Rs'000 | At June 30, 2025<br>Rs'000 |
| <b>COMPANY</b>           |  |                      |                            |                                |                            |
| Lease liabilities        | 62,319   | 12,756               | (10,584)                   | 6,949                          | 71,440                     |
|                          | <b>62,319</b>  | <b>12,756</b>        | <b>(10,584)</b>            | <b>6,949</b>                   | <b>71,440</b>              |
|                          | At July 01, 2023<br>Rs'000   | Addition<br>Rs'000   | Cash Flows<br>Rs'000       | Non-cash<br>movement<br>Rs'000 | At June 30, 2024<br>Rs'000 |
| <b>GROUP AND COMPANY</b> |  |                      |                            |                                |                            |
| Lease liabilities        | 67,887   | –                    | (10,076)                   | 4,508                          | 62,319                     |
|                          | <b>67,887</b>  | <b>–</b>             | <b>(10,076)</b>            | <b>4,508</b>                   | <b>62,319</b>              |

Non-cash movement relates to accretion of interest on lease

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 36. COMMITMENTS

### CAPITAL COMMITMENTS

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

|                               | GROUP          |                | COMPANY        |                |
|-------------------------------|----------------|----------------|----------------|----------------|
|                               | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Property, plant and equipment | 501            | 2,261          | 260            | 1,962          |
| Future finance leases         | 152,917        | 16,375         | –              | –              |
|                               | 153,418        | 18,636         | 260            | 1,962          |

Details of the Group's contractual obligations to purchase or construct or develop investment property or for repairs, maintenance, or enhancements are as follows:

|                         | GROUP & COMPANY |                |
|-------------------------|-----------------|----------------|
|                         | 2025<br>Rs'000  | 2024<br>Rs'000 |
| Repairs and maintenance | 8,981           | 10,215         |

## 37. RELATED PARTY DISCLOSURES

The Group has transacted with related parties during the years ended 30 June 2025 and 30 June 2024. Details of the related party transactions and balances are given in the table below:

### (a) Transactions with related parties - Directors and key Management Personnel

| Capital Element | GROUP          |                | COMPANY        |                |
|-----------------|----------------|----------------|----------------|----------------|
|                 | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| At 1 July       | 26,377         | 17,538         | 6,886          | (863)          |
| Additions       | 3,880          | (10,895)       | 540            | (11,235)       |
| Repayments      | (12,312)       | 19,734         | (9,696)        | 18,984         |
| * Adjustments   | 30,949         | –              | 30,949         | –              |
| At 30 June      | 48,894         | 26,377         | 28,679         | 6,886          |

\* Adjustments refers to new joiners and leavers of key management personnel and directors during the financial year.

|                                      | GROUP          |                | COMPANY        |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Interest (Payable)/Receivable</b> |                |                |                |                |
| At 1 July                            | (785)          | (123)          | (775)          | (122)          |
| Receivable during the year           | 740            | 333            | 51             | (220)          |
| Received during the year             | (615)          | (995)          | 76             | (433)          |
| At 30 June                           | (660)          | (785)          | (648)          | (775)          |
| <b>Premium Receivable</b>            |                |                |                |                |
| At 1 July                            | 165            | 199            | 118            | 177            |
| Receivable during the year           | 4,438          | 4,046          | 3,217          | 2,865          |
| Received during the year             | (4,360)        | (4,080)        | (3,141)        | (2,924)        |
| At 30 June                           | 243            | 165            | 194            | 118            |
| <b>Compensation</b>                  |                |                |                |                |
| Salaries and short term benefits     | 149,722        | 163,772        | 123,511        | 132,228        |
| Post-employment benefits             | 22,041         | 24,450         | 18,928         | 21,176         |

### (b) Transactions with related parties - Shareholders

|                                     | GROUP          |                | COMPANY        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Sales of services</b>            |                |                |                |                |
| At 1 July                           | (3,126)        | 665            | (3,217)        | 537            |
| Transactions during the year        | 92,155         | 16,174         | (6,971)        | (12,455)       |
| Received during the year            | (61,414)       | (19,965)       | 10,479         | 8,701          |
| At 30 June                          | 27,615         | (3,126)        | 291            | (3,217)        |
| <b>New Investments</b>              |                |                |                |                |
| At 1 July                           | 1,177,800      | 1,286,535      | 1,007,146      | 1,172,833      |
| Additions                           | 902,037        | 450,632        | 729,184        | 288,525        |
| Matured during the year             | (1,144,618)    | (575,686)      | (982,315)      | (475,420)      |
| Fair value adjustments              | 53,254         | 16,319         | 55,407         | 21,208         |
| At 30 June                          | 988,473        | 1,177,800      | 809,422        | 1,007,146      |
| <b>Interest/Dividend receivable</b> |                |                |                |                |
| At 1 July                           | 14,944         | 7,267          | 14,900         | 5,974          |
| Receivable during the year          | 61,645         | 57,700         | 56,780         | 55,996         |
| Received during the year            | (49,372)       | (50,023)       | (45,886)       | (47,070)       |
| At 30 June                          | 27,217         | 14,944         | 25,794         | 14,900         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

## 37. RELATED PARTY DISCLOSURES (CONTINUED)

|                               | GROUP          |                | COMPANY        |                |
|-------------------------------|----------------|----------------|----------------|----------------|
|                               | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| Dividend Paid to Shareholders | 184,481        | 176,709        | 184,481        | 176,709        |
| Bank Balances                 | 253,859        | 415,467        | 192,894        | 213,419        |

### (c) Transactions with related parties - Subsidiaries

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Dividend receivable from Subsidiaries</b>  |                |                |                |                |
| At 1 July                                     | –              | –              | 243,183        | 188,281        |
| Receivable during the year                    | –              | –              | 273,370        | 243,183        |
| Received during the year                      | –              | –              | (243,183)      | (188,281)      |
| At 30 June                                    | –              | –              | 273,370        | 243,183        |
| <b>Sales of services</b>                      |                |                |                |                |
| At 1 July                                     | –              | –              | 11,870         | 6,146          |
| Transactions during the year                  | –              | –              | 118,323        | 122,254        |
| Received during the year                      | –              | –              | (121,268)      | (116,530)      |
| At 30 June                                    | –              | –              | 8,925          | 11,870         |
| <b>Subordinated loan to Fellow Subsidiary</b> | –              | –              | 341,625        | 341,625        |

### (d) SICOM Unit Trusts

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2025<br>Rs'000 | 2024<br>Rs'000 | 2025<br>Rs'000 | 2024<br>Rs'000 |
| <b>Receivables from SICOM Unit trusts</b> |                |                |                |                |
| At 1 July                                 | 1,208          | 560            | –              | –              |
| Receivable during the year                | 12,272         | 10,756         | 5,926          | 4,720          |
| Received during the year                  | (12,858)       | (10,108)       | (5,926)        | (4,720)        |
| At 30 June                                | 622            | 1,208          | –              | –              |
| <b>Equity in SICOM Unit trusts</b>        |                |                |                |                |
| At 1 July                                 | 169,489        | 144,482        | 115,913        | 98,339         |
| Transactions during the year              | 7,898          | 6,258          | 5,443          | 4,313          |
| Received during the year                  | 5,301          | 18,749         | 4,082          | 13,261         |
| At 30 June                                | 182,688        | 169,489        | 125,438        | 115,913        |

The housing loans granted to key management personnel (including Directors) are secured by way of a fixed charge or a mortgage on an immovable property with rates of interest ranging from staff preferential rate of fixed and variable rate of **2%** and **2.5%** respectively (2024: 2.0% to 2.5%) and client's fixed rate of **2.0%** in the first year and variable of **6.25% to 8.25%** subsequently (2024: 2.0% to 6.25%) per annum.

The fair value of the collateral on the loans granted to directors and key management personnel amounted to **Rs'000 116,899** (2024 Rs'000 126,792) and **Rs'000 99,062** (2024: Rs'000 113,053) for the Group and Company respectively and are considered greater than the carrying value of the loans. The expected credit loss on these loans amounted to **Rs 27,458** (2024: Rs 83,153) and **Rs 17,948** (2024: Rs 57,303) for the Group and Company respectively. There have been no guarantees provided for any related party receivables or payables.

## 38. EVENTS AFTER THE REPORTING PERIOD

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.

## 39. CONTINGENT LIABILITY

### VAT (SICOM General Insurance Ltd)

On 3 October 2024, the Mauritius Revenue Authority (MRA) issued a letter asserting that, based on their interpretation, the 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.

# 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 long term insurance business and pensions whilst its subsidiaries carry out general insurance, depository, investment and management activities.

## Directors

The Directors of State Insurance Company of Mauritius Ltd and its subsidiaries in office were as follows

### State Insurance Company of Mauritius Ltd

- Prayag N  
(Director as from 21 February 2025 and Chairperson as from 14 March 2025)
- Bhoojedhur-Obeegadoo K G (Chairperson and Director up to 18 November 2024)
- Acharuz A (up to 14 February 2025; and as from 25 March 2025)
- Dabeea C (up to 18 November 2024)
- Duval I V (as from 03 March 2025)
- Gopy D K
- Jheengun C (up to 20 November 2024)
- Jhungeer S B (up to 18 November 2024)
- Lew Kew Lin S O M F (as from 03 March 2025)
- Madhub M N (up to 12 February 2025; and as from 25 March 2025)
- Munoosingh V K (up to 30 December 2024)
- Ramdewar N
- Sairally M J (as from 21 February 2025)
- Shewraj U (up to 11 August 2025)
- Sonoo J, CSK (up to 13 November 2024)

### SICOM Management Limited

- Prayag N (Director as from 24 June 2025 and Chairperson as from 25 June 2025)
- Bhoojedhur-Obeegadoo K G (Chairperson and Director up to 18 November 2024)
- Gopy D K
- Ramdewar N

### SICOM Global Fund Limited

- Prayag N (Director as from 18 June 2025 and Chairperson as from 25 June 2025)
- Bhoojedhur-Obeegadoo K G (Chairperson and Director up to 18 November 2024)
- Ramdewar N

### SICOM General Insurance Ltd

- Prayag N (Director as from 16 May 2025 and Chairperson as from 23 May 2025)
- Bhoojedhur-Obeegadoo K G (Chairperson and director up to 18 November 2024)
- Ancharaz S (up to 28 August 2025)
- Aukhojee Y K (up to 15 November 2024)
- Chummun A (up to 22 November 2024)
- Dabeea C (up to 18 November 2024)
- Dussoye C (up to 30 December 2024)
- Fuzurally M R S (as from 06 June 2025)
- Gopy D K (as from 03 October 2025)
- Jheelan G (as from 16 May 2025)
- Koonjoo V K (up to 28 October 2024)
- Moonien J (up to 18 November 2024)
- Panchoo H (as from 16 May 2025)
- Sairally M J (as from 16 May 2025)
- Ramdewar N
- Ramkallawon D (up to 15 November 2024)

### SICOM Properties Ltd

- Baichoo N (Director as from 13 May 2025 and Chairperson as from 30 June 2025)
- Bhoojedhur-Obeegadoo K G (Chairperson and Director up to 18 November 2024)
- Gopy D K (as from 13 May 2025)
- Ramdewar N (as from 29 November 2023)

### SICOM Financial Services Ltd

- Narainen E (Director as from 30 May 2025 and Chairperson as from 16 July 2025)
- Mahadu O S (Chairperson and Director up to 15 November 2024)
- Bhoojedhur-Obeegadoo K G (up to 18 November 2024)
- Borthosow L D (as from 29 July 2025)
- Chengabroyan C (up to 10 November 2024)
- Dreepaul A (up to 31 October 2024; and as from 18 June 2025)
- Gopy D K
- Lew Kew Lin S O M F (as from 16 June 2025)
- Prayag N (as from 19 June 2025)
- Ramdewar N
- Rama S (up to 19 May 2025)
- Reedoy S (up to 18 November 2024)
- Seeteejory S (up to 15 November 2024)

### Directors' Service Contracts

- The Executive Directors of the Group have a service contract without expiry date.

# STATUTORY DISCLOSURES (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2025

## Directors' Remuneration

The remuneration for the Directors was as follows:

|              | NON-EXECUTIVE    |                  | EXECUTIVE        |                  |
|--------------|------------------|------------------|------------------|------------------|
|              | 2025<br>MUR '000 | 2024<br>MUR '000 | 2025<br>MUR '000 | 2024<br>MUR '000 |
| Company      | 4,306            | 7,654            | 22,511           | 24,327           |
| Subsidiaries | 2,971            | 7,199            | 4,687            | 5,060            |

The remuneration as mentioned above, received by the Directors during the financial year and for the period they held office were as follows:

Prayag N appointed on 21 February 2025 (Non-Executive Director and Chairperson Rs 314,700 from the Company and Rs 66,368 from Subsidiaries), Bhoojedhur-Obeegadoo KG resigned on 18 November 2024 (Non-Executive Director and ex-Chairperson Rs 730,615 from the Company and Rs 539,510 from Subsidiaries), A Acharuz (Independent Director, Rs 486,166), Duval I V appointed on 03 March 2025 (Non-Executive Director, Rs 128,065), Dabeea C resigned on 18 November 2024 (Independent Director Rs 251,529 from the Company and Rs 125,583 from Subsidiaries), Gopy DK (Executive Director, Rs 6,808,275 as emoluments and Rs 2,128,659 as pension related contributions made by the Company and other benefits), Jhungeer S B resigned on 18 November 2024 (Non-Executive Director, Rs 251,529), Jheengun C resigned on 20 November 2024 (Non-Executive Director, Rs 254,763, Lew Kew Lin SOM F appointed on 03 March 2025 (Non-Executive Director, Rs 138,065 from the Company and Rs 6,500 from Subsidiaries), Madhub M N (Non-Executive Director, Rs 474,023), Munoosingh V K resigned on 30 December 2024 (Independent Director, Rs 339,495), Ramdewar N (Executive Director, Rs 10,363,811 as emoluments and Rs 3,210,002 as pension related contributions made by the Company and other benefits), Shewraj U (Independent Director, Rs 520,463), Sairally M J appointed on 21 February 2025 (Independent Director Rs 148,571 from the Company and Rs 19,710 from Subsidiaries), Sonoo J, C.S.K resigned on 13 November 2024 (Non-Executive Director, Rs 268,444).

The Executive Directors of the Group have a service contract without expiry date and do not receive directors' fees.

## Audit fees

The fees payable to Deloitte, external auditors, for audit and other services were:

|  | THE COMPANY      |                  | SUBSIDIARIES     |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2025<br>MUR '000 | 2024<br>MUR '000 | 2025<br>MUR '000 | 2024<br>MUR '000 |
| Statutory Audit  | 6,187            | 7,036            | 4,319            | 5,060            |
| Review of tax computation  | 136              | 129              | 306              | 292              |
| Statutory returns, as per insurance (risk management) rules 2016 | 252              | 240              | 252              | 358              |

|           | THE COMPANY      |                  | SUBSIDIARIES     |                  |
|-----------|------------------|------------------|------------------|------------------|
|           | 2025<br>MUR '000 | 2024<br>MUR '000 | 2025<br>MUR '000 | 2024<br>MUR '000 |
| Donations | –                | –                | –                | –                |

For and on behalf of the Board of Directors



**N. PRAYAG**  
Chairperson

17 December 2025



**Mr A. ACHARUZ**  
Director