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ISLAND LIFE ASSURANCE CO. LTD.

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2024

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ISLAND LIFE ASSURANCE CO. LTD.

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ISLAND LIFE ASSURANCE CO. LTD.
CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to submit the Annual Report of Island Life Assurance Co. Ltd for the year 2024.

The global economy showed signs of stabilisation in 2024, after years of continuous shocks. While the world avoided a global recession, the pace of reducing extreme poverty has started due to weak economic growth, the lingering effects of the Covid-19 Pandemic, rising debt burdens and increasing fragility in many regions. Climate related disasters and extreme weather events further exuberated these challenges, threatening to reverse progress in many areas. Globally economic growth remained flat at 3.2 %, supported by resilient consumer spending but offset by reduced private sector investment. Inflationary pressures eased, prompting key central Banks, including the U.S Federal Reserve, the Bank of England, and the European Central Bank, to initiate a re-card cycle. This led to a recovery in global financial Markets, with both equities and fixed income investment reaching new heights. However, geopolitical tensions in the Middle East and Eastern Europe continued to disrupt global trade and accelerate de-globalisation trends.

The International Financial Reporting Standard 17 on insurance contract is now in operation effective 1st January 2023. The new standard introduces consistent accounting for all insurance contracts with updated information about obligations, risks, performance of insurance contract and increases transparency in financial Information reported by insurance by companies. The standard specifies the principles for recognition, measurement, presentation and disclosure.
Due to changing variables applied like discounting, risk adjustment factors, shareholders should expect some volatility in the future of financial results.

The Company ended the year with an insurance revenue of Rs 96.4 M for the year 31 December 2024 as compared to Rs 85.8 M in 2023. The Company's New Business activities increased by 43% with regards to first year premium during the financial year under review.

The volatile global financial markets arising from a wide range of geopolitical and economic headwinds impacted returns with the Company posting an overall asset return of 12.15% (2023: 7.68%) for the year ended 31 December 2024. Investment and other income increased to close at Rs 168 M (2023: Rs 105.4M). The increase is mostly attributable to the fair value gains on listed equity and bond investments.

The Company fulfilled its obligations towards its customers with a total amount of Rs 147M paid in terms of maturity and survival benefits during the year. The Company also settled death and disability claims of Rs 28M.

The outlook for 2025 for the Company remains challenging in view of the impact of the macroeconomic and geopolitical crises on the social, economic and investment environment.

Against this backdrop, a number of actions and initiatives have been taken to drive sales, improve investment return and reduced costs. These include a consolidation of the workforce by finding suitable replacement for key personnel, a complete review of the Marketing and Sales Strategy including using innovative way to sell and revamping a Life Investment Linked Product, a full review of the investment strategy.

I seize the opportunity to thank my fellow Board Members for their collaboration and advice, our dedicated Management, staffs and valued stakeholders for their contribution and support.

DocuSigned by:
Mr. M Iqbal Oozeer
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Mr. Mohammad Iqbal Oozeer
Chairman

Date: 29 June 2026

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE PROFILE

Legal Form and Principal Activity

The Company is incorporated in Mauritius under the Mauritius Companies Act 2001 as a public company with limited liability.

The principal activity of the Company consists of long-term insurance and individual Personal Pension Plan business.

The Company is regulated under the Mauritius Companies Act 2001, the Insurance Act 2005 and regulations of the Financial Services Commission (the "Commission").

Directors of the Company

Chairman & Non-Executive Director

Mr. Mohammad Iqbal Oozeer (appointed on 01 January 2024)

Executive Director

Mr. Bodun Koomar (resigned on 30 June 2024)
Mr. Chrispinus Mugwang'a (appointed on 29 August 2024)

Non-Executive Directors

Mr. Raffi Currimjee
Mr. Sattar Hajee Abdoula (ceased to be a director on 28 November 2025)

Independent Directors

Mr. Ashok Kumar Mepa Kanji Shah
Mr. Ian Etheridge (resigned on 07 April 2026)
Ms. Oumila Sibartie
Mrs. Shamima Mallam-Hassam (appointed on 21 February 2024)

The Company Secretary

Currimjee Secretaries Limited

Registered office

38, Royal Street
Port Louis, Mauritius

Principal Place of Business

Corner Leoville L'homme & Sir William Newton Streets
Port Louis, Mauritius

Auditor

PricewaterhouseCoopers
PwC Centre, Avenue de Telfair,
Telfair 80829,
Moka,
Republic of Mauritius

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ISLAND LIFE ASSURANCE CO. LTD.
CORPORATE PROFILE (CONT'D)

Bankers

1. **SBM Bank (Mauritius) Ltd**
   1, Queen Elizabeth II Avenue
   Port-Louis
   Mauritius

2. **The Mauritius Commercial Bank Ltd**
   9-15, Sir William Newton Street
   Port Louis, Mauritius

3. **Absa Bank (Mauritius) Limited**
   Absa House
   68 Wall Street, Cybercity
   Ebene 72201, Mauritius

4. **SBI (Mauritius) Ltd**
   SBI Tower Mindspace
   Bhumi Park, 45, Ebene
   Cybercity, Mauritius

5. **AfrAsia Bank Limited**
   Bowen Square, 10, Dr Ferriere Street
   Port Louis, Mauritius

Actuaries

1. **QED Actuaries and Consultants (Pty) Ltd**
   1st Floor - The Bridle | Hunts End Office
   38 Wierda Road West | Wierda Valley
   Sandton 2196
   Johannesburg
   South Africa

2. **Actuarix** (Formerly known as Aon Solutions Ltd)
   1^{s} Floor, The Pod
   Vivea Business Park
   Moka 81406, Mauritius

Custodian

1. ***The Mauritius Commercial Bank Ltd***
   1st Floor, Raymond Lamusse Building
   9-11, Sir William Newton Street
   Port Louis, Mauritius

Investment Manager

1. **MCB Investment Management Co Ltd**
   1st Floor, Raymond Lamusse Building
   Sir William Newton Street
   Port Louis, Mauritius

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ISLAND LIFE ASSURANCE CO. LTD.

DIRECTORS' REPORT

The Directors have pleasure in submitting the Annual Report of Island Life Assurance Co. Ltd ("the Company") together with the audited financial statements for the year ended 31 December 2024 as set out on pages 47 to 147.

Statement of Directors' Responsibilities in respect of the Financial Statements

Company law requires the Directors to prepare financial statements, for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Auditor

	2024	2023
	Rs	Rs
Audit	**3,500,000**	2,875,000
Tax services	**84,000**	97,000
Other services – Risk Management Framework	**225,000**	196,000
	3,809,000	3,168,000

PricewaterhouseCoopers, Mauritius has been appointed as auditor for year ended 31 December 2024.

Acknowledgements

We thank our fellow Members of the Board for their support and guidance throughout the year.

We would like to express our sincere thanks and appreciation to the management and staff for their dedication and sustained hard work in ensuring the success of the Company.

We also thank all our policyholders, business partners and other stakeholders for their contribution to the Company's achievements.

Approved by the Board of Directors and signed on its behalf.

DocuSigned by:
Mr. M Iqbal Oozeer
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Chairman

Signed by:
Chrispinus Mugwang'a
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Director

Date: 29 June 2026

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

Introduction

Island Life Assurance Co. Ltd. ('ILA' or the 'Company'), a public interest entity as defined by the Financial Reporting Act 2004, has applied the principles of the National Code of Corporate Governance (2016) (the "Code") throughout the financial year under review. This Corporate Governance Report ('the Report') sets out how the Code's principles have been applied and reflected throughout this Report, which forms part of the Company's Annual Report for the financial year 2024 and is also available on the Company's website: https://ila.mu/.

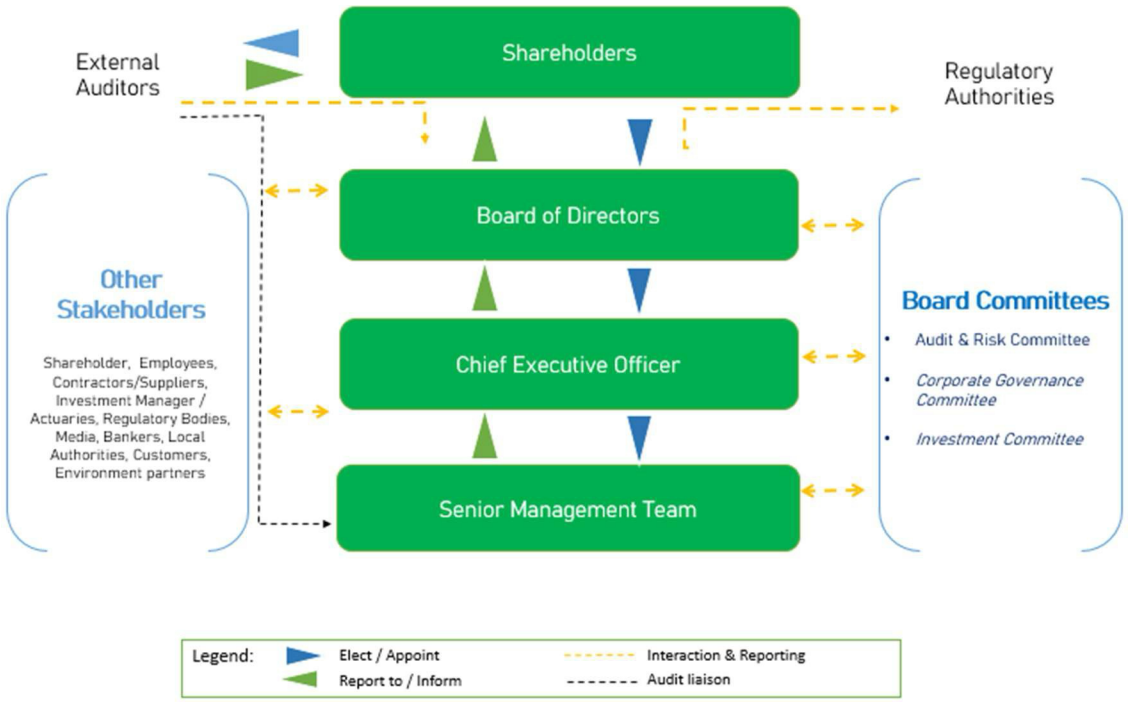
01: Governance Structure

Statement of Accountabilities

The Board of ILA is collectively accountable and responsible for the long-term success of the Company, its reputation and governance. The Board also assumes responsibility for leading and controlling the Company and meeting all legal and regulatory requirements. In fulfilling its obligations under the Code, the Board has undertaken a series of decisive governance actions to strengthen oversight, reinforce accountability, and ensure alignment with best-practice corporate governance standards.

In line with the Code, the Board has:

- A Memorandum and Articles of Association.
- Adopted a Board Charter setting out the objectives, roles and responsibilities and composition of the Board of Directors. The Board Charter is reviewed at least every two (2) years.
- Adopted Position Statements for key senior governance positions: Chairman, Company Secretary, and Chief Executive Officer.
- Adopted a Code of Conduct (Code of Ethics) and a Whistleblowing Policy.
- Approved a Governance Framework in line with the Code, as illustrated below.



Stakeholders may consult ILA's Board Charter including the terms of references of its Board Committees and Position Statements of the key Governance Officers on the Company's website: https://www.ila.mu

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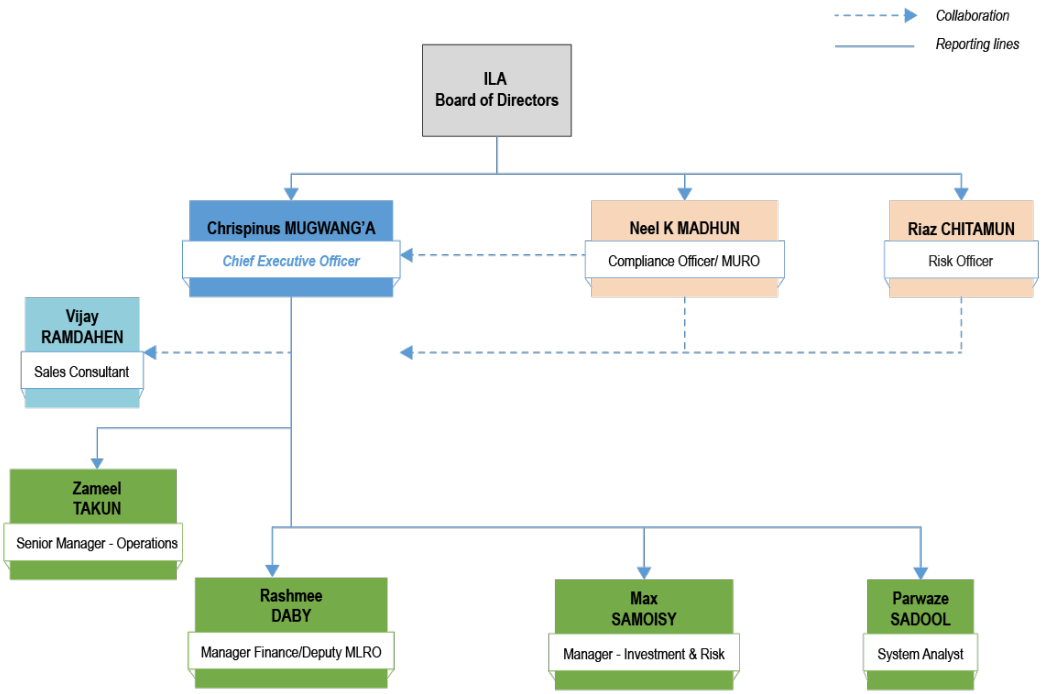
ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

01: Governance Structure (Cont'd)

Organisational Chart Senior Management Team

The organisational chart of the Company setting out the reporting lines and Senior Management Team, is set out below, with the Senior Management Team profiles summarized.



Senior Management Team's Profiles.

Mr. Zameel Takun - Operations Manager

Qualifications:

- First Class BSc (Hons) degree in Actuarial Science (Malaysia)
- Master's degree in Quantitative Sciences (Malaysia)
- Member of the Society of Actuaries (USA)

Experience

- Over 12 years of experience in the insurance sector, mainly the Life insurance.
- Extensive knowledge and experience in life insurance, technical pension, general insurance pricing and product development.
- Former Assistant Manager in the Actuarial department of MUA Life. Led a team of actuarial analysts and serviced more than 100 corporate clients on an annual basis regarding IAS 19 pension valuation and other technical needs.
- Coordinated the successful launching of the Takaful product at MUA Life.
- Played a key role in the review and revamp of the reinsurance treaty arrangements for MUA Life. Also provided vital contributions to the significant expansion of the Group Life business through a combination of technical expertise and commercial awareness.
- Former MIS Analyst at MCB.
- Former Actuarial Science lecturer at University of Mauritius and University of Technology, Mauritius (UTM).

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

01: Governance Structure (Cont'd)

Senior Management Team's Profiles (Cont'd)

Ms. Rashmee Daby – Finance Manager

Qualifications:

- Fellow Member of the Association of Chartered Certified Accountants
- MBA (Specialisation Financial Services), University of Mauritius

Experience:

- More than 18 years of experience in Finance mainly in the Financial Services Sector and the Real Estate Sector.
- Former Finance Director and Deputy Money Laundering Reporting Officer at Waterstone Realty.
- Former employee of various management companies in Mauritius (Intercontinental Trust Ltd, Knights & Johns Management Ltd, MITCO Group).

Mr. Max Samoisy – Investment and Risk Manager

Qualifications:

- BA Law and Management, University of Mauritius
- MSC Finance (Investment Management Stream), BPP University, UK
- Postgraduate Certificate, Trading and Market Analysis, Amplify Trading PLC, UK
- PRM (In progress) Exam I & II Passed, PRMIA, USA

Experience:

- More than 12 years of experience in Financial Sector in Mauritius and the UK
- Former Senior Financial Analyst at SWAN Capital Solution
- Former Risk Manager at Axys Leasing Ltd – Private Banking Project
- Former Quantitative Analyst at Basing Hall Analytics (UK)
- Former Investment Analyst at All Seasons Capital Management Ltd and P Conciliarri Ltd
- Former Futures Trader at Amplify Trading PLC (UK)
- Former Relationship Officer- Brokers & Corporate Partners- Financial & Specialities at MUA
- Former Lecturer at Charles Telfair Institute
- Former Senior Management Consultant at Le Marin Villa.

Mr. Vinay Anand Ramdahen – Sales Manager

Qualifications:

- Higher School Certificate.

Experience:

- A seasoned professional with over 25 years of experience in the dynamic world of Insurance Sales.
- He joined MUA as a Salesperson and quickly became a Team Leader, then Field Trainer, Area Coordinator and finally Assistant Manager – Sales.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

01: Governance Structure (Cont'd)

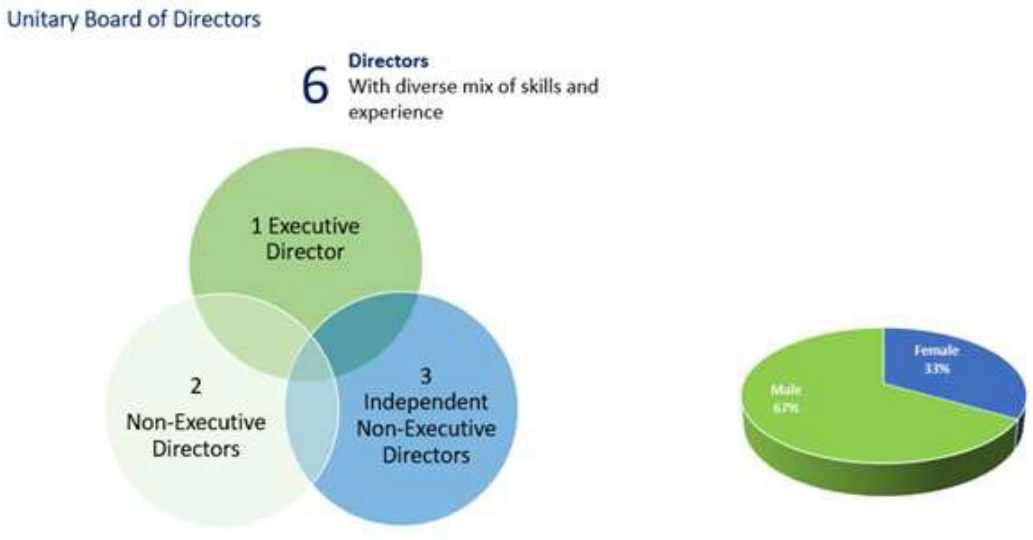
Senior Management Team's Profiles (Cont'd)

- During all those years he has developed a passion for helping people safeguard their future and loved ones.
- Over the years he has recruited and trained a diverse range of Salespersons, each with unique needs and aspirations.
- Empowering teams to reach their fullest potential and delivering impactful presentations has always been his priority.
- His journey has been marked by continuous learning, adapting to industry trends and steadfast commitment to exceeding customers' expectations.
- Appointed Sales Manager on the 1st of July 2023.

02: The Structure of the Board and its Committees

- ILA is led by an effective and unitary Board comprised of Executive, Non-Executives and Independent Directors, with diverse expertise and perspective to guide the Company.
- During the year 2024, Mrs Shamima Mallam-Hassam was appointed as Independent Director on 21 February 2024, while Mr Chrispinus Mugwang'a was appointed as Executive Director on 29 August 2024 following the resignation of Mr Bodun (Sailesh) Koomar from the Board on 30 June 2024.

  The Board underwent further changes in 2025 and 2026, with the resignation of Mr Ian Etheridge as Independent Director on 16 April 2026, and Mr Abdul Sattar Adam Ali Mamode Hajee Abdoula ceased to hold office as Non-Executive Director on 28 November 2025 in accordance with Section 138 of the Companies Act 2001.
- As at the date of this Report, the Board comprises of Six (6) Directors made of two (2) Non-Executive Directors including the Chairman, one (1) Executive Director, and three (3) Independent Directors including two (2) Lady Directors. The profiles of the Directors serving on the Board as at date of this Report are set out on the next page of this report.



ILA's Board Composition and Gender Representation as at date of this Report.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

- The Board is in the process of appointing a Non-Executive Director in line with Section 30 of the Insurance Act 2005.
- The Board is satisfied that its Board composition provides an appropriate balance of gender diversity, independence and expertise, enabling it to exercise effective oversight and sound decision-making, while continuing to uphold high standards of corporate governance.
- Collectively, the Directors bring extensive local and internation experience with knowledge in key areas including investment management, finance, accounting and audit, strategic leadership, regulatory matters, corporate governance, consulting, sustainability and environmental, social and governance (ESG) matters.

Board of Directors' Profiles.

Mr. M Iqbal Oozeer – Mauritian Citizen & Resident – Chairman and Non-Executive Director

Committee Memberships: Member of Investment Committee and Corporate Governance Committee

Qualifications:

- Fellow Member of the Association of Chartered Certified Accountants, UK.
- Attended a number of professional courses at Alliance Manchester Business School, Euromoney and INSEAD.

Experience:

- Director of the Economic Development Board.
- Managing Director of Currimjee Jeewanjee and Company Limited.
- Chairman of numerous companies within the Currimjee Group.
- Former Chief Finance Officer of Currimjee Jeewanjee and Company Limited.
- Held key Executive positions in Currimjee Jeewanjee and Company Limited for over thirty years.
- Accountant at Elf Antargaz (Maurice) Ltée from 1987 to 1988.
- Audit Assistant at Kemp Chatteris Deloitte from 1982 to 1986.

Directorship in other companies:

Quality Beverages Limited, Island Life Assurance Co Ltd, Currimjee Industries Ltd, Currimjee Jeewanjee and Company Limited, Emtel Limited, Emtel Technopolis Ltd, Emvision Ltd, E-Skills Ltd, Currimjee Real Estate Ltd, Facilicare Ltd, L'Avenir Precinct Ltd, L'Avenir Precinct II Ltd, Mauritius Properties Company Limited, Plaisance Aeroville Ltd, IKO (Mauritius) Resort Village Ltd (PIE Company), IKO (Mauritius) Hotel Limited, IKO (Mauritius) Property Development Ltd, Eight IKO Villas Ltd, Silver Wings Travels Ltd, SW Tours Ltd, Island Life Assurance Co. Ltd, Batimex Limited, Metric Limited, Lux Appliances, Currimjee Informatics Ltd, Screenage Limited, Abana (Mauritius) Ltd, Accuvise Administrators Ltd, Total Energies Marketing Mauritius Limited.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Board of Directors' Profiles (Cont'd)

Mr. Raffi Currimjee – Mauritian Citizen and Resident - Non-Executive Director

Committee Memberships: Member of the Audit & Risk Committee and the Corporate Governance Committee

Qualification:

- BSE Mechanical Engineering and Applied Mechanics, University of Pennsylvania, USA

Experience:

- Has held key Executive positions in the Food and Beverage Cluster of the Currimjee Group for the last 30 Years.
- Former Deputy Managing Director of Quality Beverages Limited.
- Former Managing Director of Margarine Industries Limited.
- Former Managing Director of Vital Water Bottling Company.
- Non-Executive Director on the Board of the Mawdsleys Group Investments Limited.

Directorship in other companies: Currimjee Limited, Batimex Limited, Metric Limited, Central Distributors Company Limited, Creative Advertising Bureau Limited, Quality Beverages Limited, Compagnie Immobilière Limitée, Shedine Limited and L&J Ltée.

Mr. Ashok Shah – Dual British & Kenyan Citizen and Non-Resident – Independent Director

Committee Membership: Chairman of the Audit & Risk Committee

Qualifications:

- Applied Chemistry.
- Chartered Insurer with ACII.
- Member of the Chartered Institute of Arbitrators (MCIArb).
- Associate of Insurance Institute of Kenya (AIIK).
- Nominated as top 100 CEO's of 2025.
- Nominated no. 6 in top 25 CEO's making impact in business in Kenya for 2021 by Business Monthly.
- 2021 - MB100 leader Recognised as one of the 100 leaders worldwide making an impact through Mindful Business.
- Honoured with the Moran of the Burning Spear (MBS), a prestigious national award presented by the President of the Republic of Kenya.
- Top Africa Insurance Industry CEO 2025 - Africa Re award at AIO 2025

Experience:

- Currently Group Chief Executive of Apollo Investments Limited.
- Past Director of CDSC, Past Director of Reliance Insurance Company (Tanzania).
- Director of APA Insurance Ltd, APA Life Assurance, Apollo Asset Management, APA Insurance Uganda, APA Micro Insurance Company.
- 10 years of experience as Board Member of Barclays Bank and ABSA Bank.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Board of Directors' Profiles (Cont'd)

- Over 50 years of experience within the Insurance Industry both in East Africa and England.
- Chairman of Association of Kenya Insurers 1998 -2000.
- Lifetime Achievement award for services to the Insurance Industry in 2010.

Directorship in other companies: as listed above

Ms. Oumila Sibartie – Mauritian Citizen & Resident – Independent Director

Committee Memberships: Chairperson of the Investment Committee and Member of the Audit & Risk Committee.

Qualifications:

- MA, Economics, University of Akron, Ohio, U.S.A.
- BSc Economics, University of Mauritius
- International Certificate in Investment and Wealth Management Level 3, Chartered Institute for Securities & Investment, London, U.K.
- Certificate in Green & Sustainable Finance, Chartered Banker Institute, London, U.K.
- ACI Dealing Certificate, The Financial Markets Association, Paris, France
- Certificate for Financial Advisers Level 1, IFS School of Finance, London, U.K.

Experience:

- Woman leader and multi-faceted financial professional with over 26 years of global experience in the U.S.A., U.K. and Africa. Independent Board Member of companies across banking, financial services and other economic sectors. Strong advocate of sustainable development. Internationally certified specialist in Green & Sustainable Finance. Globally recognised certified Investment & Wealth Management professional. Wide range of expertise in the fields of investments, finance, accounting, corporate governance, business strategy, audit & risk management, corporate finance, fund & asset management, wealth management, financial planning, treasury, economic analysis, social impact assessment, financial process automation and professional training. Proven track record in the development of financial products & solutions for large corporates, global businesses, public organisations, investment banks, pension funds, asset managers, insurance companies and high net-worth individuals. Enthusiastic speaker participating in forums on key topics relating to the economy, wealth creation, green finance, audit & risk, governance, women empowerment and ESG.
- Fellow Member of the Mauritius Institute of Directors.
- Independent Director on entities in the banking, financial services, real estate, hospitality, retail and manufacturing sectors.
- Former Managing Director – Institut de la Formation pour l'Entreprise Ltée.
- Former Business Development Executive & Director – London Institute of Banking & Finance Africa.
- Former Markets Business Development at ABSA Bank Mauritius Ltd.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Board of Directors' Profiles (Cont'd)

- Former Fund Manager at SBM Mauritius Asset Managers Ltd.
- Former Equity Product Specialist at Bloomberg LP, U.K. and U.S.A.
- Former Director of SBM Bank (Mauritius) Ltd

Directorship in other companies: Global Business Licensed Funds, Chartreuse Group, HV Holdings Ltd

Mrs. Shamima Mallam-Hassam – Mauritian Citizen & Resident – Independent Director

Committee Memberships: Chairperson of the Corporate Governance Committee and Member of the Investment Committee

Qualifications:

- General management Program – Essec Business School, France
- Maitrise Sciences Economiques – Université Aix-en-Provence, France
- Licence Sciences Economiques - Université Aix-en-Provence, France
- Baccalauréat A1 – Lycée Labourdonnais, Mauritius

Experience:

- Successful career with over 20 years in both the public and private sector in the field of Investment Promotion, Business Development, Operations Management, International Marketing, Policy formulation and Advocacy, Strategic Planning, Management, Finance, Compliance and Client relationship and experience.
- Managing Director – Trident Trust Company Mauritius Ltd.
- Currently Chairperson of Mauritius Finance.
- Former Managing Director & Country Executive of Alter Domus (Mauritius) Ltd.
- Former Head of Business Development – CIM Global Business (now IQ-EQ).
- Former Senior Director of the Board of Investment.
- Former Client Manager – Enterprise Mauritius.
- Former Assistant Manager – Mauritius Export Development & Investment Authority.

Directorship in other companies: Meridis FX (a subsidiary of Omnicane Group) and Director on GBCs and Funds licensed by the FSC.

Mr. Chrispinus Mugwang'a – Kenyan Citizen & Mauritian Resident – Executive Director

Committee Membership: Member of Investment Committee

Qualifications:

- MBA, Strategic Management.
- Bachelor of Commerce, Marketing option.
- Associateship of the Chartered Insurance Institute (ACII).
- Diploma in Life and Disability Underwriting of the Assurance Medical Society, London UK.
- CIP Exams CII London awarded Accreditation as a Member of the Society of Technicians in Insurance (MSTI).
- Diploma in Sales and Marketing of the International Association of Business Executives, London.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Board of Directors' Profiles (Cont'd)

Experience:

- Joined Island Life Assurance Co. Ltd in June 2024 as Chief Executive Officer.
- Former Managing Director of CIC Africa Malawi
- Former Group CEO of Clarkson Insurance Brokers
- Former General Manager of Madison Insurance Company Kenya Limited
- Former Sales & Marketing Manager of Pioneer Assurance Company
- Former Marketing Manager at Trinity Life Assurance Company Limited
- Former Agency Development and Marketing Manager at Apollo Life Insurance Company Limited
- Former Underwriting Clerk at Stallion Insurance Company Limited

Directorship in other companies: None

**** Mr. Sattar Hajee Abdoula – Mauritian Citizen & Resident – Non-Executive Director (Ceased to be a director on 28 November 2025)***

Committee Membership: Former Member of the Audit & Risk Committee

Qualifications:

- Fellow Member of the Institute of Chartered Accountants in England and Wales.
- Member of the Mauritius Institute of Professional Accountants and INSOL International, an international association of restructuring and insolvency professionals.

Experience:

- More than 40 years' experience in audit, consultancy and taxation with significant advisory experience.
- Former lead advisor to the Government of Ghana in setting up the Ghana International Financial Services Centre.
- Former Non-Executive Chairman of SBM Holdings.
- Former Chief Executive Officer and Head of Taxation and Advisory Services of Grant Thornton Mauritius.

Directorship in other companies: None

***Mr. Ian Etheridge – British Citizen & Non-Resident – Independent Director (Resigned as Director on 16 April 2026)**

Committee Memberships: Former Chairman of the Corporate Governance Committee and Member of the Audit & Risk Committee

Qualifications:

- Qualified as a Fellow of the Chartered Insurance Institute UK and Chartered Insurer following the Fellowship examinations specialising in Life Assurance and the Management of Life Assurance Companies.
- Member of the Chartered Insurance Institute, UK

Experience:

- 38 years of experience working as a global reinsurer, with a successful track record of transforming and growing insurance and reinsurance business across international markets.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Board of Directors' Profiles (Cont'd)

- Former Executive Head and Executive Director Swiss Re Life & Health Africa Limited.
- Former Head of Client Management Swiss Re Life & Health UK & Ireland
- Former Executive Director Business Development for Africa, Reinsurance Group of America (RGA)
- Past President of the Chartered Insurance Institute of Cheltenham (1992/1993)

Directorship in companies: None

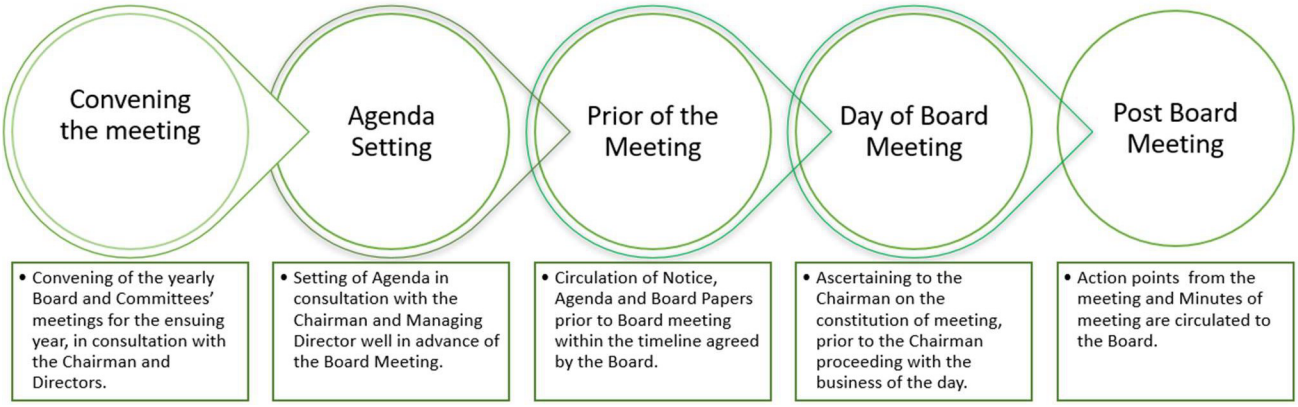
Company Secretary

- Currimjee Secretaries Limited is the Company Secretary of ILA and is represented by Mr. Ramanuj Nathoo, having the requisite qualifications to assume the position.
- Mr. Nathoo is a fellow Member of the Chartered Governance Institute, UK ('CGI') and also holds a MBA from the University of Leicester. He is a Fellow Member of the Mauritius Institute of Directors and the CGI Mauritius Branch. He also attended a professional course on Governance of Family Businesses at 'Institut Européen d'Administration des Affaires' (INSEAD).

Board Responsibilities

- The Board assumes the responsibility for leading and controlling the Company and for ensuring that all legal and regulatory requirements are met. It plays a key role in determining the Company's direction, monitoring its performance and overseeing risks. It is collectively responsible for the long-term success of the Company.

Board Meetings Process



- The schedule of the Board meetings is finalised in consultation with the Chief Executive Officer, the Chairman and Directors. The Calendar of key events has been disclosed later in this report. Additional meetings are called, when necessary, to consider the urgent business matters.
- The Board Committees normally precede Board Meetings and additional Committee meetings may be convened, if required. A similar process as set out above is followed.
- Members of the Management team are invited to the Board/ Board Committee meetings to present updates on the respective business functions.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Board Focus Areas

- In a financial year, three (3) Board meetings are held. The Company also recognises the need for agility in decision-making and as such ad hoc Board meetings are therefore scheduled whenever corporate transactions requiring prompt attention arise, or when matters of a strategic nature necessitate immediate discussion and resolution.
- During the year under review, the Board met once and some of the main areas discussed at this meeting are set out below. Decisions were also taken by way of written resolutions signed by all the Directors.



Strategy & Finance:
- Approval of banking and leasing facilities.
- Amendment to Authorised Bank Signatory and Internet Banking mandates.
- Approval of the Company's strategic objectives for year 2025 to 2027.
- Life Actuarial Report 2023.
- IFRS updates
- Internal and External Audit Update.

Business Operations & Human Capital
- Business Performance Overview.
- External Audit Update.
- Update on Employee Engagement
- CEO appointment
- HR Updates

Governance, Compliance and Risk:
- Review of composition of the Board and Board Committees.
- Approval of Board Assessment Questionnaire for year 2023.
- Review and approval of Board and Committee fees.

Standing Agenda Items:
- Approved the minutes of proceedings from previous meetings
- Received reports on follow up matters from previous minutes
- Received disclosures of interests from Directors as and when applicable
- Receive the reports & recommendations from the Board's Committees.

Board Committees

- The Board has established and delegated some of its powers and responsibilities to three (3) Committees (the "Board Committees") as established in their respective terms of reference ("TOR") namely:

Audit & Risk Committee | Investment Committee | Corporate Governance Committee

- The Company's nomination and remunerations functions for Directors are officially assigned by the Board of ILA to the Board of Currimjee Jeewanjee and Company Ltd ('CJ'), its holding Company, under the guidance of the latter's Governance, Nominations, Remunerations ('GNR') Committee. The nomination process of Directors on the Board of ILA is available on page 18 of this Report.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Board Committees (Cont'd)

- The Chairperson of each Board Committee regularly reports their respective proceedings to the Board. The Board of Directors has access to all Board Committees meetings and records. The roles and responsibilities of the Board Committees are defined in their Terms of Reference ('TOR'), as available on the Company's website. The TOR of each Board Committee is generally reviewed annually, or more frequently if required.
- The Board is satisfied that the Board Committees are appropriately structured, skilled, and competent to deal with both the Company's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review according to their TOR.

Audit & Risk Committee	
Chairperson Mr Ashok Shah, *Independent Director* ***Members*** Mr Raffi Currimjee, *Non-Executive Director* Ms Oumila Sibartie, *Independent Director* *[Mr Sattar Hajee Abdoula, *Non-Executive Director. Ceased to act as Director in November 2025.]* *[Mr Ian Etheridge, *Independent Director. Resigned in April 2026.*]	***Focus areas for year 2024*** The Committee did not meet during the financial year 2024. Nevertheless, the Committee was kept abreast of all significant matters falling within its remit through regular updates provided by Management and the Board, enabling it to maintain appropriate oversight and remain informed of key issues throughout the year.
Investment Committee	
Chairperson Ms Oumila Sibartie, *Independent Director* *Appointed as Chairperson on 25 July 2024.* ***Members*** Mr M Iqbal Oozeer Mrs Shamima Mallam-Hassam, *Independent Director. Appointed in July 2024.* Mr Chrispinus O Mugwang'a, Executive Director. *Appointed in October 2024.*	***The Committee met once in 2024, and the focus areas were as follows:*** - Investment Policy Statement Update. - Review of Investment Committee Charter. - Portfolio Review & Performance review of Investment Managers supported by the Investment Advisors.
Corporate Governance Committee	
Chairperson Mrs Shamima Mallam-Hassam, *Independent Director. Appointed a member on 25 July 2024 and Chairperson in June 2026.* *[Mr Ian Etheridge, *Independent Director. Resigned as Chairperson in April 2026.]* ***Members*** Mr Raffi Currimjee, *Non-Executive Director* Mr M Iqbal Oozeer, *Non-Executive Director. Appointed a member on 12 June 2026.*	***The Committee met once in 2024, and the focus areas were as follows:*** - Review of Corporate Governance Report 2023. - Review of Committee's Terms of Reference. - Review of the Company's Board Charter. - Review of the Board Assessment Questionnaire for year 2023.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

02: The Structure of the Board and its Committees (cont'd)

Attendance records at the Company's Board and Committee Meetings

The table below gives the records of attendance at the Company's Board and Committee meetings for the year ended 31st December 2024:

Directors	Director's Category	Board Meeting	Audit & Risk Committee	Investment Committee	Corporate Governance Committee
Number of meetings during Year 2024		**1**	**0**	**1**	**1**
Mr. M Iqbal Oozeer[1]	Chairman and NED	1	-	1	-
Mr. Raffi Currimjee	NED	-	-	-	1
Mr. Sattar Hajee Abdoula	NED	1	-	-	-
Mr. Ashok Shah	ID	1	-	-	-
Mr. Ian Etheridge	ID	1	-	-	1
Ms. Oumila Sibartie	ID	1	-	1	-
Mrs Shamima Mallam-Hassam[2]	ID	1	-	1	1
Mr. Chrispinus O. Mugwang'a[3]	ED	1	-	-	-
Mr. Bodun Koomar[4]	ED	-	-	-	-

Key: ED – Executive Director / NED: Non-Executive Director / ID: Independent Director

Notes:

1. *Mr. M Iqbal Oozeer* — *Appointed as Chairman on 01 January 2024*
2. *Mrs Shamima Mallam-Hassam* — *Appointed as ID on 21 February 2024*
3. *Mr. Chrispinus O. Mugwang'a* — *Appointed as ED on 29 August 2024*
4. *Mr. Bodun Koomar* — *Resigned as ED on 30 June 2024*

03: Director Appointment Procedures

Director's Appointment, Succession Planning, Re-election, Induction and Orientation

- The nomination and succession planning of Directors on the Board of ILA is currently deputised to the GNRC of CJ, which makes recommendation to the Board of ILA.
- To support an effective Board succession planning, the Company maintains a pool of prospective candidates for Board appointments and collaborates with reputable organisations such as the Mauritius Institute of Directors and Korn Ferry in the recruitment process.
- All Directors are eligible for re-election at the Annual Meeting of Shareholders. The re-election of Directors aged over 70 is conducted in accordance with section 138(6) of the Companies Act 2001. In line with established governance practices, Directors are appointed to the Board of ILA for a term of three years, subject to renewal.
- The Board of ILA identifies vacancies and decides on the appointments to be effected within a defined governance framework as established by the Company, under the guidance of the GNRC of CJ.
- Newly appointed Directors benefit from an induction programme to help the Director better understand the Company and the governance system in place for the effective discharge of his/ her duties. As part of the induction programme, Directors receive an appointment letter and a comprehensive induction pack which contains the following information:

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

03: Director Appointment Procedures (Cont'd)

Director's Appointment, Succession Planning, Re-election, Induction and Orientation (Cont'd)

- Corporate Details and high-level Company organigram;
- Governance Documents;
- Code of Conduct;
- Company's Constitutive documents;
- Key provisions of the laws and legislations that ILA must adhere to; and
- Information on the Company's strategy, major projects and financials.

Professional Development of Directors

- Directors are regularly kept abreast of trends in the business, competitive and regulatory environments at Board meetings.
- The Board values ongoing professional development and recognises the importance of all Directors receiving regular training to be able to serve effectively on, and contribute to, the Board and Board Committees.
- The Company facilitates attendance to appropriate training programmes so that Directors can continuously update their skills and knowledge.
- The Board also recognises and nurtures talent and has put in place a Talent Development Programme for key executives to ensure that opportunities are created to develop current and future leaders.

04: Director Duties, Remuneration and Performance

The Directors are fully appraised of their fiduciary duties as laid out in the Mauritian Companies Act. All Directors are expected to act in the utmost good faith and in the best interests of the Company, which includes the need to exercise care, skill and diligence to promote the Company's success through independent judgment. The Board of ILA regularly monitors and evaluates compliance with its Code of Ethics.

Conflict of Interest and Related Party Transaction Policy

- Directors who are interested in a transaction or proposed transaction with the Company, disclose their interests to the Board and cause same to be entered in the Interests Register.
- As a measure of good practice, the disclosure of any conflict of interest is a standing item on the Board's agenda such that at the beginning of each meeting, the Chairman invites the Directors to declare their interests, if any.
- The Company Secretary keeps the Interests Register and ensures that the latter is updated regularly. The register is available for consultation by shareholders upon written request to the Company Secretary.
- All new Directors are required to provide written notice to the Company Secretary of their direct and indirect interests in ILA, including those of their associates.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

04: Director Duties, Remuneration and Performance (Cont'd)

Conflict of Interest and Related Party Transaction Policy (Cont'd)

- The Related Party Transaction Policy outlines the approval process, disclosure and reporting requirements for related party transaction(s) and ensures transparency in the conduct of such transaction(s) in the best interest of the Company and its Shareholder.
- The ARC is assigned the responsibility to monitor and report related party transactions outside the normal course of business to the Board. The Board ensures that all related party transactions are carried out at arm's length. Transactions with related parties are disclosed in the financial statements.
- The Directors' indirect interests in the Company as at 31 December 2024 were as follows:

	Indirect Interest in the Company's shares through Currimjee Limited (%)
Mr. Raffi Currimjee	4.49

** Indirect interest includes shares held in the Company through the ultimate holding company and the Directors' associates.*

Information, Information Technology and Information Security Governance

- The Chairman, with the assistance of the Chief Executive Officer and the Senior Management Team and the Company Secretary, ensures that Directors are provided with relevant Board papers in a timely manner so that they can participate effectively in Board deliberations and decisions.
- The Directors also have access to the Company's Senior Management Team as and when required with the approval of the Chairman and the Chief Executive Officer.
- The Company has delegated its Information Technology ('IT') and Information Security ('IS') functions to CJ, leveraging a group-wide strategy for managing technology and security. CJ has established a robust IS policy for its Private Cloud, committing to secure information systems across all hosted business units, including ILA. Corporate policies, such as the Information Security Management System ('ISMS') Policy, are systematically distributed to all CJ subsidiaries, ensuring a consistent security environment.
- The Board ensures that IT Governance aligns with the Confidentiality, Integrity and Availability (CIA) principles. The ISMS Committee, a sub-committee of the Audit and Risk Committee (ARC) of CJ, is responsible for reviewing security controls, policies and risk matrix for CJ and its subsidiaries.
- The management of IT security for CJ and its subsidiaries, including ILA, is centralised, with the IT infrastructure hosted on CJ's Private Cloud, managed by Emtel Limited. A full-fledged Disaster Recovery ('DR') system is available at Currimjee Jeewanjee Office in Port Louis as per ILA's statutory requirements. An offsite backup system was added to the Disaster Recovery site, enhancing resilience. In 2024 Disaster recovery for the online system was also implemented.
- A VAPT exercise was carried out in December 2024 for the CJ Private Cloud and the results confirmed the integrity of CJ's systems, with no critical vulnerabilities detected. Additionally, phishing awareness improved, with a reduction from 11% to 9%, because of annual security awareness programs.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

04: Director Duties, Remuneration and Performance (cont'd)

Information Technology and Information Security Governance (cont'd)

- IT investments are planned and controlled within the framework of the annual operation plan and budget, ensuring strategic alignment and financial oversight.
- The Online Sales System has been further enhanced, and this has contributed to reduce the time to register new policies by 70% and making ILA more competitive on the market. This also let to a reduction in paper consumption by 13 pages per subscriber. All these have been contributed to a better customer journey. This governance model reflects a proactive, strategic approach to IT and IS, balancing security with the need for innovation and efficiency in a rapidly evolving technological landscape.

Board, Board Committee & Individual Director evaluation

- The Directors evaluate the performance of the Board on a yearly basis. The evaluation of the Board for the year 2024 was conducted.
- The Board Committees Evaluation questionnaires was approved in 2025 and shall be carried out every two years.

Remuneration Policy

- The Board of ILA has approved an annual fee for the Directors. They are paid an additional fee for serving as the Chairperson of Board Committees or as members of Board Committees.
- Directors on the Board of ILA having an executive position within the Currimjee Group of Companies, and some Directors as approved by the Board of ILA, do not receive directors fee for sitting on the Board of the Company.
- Directors residing overseas are reimbursed travelling expenses (incl. airfares, hotel accommodation and out of pocket expenses) incurred in the performance of their roles and duties.
- The Company does not have any other long-term incentive Scheme for the Directors. None of the Directors were paid any remuneration in the form of share options in the Company.
- Effective as from 1st January 2025, the Board of ILA has reviewed the Board and Committee Membership fees by way of a Written Resolution passed on 27 December 2024, and attendance fees for Board Meetings shall henceforth not apply.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

04: Director Duties, Remuneration and Performance (cont'd)

Remuneration Policy (cont'd)

- Remuneration and benefits received by Directors for Year 2024 were as follows:

Directors	Director's Category	Year 2024 Rs' 000	Year 2023 Rs' 000
Mr. M Iqbal Oozeer[1]	Chairman &NED	-	-
Mr. Raffi Currimjee	NED	-	-
Mr. Sattar Hajee Abdoula	NED	210	250
Mr. Ashok Shah	ID	660	660
Mr. Ian Etheridge	ID	660	660
Ms. Oumila Sibartie	ID	335	330
Mrs Shamima Mallam-Hassam[2]	ID	260	-
Mr Chrispinus O. Mugwang'a[3]	ED	-	-
Mr. Bodun (Sailesh) Koomar[4]	ED	-	-

Key: ED – Executive Director / NED: Non-Executive Director / ID: Independent Director

Notes:

1. *Mr. M Iqbal Oozeer* — *Appointed as Chairman on 01 January 2024*
2. *Mrs Shamima Mallam-Hassam* — *Appointed as ID on 21 February 2024*
3. *Mr. Chrispinus O. Mugwang'a* — *Appointed as ED on 29 August 2024*
4. *Mr. Bodun (Sailesh) Koomar* — *Resigned as ED on 30 June 2024*

Executive Directors' Service Contracts

- The Executive Director has a service contract with the Company, and his remuneration is subject to periodic review in accordance with the terms and conditions stipulated in the said contract.

Directors' & Officers' Liability Insurance

- A liability insurance cover for Directors and Officers has been subscribed by the Company. The policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company in the performance of their duties, to the extent permitted by law.

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ISLAND LIFE ASSURANCE CO. LTD

CORPORATE GOVERNANCE REPORT

05: Risk Governance and Internal Control

Risk Governance

Risk governance is the architecture within which risk management operates in an organisation. It will reflect, and seek to sustain and evolve, the organisation's risk culture. Since risk management is fundamental to running any business, risk governance is a fundamental part of corporate governance.

Having a good risk governance in place will result in risk being accepted and managed within known and agreed risk appetites. Risk governance will ensure that there is a structure of risk responsibility throughout the organisation. As a result, everybody in the organisation will be aware of their own risk responsibilities and accountabilities and those of others with whom they work. Governance delivers effective accountability, including the accountability of the board of Directors. Risk governance is an integral part of the day-to-day running of the business and is not about just complying with a set of rules. Since operational risk management involves everybody in the organisation, the risk governance framework also encompasses everybody. That means that it can only operate successfully if there are clear and effective lines of communication both up and down the organisation and a culture which promotes transparency, integrity and openness.

The management of risks is the overall responsibility of the Board of Directors, including the development of risk management strategies and the development of an ongoing risk assessment system for the mitigation of risks, considering the objectives of the Company. Risk governance applies the principles of good governance to the identification, assessment, management and communication of risks.

The Enterprise Risk Management (ERM) Framework falls under the supervision of the Audit & Risk Committee to ensure adequate and effective risk governance. Management takes responsibility for the identification and monitoring of risks within the company as appropriate.

A robust documented process is in place to review and assess the effectiveness of Internal Controls over Financial and Non-Financial reporting, with a purpose to minimize the risk of not achieving the business objectives and also to provide reasonable assurance that the financial statements are free from material mistakes. The Risk Management Framework at Island Life Assurance Co. Ltd consists of a systematic approach to identify risks faced by the Company.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

05: Risk Governance and Internal Control

Risk Governance (Cont'd)

The risk management process is as follows:



The key elements of the Enterprise Risk Management (ERM) Framework are illustrated below:

Effective enterprise risk management is fundamental to real business sustainability and to creating value to shareholders. The Company has a well-established Enterprise Risk Management (ERM) process, which not only covers its operational and business (including strategic and financial) risks, but also its regulatory, societal, human capital, health and safety risks.

The purpose of the ERM process is to help the Company achieve its objectives by becoming more resilient in the actual business environment, thus ensuring growth across the group by optimising its operations and securing its future. The external context together with the internal environment, form the basis of our understanding of risks and opportunities that may arise.

The key elements of the risk management framework are illustrated on the following page.

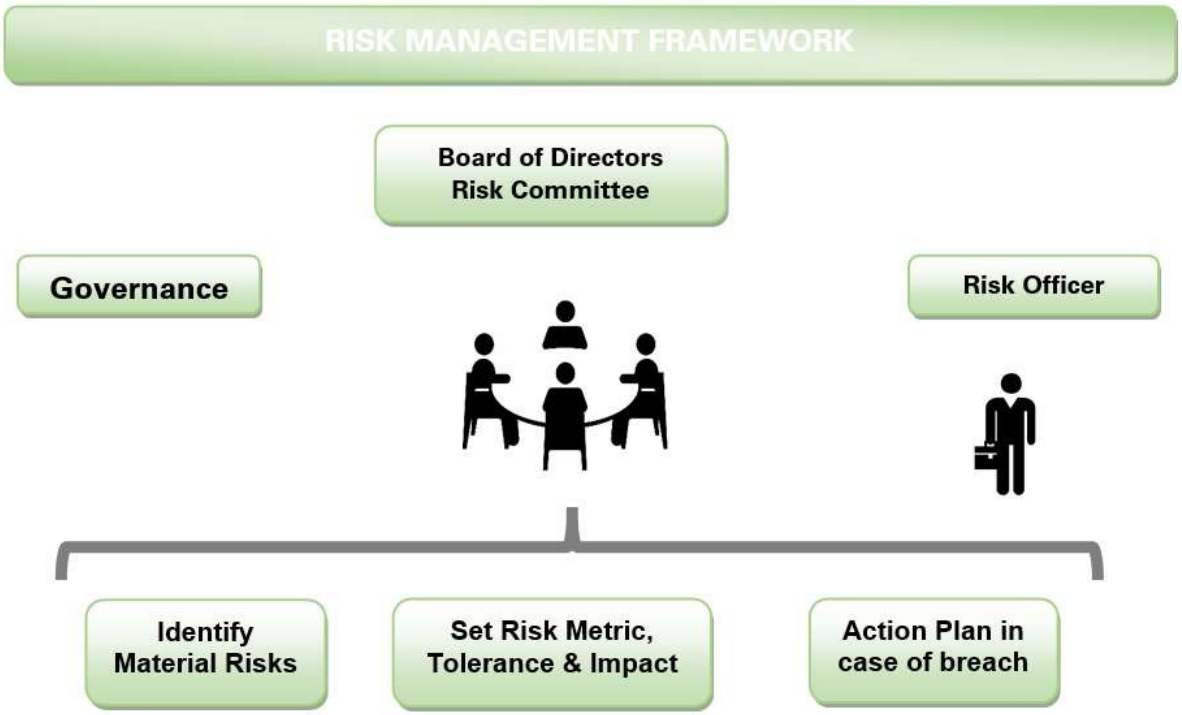
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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

05: Risk Governance and Internal Control (cont'd)

Risk Governance (cont'd)



Effective 1st July 2017, The Financial Services Commission ("FSC") has, under section 130 of the Insurance Act and section 93 of the Financial Services Act, issued the Insurance (Risk Management) Rules 2016 ('FSC Rules'), which the Company has implemented and adopted. The main components are as set below:



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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

05: Risk Governance and Internal Control (cont'd)

Risk profile & Mitigations

The Company is exposed to a variety of risks, and the key risks are listed below:

	Risk Category	Risk Name	Risk Description and Context	Mitigating actions
1.	Strategic	Sales and Profitability	Risk of change in mix and volume of business. Risk that sales growth lags behind business expenses growth.	We aim to develop other channels and reviewing our business strategy. Business growth targets and sales achievement are closely monitored by the management committee and the board to ensure they align set strategic objectives. Close relationship has been developed with banks to offer protection to customer contracting for banking facilities. Sales capacity has been increased to tap different demographics. All expenses now aligns to Board approved Budget.
2.	Financial / Compliance	Solvency	Inability to maintain sufficient levels of minimum regulatory capital.	Capital is held with comfort margins over minimum statutory and other capital requirements. Besides, liquidity risks are measured on an on-going basis.
3.	Strategic	Market Disruption	Market disruption leading to competitive pressures.	Unique products, smart pricing models and different customer experience are offered. Peers analysis is carried out to ensure our services are relevant and competitive.
4.	Compliance	Regulatory	Risk of non-compliance with applicable laws, regulation and guidelines.	There is a proper mechanism in place to ensure compliance with legal and regulatory obligations (Reinforced compliance and AML/CFT framework to promote and sustain a culture of compliance within the Company).
5.	Operational	Underwriting & Pricing	Mortality/morbidity is significantly heavier than expected. Wrong assessment of underwriting risks and wrong pricing of products.	Underwriting guidelines from Reinsurer, complemented by reinforced underwriting philosophy. Use of Actuary expertise on review of pricing of existing products and profitability and regular monitoring of mortality/morbidity experience internally and by actuary. Conservative in the pricing of our annuity rates.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

05: Risk Governance and Internal Control (cont'd)

Risk profile & Mitigations (cont'd)

	Risk Category	Risk Name	Risk Description and Context	Mitigating actions
6.	Financial	Credit	Default from loan customer, entailing high impairment.	Monitoring of ageing of loans and recovery. Assistance by attorney for legal actions. Meet housing loan default customers to arrange for repayment plan/rescheduling of loans. Monitoring and control on parameters used for impairment provisioning Review of repayment terms / refinancing of loans and/or alternatively initiate legal action for recovery. ILA assigned additional admin staff to increase efficiency of loan premium allocation and ensure loan data is up to date.
7.	Operational	Systems, Fraud and Cyber Security	Risks of loss resulting from inadequate internal processes, human error and systems' malfunction, fraud or from external events.	Premium collection mostly though bank standing order. Clearly defined process on authorised signatories for payments. IT infrastructure with controls. Monitoring risks associated with IT systems' stability, cyber security and internal control environment. With the online platform, there is minimal human intervention. Hence, proper controls are put in place.
8.	Human Capital	Talent Management	Failure to retain top talent.	Learning & development Policy, focus group/surveys. Engagement Survey and Action Plan (focus group). Healthy work environment which infuses opportunities for growth for individuals. Review of benefits and compensation in line with the industry. In addition to our weekly departmental meetings, management engages in one-on-one discussions with employees to understand their concerns and address them in a timely manner. Management has put in place clear roadmap on Staff career and personal development.
9.	Operational	Reputational	Adverse press/media coverage	Risk of reputational damage due to policyholder's dissatisfaction and bad press coverage. Fair treatment of policyholders and the Company does not compromise on its image, strong brand and culture. As part of our due diligence process for onboarding new stakeholders, ILA conducts comprehensive background checks overseen by the Compliance Officer. The findings from these reports are subsequently presented and deliberated upon in the appropriate Boards and Committees. ILA communications through Social Media is managed by a dedicated team.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

05: Risk Governance and Internal Control (cont'd)

Risk profile & Mitigations (cont'd)

	Risk Category	Risk Name	Risk Description and Context	Mitigating actions
10.	Strategic	Economic downturn, geo-political instability and changing market conditions	Failure to effectively respond to the Local and Global economic crisis directly/ indirectly impacting our business	Business continuity protocol and work out contingency plans applicable in crisis situation and ensure appropriate policies and controls are in place for the new work environment. Close monitoring of key economic indicators. Regular review of strategy at Strategic committee level, including SWOT analysis and re-assessment of the environment. Fair treatment of policyholders and the Company does not compromise on its image, strong brand and culture.

Internal Control

The Board is responsible for reviewing the internal control system and satisfy itself that the system is functioning effectively. Appropriate processes, procedures and policies incorporating relevant internal controls, have been designed and implemented, to provide reasonable assurance that the control objectives are attained.

Whilst retaining the overall responsibilities, the Board has delegated the authority for monitoring and reviewing the effectiveness of the Company's internal control and compliance system to the ARC. The Board also relies on the internal audit function to report on any weaknesses in the internal control systems and make recommendations to Management and to the ARC for appropriate actions.

The Board acknowledges that a system of internal control can only provide reasonable but not absolute assurance against the occurrence of misstatements, human error, losses, fraud and other irregularities.

Data Protection Policy

The Data Protection Act 2017 (DPA) came in force to strengthen the control and autonomy of data subjects over their personal data. The Company acts as both Controller and Processor. In accordance with Section 22 of the DPA, the Company has adopted policies and implemented appropriate technical and organisational measures to ensure and demonstrate compliance with respect to the processing of personal data of individuals in their daily operation.

The Company has approved a Data Protection Policy with the view to promote a privacy culture within the Company. In order to foster a data protection and privacy culture, the Company provides ongoing and appropriate refresher training to further protect the rights and freedoms of data subjects.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

05: Risk Governance and Internal Control (cont'd)

Whistleblowing policy

The Company has a whistleblowing policy which has been communicated to all employees and Directors. The Company actively encourages its Directors, employees, and affiliates to raise any concerns regarding potential malpractices encountered within the Company through the defined process without fear of retaliation.

The whistleblowing policy ensures that the whistleblower's identity is treated with strict confidentiality. However, in certain circumstances and depending on the nature of the case, the employee may be required to step forward as a witness to aid in the investigation.

06: Reporting with Integrity

The Board affirms its responsibility for:

- The preparation of accounts that fairly present the state of affairs of the organisation and the results of its operations and that comply with IFRS Accounting Standards, International Accounting Standards (IAS) and the Mauritian Companies Act 2001.
- Selecting appropriate accounting policies based on reasonable and prudent judgements, and
- In preparing the annual accounts, the Board adopts the going-concern basis of accounting and identifies any material uncertainties about the Group's ability to continue over a period of at least 12 months from the date of approval of the financial statements.

The Board is satisfied that the Annual Report provides a fair and balanced assessment of the Company's financial, environment, social and governance position, performance and outlook, thereby enabling stakeholders to make informed assessments of the Company's ability to create sustainable value.

Health and Safety

The Company ensures that its operations are compliant with the Occupational Safety and Health Act 2005. The safety of all stakeholders remains a priority of the company. Following the last Health & Safety Committee, some major issues that were identified have been resolved in Quarter 4, 2024.

Environment & Sustainability Initiatives

An Environment and Sustainability Statement which sets out its commitments and provides guiding principles to ensure that all business activities are in harmony with environmental preservation and sustainability has been adopted by the Currimjee Group. The environmental commitments are as follows:

- Endeavour to preserve the environment and manage our operations in a sustainable manner for the well-being of future generations.
- Consider environmental and sustainability aspects as an integral part of our business strategy and operating methods.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

06: Reporting with Integrity (cont'd)

Environment & Sustainability Initiatives (cont'd)

- Recognise the global challenges due to climate change and diligently honour the Company's responsibility to reduce the environmental impacts of its business operations.
- Continually monitor and improve our environmental performance and support customers', employees', partners', and other stakeholders' environmental and sustainability progress.
- Planting of endemic trees which will represent a proportion of total number of policies sold on ILA Online Platform

These commitments are aligned with the United Nations Sustainable Development Goals (UN SDGs) and are regrouped under four strategic drivers:

- Addressing climate change
- Preserving ecosystems & natural resources
- By product and waste management
- Safe and engaged company and community

Corporate Social Responsibility ('CSR')

Within the Currimjee Group, the operating companies allocate their Corporate Social Responsibility (CSR) funds, either in full or partially, to the Currimjee Foundation. The Foundation has the responsibility for overseeing and executing the Group's CSR initiatives. By actively participating in initiatives addressing food security, facilitating education access for vulnerable groups, promoting health and well-being, and preserving the environment, the Foundation aligns itself with the United Nations Sustainable Development Goals (SDGs).

The Company did not make any contribution in year 2024 (2023: Nil) to the Currimjee Foundation nor to any other Foundations.

Donations

The Company did not make any political, non-political or charitable donations during the year under review (2023: Nil).

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

07: Audit

Internal Audit

- The Company's Internal Audit Function is outsourced to Ernst & Young ("EY") and approved by the Board based on the Audit and Risk Committee's ('ARC') recommendation.
- As part of their delivery of internal audit services, the Internal Auditor:
  a. Reviews the risk assessment results of prior years to establish the Company's risk profile, which will enable a three-year risk based internal audit plan ("IA plan") to be formulated and agreed upon by the ARC.
  b. Conducts internal audits as per the agreed IA plan and report on the audit outcomes to the ARC.
  c. Conducts internal audits using its qualified and competent staff, up to date technology and leading class risk-based methodology in line with IIA standards.
  d. Performs data analytics enabled internal audits to provide greater coverage over entire populations of data and internal controls and thereby provide greater insights into areas under review.
- The Internal Auditor's methodology aims ultimately to position the internal audit reviews to proactively drive strategic value to the organization, by providing:
  a. Key insights that enable the business to focus on the risks that matter and which aim to improve the quality and effect of work delivered.
  b. Robust mechanism to identify performance improvement opportunities (including robustness and efficiency of operations, quality of information for better decision making, optimizing use of available resources such as technology).
  c. Strategic insights that improve business performance.
  d. Prioritization of recommendations to facilitate implementation and sense of achievement.
- The deliverables for the above workstream are (1) the Internal Auditor's recommendations for additional risks that apply to the Company in scope that are not captured in the existing risk registers of the business units; (2) list of top inherent risks ranked in terms of significance; and (3) an internal audit plan for 3 years that targets the higher risk areas that lend themselves to internal audits.
- The Internal Auditor reviews the design and operating effectiveness of the Company's controls in operation for the areas identified as part of the internal audit plan and submit as deliverable an internal audit report to the ARC for each internal audit visit, including their observations and agreed upon management actions to remediate control gaps.
- The Internal Auditor reports independently to the Chairman of the ARC on all internal audit matters and is responsible for providing assurance to the ARC regarding the implementation, operation and effectiveness of the Company's internal control systems. In this respect, reliance is placed on the work undertaken by the Internal Auditor in line with the approved internal audit plan. The plan ensures that all significant areas of the Company's activities are duly covered in turn over a predetermined timeframe.

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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

07: Audit (cont'd)

External Audit

- In June 2025, the Board has approved the removal of Messrs. Deloitte as the external auditors of the Company, in accordance with s.202(1) of the Companies Act 2001, and appointed Messrs. PricewaterhouseCoopers Ltd as independent external auditors of the Company for the financial year 2024 to and to hold office until the next Annual Meeting of Shareholder.
- The ARC has reviewed and reported to the Board on the clarity and accuracy of the Group's financial statements. While conducting their reviews, the Committee considered the following:
  - the accounting policies and practices applied;
  - material accounting judgements and assumptions made by management or significant issues or audit risks identified by the external auditor; and
  - compliance with relevant accounting standards and other regulatory financial reporting requirements, including the Code of Corporate Governance.
- All significant issues raised by the external auditors during the audit are reviewed and monitored at the level of the ARC until they are fully addressed.
- The external auditors are free to meet the ARC without the presence of Management should they wish to do so. No such meeting was required during the year under review. Nonetheless, the Chairman of the ARC regularly consults the external auditor. The Board is regularly informed of all material issues discussed at the ARC.
- The fees paid to the External Auditors for audit and other services are disclosed in the Report from the Board of Directors. The fees paid by the Company for non-audit services relate to fees paid for tax and advisory services.
- The Board ensures that provision of non-audit services by the External Audit firm are delivered by a team of officers that is completely independent from the external audit team, to ensure that the Auditor's objectivity and independence are safeguarded.

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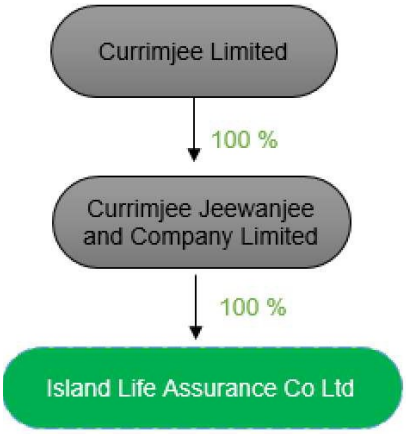
ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

08: Relations with Shareholders and Other Key Stakeholders

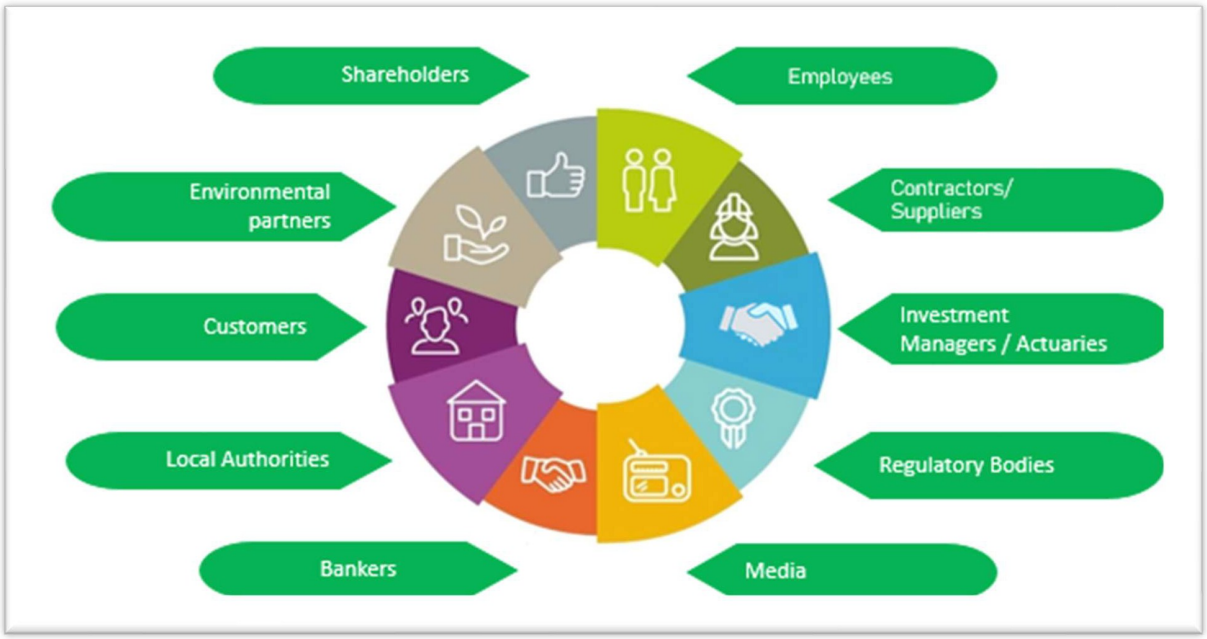
Ownership Structure

- As at 31 December 2024, the Company has issued 34,668,400 Ordinary Shares of Rs 10 each and the shareholding structure of the Company is set out below:



Company's Key Stakeholders

The Company is committed to respond to the needs and expectations of its key stakeholders and considers their interests in its dealings with them. The Board ensures that information is delivered in an open, transparent, meaningful and regular manner to the stakeholders. It engages with its key Stakeholders through existing communications platforms (Annual Report, Shareholders meetings and Social Media. Regular presentations are also made to the Company's bankers.



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ISLAND LIFE ASSURANCE CO. LTD.

CORPORATE GOVERNANCE REPORT

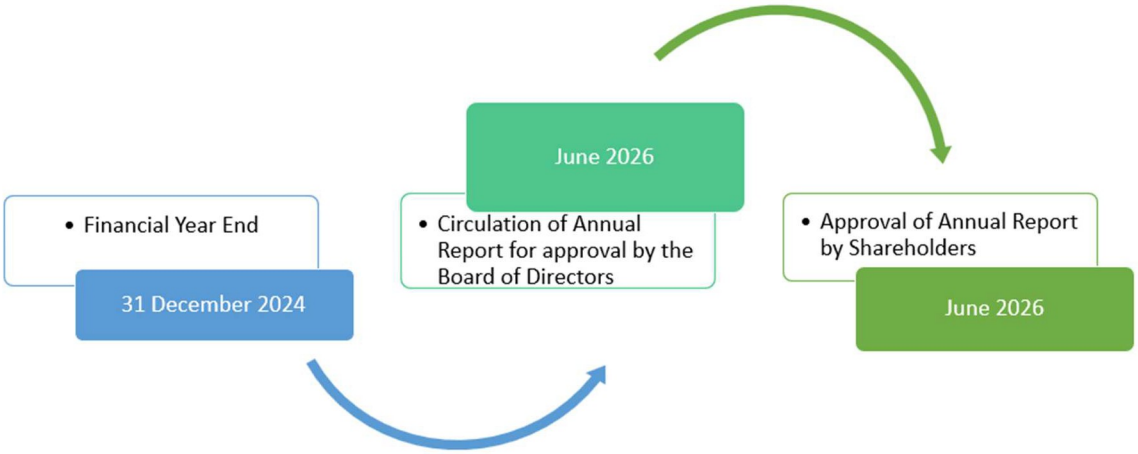
08: Relations with Shareholders and Other Key Stakeholders (cont'd)

Shareholders' Agreement

- There was no such agreement with any of its Shareholders for the year under review.

Calendar of Events

- The calendar of key events is set out below:



Employee Share Scheme

- For the year under review, there were no Employee Share Scheme in place.

Dividend

- For the year under review, no dividend was paid by the Company (2023: Nil).

Approved by the Board of Directors and signed on its behalf on 29 June 2026.

DocuSigned by:
Mr. M Iqbal Oozeer
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Director

Signed by:
Chrispinus Mugwang'a
3CDCB9FB931640A...

Director

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STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ("PIE"): Island Life Assurance Co. Ltd.

Reporting Period: 01 January 2024 to 31 December 2024

We, the Directors of Island Life Assurance Co. Ltd., confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance 2016 in all material respects, except the following:

Principle 1: Governance Structure

Website Disclosures

The Company has adopted a Memorandum and Articles of Association, which are available for consultation during business hours at the Company's registered office.

Principle 2: The Structure of the Board and its Committees

The Board comprises one Executive Director, who possesses the requisite qualifications, experience and industry expertise to effectively oversee the day-to-day management of the Company. The Executive Director is supported by its Senior Management Team and operates under the guidance and strategic oversight of an experienced Board, ensuring that the Company's business is conducted in accordance with its approved strategy, governance framework and objectives.

SIGNED BY:

Names: DocuSigned by: Mr. M Iqbal Oozeer B957E7C53115405...

Director

Signed by: Chrispinus Mugwang'a 3CDCB9FB931640A...

Director

Date: 29 June 2026

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CURRIMJEE SECRETARIES LIMITED

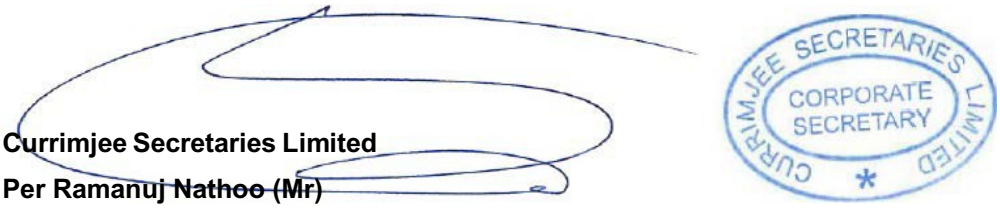
38, Royal Street, Port Louis

CERTIFICATE FROM THE COMPANY SECRETARY

ISLAND LIFE ASSURANCE CO. LTD.

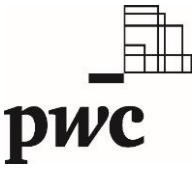
UNDER SECTION 166(d) OF THE MAURITIAN COMPANIES ACT 2001

We certify that in terms of the compliance report as submitted and approved by the Board, the Company has filed with the Registrar of Companies, for the year ended 31 December 2024 all such returns as are required of the Company under the Mauritian Companies Act 2001 of Mauritius.



Currimjee Secretaries Limited
Per Ramanuj Nathoo (Mr)
Secretary

Date: 29 June 2026



Independent Auditor's Report

To the Shareholder of
ISLAND LIFE ASSURANCE CO. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ISLAND LIFE ASSURANCE CO. LTD. (the "Company") as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of ISLAND LIFE ASSURANCE CO. LTD. set out on pages 43 to 147 comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for Opinion

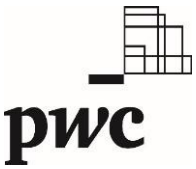
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.



Independent Auditor's Report

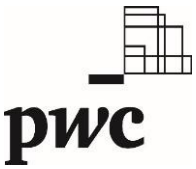
To the Shareholder of
ISLAND LIFE ASSURANCE CO. LTD. (Continued)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contracts under IFRS 17 At 31 December 2024, the Company held insurance contract assets and liabilities arising from insurance contracts with a net liability of Rs 1.3 billion (2023: Rs 1.2 billion) as disclosed in note 9 of the financial statements. We considered the valuation of insurance contract liabilities to be a key audit matter due to the significance of the balance, representing 96% of the total liabilities of the Company. The selection of measurement approach and the significant judgements made on the eligibility for Premium Allocation Approach ("PAA") and Variable Fee Approach ("VFA") require management to exercise significant judgements. The insurance contract liabilities balance involves significant estimates and judgement in the determination of fulfilment cash flows ("FCF") and the contract service margin ("CSM").	With the assistance of our actuarial expert, we: • Assessed the competence, capabilities and objectivity of the Company's Actuary and verified its qualifications. • Evaluated management's controls over the actuarial results, which include checks and challenges by management through their own internal review. • Evaluated the appropriateness of management's policy and methodology selections, including assessing changes made during the year for compliance with IFRS 17. • Assessed the accuracy, completeness and integrity of key data inputs used in the actuarial models by testing a sample of key data inputs to underlying source systems and general ledger records. • Assessed the grouping of insurance contracts and management's profitability assessments for contracts measured under the PAA, VFA and GMM ("General Measurement Model").



Independent Auditor's Report

To the Shareholder of
ISLAND LIFE ASSURANCE CO. LTD. (Continued)

Report on the Audit of the Financial Statements (Continued)

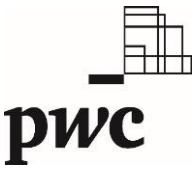
Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contracts under IFRS 17 (Continued) The determination of the present value of future cash flows ("PVFCF") involves significant uncertainty and requires management to apply complex actuarial techniques using sophisticated models and systems. Given the long-term nature of the insurance contracts, small changes in these assumptions may result in material changes to the valuation of insurance contract liabilities.	• Checked the correct application of logic applied in the determination of components of insurance contract liabilities. • Evaluated the buildup and any changes to the probability-weighted estimate of future cashflows for contracts measured using GMM and VFA. • Tested the key assumptions applied and their reasonableness in the determination of the insurance contract liabilities and reinsurance contract assets. • Evaluated the adequacy and completeness of related disclosures in the notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the chairman's statement, the corporate profile, the directors' report, the corporate governance report, the statement of compliance and the certificate from the company secretary but does not include the financial statements and our auditor's report thereon.

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



Independent Auditor's Report

To the Shareholder of
ISLAND LIFE ASSURANCE CO. LTD. (Continued)

Report on the Audit of the Financial Statements (Continued)

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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 the Directors for the Financial Statements

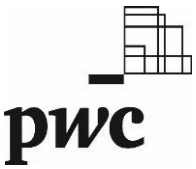
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001, the Mauritian Insurance Act 2005 and regulation issued by the Financial Services Commission (the 'Commission') and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.



Independent Auditor's Report

To the Shareholder of
ISLAND LIFE ASSURANCE CO. LTD. (Continued)

Report on the Audit of the Financial Statements (Continued)

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Independent Auditor's Report

To the Shareholder of
ISLAND LIFE ASSURANCE CO. LTD. (Continued)

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor;
(b) we have obtained all the information and explanations we have required; and
(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Mauritian Insurance Act 2005

The Mauritian Insurance Act 2005 requires that in carrying out our audit we consider and report to you on the preparation of the financial statements. In our opinion, the financial statements have been prepared in all material respects, in the manner, and meet the requirements specified by the Commission.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") 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 Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Signed by:
F7CF40C43A154ED...
PricewaterhouseCoopers

Signed by:
F7CF40C43A154ED...
Harrykrishna Veerapen, licensed by FRC

30 June 2026

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ISLAND LIFE ASSURANCE CO. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	Rs	Rs
Insurance revenue (Note 7(a))	**96,418,937**	85,802,051
Insurance service expenses (Note 7(b))	**(149,514,828)**	(91,811,113)
Net income/(expense) from reinsurance contracts held (Note 6)	**21,899,913**	(18,468,651)
Total insurance service result	**(31,195,978)**	(24,477,713)
Decrease in provision for expected credit losses (Note 19)	**9,500,804**	-
Net Investment and Other Income (Note 10)	**168,466,830**	105,427,535
Net Investment and other operating income	**177,967,634**	105,427,535
Insurance finance expense from Insurance contracts issued (Note 8(a))	**(62,665,519)**	(143,450,240)
Finance income from reinsurance contracts held (Note 8(b))	**1,109,324**	11,355,284
Net insurance finance expenses	**(61,556,195)**	(132,094,956)
Net insurance and investment result	**85,215,461**	(51,145,134)
Net operating income/(expenses)		
Operating expenses	**(44,715,402)**	(34,552,056)
	(44,715,402)	(34,552,056)
Profit/(loss) before tax	**40,500,059**	(85,697,190)
Income tax expense (Note 13)	**-**	-
Profit/(loss) for the year	**40,500,059**	(85,697,190)
Other comprehensive income :		
Items that will not be reclassified to profit or loss		
Gain on revaluation of land and buildings (Note 15)	**600,000**	-
Re-measurements of post-employment benefit obligations (Note 25)	**40,186**	(2,456,000)
Total other comprehensive income for the year, net of tax	**640,186**	(2,456,000)
Profit/(loss) and total comprehensive income for the year	**41,140,245**	(88,153,190)

The notes on pages 47 to 147 are an integral part of the financial statements.

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ISLAND LIFE ASSURANCE CO. LTD.

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2024

	31 December 2024 Rs	31 December 2023 Rs Restated*	01 January 2023 Rs Restated*
ASSETS			
Intangible assets (Note 14)	**-**	-	93,747
Property, plant and equipment (Note 15)	**23,756,756**	23,561,862	23,889,406
Right of Use Assets (Note 16)	**1,980,000**	-	-
Investment properties (Note 17)	**217,300,000**	209,380,000	204,880,000
Financial assets at fair value through profit or loss (Note 18)	**755,156,484**	705,188,116	708,342,726
Insurance contract assets (Note 9)	**-**	-	861,935
Reinsurance contract assets (Note 6)	**46,666,755**	-	11,695,427
Loans and advances (Note 19)	**128,437,146**	144,591,415	135,520,745
Other receivables (Note 20)	**70,052,705**	69,770,653	60,582,901
Retirement benefit assets (Note 25)	**-**	-	206,000
Cash and cash equivalents (Note 21)	**112,312,399**	92,431,150	115,054,641
Total assets	**1,355,662,245**	1,244,923,196	1,261,127,528
EQUITY			
Capital and reserves			
Share capital (Note 23)	**346,684,000**	346,684,000	324,530,000
Accumulated losses	**(328,868,989)**	(369,409,234)	(281,256,044)
Properties revaluation reserves	**600,000**	-	-
Total equity	**18,415,011**	(22,725,234)	43,273,956
LIABILITIES			
Insurance contract liabilities (Note 9)	**1,289,030,576**	1,195,872,447	1,148,716,888
Reinsurance contract liabilities (Note 9)	**5,297,158**	4,366,861	2,882,180
Retirement benefit obligations (Note 25)	**1,597,000**	2,250,000	-
Lease liabilities (Note 16)	**1,980,000**	-	-
Other payables (Note 26)	**39,342,500**	65,159,122	66,254,504
Total liabilities	**1,337,247,234**	1,267,648,430	1,217,853,572
Total equity and liabilities	**1,355,662,245**	1,244,923,196	1,261,127,528

Approved and authorised for issue by the Board of Directors on 29 June 2026 and signed on its behalf by:

DocuSigned by:
Mr. M Iqbal Qozeer
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Signed by:
Chrispinus Mbgwang'a
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DIRECTORS

The notes on pages 47 to 147 are an integral part of the financial statements.

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ISLAND LIFE ASSURANCE CO. LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital Rs	Accumulated losses Rs	Properties Revaluation Reserve Rs	Total equity Rs
At 01 January 2023	324,530,000	(281,256,044)	-	43,273,956
Share capital issued during the year (Note 23)	22,154,000	-	-	22,154,000
Loss for the year	-	(85,697,190)	-	(85,697,190)
Other comprehensive income				
Re-measurements of post-employment benefit obligations (Note 25)	-	(2,456,000)	-	(2,456,000)
At 31 December 2023	346,684,000	(369,409,234)	-	(22,725,234)
Transaction with owner				
Profit for the year	**-**	**40,500,059**	**-**	**40,500,059**
Other comprehensive income				
Gain on revaluation of land and building (Note 16)	-	**-**	**600,000**	**600,000**
Re-measurements of post-employment benefit obligations (Note 25)	**-**	**40,186**	**-**	**40,186**
At 31 December 2024	**346,684,000**	**(328,868,989)**	**600,000**	**18,415,011**

The notes on pages 47 to 147 are an integral part of the financial statements.

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ISLAND LIFE ASSURANCE CO. LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 Rs	Restated 2023 Rs
Cash flow from operating activities		
Profit/(loss) for the year before taxation	**40,500,059**	(85,697,190)
Adjustments for:		
Amortisation of intangible asset (Note 14)	**-**	93,747
Expected credit losses (Note 18)	**(9,500,804)**	(2,801,511)
Depreciation on property, plant and equipment (Note 15)	**1,536,879**	1,483,867
Depreciation on right of use asset (Note 16)	**220,000**	-
Fair value gain on investment properties (Note 17)	**(7,920,000)**	(4,500,000)
Gain on disposal of financial assets at fair value through profit or loss (Note 10)	**(10,618,273)**	(6,347,812)
Net fair value gain on revaluation of financial assets at fair value through profit or loss (Note 10)	**(77,379,240)**	(28,526,438)
(Gain)/loss on revaluation of repossessed properties (Note 20)	**(2,169,000)**	2,749,000
Net unrealised gain on foreign exchange transactions	**(2,153,819)**	-
Retirement Benefit Obligation	**(653,000)**	-
Interest income (Note 10)	**(21,902,158)**	(26,359,088)
Dividend income (Note 10)	**(15,517,925)**	(11,721,884)
Operating loss before working capital changes	**(105,557,281)**	(161,627,309)
Decrease in insurance contract assets	**-**	861,935
(Increase)/decrease in reinsurance contract assets	**(46,666,755)**	11,695,427
Increase in other receivables	**(282,052)**	(11,936,751)
Increase in insurance contract liabilities	**93,158,129**	47,155,559
Increase in reinsurance contract liabilities	**930,297**	1,484,680
Decrease in other payables	**(25,816,622)**	(1,095,382)
Cash used in operations	**(84,234,284)**	(113,461,841)
Interest received	**21,339,102**	26,359,088
Dividends received	**15,361,359**	11,721,884
Net cash used in operating activities	**(47,533,823)**	(75,380,869)
Cash flow from investing activities		
Payments for purchase of property, plant and equipment (Note 15)	**(1,131,773)**	(1,156,323)
Payments for purchase of financial assets at fair value through profit or loss (Note 18)	**(18,681,590)**	(37,623,710)
Payment for right of use assets	**(220,000)**	-
Proceeds from disposal of financial assets at fair value through profit or loss (Note 18)	**61,793,362**	75,652,570
Net loans granted (Note 19)	**(3,367,725)**	(41,761,641)
Net refund of loans granted (Note 19)	**29,022,798**	35,492,482
Net cash generated from investing activities	**67,415,072**	30,603,378
Cash flow from financing activities		
Proceeds from issue of share capital (Note 23)	**-**	22,154,000
Net cash generated from financing activities	**-**	22,154,000
Net decrease in cash and cash equivalents	**19,881,249**	(22,623,491)
Cash and cash equivalents at beginning of year	**92,431,150**	115,054,641
Effect of exchange rate changes on cash and cash equivalents	**-**	-
Cash and cash equivalents at end of year (Note 21)	**112,312,399**	92,431,150

The notes on pages 47 to 147 are an integral part of the financial statements.

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1 GENERAL INFORMATION

Island Life Assurance Co. Ltd (the "Company" or "ILA") is incorporated in Mauritius under the Mauritius Companies Act 2001 as a public company with limited liability. The principal activity consists of long-term life insurance and individual Personal Pension Plan business. All of its products are delivered to the domestic market. The registered office is situated at 38 Royal Street Port Louis and its principal place of business is situated at Corner Leoville L'Homme & Sir William Newton Street Port Louis.

2 MATERIAL ACCOUNTING POLICY INFORMATION

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

Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and in compliance with the Mauritius Companies Act 2001.The financial statements have been prepared under the historical cost convention, except for the fair valuation/revaluation of investment properties, land and buildings, financial assets at fair value through profit or loss (FVTPL) and plan asset relating to retirement benefit obligation*.*

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company is regulated under the Mauritius Companies Act 2001, the Insurance Act 2005 (and regulations of the Financial Services Commission (the "Commission").

Changes in accounting policies and disclosures

(a) <u>New standards and amendments to existing standards effective for accounting period beginning on 01 January 2024</u>

A number of new standards, amendments to existing standards and interpretations are effective for the first time for the financial year beginning on 01 January 2024. None of these had significant effect on the financial statements of the Company.

(b) <u>New standards and amendments to existing standards effective for accounting period beginning after 01 January 2024</u>

A number of new standards, amendments to existing standards and interpretations are effective for annual periods beginning after 01 January 2024 and have not been applied in preparing the financial statements. The ones that are relevant to the Company's operations are assessed below while the others are not considered relevant to the Company's operations.

(i) IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027)

IFRS 18 will replace IAS 1 'Presentation of Financial Statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements and will adopt the new standard as from its effective date.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Changes in accounting policies and disclosures (cont'd)

(b) New standards and amendments to existing standards effective for accounting period beginning after 01 January 2024 (cont'd)

(i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 01 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 which:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

Management does not expect the amendments to IFRS 9 and IFRS 7 have a material impact on its operations or financial statements

There are no other new standards or amendments to existing standards which is expected to have a significant impact on the financial statements of the Company.

Material accounting policies

(a) Foreign currency translation

- Functional and presentation currency

Items included in the financial statements are measured in Mauritian rupees, the currency of the primary economic environment in which the Company operates in (the "functional currency"). The financial statements are presented in "Mauritian rupee" ("Rs"), which is the Company's functional and presentation currency.

- Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All other foreign exchange gains and losses are presented within 'Investment income'. Translation differences on financial assets held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets are included in investment and other income as the board has agreed to recycle all fair values reserves as they are for policyholders.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(b) Property, plant and equipment

Plant and equipment (except land and building) are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land and buildings are stated at revalued amounts. Increases/decreases in the carrying amounts arising on revaluation of land and building are recognised, net of tax, in other comprehensive income. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they relate to.

Depreciation of other assets is calculated on the straight-line method at annual rates estimated to allocate their cost or revalued amounts to their estimated residual values over their expected useful lives. The annual rates used are:

Improvement to leasehold building	10%
Furniture & fittings	10%
Computer equipment	33%
Office equipment	10%
Motor vehicles	20%
Building	2%

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within 'Investment and other income' in profit or loss.

(c) Investment properties

Properties held for long-term rental yields or for capital appreciation or both and that are not occupied by the Company is classified as investment properties.

Investment property comprises freehold land and buildings. It is measured initially at its costs, including related transactions costs. After initial recognition, investment property is carried at fair value. Fair value is based on valuation performed by an independent valuation expert. In performing the valuation, the valuer uses discounted cash flow projections which incorporate assumptions around the continued demand for rental space, sustainability of growth in rent rates and by making reference to recent sales. The independent valuers also use the highest and best use principle in determining the value of investment property. The change in these assumptions could result in a significant change in the carrying value of investment property. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(c) Investment properties (cont'd)

Changes in fair value are recorded in profit or loss. Investment properties are derecognised when they have been disposed.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the Company. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment.

Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings.

(d) Intangible asset (Computer software costs)

Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the software development employee costs and an appropriate portion of directly attributable overheads.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software products;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Computer software costs recognised as assets are amortised using the straight-line method over their estimated useful lives, not exceeding 3 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(e) Financial instruments

Financial assets and financial liabilities

Financial assets and liabilities are recognised on the statement of financial position when the Company has become party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities 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 or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets and financial liabilities (cont'd)

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value depending on the classification of the financial assets.

(i) Classification and measurement

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the entity may make the following irrevocable election/designation at initial recognition of a financial asset:

- the entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see below); and
- the entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments measured at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(i) Classification and measurement (cont'd)

Debt instruments measured at amortised cost or at FVTOCI (cont'd)

The entity determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The entity's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

An entity may have more than one business model for managing their financial instruments which reflect how they manage their financial assets in order to generate cash flows. The business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company considers all relevant information available when making the business model assessment.

However, this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models at each reporting period to determine whether the business models have changed since the preceding period. When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

The Company's financial instruments measured at amortised cost include loans and advances, other receivables, cash and cash equivalents. The Company does not hold any financial instruments subsequently measured at FVTOCI.

Financial assets measured at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Financial assets designated as at fair value through profit or loss at inception are those that are:

- Held in internal funds to match insurance contracts liabilities that are linked to the changes in fair value of these assets.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(i) Classification and measurement (cont'd)

Financial assets measured at FVTPL (cont'd)

- The designation of these assets to be at fair value through income 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 Company's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

Equity instruments designated at FVTOCI

On initial recognition, the entity may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Reclassifications

If the business model under which the entity holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets. During the current financial year there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss and other exchange differences are recognised in OCI in fair value reserve;
- for financial assets measured at FVTPL, exchange differences are recognised in profit or loss; and

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(i) Classification and measurement (cont'd)

Foreign exchange gains and losses (cont'd)

- for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the fair value reserve.

(ii) Impairment of financial assets

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- loans and advances;
- other receivables;
- cash and cash equivalents;

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instruments (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided in Note 5.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the entity under the contract and the cash flows that the entity expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate ("EIR").

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

(ii) Impairment of financial assets (cont'd)

Credit impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether the financial assets are credit-impaired at each reporting date.

Definition of default

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

Write off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures. Any recoveries made are recognised in profit or loss.

Recognition of expected credit losses

The Company recognises the movement in expected credit loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(iii) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the entity has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(e) Financial instruments (cont'd)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

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

Financial liabilities

(i) Other payable

Other payable are stated at their amortised cost using the effective interest rate method.

(ii) Effective interest 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 interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting financial instruments

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

(f) Impairment of other non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(g) Share capital

Share capital is classified as equity when there is no obligation to transfer cash or other assets.

(h) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case the tax is also recognised in other comprehensive income or equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on the same taxable entity.

(i) Employee benefits

- Pensions obligations

The Company operates a pension plan, which is both a defined benefit plan and a defined contribution plan. A defined benefit plan is a pension plan that defines 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 assets of this plan are held in a separate trustee administered fund. The plan is funded by payments from the Company, taking account of the recommendations of independent qualified actuaries. A defined contribution plan is a pension plan under which the Company pays a fixed contribution into a separate entity. The Company provides retirement benefits for its employees through a defined contribution plan which is funded by contributions from the Company. Under the defined contribution plan, the Company has no legal or constructive obligation to contribute further to what has been contributed into the fund as defined in the rules of the scheme. Pension contributions are charged to profit or loss in the year to which they relate.

The Company has no obligation under the current labour laws to pay a severance allowance on retirement of its employees and is allowed to deduct from this severance allowance up to five times the amount of any annual pension granted at retirement age from the said fund.

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

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(i) Employee benefits (cont'd)

- Pensions obligations (cont'd)

The defined benefit obligation is measured as the present value of the estimated future cash outflows using a discount rate by reference to current interest rates and the yields on treasury bills and recent corporate debentures.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in profit or loss.

A qualified actuary assesses at the end of each reporting period whether the fund accumulated under the defined contribution plan is sufficient to cover for the gratuity obligations as prescribed under the Workers' Rights Act 2019 and determines any additional provision that the Company should make, if any.

- Termination benefits

Termination benefits become payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: a) when the Company can no longer withdraw the offer of those benefits; and b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(k) Revenue Recognition and Expenses

- Investment income

Investment and other income consists of dividends, interest and rent receivable for the year, realised gain and losses and net fair value gain and losses on revaluation of financial assets through profit or loss. Investment and other income also include fair value reserves and valuation reserves recycled as these are for policyholders.

Dividend income on equity securities is recognised when the right to receive payment is established – this is the ex-dividend date for equity securities.

Interest income is recognised as it accrues, taking into account the effective yield on investment.

Rental income is recognised on an accruals basis.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(k) Revenue Recognition and Expenses (cont'd)

- Investment income (cont'd)

The realised gain or loss on disposal of an investment is the difference between the proceeds received, net of transaction costs and its original cost or amortised cost as appropriate.

- *Commission receivable*

Commission is recognised on an accrual basis.

- *Commission payable*

Commission is recognised when the insurance policy contract is signed by the policyholder.

- Expenses

Expenses are accounted on an accrual basis.

- *Consideration for annuities*

Consideration for Annuities represents the Single Premium paid by ILA Managed Pension Fund ("ILAMPF") to Island Life Assurance Co. Ltd, ("ILA") for the purchase of an immediate monthly annuity whenever a member proceeds on retirement. In exchange of the said one-off consideration, the Company guarantees the payment of all the subsequent monthly pension due to the retiring member till the latter's death, subject to a minimum period of 5 years.

With effect from 01 January 2021, the ILA Managed Pension Fund has ceased to buy out annuities with the Company and decided to effect the payment of all monthly pensions for all members who retire as from January 2021 directly from the Pension Fund.

Consequently, the Company's responsibility is now limited to maintaining payment of the monthly pension only for those members who retired prior to 01 Jan 2021 and for whom a consideration was paid by the ILAMPF to the Company at time of their retirement.

(l) Dividend distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

(m) Repossessed collaterals

Repossessed collaterals represent financial and non-financial assets acquired by the Company in settlement of overdue loans. The assets are initially recognised at fair value when acquired and are included in property and equipment, other financial assets, investment properties or within other assets depending on their nature and the Company's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

(n) Insurance contracts

(i) Classification

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance. Products underwritten by ILA and reinsurance agreements held were assessed on a contract-by-contract basis to determine whether they meet the requirements to be considered insurance contracts under IFRS 17. In making this assessment, the Company assessed all substantive rights and obligations, including those arising from law or regulation.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(n) Insurance contracts (cont'd)

(ii) Level of aggregation (unit of account)

A portfolio of insurance contracts issued comprise of contracts subject to similar risks and managed together. Contracts issued by ILA are:

(i) Individual Life – with profits
(ii) Individual Life – without profits
(iii) Investment Linked
(iv) Group Life

These contracts are monitored for profitability and performance together, making use of the same reports. Individual life and group life contracts carry mortality risks and investment linked contracts carry investment (financial) risk. ILA has determined that contracts of a shorter-term nature will respond differently to risk compared to longer-term contracts as there is a different time horizon over which the risks can incur, therefore, the risks are not similar. As such, contracts of short-term nature will not form part of the same portfolio as those of long-term nature. ILA has determined portfolios of insurance contracts issued to be:

(i) Individual Life – with profits (old),
(ii) Individual Life – with profits (new),
(iii) Individual Life – without profits (old),
(iv) Individual Life – without profits (new),
(v) Investments Linked,
(vi) Group Life
(vii) Sharia, and
(viii) Annuity in payment.

The considerations of a portfolio for reinsurance agreements are split into two parts. The first relates to reinsurance treaties and the second to facultative placements.

For each year, the reinsurance treaties held (where ILA is the protected party) are unique from each other in respect of their structure, the risks covered and the cashflows expected as a result of these risks. Each treaty is also managed separately. The reinsurance treaty is held separately in a portfolio on its own.

ILA determined the portfolios of reinsurance contracts held to be Individual Life Reinsurance portfolio, Group Life Reinsurance portfolio and projected new cessions.

An entity shall divide a portfolio of insurance contracts issued into a minimum of a Company of contracts that are onerous at initial recognition, if any; a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and a group of the remaining contracts in the portfolio, if any.

An entity is permitted to further subdivide to more granular groups should a need be identified. ILA did not identify the need to further subdivide into more granular groups.

The accounting treatment for reinsurance contracts held is the same regardless of whether a group of contracts is classified as a net gain, no significant possibility of a net gain and the remaining category. As such, a reinsurance contract will form a group on its own.

An entity shall not include contracts issued more than one year apart in the same group; this is achieved by determining annual cohorts. ILA cohort is determined to be 01 January to 31 December.

The Company identified some groups of insurance contracts as onerous at initial recognition.

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2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(n) Insurance contracts (cont'd)

(iii) Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the beginning of the coverage period; the date when the first payment from the policyholder is due or actually received, if there is no due date; and when the Company determines that a group of contracts has become onerous. ILA recognises a group of profitable insurance contracts at the beginning of the coverage period as this is the earlier date. The company recognises a group of onerous contracts when facts and circumstances indicating that the group has become onerous have been identified.

Under PAA, no contracts are assumed to be onerous at initial recognition.

ILA recognises a group of profitable reinsurance contracts at the beginning of the coverage period; and recognises a group of onerous reinsurance contracts at the date the entity recognises an onerous group of underlying insurance contracts.

ILA derecognises a contract when the contract's coverage period has come to an end; when the policy has been cancelled; or when the policy has contractually terminated due to a claim and/or policyholder death if the latter isn't an insured benefit, and when all reported claims and benefit payments have been settled. There were no contracts identified meeting the modification criteria as at 31 December 2024.

(iv) Fulfilment cash flows within contract boundary

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance coverage or other services. In assessing contract boundaries for insurance contracts held, ILA assessed substantive contractual rights and obligations; as well as underwriting practices in setting the premium. ILA determined the contract boundaries to range from one year to more than one year. The Company assessed reinsurance contracts substantive rights and obligations, which include surplus and quota share agreements in assessing contract boundaries for reinsurance contracts held. The contract boundaries for reinsurance contracts held have been determined to range from one year to more than one year.

The Company 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. The present value of future cash flows is required under the liability (asset) for remaining coverage and the liability (asset) for incurred claims. The Company's insurance contracts measured applying the general measurement model (GMM), the cashflow projection model used requires assumption tables to be specified per risk covered as well as lapse rates specified by duration in-force. For the liability for incurred claims, which aren't assumed to be settled within the month the claim is incurred, historic experience is used to derive the balance of claims still to be settled and the settlement pattern. Where data is insufficient, a point estimate of the ultimate claim ratio is used often in combination with the historic data.

When estimating future cash flows, the Company includes all cash flows within the contract boundary including:

<u>Insurance contracts issued:</u>

- Premiums due and received/paid
- Commission due and paid
- Commission clawback due and received
- Premiums due as a result of a premium waiver benefit payment
- Cash back benefits
- Claims paid, including the premium paid as a result of a premium waiver benefit
- Claims incurred but not reported
- Claims reported but not yet assessed /settled
- These claims include the investment component where applicable, although this cash flow is separately identified

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(n) Insurance contracts (cont'd)

(iv) Fulfilment cash flows within contract boundary (cont'd)

Insurance contracts issued (cont'd):

- Partial and Full withdrawal benefits due and paid net of any outstanding policy loan
- Maturity benefits, including those paid over a period of time, or at specific times over the coverage period net of any outstanding policy loan
- Policy loans issued
- Policy loan repayments
- Policy loan interest added
- Premium levy set by the regulator
- Other directly attributable expenses

Reinsurance contracts held:

- Reinsurance commission due and received/paid
- Reinsurance recoverable due and received
- Claim contingent portion of reinsurance commission
- Profit share payments due and received/paid
- Reinsurance deposits made

(v) Measurement

Initial and subsequent measurement

The IFRS 17 default measurement approach is the GMM; this applies to insurance contracts issued as well as reinsurance contracts issued and held. An entity may simplify the measurement of a group of insurance contracts using the premium allocation approach (PAA) if the entity reasonably expects that the simplification would produce a measurement (applied GMM principles) of the liability for remaining (LRC) for the group that would not differ materially from the one that would be produced applying the PAA principles.

In determining the appropriate IFRS 17 measurement methods for ILA's life products, the length of the contracts' coverage periods and the nature of insurance benefits provided under the contracts are assessed.

Insurance contracts (Shaariah fund) that have been identified to contain direct participation features are required to be measured using the variable fee approach (VFA).

ILA has determined that with-profits policies do not meet the requirements to be measured under the VFA but does contain product features that award increases to the sum assured / the policyholder's fund value that are granted at ILA's discretion, the requirements for the treatment of these discretionary benefits when measured under the GMM.

All insurance contracts issued by ILA are endowments and have been determined to have a contract boundary, as well as the coverage period of more than 12 months. These contracts are measured applying the GMM. The Group Life Portfolio is measured using the PAA as its contract boundary is one year or less. The corresponding reinsurance coverage has also been evaluated under the PAA. Individual cover reinsurance contract held has been determined to have a contract boundary and coverage period of more than 12 months, it is measured applying the GMM and group cover reinsurance contract held has been determined to have contract boundary and a coverage period of 12 months or less, this reinsurance contract is measured applying the PAA.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(n) Insurance contracts (cont'd)

(v) Measurement (cont'd)

Determining the present value of future cashflows

The present value of future cash flows is required under the LRC and the LIC. Where the PAA is applied, ILA determines the present value of future cash flows under the LRC if the contracts are onerous. IFRS 17 requires an entity to estimate the probability-weighted mean of the full range of possible outcomes when determining the present value of future cashflows. ILA has adopted a simplified approach to produce the probability weighted mean. For insurance contracts measured under the GMM, the cashflow projection model used requires assumption tables to be specified per risk covered as well as lapse rates specified by duration in-force, these assumption tables are split by age. Other identifying risk factors such as gender are included for more complex life insurance products.

These tables or the multiple of a standard industry-produced table are set using historical claim experience where credible or based on industry practice or reinsurance provided rates where not.

In respect of the LIC, which is not assumed to be settled within the month the claim is incurred, historic experience is used to derive the balance of claims still to be settled and the settlement pattern. Where data is insufficient, a point estimate of the ultimate claim ratio is used often in combination with the historic data.

Where significant past events have resulted in experience in that year differing from the norm, this experience is separated out for analysis purposes and assessed separately for inclusion in the projection assumptions at an appropriate level given the likelihood of this experience repeating itself in the future.

Determining the reinsurance cashflows

Groups of reinsurance contracts held are measured using consistent assumptions where the measurement approach for the underlying groups of insurance contracts is the same. ILA models its reinsurance cash flows applying the same actuarial model that is used to project underlying groups of insurance contract cash flows. ILA will determine the reinsurance LIC by multiplying the liability for the underlying groups of insurance cash flows by the proportion ceded to the reinsurers.

Liability for remaining coverage and liability for incurred claims

Groups of contracts measured applying the GMM:

ILA measures the LRC as the sum of the fulfilment cash flows related to future service allocated to the group of insurance contracts and the contractual service margin (CSM) of that group of insurance contracts. For the LRC, the present value of future cashflows is determined at a policy level. The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the entity will recognise as it provides insurance contract services in the future. LIC is the determined by fulfilment cash flows relating to past service allocated to the group of insurance contracts.

The LRC is changed by recognition in income and expenses, namely, revenue as the insurance service is provided, insurance service expenses for losses on groups of onerous contracts and for reversal of those losses, and insurance finance income or expenses for the effect of the time value of money and the effect of financial risk.

The LIC is changed by recognition of insurance service expenses in respect of claims and expenses incurred during the period and any changes in relation to claims and expenses, and insurance finance income or expenses for the effect of the time value of money and the effect of financial risk.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(n) Insurance contracts (cont'd)

(v) Measurement (cont'd)

Liability for remaining coverage and liability for incurred claims (cont'd)

Groups of contracts measured applying the GMM (cont'd):

Changes in the CSM is determined by adjusting for the effect of any new contracts added to the group, interest accreted on the carrying amount of the CSM during the period, the amount recognised as insurance revenue because of the transfer of insurance contract services in the period, and the changes in fulfilment cash flows relating to future service, except to the extent that such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss, or such decreases in the fulfilment cash flows are allocated to the loss component of the LRC.

Groups of contracts measured applying the PAA:

On initial recognition the LRC is the premiums received at initial recognition, minus any insurance acquisition cash flows not recognised as expense when incurred, plus or minus any amount arising from the derecognition of insurance acquisition cash flows and any other asset or liability previously recognised for cash flows related to the group of contracts.

At the end of the period the LRC is determined by the premiums received during the period, minus insurance acquisition cash flows not recognised as expense, plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period, plus any adjustment to a financing component, minus the amount recognised as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

The LIC is determined by fulfilment cash flows relating to past service allocated to the group of insurance contracts. The LIC is changed by recognition of insurance service expenses in respect of claims and expenses incurred during the period and any changes in relation to claims and expenses, and insurance finance income or expenses for the effect of the time value of money and the effect of financial risk.

Other directly attributable cashflows

All policy administration and maintenance expenses determined to be directly attributable to insurance contracts are assumed to be due to current service provision. No liability is raised in advance of these types of expenses incurring. As each month's expenses are incurred, these amounts are raised within the LIC and released from the LIC to insurance service expense.

Insurance acquisition cashflows

In respect of insurance contracts measured applying the PAA, ILA has an accounting policy choice of whether to expense the insurance acquisition cash flows when incurred or amortise them over the coverage period. With an exception of commission which will be amortised over the coverage period, ILA has elected to recognise insurance acquisition cash flows under the PAA as and when they are incurred.

In respect of insurance contracts measured applying the GMM, ILA will recognise as an asset insurance acquisition cash flows paid before the related group of insurance contracts is recognised. This asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(n) Insurance contracts (cont'd)

(v) Measurement (cont'd)

Insurance acquisition cashflows (cont'd)

ILA has adopted a bottom-up approach to determine the discount rates for its risk contracts. For the bottom-up approach, the discount-rate per group of insurance contracts is set equal to the liquid risk-free discount rate plus a Liquidity Risk Premium ("LRP") relevant to the liquidity characteristics contained within the contracts. Government bond yield curves are used as the liquid, risk-free discount rates. To this curve, a liquidity risk premium adjustment is applied based on the liquidity characteristics of the products. Four product liquidity characteristic buckets have been defined, namely: fully liquid, partially liquid, moderately illiquid, and fully illiquid. The LRPs are derived using an analysis of South African corporate bond and market instrument spreads. The instruments have differing liquidity, instrument type and duration and the spreads differences are compared against government bond yields of similar duration. South Africa was chosen given that Mauritius' investment market is too small to be able to perform a detailed analysis.

The impact on the present value of future cash flows and risk adjustment for non-financial risks for the effect of the time value of money and changes in the time value of money and the effect of financial risk and changes in financial risk are reported immediately within profit or loss, under insurance finance income and expenses.

ILA has elected not to discount insurance contracts and reinsurance contracts measured applying the PAA, due to the short-term nature of these contracts.

Risk adjustment for non-financial risk

Non-financial risks imbedded in ILA insurance contracts issued include mortality risks, surrender/lapse risks, longevity risks and expense risks. ILA has elected to make use of a combination of a qualitative top-down and a quantitative bottom-up approach to determine its confidence level to assess the risk adjustment for non-financial risk. ILA has determined the confidence level to equate to 85th percentile.

The LRC risk adjustment for each portfolio is based on the prescribed technical provision shocks for the Life Underwriting Risk module under the Solvency and Assessment Management ("SAM") regime in South Africa. The calculation uses the Margins for Adverse Deviation Technique. If the valuation assumptions underlying the technical provisions are stressed by the applicable SAM shock, then the resultant change in technical provisions will represent an estimated 1-in-200-year (99.5% confidence level) loss due to the specific shock. To determine the LRC risk adjustment, the prospective reserves are recalculated for each group and the combination of the groups, six times.

When the insurance contracts are measured applying the PAA, the LRC risk adjustment for non-financial risk is determined when the group of insurance contracts is onerous (or when the underlying Company of insurance contracts is onerous in respect of Groups of reinsurance contracts).

The risk adjustment for the LRC requires a risk adjustment for all prospective reserves such as premiums that have been written but have not yet been fully earned if the product is onerous under PAA.

The LIC risk adjustment ratio is used under the assumption that the historical experience to date provides a good indication of claims, claims-related expenses and operational risk expenses for business that has been entered but is not yet fully earned. Similarly, the expenses added to the LIC risk adjustment percentage is assumed to provide a good indication of expected expenses that will be incurred on business that has not yet been earned. In instances where there is insufficient historic claims data available to perform a detailed statistical analysis, ILA makes use of a confidence level technique in order to calibrate the risk adjustment for the LIC.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(n) Insurance contracts (cont'd)

(v) Measurement (cont'd) Insurance

finance income or expenses

The impact of the time value of money on the net carrying amount of insurance contracts is presented under insurance finance income and expenses. This impact will not be disaggregated between profit or loss and other comprehensive income. ILA elects to recognise insurance finance income/expenses in full through profit or loss.

(o) Reinsurance contracts

The Company holds insurance contracts measured applying the premium allocation approach and those that are measured applying the general measurement model. ILA presents the income or expenses from reinsurance contracts held as a single amount; this is presented as "Net income/(expense) from reinsurance contracts held" on the statement of profit or loss and other comprehensive income. This amount is made up of the following components:

- Amounts recovered from reinsurance (including incurred insurance service expenses, changes that relate to past service and changes that relate to future service)
- Allocation of premiums
- Changes in risk of non-performance

Measurement
ILA measures groups of reinsurance contracts held applying consistent measurement assumptions as the measurement approach for the underlying groups of insurance contracts issued (i.e. the insurance contracts ceded to the reinsurance group). ILA measures its reinsurance cashflows to determine the liability for remaining coverage applying the same model that is used to project insurance contracts cashflows for the underlying insurance contracts issued (refer to note 2(n)(v)). The Company measures its liability for incurred claims by multiplying the liability for the underlying groups of insurance contracts issued cashflows by the proportion ceded to the reinsurers.

Reinsurers risk of non-performance
ILA adjusts its expected recoveries from reinsurers downwards to allow for the risk of the reinsurers defaulting on their obligations. This adjustment is reinsurer specific and reflects the credit quality of that reinsurer, the size and duration of the expected recoverable. ILA determines this by applying reinsurers' credit rating.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(p) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities on the statement of financial position.

(q) Lease and right of use assets

The Company as lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assesses whether the contract meets 3 key evaluations:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Company has the right to direct the use of the identified asset throughout the period of use.

Assets and liabilities arising from lease contracts 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 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, 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 Company 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.

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.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Material accounting policies (cont'd)

(p) Lease and right of use assets (cont'd)

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 Company revalues its land and buildings that are presented within property and equipment, it has chosen not to do so for the right-of-use buildings held by the Company.

Company as lessor

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following is a summary of the material accounting policies that are impacted by judgements and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

(a) Insurance contracts

Areas of significant judgement

(i) Classification

The Company applies IFRS 17 to insurance contracts it issues and reinsurance contracts held. ILA applied judgement in determining whether insurance contracts issued by the Company and reinsurance contracts held transfer significant insurance risk. The Company uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which there is a possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

The Company applied judgement in determining whether the investment components embedded within the contracts are distinct. In making this assessment, the company evaluated contractual terms and conditions. ILA concluded that the Company does not have distinct investment components.

All contracts measured by the Company applying the Premium Allocation Approach ("PAA'') have a coverage period of one year or less. Therefore, no assessment for the PAA was performed.

(ii) Level of aggregation (unit of account)

Judgement is applied to determine IFRS 17 insurance contracts, these groups are split between profitable contracts, those with no significant possibility and those with a possibility of becoming onerous. For contracts measured under the PAA and where a contract issued for a particular product has been loss-making in the past, the profitability bucket for contracts with no significant possibility of becoming onerous is not used. For other approaches, where the present value of net cashflows or combined ratio calibrated to a 95th percentile is still profitable, then contracts will be assigned to the no significant possibility of becoming onerous. Insurance contracts measured applying the PAA are assumed not to be onerous unless there are facts and circumstances indicating otherwise. ILA did not identify the need to further subdivide insurance contracts into more granular groups. Refer to note 2 (n) (ii).

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(a) Insurance contracts (cont'd)

Areas of significant judgement (cont'd)

(ii) Level of aggregation (unit of account) (cont'd)

Judgement is applied in determining whether the contracts have similar risks and are managed together for identification of portfolios. ILA has determined that contracts of a shorter-term nature will respond differently to risk compared to longer-term contracts as there is a different time horizon over which the risks can incur, therefore, the risks are not similar. As such, contracts of short-term nature will not form part of the same portfolio as those of long-term nature.

The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract in the scope of IFRS 17. The Company applied judgement to assess if the Company has the practical ability to reprice the entire contract to reflect the reassessed risks. In making this assessment, the company evaluated all contractual substantive rights and obligations. The Company has determined that contract boundaries are ranging from one year to more than one year.

Other directly attributable expenses

IFRS 17 provides principle-based guidance on the determination of expenses which should be included in the measurement of insurance contracts and how each expense category should be measured. Expenses which are regarded as "directly attributable" are within the scope of IFRS 17.

There are no explicit definitions or prescribed methodologies for the allocation of these qualifying expenses across the expense types and down to an IFRS 17 group of insurance contracts level. IFRS 17 only requires that the approach followed be consistently applied and properly documented.

The Company performs regular expense analysis and applies judgement to determine the extent to which overheads are directly attributable to fulfilling insurance contracts. These directly attributable expenses are included in the measurement of insurance contracts.

The nature of the Company's operations has guided the expense allocation approach. The Company has chosen to adopt the "All-Out Approach" for expense allocation. This is a strategic and principled approach driven by the unique nature of its operations in the insurance sector. This approach aligns with the Company's overarching objective of providing stakeholders with transparent and reliable financial statements.

The starting point is to assume that 0% of expenses are directly attributable to IFRS 17 activities and then bring in expenses deemed attributable to the insurance and reinsurance contracts based on the nature of the expense.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(a) Insurance contracts (cont'd)

Areas of significant judgement (cont'd)

Contractual service margin (CSM) - coverage units

The coverage units of the group of insurance contracts are identified by considering for each contract the quantity of the benefits provided under the contract and its expected coverage period. Coverage units are not applicable to contracts measured under the PAA. Management has considered the impact of the time value of money on the CSM to be material for the Company. As such, the Company has elected to discount the coverage units used to spread the CSM over the coverage term. The discount rate applied to products measured under the GMM is the rate applicable at the initial recognition of each group of insurance contracts.

	31 December 2024		31 December 2023	
	Life Risk insurance contracts issued	**Life Risk reinsurance contracts held**	Life Risk insurance contracts issued	Life Risk reinsurance contracts held
Number of years until expected to be recognised				
Less than 1 year	**21,233,904**	**12,653,262**	12,717,296	4,590,913
1 to 2 years	**18,090,149**	**6,343,092**	10,949,828	4,001,669
2 to 3 years	**15,403,631**	**5,534,956**	9,623,179	3,483,867
3 to 4 years	**13,117,400**	**4,807,021**	8,214,093	3,025,365
4 to 5 years	**10,825,398**	**4,174,579**	7,010,991	2,615,035
5 to 10 years	**32,904,859**	**13,953,455**	19,884,572	8,607,074
More than 10 years	**20,547,646**	**10,302,607**	10,098,144	10,611,619
TOTAL	**132,122,987**	**57,768,972**	78,498,103	36,935,542

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(b) Insurance contracts (cont'd)

Critical accounting estimates

(i) Discount rates

ILA applied the bottom-up approach to determine the discount rates for its risk contracts. The discount-rate per group of insurance contracts is set equal to the liquid risk-free discount rate plus a liquidity risk premium relevant to the liquidity characteristics contained within the contracts. Government bond yield curves are used as the liquid, risk-free discount rates. To this curve, a liquidity risk premium adjustment is applied based on the liquidity characteristics of the products. Four product liquidity characteristic buckets have been defined, namely; fully liquid, partially liquid, moderately illiquid and fully illiquid.

The liquidity risk premiums have been stated as follows:

Liquidity Category	**Liquidity Risk Premium**	
	2024	2023
Fully Liquid	**N/A**	N/A.
Partially Liquid	**0.1559% p.a.**	0.1250% p.a.
Moderately illiquid	**0.3118% p.a.**	0.2449% p.a.
Fully illiquid	**0.4677% p.a.**	0.3749% p.a.

The liquidity risk premiums are derived using an analysis of South African corporate bond and market instrument spreads. The instruments have differing liquidity, instrument type and duration and the spreads differences are compared against government bond yields of similar duration. South Africa was chosen given that Mauritius's investment market is too small to be able to perform a detailed analysis.

In respect of new business written during the year, the prior year's closing discount rates are used to determine the value of this business at initial recognition.

(ii) Estimate of fulfilment cashflows

Included in the measurement of each group of contracts in the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. Refer to note 2 (n) (iv).

Expenses directly attributable to insurance contracts are determined and allocated to groups of insurance contracts. The Company adopts a method that accurately reflects the relative benefit received by each group of insurance contracts from the incurred expenses. This allocation is carried out down to the level of individual insurance contract groups.

The Company amortises insurance acquisition cash flows by defining a coverage unit and accreting interest to the unamortised balance each reporting period using the initial recognition discount rate for the group of insurance contracts in question.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(a) Insurance contracts (cont'd)

Critical accounting estimates (cont'd)

(ii) Estimate of fulfilment cashflows (cont'd)

For the current reporting period, the actual group of in-force contracts is used and for future reporting periods, the expected number of in-force contracts is used. The initial recognised discount rate is used to determine the coverage units.

(iii) Risk adjustment for non-financial risk

The insurance liability/(asset) carrying amount includes an explicit component called the risk adjustment for non-financial risk that allows for the compensation we require for being exposed to the insurance, lapse and expense risks contained within the Company's insurance contracts. Operational risk specific to the fulfilment of the Company's contractual obligations with policyholders is also included. For individual life business, the risk adjustment for non-financial risk is applied using a margin for adverse deviation technique, where the cash flow projection assumptions used to determine the carrying amount incorporate an allowance for a risk margin; these represent an 85th percentile confidence level of the risk. For group business, a factor of the reserves is used to calculate the risk adjustment for non-financial risk. Refer to note 2 (n) (v).

(b) Expected credit loss (ECL)

A number of significant judgements are required in applying the accounting requirements for measuring the ECL, such as:

- determining criteria for a significant increase in credit risk (SICR);
- choosing appropriate models and assumptions for the measurement of the ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated the ECL; and
- establishing groups of similar financial assets for the purposes of measuring the ECL. For more information.

(c) Impairment of loans and other receivables

The Company follows the guidance of IFRS 9 to determine when a loan and other receivables are impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of the collateral provided is less than the discounted value of the loan and receivable; and the financial health of and short-term business outlook of its customers, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(d) Fair value measurement

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- and the fair value of the remaining financial instruments determined using discounted cash flow analysis.

Financial asset	Fair value hierarchy	Significant inputs
Listed equities	Level 1	Quoted share price from the stock exchange
Unlisted shares - local	Level 3	Quoted bond price from the stock exchange
Foreign bonds	Level 3	Market interest rates
Subordinated notes	Level 3	Market interest rates
Treasury bond	Level 3	Market interest rates
Treasury notes	Level 3	Market interest rates

This note sets out the split of financial instruments by fair value hierarchy level, as shown below:

	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
At 31 December 2024				
Equities and similar securities				
Quoted shares - Locally listed	**280,531,520**	**-**	**-**	**280,531,520**
Quoted shares - Foreign	**61,702,806**	**-**	**-**	**61,702,806**
Unlisted shares – Local	**-**	**-**	**58,915,990**	**58,915,990**
Unlisted shares - Foreign	**-**	**-**	**157,290,178**	**157,290,178**
Treasury Bonds	**-**	**-**	**148,908,526**	**148,908,526**
Treasury Note	**-**	**-**	**13,102,300**	**13,102,300**
Debentures	**-**	**-**	**34,705,164**	**34,705,164**
Financial assets at fair value through profit or loss	**342,234,326**	**-**	**412,922,158**	**755,156,484**

	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
At 31 December 2023				
Equities and similar securities				
Quoted shares - Locally listed	225,091,500	-	-	225,091,500
Quoted shares - Foreign	173,795,250	-	-	173,795,250
Subordinated notes	48,385,798	-	-	48,385,798
Unlisted shares – Local	-	-	55,798,442	55,798,442
Foreign Bonds	-	-	45,363,860	45,363,860
Treasury Bonds	-	-	156,753,266	156,753,266
Financial assets at fair value through profit or loss	447,272,548	-	257,915,568	705,188,116

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

(e) Fair value of unlisted securities

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however areas such as credit risk, volatilities and correlations require directors to make estimates.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Sensitivity has been disclosed in Note 5.

(f) Retirement Benefit Obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions.

The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 25.

(g) Revaluation of land and building and fair valuation of investment properties

The Company measures its land and buildings and investment properties at revalued amounts or fair values with changes in fair value being recognised in other comprehensive income for land and building and profit or loss for investment property. The Company engaged an independent professional valuer to determine the fair value or revalued amount. Properties that are owner-occupied or held with the intention to be sold are estimated based on recent transaction prices for similar properties.

Properties that are held for long-term rental yields and is not occupied by the Company are valued based on the Discounted Cash Flows. Valuation using discounted cash flows is a method for determining the current value of a company using future cash flows adjusted for time value. The future cash flow set is made up of the cash flows within the determined forecast period and a continuing value that represents the cash flow stream after the forecast period.

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4 MANAGEMENT OF INSURANCE RISK

As an insurance company, the Company is exposed to various risks, these risks cause uncertainty and therefore the challenge for management is to determine what level of uncertainty is acceptable for insurance business as it strives to enhance stakeholder value. The Company issues insurance contracts with the following risk characteristics:

- Transfer of mortality/morbidity risks, with partial transfer of investment risks (participating policies);
- Transfer of mortality/morbidity risks only (pure protection policies);
- Transfer of mortality/morbidity and investment risks (guaranteed savings type policies) and
- Transfer of longevity risks (pension policies).

All these risks expose the Company to significant insurance risk.

Risk assessment process

The Company's board of directors has overall responsibility of establishing and overseeing the Company's risk management framework. The Company has developed and implemented a risk management structure that is designed to identify, assess, control and monitor risks associated with its business. The Company's risk assessment process consists of risk identification, risk analysis, risk evaluation and risk treatment/management of those risks that are relevant to the company's strategic objectives. Risks are identified from a top down (strategic) and bottom up (operational) perspective to create and maintain an integrated view of material risk exposures. Risk analysis provides an input to risk evaluation and informs decisions on how the risks need to be treated. Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences and the likelihood that those consequences may occur.

The Company analyses quantifiable risks, risks analysed cover the following risk categories:

- insurance risk (consisting of underwriting and reinsurance risk)
- credit risk
- market risk
- operational risk

Management analyses these risks individually and appropriate measures are implemented to monitor and mitigate these risks. Once the relevant risks are better understood, the risk appetite framework governs how the risks should be managed within the Company.

These assessments are reviewed by the board on a regular basis. The Company issues contracts that transfer insurance risk or financial risk or both (refer to note 2 for the general terms of insurance contracts). Insurance risk (i.e. underwriting and reinsurance risk) and investment risk (i.e. market and credit risk) impact the balances and transactions reported in a financial period. The information that follows provides more details on how the Company manages insurance and investment risk from a financial reporting perspective.

Insurance risk

Insurance risk refers to the risk of loss as a result of underwriting insurance contracts. More specifically, the Company defines insurance risk to include underwriting risk and reinsurance risk.

Underwriting risk

Underwriting risk results from fluctuations in the timing, frequency and severity of insured events. It includes the risk transferred from the policyholder to the Company, the risk that a policyholder will cancel the contract, the risk that premium provisions (liabilities for remaining cover) turn out to be insufficient to compensate for expected future claims, that the claims provisions (liability for incurred claims) raised for both reported and unreported claims are inadequate, as well as the risk resulting from the volatility of expense payments. The Company manages underwriting risk through its underwriting strategy and proactive claims handling. The underwriting strategy aims to ensure that the portfolio of insurance contracts issued is well diversified and reasonably priced.

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

Reinsurance risk

Reinsurance risk is the risk of loss due to either insufficient or inappropriately structured reinsurance cover relative to the Company's risk management strategy and objectives. It also includes the risk that the reinsurance programme is inappropriately administered. The Company obtains third-party reinsurance cover to reduce risks from single events or accumulations of risk that could have a significant impact on the current year's earnings or the Company's capital.

(a) Management of underwriting risk

(i) Growing the portfolio

Large numbers implies that predictability of claims (in aggregate) increases as the portfolio grows. This reduces the Company's exposure to extreme volatility in claims pay-out.

(ii) Underwriting management

At inception, medical underwriting is carried out to ensure that the prospective insuree adheres to the minimum health requirements set by the Company and the reinsurer. Financial underwriting is carried out at inception to identify the paying capacity as well as the justification for insurance. Further, pastime underwriting and/or occupation underwriting identifies risky activities and ensures that the premium charged is commensurate with the risk at hand; or claims underwriting examines the conditions of the death/disability claims and whether any breach of policy conditions may exist.

(iii) Actuarial assumptions

Actuarial assumptions are set based on the Company's actual mortality/morbidity experience and are reviewed annually.

(iv) Reinsurance

Variability in claims pay-out is mitigated by reinsurers who participate in claims above the Company's retention limit. The Company uses individual surplus reinsurance and all amounts in excess of Rs500 000 are reinsured.

(v) Using conservative actuarial assumptions

The Company typically assumes that the insured lives longer than the life expectancy as per the South African mortality tables (SA 85/90). The Company reviews pension pay-outs regularly to ensure that pension is paid to pensioners who are still alive.

(vi) Holding diversified investment portfolios

Holding a diversified investment portfolio, adopting a long-term investment strategy approved by the actuary, keeping a matched investment position, setting the investment return target in accordance with the pricing and reserving assumptions, smoothing of bonuses by using a 3-year declaration period, and adjusting bonuses to reflect actual market performance.

(b) Changes from the previous period

There were no significant changes in the Company's objectives, policies and processes for managing risk and the methods used to measure risk compared to the previous period.

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

(c) Concentration of insurance risk

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

Benefits assured per life assured at the end of 2024	**Total benefits insured**			
	Before reinsurance		**After reinsurance**	
Rs	**Rs**	**%**	**Rs**	**%**
0 - 200 000	1,104,554,090	4%	1,100,851,795	14%
200 000 - 400 000	1,714,251,246	6%	1,702,647,196	21%
400 000 - 800 000	2,120,085,572	7%	1,905,603,019	24%
800 000 - 1 000 000	560,983,083	2%	311,500,000	4%
More than 1 000 000	23,528,455,523	81%	2,928,000,000	37%

Benefits assured per life assured at the end of 2023	Total benefits insured			
	Before reinsurance		After reinsurance	
Rs	Rs	%	Rs	%
0 - 200 000	1,010,402,900	5%	1,010,402,900	16%
200 000 - 400 000	1,515,535,307	7%	1,515,309,307	23%
400 000 - 800 000	1,599,480,087	7%	1,476,269,699	23%
800 000 - 1 000 000	390,724,165	2%	224,000,000	3%
More than 1 000 000	16,799,569,266	79%	2,300,500,000	35%

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 at the year end. The Company does not hold any reinsurance contracts against the liabilities carried for these contracts.

Annuity payable per annum per life insured	**Total annuities payable per annum**			
	2024		2023	
	Rs	**%**	Rs	%
0 - 20 000	**3,060,226**	**7%**	3,070,465	6%
20 000 - 40 000	**4,238,781**	**9%**	4,208,484	9%
40 000 - 80 000	**9,903,687**	**21%**	10,118,759	21%
80 000 - 100 000	**1,757,636**	**4%**	1,757,636	4%
More than 100 000	**27,644,595**	**59%**	28,149,169	60%

Insurance risk for contracts disclosed in this note is also affected by the policyholders' right to pay reduced or no future premiums to terminate the contract completely or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to policyholders' behaviour. On the assumption that policyholders will make decisions rationally overall risk can be assumed to be aggravated by such behaviour.

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

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

(c) Concentration of insurance risk (cont'd)

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

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 by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk geographical location and type of industry covered.

Frequency and severity of claims

Insurance risk for contracts disclosed in this note is also affected by the contract holders' right to pay reduced or no future premiums to terminate the contract completely or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to contract holder behaviour. On the assumption that contract holders will make decisions rationally, overall insurance risk can be assumed to be aggravated by such behaviour. For example, it is likely that contract holders whose health has deteriorated significantly will be less inclined to terminate contracts ensuring death benefits than those contract holders remaining in good health. This results in an increasing trend of expected mortality as the portfolio of insurance contracts reduces due to voluntary terminations.

The actual mortality claim experience versus expected are shown below:

Year	Actual number of death claims	Actual death claim (Rs)	Expected death claim (Rs)	Actual claim/ expected claim (%)
2011	41	3,575,562	8,191,451	44
2012	31	3,848,552	10,868,957	35
2013	39	4,709,953	12,334,995	38
2014	29	4,784,529	15,479,908	31
2015	34	10,795,677	19,588,505	55
2016	38	4,625,979	23,432,984	20
2017	41	12,770,307	10,308,235	124
2018	40	6,600,452	10,060,485	66
2019	30	5,965,709	7,525,000	79
2020	42	8,307,955	6,500,000	128
2021	53	12,995,233	7,300,000	178
2022	47	5,077,281	6,000,000	85
2023	73	14,926,897	6,000,000	249
2024	43	22,993,903	19,239,587	120
Overall	**581**	**121,977,989**	**162,830,107**	**75**

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

(c) Concentration of insurance risk (cont'd)

Claim Frequency & Reinsurance Recoveries

The table below shows the number of death/morbidities claims and reinsurance recoveries.

	2024	2023
No of death/morbidity claims		
Individual Life*	**48**	67
Group	**-**	6

*Number of total permanent disability included above is zero (2023 - Nil)

	2024	2023
	Rs' 000	Rs' 000
Reinsurance recoveries		
Individual Life	**19,438,597**	6,669,516
Group	**-**	-

In relation to the portfolio at risk the incidence of death/morbidity claims has been stable as evidenced by the actuarial assumptions used for the year end valuation.

(d) Sensitivity analysis

The table below analyses how the insurance liabilities would have increased/(decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred.

The results of the sensitivity analysis on the Best Estimate Liability ("BEL") and Risk Adjustment ("RA") (excluding accruals) of the insurance business can be summarised as follows:

Sensitivity run	**BEL + RA (Rs '000)**	**Percentage change**
Main Basis	1,033,796	-
Renewal expenses plus 10%	1,045,698	1.15%
Withdrawals less 10%	1,050,096	1.58%
Inflation plus 1%	1,040,830	0.68%
Investment return less 1%	1,136,474	9.93%
Mortality (and other claims) plus 10%	1,040,017	0.60%

The results of the sensitivity analysis on the actuarial liabilities (BEL, RA and CSM) of the insurance business can be summarised as follows:

Sensitivity run	**Actuarial liabilities (Rs)**	**Percentage change**
Main Basis	1,247,661	-
Renewal expenses plus 10%	1,253,719	0.49%
Withdrawals less 10%	1,257,157	0.76%
Inflation plus 1%	1,254,695	0.56%
Investment return less 1%	1,350,020	8.20%
Mortality (and other claims) plus 10%	1,245,854	-0.15%

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

(d) Sensitivity analysis (cont'd)

31 December 2024

	Fulfilment cash flows Rs	CSM Rs	Total Rs
Insurance contract liabilities as reported			
Insurance contract liabilities	**1,153,811,451**	**132,122,987**	**1,285,934,438**
Reinsurance contract assets	**(104,435,726)**	**57,768,971**	**(46,666,755)**
Net insurance contract liabilities	**1,049,375,725**	**189,891,958**	**1,239,267,683**

	Impact on fulfilment cash flows Rs	Impact on CSM Rs	Total increase/ (decrease) in insurance liabilities Rs	Remaining CSM Rs	Impact on profit before tax Rs	Impact on equity Rs
Mortality rate - plus 10%						
Insurance contract liabilities	**35,588,958**	**(24,117,373)**	**11,471,585**	**108,005,614**	**(11,471,585)**	**(11,471,585)**
Reinsurance contract assets	**(29,368,164)**	**16,089,168**	**(13,278,996)**	**73,858,140**	**13,278,996**	**13,278,996**
Net insurance contract liabilities	**6,220,794**	**(8,028,205)**	**(1,807,411)**	**181,863,754**	**1,807,411**	**1,807,411**
Investment return - less 1%						
Insurance contract liabilities	**110,080,289**	**(319,607)**	**109,760,682**	**131,803,380**	**(109,760,682)**	**(109,760,682)**
Reinsurance contract assets	**(7,401,917)**	**-**	**(7,401,917)**	**57,768,971**	**7,401,917**	**7,401,917**
Net insurance contract liabilities	**102,678,372**	**(319,607)**	**102,358,765**	**189,572,351**	**(102,358,765)**	**(102,358,765)**
Inflation - plus 1%						
Insurance contract liabilities	**7,034,364**	**(623)**	**7,033,741**	**132,122,364**	**(7,033,741)**	**(7,033,741)**
Reinsurance contract assets	**-**	**-**	**-**	**57,768,971**	**-**	**-**
Net insurance contract liabilities	**7,034,364**	**(623)**	**7,033,741**	**189,891,335**	**(7,033,741)**	**(7,033,741)**

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

(d) Sensitivity analysis (cont'd)

	Impact on fulfilment cash flows Rs	Impact on CSM Rs	Total increase/ (decrease) in insurance liabilities Rs	Remaining CSM Rs	Impact on profit before tax Rs	Impact on equity Rs
Withdrawals - less 10%						
Insurance contract liabilities	**20,622,302**	**(8,688,119)**	**11,934,183**	**123,434,868**	**(11,934,183)**	**(11,934,183)**
Reinsurance contract assets	**(4,321,713)**	**1,883,424**	**(2,438,289)**	**59,652,395**	**2,438,289**	**2,438,289**
Net insurance contract liabilities	**16,300,589**	**(6,804,695)**	**9,495,894**	**183,087,263**	**(9,495,894)**	**(9,495,894)**
Renewal expenses - plus 10%						
Insurance contract liabilities	**11,902,567**	**(4,577,394)**	**7,325,173**	**127,545,594**	**(7,325,173)**	**(7,325,173)**
Reinsurance contract assets	**-**	**(1,267,310)**	**(1,267,310)**	**56,501,661**	**1,267,310**	**1,267,310**
Net insurance contract liabilities	**11,902,567**	**(5,844,704)**	**6,057,863**	**184,047,255**	**(6,057,863)**	**(6,057,863)**

31 December 2023

	Fulfilment cash flows Rs	CSM Rs	Total Rs
Insurance contract liabilities as reported			
Insurance contract liabilities	1,103,510,985	78,498,103	1,182,009,088
Reinsurance contract assets	(61,881,235)	36,935,542	(24,945,693)
Net insurance contract liabilities	1,041,629,750	115,433,645	1,157,063,395

	Impact on fulfilment cash flows Rs	Impact on CSM Rs	Total increase/ (decrease) in insurance liabilities Rs	Remaining CSM Rs	Impact on profit before tax Rs	Impact on equity Rs
Mortality rate - plus 10%						
Insurance contract liabilities	44,060,714	(11,938,429)	32,122,285	66,559,674	(32,122,285)	(32,122,285)
Reinsurance contract assets	(43,308,780)	20,384,079	(22,924,701)	57,319,621	22,924,701	22,924,701
Net insurance contract liabilities	751,934	8,445,650	9,197,584	123,879,295	(9,197,584)	(9,197,584)

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

(d) Sensitivity analysis (cont'd)

	Impact on fulfilment cash flows	Impact on CSM	Total increase/ (decrease) in insurance liabilities	Remaining CSM	Impact on profit before tax	Impact on equity
	Rs	Rs	Rs	Rs	Rs	Rs
Investment return - less 1%						
Insurance contract liabilities	97,978,625	(13,320)	97,965,305	78,484,783	(97,965,305)	(97,965,305)
Reinsurance contract assets	(4,775,868)	347,694	(4,428,174)	37,283,236	4,428,174	4,428,174
Net insurance contract liabilities	93,202,757	334,374	93,537,131	115,768,019	(93,537,131)	(93,537,131)
Inflation - plus 1%						
Insurance contract liabilities	5,644,998	(40)	5,644,958	78,498,063	(5,644,958)	(5,644,958)
Reinsurance contract assets	-	-	-	36,935,542	-	-
Net insurance contract liabilities	5,644,998	(40)	5,644,958	115,433,605	(5,644,958)	(5,644,958)
Withdrawals - less 10%						
Insurance contract liabilities	17,815,349	(6,970,802)	10,844,547	71,527,301	(10,844,547)	(10,844,547)
Reinsurance contract assets	(2,713,464)	518,918	(2,194,546)	37,454,460	2,194,546	2,194,546
Net insurance contract liabilities	15,101,885	(6,451,884)	8,650,001	108,981,761	(8,650,001)	(8,650,001)
Renewal expenses - plus 10%						
Insurance contract liabilities	10,032,551	(5,362,142)	4,670,409	73,135,961	(4,670,409)	(4,670,409)
Reinsurance contract assets	-	(1,037,112)	(1,037,112)	35,898,430	1,037,112	1,037,112
Net insurance contract liabilities	10,032,551	(6,399,254)	3,633,297	109,034,391	(3,633,297)	(3,633,297)

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4 MANAGEMENT OF INSURANCE RISK (CONT'D)

Insurance risk (cont'd)

(d) Sensitivity analysis (cont'd)

31 December 2024

	LIC as reported Rs	Impact on LIC Rs	Impact on profit before tax Rs	Impact on equity Rs
Insurance contract liabilities	**2,692,905**			
Reinsurance contract assets	**(1,552,575)**			
Net insurance contract liabilities	**1,140,330**			
IBNR Provision - plus 10%				
Insurance contract liabilities		**238,175**	**(238,175)**	**(238,175)**
Reinsurance contract assets		**(155,258)**	**155,258**	**155,258**
Net insurance contract liabilities		**82,917**	**(82,917)**	**(82,917)**
31 December 2023				
Insurance contract liabilities	2,757,116			
Reinsurance contract assets	(1,298,742)			
Net insurance contract liabilities	1,458,374			
IBNR Provision - plus 10%				
Insurance contract liabilities		275,712	(275,712)	(275,712)
Reinsurance contract assets		129,874	129,874	129,874
Net insurance contract liabilities		405,586	(145,838)	(145,838)

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5 MANAGEMENT OF FINANCIAL RISK

Financial risk management

Market risk arises from the level or volatility of the market prices. Exposure to market risk is measured by the impact of movements in the level of financial variables. This exposure will affect the fulfilment cash flows of insurance and reinsurance contracts, as well as future cash flows of financial instruments. The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investments are not sufficient to fund the obligations arising from its insurance contracts. The Company is primarily exposed to interest rate risk and equity price risk due to the nature of its investments and liabilities.

(a) Management of market risk

The Company's investment committee is primarily responsible for managing and overseeing its financial risks, the investment committee is mandated to achieve long-term investment returns in excess of the Company's obligations under insurance and investment contracts. The principal technique of the investment committee is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained.

(b) Changes from the previous period

The Company has not changed its risk management process from previous period.

(c) Analysis of market risk

Fixed and guaranteed insurance contracts

Insurance contracts with guaranteed and fixed terms have benefit payments that are fixed and guaranteed at the inception of the contract. The component of these benefits is a guaranteed fixed interest rate (for insurance contracts, this rate may apply to maturity and/or death benefits); the company's primary financial risk on these contracts is the risk that interest income and capital redemptions from the financial assets backing the liabilities is insufficient to fund the guaranteed benefits payable.

- Liquidity risk

  Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due as a result of policyholder benefit payments, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position assets and cash components and sales of assets, or potentially an inability to fulfil policyholder commitments. The risk that the Company will be unable to do is inherent in all insurance operations and can be affected by a range of institution-specific and market wide events including, but not limited to, credit events, systemic shocks and natural disasters or catastrophe.

  The Company is exposed to daily calls on its available cash resources as a result of claims. The Company maintains a certain level of cash resources in the bank to service the daily claims. Investments are also made in certain liquid investments such as Bank of Mauritius Treasury bills and investments in equity shares that are traded in active markets and can be readily disposed. The Company has also made arrangements in its reinsurance treaty to cater for large claims whereby reinsurers will pay their share of these losses within a short period of time.

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial risk management (cont'd)

- Liquidity risk (cont'd)

The following table summarises the undiscounted maturity profile of the insurance contracts issued, portfolios of reinsurance contracts held, financial assets and liabilities.

At 31 December 2024

	Up to 1 Year Rs	1 – 5 years Rs	Above 5 years Rs	Total Rs
Assets				
Financial assets at fair value through profit or loss	**1,536,373**	**26,600,295**	**727,019,816**	**755,156,484**
Reinsurance contract assets	**5,442,405**	**13,011,537**	**28,212,813**	**46,666,755**
Loans and advances	**87,183,790**	**10,970,016**	**30,283,340**	**128,437,146**
Other receivables	**64,134,611**	**-**	**-**	**64,134,611**
Cash and cash equivalents	**112,312,399**	**-**	**-**	**112,312,399**
	270,609,578	**50,581,848**	**785,515,969**	**1,106,707,395**
Liabilities				
Insurance contract liabilities	**110,889,542**	**399,329,506**	**778,811,528**	**1,289,030,576**
Reinsurance contract liabiities	**5,297,158**	**-**	**-**	**5,297,158**
Lease liabilities	**440,000**	**1,540,000**	**-**	**1,980,000**
Other Payables	**39,342,500**	**-**	**-**	**39,342,500**
Liabilities	**155,969,200**	**400,869,506**	**778,811,528**	**1,335,650,234**
Liquidity Gap	**114,640,378**	**(350,287,658)**	**6,704,441**	**(228,942,839)**

At 31 December 2023

	Up to 1 Year Rs	1 – 5 years Rs	Above 5 years Rs	Total Rs
Assets				
Financial assets at fair value through profit or loss	-	51,190,796	653,997,320	705,188,116
Loans and advances	18,916,709	125,674,706	-	144,591,415
Other receivables	28,575,699	-	-	28,575,699
Cash and cash equivalents	92,431,150	-	-	92,431,150
	139,923,558	176,865,502	653,997,320	970,786,380
Liabilities				
Insurance contract liabilities	171,046,443	361,274,903	663,551,101	1,195,872,447
Reinsurance contract liabiities	3,996,782	106,346	263,733	4,366,861
Other payables	65,159,122	-	-	65,159,122
	240,202,347	361,381,249	663,814,834	1,265,398,430
Liquidity Gap	(100,278,789)	(184,515,747)	(9,817,514)	(294,612,050)

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial risk management (cont'd)

- Foreign exchange risk

The Company underwrites fixed and guaranteed insurance and investment contracts in Mauritius and invests in a portfolio of assets denominated in Mauritian Rupees and other foreign currencies. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to some investments in foreign currencies.

At 31 December 2024

	USD Rs	**MUR Rs**	**Non-financial assets/ (liabilities) Rs**	**Total Rs**
Assets	**266,103,108**	**840,604,287**	**248,954,850**	**1,355,662,245**
Liabilities	**-**	**(1,335,650,234)**	**(1,597,000)**	**(1,337,247,234)**
Net position Rs	**266,103,108**	**(495,045,947)**	**247,357,850**	**18,415,011**

At 31 December 2023

	USD Rs	MUR Rs	Non- financial assets/ (liabilities) Rs	Total Rs
Assets	227,469,199	743,317,180	274,136,817	1,244,923,196
Liabilities	-	(1,265,398,430)	(2,250,000)	(1,267,648,430)
Net position Rs	227,469,199	(522,081,250)	271,886,817	(22,725,234)

A total of **Rs 5,918,094** (2023: Rs 41,194,955) for advances, repossessed properties and prepayment have been excluded from other receivables.

Non financial assets of **Rs 248,954,850** (2023: Rs 274,136,817) consist of Property, Plant and Equipment, Right of Use asset, investment properties and other receivables.

Non financial liabilities of **Rs 1,597,000** (2023: Rs 2,250,000) consist of Retirement Benefit Obligations.

The Company has 24**%** (2023 – 23%) of its total financial assets denominated in foreign currencies. The foreign currency denominated assets are in USD.

The sensitivity analysis below shows the effect on the total financial assets of the Company when the USD depreciates against the Mauritian rupee (“MUR”), holding other assumptions constant each time.

	Impact on Surplus in 2024 Rs	Impact on Surplus in 2023 Rs
USD depreciates by 5% against the MUR*	**(13,305,155)**	(11,373,460)

* If the USD appreciates by 5% against the MUR, there will be a corresponding increase in the surplus also.

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial risk management (cont'd)

- Interest rate risk

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The loans and receivables are on a fixed interest rate basis and thus not subject to interest rate fluctuations. All other receivables are interest free and not subject to interest rate risk. The Company may review the leading rate to its clients, due to competition.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at reporting date.

The table below summarises the Company's interest rate risk exposure:

	Up to 1 Year Rs	1 – 5 years Rs	Above 5 years Rs	Non-interest Bearing Rs	Total Rs
At 31 December 2024					
Assets					
Financial assets at fair value through profit or loss	**1,536,373**	**26,600,295**	**168,579,322**	**558,440,494**	**755,156,484**
Reinsurance contract assets	**-**	**-**	**-**	**46,666,675**	**46,666,675**
Loans and advances	**87,112,649**	**10,970,016**	**30,283,340**	**71,141**	**128,437,146**
Other receivables	**-**	**-**		**64,134,611**	**64,134,611**
Cash and cash equivalents	**112,312,399**	**-**	**-**	**-**	**112,312,399**
Total assets	**200,961,421**	**37,570,311**	**198,862,662**	**669,312,921**	**1,106,707,315**
Liabilities					
Insurance contract liabilities	**-**	**-**	**-**	**1,289,030,576**	**1,289,030,576**
Reinsurance contract liabilities	**-**	**-**	**-**	**5,297,158**	**5,297,158**
Lease liabilities	**-**	**-**	**-**	**1,980,000**	**1,980,000**
Other payables	**-**	**-**	**-**	**39,342,500**	**39,342,500**
Total liabilities	**-**	**-**	**-**	**1,335,650,234**	**1,335,650,234**
On balance sheet interest sensitivity gap	**200,961,421**	**37,570,311**	**198,862,662**	**(666,337,313)**	**(228,942,919)**
At 31 December 2023					
Assets					
Financial assets at fair value through profit or loss	1,560,684	28,460,305	175,118,907	500,048,220	705,188,116
Loans and advances	18,916,709	125,674,706	-	-	144,591,415
Other receivables	-	-		28,575,699	28,575,699
Cash and cash equivalents (as restated)	92,431,150	-	-	-	92,431,150
Total assets	112,908,543	154,135,011	175,118,907	528,623,919	970,786,380
Liabilities					
Insurance contract liabilities				1,195,872,447	1,195,872,447
Reinsurance contract liabilities				4,366,861	4,366,861
Other payables	-	-	-	65,159,122	65,159,122
Total liabilities	-	-	-	1,265,398,430	1,265,398,430
On balance sheet interest sensitivity gap	112,908,543	154,135,011	175,118,907	(736,774,511)	(294,612,050)

A total of **Rs 5,918,094** (2023: Rs 41,194,954) for advances, prepayment and repossessed assets have been excluded from other receivables.

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial risk management (cont'd)

- Interest rate risk (cont'd)

Sensitivity Analysis on Interest - bearing instruments

Interest-bearing instruments with a fixed rate give rise to fair value interest rate risk, while interest-bearing instruments with a floating rate give rise to cash flow interest rate risk.

The following table provides an indication of the impact of a 1% change in interest rates on the net income before tax as well as the net comprehensive income of the Company. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

	31 December 2024		31 December 2023	
Interest-bearing investments and structured transactions	**1% increase**	**1% decrease**	1% increase	1% decrease
	Rs	**Rs**	Rs	Rs
Impact on profit before tax				
Subordinated notes	**371,345**	**(371,345)**	483,858	(483,858)
Treasury bond	**1,497,199**	**(1,497,199)**	1,567,533	(1,567,533)
Total	**1,868,544**	**(1,868,544)**	2,051,391	(2,051,391)
Effect of shareholder's equity				
Subordinated notes	**273,536**	**(273,536)**	411,279	(411,279)
Treasury bond	**1,197,760**	**(1,197,760)**	1,332,403	(1,332,403)
Total	**1,471,296**	**(1,471,296)**	1,743,682	(1,743,682)

- Credit risk

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The key areas where the Company is exposed to credit risk are: housing loans, policy loans, loans receivable from related parties, fixed deposits placed with financial institutions and cash and cash equivalents.

The Company manages its credit risk as follows:

- Exposure to credit risk arising on loan receivables is managed through analysis of the ability of borrowers to meet interest and capital repayment obligations and by changing the lending limits where appropriate. Exposure to credit risk is also managed by obtaining collaterals and guarantees.

- Fixed deposits placed with financial institutions and cash and cash equivalents – The Company only transacts with highly reputable financial institutions. The credit worthiness of these financial institutions can be assessed by the historical information about the financial strengths of the financial institutions the Company is dealing with. In the opinion of the Company there is no associated risk as these are reputable institutions in the industry.

The Company avoids investment concentration. It assesses credit worthiness of both loans clients and debt issuers. Systematic follow-ups are also made so that the levels of receivables (mainly Group companies) are kept to a reasonable level.

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial and market risk (cont'd)

- Credit risk (cont'd)

	2024	2023
	Rs	Rs
Loans and advances, at amortised cost		
Housing loans receivable, net of expected credit loss	**24,936,231**	21,270,658
Policy loans receivable	**-**	343,968
Loans on call with related companies	**83,920,040**	99,309,353
Other loans	**19,509,734**	23,667,436
	128,366,005	144,591,415
Other receivables		
Other receivables	**64,134,611**	28,575,699
Cash and cash equivalents	**112,312,399**	92,431,150
Total assets bearing credit risk	**304,813,015**	265,598,264

A total of **Rs 5,918,094** (2023: Rs 41,194,954) for advances, prepayment and repossessed assets have been excluded from other receivables.

The assets are analysed in the table below using Standard & Poor's (S&P), Moody's and Care ratings:

Credit ratings:	**2024**	2023
A+	**-**	-
A	**-**	-
A-	**-**	-
AA-	**-**	-
BBB+	**-**	-
Baa1**	**-**	-
Baa2**	**-**	-
CARE MAU AA+	**-**	-
CARE MAU A+	**-**	-
CARE MAU A+ *	**-**	-
CARE MAU AA	**-**	-
CARE MAU A*	**-**	-
CARE MAU A-	**-**	-
CARE MAU AA-	**-**	-
CARE MAU AA*	**-**	-
CARE MAU AA-*	**-**	-
CARE MAU AAA	**-**	-
CARE MAU BBB+	**-**	-
Unrated****	**304,813,014**	265,598,264
	304,813,015	265,598,264

The collaterals held against loans and advances are as follows:

	Carrying value	**Value of collaterals held**	**Net Exposure**
	Rs	**Rs**	**Rs**
2024	**128,366,005**	**161,932,230**	**-**
2023	144,591,415	181,757,230	-

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial risk management (cont'd)

- Credit risk (cont'd)

  The unrated assets consist of equity investments, secured housing and policy loans, unsecured and secured loans receivable from related parties, other receivables, fixed deposits from financial institutions and cash balances.

- Price risk

  The Company is subject to price risk due to daily changes in the market values of its equity portfolios. The Company is not directly exposed to commodity price risk but does have indirect commodity price exposure via various equity share holdings. Any change in valuation of these companies due to change in commodity prices will reflect in the change in share price of these companies.

  The Company has the following equity investment instruments. Each of the following investments has an individual value of more than 5% of the total quoted equity investment portfolio. Details of the investments below 5%, summarised as "Other", are open to inspection at the registered office of the Company.

Direct listed equity exposure	**31 December 2024**		31 December 2023	
	Number of shares	**Market Value**	Number of shares	Market Value
		Rs		Rs
Local listed equities:				
ENL LTD	**779,221**	**18,194,810**	779,221	15,311,693
IBL LTD	**506,276**	**19,744,764**	506,276	21,820,496
MCB GROUP LTD	**230,315**	**102,720,490**	217,715	70,539,660
Other local listed	**9,952,229**	**139,871,456**	9,814,459	165,805,449
	11,468,041	**280,531,520**	11,317,671	273,477,298
Foreign listed:				
SANDS CAPITAL GLOBAL GROWTH FUND A ACC	**-**	**-**	18,487	35,086,099
CAPITAL GROUP NEW PERSPECTIVE FUND FUND Z ACC	**-**	**-**	43,690	42,555,067
ARTISAN GLOBAL DISCOVERY FUND I USD	**-**	**-**	29,915	26,333,282
FISHER SMALL CAP CORE EQUITY ESG FUND USD	**-**	**-**	1,681	18,059,936
SPDR GOLD TRUST	**639**	**7,346,481**	-	-
DYNAMIC GLOBAL EQUITY LTD MUR CLASS	**20,361**	**51,492,080**	-	-
Other foreign listed	**276,536**	**2,864,245**	11,934	51,760,866
	297,536	**61,702,806**	105,707	173,795,250
Total local and foreign listed equities		**342,234,326**		447,272,548

The Company takes a long-term view when agreeing investment mandates with the relevant portfolio managers and looks to build value over a sustained period of time rather than utilising high levels of purchases and sales in order to generate short-term gains from its equity holdings.

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial and market risk (cont'd)

- Price risk (cont'd)

  Equity price risk arises from the negative effect that a fall in the market value of equities can have on the Company's net asset value. The Company's objective is to earn competitive relative returns by investing in a diverse portfolio of high-quality, liquid securities. Portfolio characteristics are analysed regularly and equity price risk is actively managed through a variety of modelling methods. The Company sets appropriate risk limits to ensure that no significant concentrations in individual companies arise. The Company's largest investment in any one company comprises 7.65% (2023: 1.4%) of the total assets.

  Sensitivity analysis on listed equities and similar securities

  At 31 December 2024, the Company's listed equities and similar securities were recorded at their fair value of **Rs342 million** (2023: Rs447 million). A 10% decline or increase in each individual unit price would have the net effect of decreasing or increasing profit before taxation by **Rs34 million** (2023: Rs44million).

- Fair values

  The carrying amounts of land and buildings, investment properties, financial assets at fair value through profit or loss, loans and advances, trade and other receivables, cash and cash equivalents and trade and other payables approximate their fair values.

- Fair value hierarchy

IFRS 7 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

The following table presents the Company's assets and liabilities measured at fair values:

	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
At 31 December 2024				
Assets				
Investment properties	**-**	**-**	**217,300,000**	**217,300,000**
Financial assets at fair value through profit or loss	**342,234,325**	**-**	**412,922,158**	**755,156,483**
Land & Building (property, plant & equipment)	**-**	**-**	**18,566,612**	**18,566,612**
Total assets	**342,234,325**	**-**	**648,788,770**	**991,023,095**

There were no transfers between Levels 1 and 2 for recurring fair value measurements during the current and prior years.

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial and market risk (cont'd)

- Fair value hierarchy (cont'd)

	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
At 31 December 2023				
Assets				
Investment properties	-	-	209,380,000	209,380,000
Financial assets at fair value through profit or loss	447,272,548	-	257,915,568	705,188,116
Land & Building (property, plant & equipment)	-	-	18,138,833	18,138,833
Total assets	447,272,548	-	485,434,401	932,706,949

The Company is exposed to equity securities and debt securities price risks. If the fair value of the investments increases/decreases by 5%, other factors remaining unchanged, the Company's profit for the year and financial assets (at fair value through profit or loss) would decrease/increase in loss of **Rs 37,757,824** (2023: decrease/increase in loss of Rs 35,259,406).

Given that the Company is materially exposed to price risk, it has set up an investment committee to manage that risk. Members of the investment committee meet at least once every quarter to monitor the investment activities of the Company.

The Company's financial assets valued at fair value through profit or loss are directly related to the fair valuation of the investee entities. The investee entities use various valuations methods to value their underlying investment assets such as the use of share of Net Asset Value ("NAV") of the underlying investment, price earnings ratio, market price of shares at reporting date and the latest redemption price. Level 3 includes investments classified as financial assets at fair value through profit or loss. The investments have been fair valued using comparable trading multiple.

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model:

Description	Fair Value as at 31 Dec 24	Valuation Technique	Unobservable Inputs	Weighted Average Input	Reasonable possible shift +/- (absolute value)	Change in valuation +/-
Unquoted Investment	53,579,500	Comparable trading multiple	PE Ratio	11.4	1	1,608,238 / (1,567,236)
			EV/EBITDA Multiple	6.0	1	3,743,600 / (3,762,700)
			Discount for minority control	14.8%	1%	(262,806) / 263,406
			Discount for liquidity	14.8%	1%	(262,806) / 263,406
			Discount for lack of marketability	14.5%	1%	(191,000) / 191,000
			Size Discount	14.5%	1%	(38,200) / 19,100

Description	Fair Value as at 31 Dec 23	Valuation Technique	Unobservable Inputs	Weighted Average Input	Reasonable possible shift +/- (absolute value)	Change in valuation +/-
Unquoted Investment	101,162,302	Comparable trading multiple	PE Ratio	11.45	1	1,608,238 / (1,608,238)
			Multiple	6.0391	1	(1,623,500)
			Discount for minority control	15%	1%	554,394 / (554,394)
			Discount for liquidity	15%	1%	554,394 / (554,394)
			Discount for lack of marketability	14.5%	1%	175,390 / (175,390)
			Size Discount	14.5%	1%	(95,500) / 95,500

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial and market risk

- Fair value hierarchy (cont'd)

The following table presents the movements in level 3 instruments:

At 31 December 2024	**Financial asset at fair value through profit or loss**	**Total**
	Rs	**Rs**
Balance at 01 January 2024	**257,915,568**	**257,915,568**
Additions/(disposals)	**(46,398,177)**	**(46,398,177)**
Transfer from level 1	**165,771,041**	**165,771,041**
Total losses recognised in profit	**35,633,726**	**35,633,726**
Balance at 31 December 2024	**412,922,158**	**412,922,158**
At 31 December 2023		
Balance at 01 January 2023	268,372,550	268,372,550
Additions/(disposals)	(15,531,540)	(15,531,540)
Transfer from available from sale	-	-
or loss	5,074,558	5,074,558
Balance at 31 December 2023	257,915,568	257,915,568

Financial instruments by categories

At 31 December 2024	**Loans and advances**	**Lease liabilities**	**Other receivables/(payables)**	**Insurance contracts**	**Financial Assets at fair value through profit and loss**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Loans and advances	**128,437,146**	**-**	**-**	**-**	**-**	**128,437,146**
Other receivables	**-**	**-**	**64,134,611**	**-**	**-**	**64,134,611**
Financial assets at fair value through profit or loss	**-**	**-**	**-**	**-**	**755,156,484**	**755,156,484**
Reinsurance contract assets	**-**	**-**	**-**	**46,666,755**	**-**	**46,666,755**
Cash and cash equivalents	**112,312,399**	**-**	**-**	**-**	**-**	**112,312,399**
	240,749,545	**0**	**64,134,611**	**46,666,755**	**755,156,484**	**1,106,707,395**
Insurance contract liabilities	**-**	**-**	**-**	**(1,289,030,576)**	**-**	**(1,289,030,576)**
Reinsurance contract liabilities	**-**	**-**	**-**	**(5,297,158)**	**-**	**(5,297,158)**
Lease liabilities	**-**	**(1,980,000)**	**-**	**-**	**-**	**-1,980,000**
Other payables	**-**	**-**	**(39,342,500)**	**-**	**-**	**(39,342,500)**
	-	**(1,980,000)**	**(39,342,500)**	**(1,294,327,734)**	**-**	**(1,335,650,234)**
At 31 December 2023						
Loans and advances	144,591,415	-	-	-	-	144,591,415
Other receivables	-	-	28,575,700	-	-	28,575,700
Financial assets at fair value through profit or loss	-	-	-	-	705,188,116	705,188,116
Cash and cash equivalents (as restated)	92,431,150	-	-	-	-	92,431,150
Balance at 31 December 2023	237,022,565	-	28,575,700	-	705,188,116	970,786,381
Insurance contract liabilities	-	-	-	(1,195,872,447)	-	(1,195,872,447)
Reinsurance contract liabilities	-	-	-	(4,366,861)	-	(4,366,861)
Other payables	-	-	(65,159,122)	-	-	(65,159,122)
	-	-	(65,159,122)	(1,200,239,308)	-	(1,265,398,430)

A total of **Rs 5,918,094** (2023: Rs 41,194,954) for advances, prepayment and repossessed assets have been excluded from other receivables.

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5 MANAGEMENT OF FINANCIAL RISK (CONT'D)

Financial and market risk (cont'd)

- Capital management

The Company's objectives when managing capital are:

- To comply with solvency regulations issued by the FSC
- To maximise returns to both shareholder and policyholder while being resilient to investment volatilities
- To foster and consolidate both its short and long term growth strategy
- To match its investment strategy with its product pricing and reserving basis.

The solvency test requires that the excess of admissible assets over liabilities is at least equal to the stress test requirement (also called Minimum Capital Requirement, "MCR"). Admissible assets are balance sheet assets that satisfy requirements of investment rules issued by the FSC; e.g. excess holding in a particular asset class (beyond the maximum allowed) will carry no value for the purpose of solvency requirements. Liabilities are made up of technical provisions and other liabilities. Technical provisions are computed by the Company's actuary in accordance with valuation rules issued by the FSC. These rules require that the actuary builds in a prudent margin when computing liabilities (e.g. to guard against any adverse changes in assumptions). The stress test requirement (MCR) is computed by the actuary in accordance with a formula issued by the FSC. The formula specifies "stress" scenarios (e.g. drop in investment return, increase in expenses) and the MCR is the sum total of the "top-up" capital required to ensure that admissible assets are more than liabilities under all scenarios. The minimum MCR is the higher of Rs 25million or the Company's equivalent of 13 weeks' operating expenses.

Assets that are used to back the MCR are made up of shareholders' capital and retained earnings.

	2024	2023
	%	%
MCR Ratio	**147**	103

The Solvency position as at 31 December 2024 stood at 147% (103% as at 31 December 2023).

6 PORTFOLIO INFORMATION

Portfolio information is derived from internal reports regularly reviewed by the Executive Committee. These reports guide resource allocation and performance assessment within the Company. The portfolios are identified based on these reports, which management uses to make strategic and operational decisions.

The Company conducts mainly insurance and investment activities.

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6 PORTFOLIO INFORMATION (CONT'D)

Insurance contract porfolio - profit or loss

31 December 2024	PAA	GMM	VFA	Total
Insurance revenue	10,458,468	85,669,763	290,706	96,418,938
CSM recognized for services provided	-	18,023,144	265,095	18,288,239
Change in risk adjustment for non-financial risk for risk expired	-	989,642	16,555	1,006,197
Expected insurance service expenses incurred:	**-**	**81,229,880**	**(8,775)**	**81,221,105**
Claims	-	67,197,307	(66,972)	67,130,335
Expenses	-	14,032,573	58,197	14,090,770
Other expenses under the VFA	-	-	-	-
Recovery of insurance acquisition cash flows	-	5,543,806	17,831	5,561,637
Experience adjustments not related to future service	9,900,100	(20,116,709)	-	(10,216,609)
Restatement and Other Changes	-	-	-	-
Expected premium receipts allocation under the PAA	558,368	-	-	558,368
Insurance service expenses	**(3,794,195)**	**(145,692,657)**	**(27,976)**	**(149,514,828)**
Incurred insurance service expenses:	(6,551,311)	(74,393,665)	(10,145)	(80,955,121)
Claims	(5,684,793)	(58,697,805)	-	(64,382,598)
Expenses	(866,518)	(15,695,860)	(10,145)	(16,572,523)
Other expenses under the VFA	-	-	-	-
Other movements related to current service	-	-	-	-
Insurance acquisition cash flows expensed when incurred	-	-	-	-
Amortisation of insurance acquisition cash flows	-	(5,543,806)	(17,831)	(5,561,637)
Impairment Loss on Assets for Insurance Acquisition Cash Flow	-	-	-	-
Flow	-	-	-	-
Changes that relate to past service:	2,757,116	9,984,507	-	12,741,623
Changes in estimates in LIC fulfilment cash flows	-	(2,843,366)	-	(2,843,366)
Experience adjustments in claims and other insurance service expenses in LIC	2,757,116	12,827,873	-	15,584,989
Changes that relate to future service:	**-**	**(75,739,693)**	**-**	(75,739,693)
Losses for the net outflow recognized on initial recognition	-	(5,033,137)	-	(5,033,137)
measurement	-	(70,706,556)	-	(70,706,556)
Insurance service result	**6,664,273**	**(60,022,894)**	**262,731**	**(53,095,899)**
Insurance finance income/(expenses) from insurance contracts issued	-	(61,933,820)	(731,699)	(62,665,519)
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**-**	**(46,761,009)**	**-**	**(46,761,009)**
Interest accreted on the carrying amount of the CSM	-	(4,554,066)	-	(4,554,066)
Interest accreted on present value cash flows	-	(39,779,971)	-	(39,779,971)
Interest accreted on risk adjustment	-	(2,426,972)	-	(2,426,972)
Interest accreted on LRC for contracts measured under the PAA.	-	-	-	-
The effect of financial risk and changes in financial risk	-	(17,444,544)	-	(17,444,544)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	2,271,733	-	2,271,733
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Changes in fair value of underlying items of direct participating contracts	-	-	(731,699)	(731,699)
Effects of risk mitigation option	-	-	-	-
Total insurance finance income or expenses	**-**	**(61,933,820)**	**(731,699)**	**(62,665,519)**

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6 PORTFOLIO INFORMATION (CONT'D)

Insurance contract porfolio - profit or loss (cont'd)

	PAA	GMM	VFA	Total
31 December 2023				
Insurance revenue	10,339,597	75,459,188	3,266	85,802,051
CSM recognized for services provided	-	11,217,414	2,257	11,219,671
Change in risk adjustment for non-financial risk for risk	-	(1,465,305)	476	(1,464,829)
Expected insurance service expenses incurred:	**-**	**73,071,862**	**415**	**73,072,277**
Claims	-	61,241,708	(1,512)	61,240,196
Expenses	-	11,830,154	1,927	11,832,081
Other expenses under the VFA	-	-	-	-
Recovery of insurance acquisition cash flows	-	6,414,368	118	6,414,486
Experience adjustments not related to future service	10,310,782	(13,694,078)	-	(3,383,296)
Restatement and Other Changes	-	(85,073)	-	(85,073)
Expected premium receipts allocation under the PAA	28,815	-	-	28,815
Insurance service expenses	**(3,279,980)**	**(88,530,851)**	**(281)**	**(91,811,113)**
Incurred insurance service expenses:	(4,690,499)	(58,895,267)	(163)	(63,585,929)
Claims	(3,614,900)	(46,031,323)	-	(49,646,223)
Expenses	(1,075,599)	(12,863,944)	(163)	(13,939,706)
Other expenses under the VFA	-	-	-	-
Other movements related to current service	-	-	-	-
Insurance acquisition cash flows expensed when incurred	-	-	-	-
Amortisation of insurance acquisition cash flows	-	(6,414,368)	(118)	(6,414,486)
Impairment Loss on Assets for Insurance Acquisition Cash Flow	-	-	-	-
Reversal of Impairment Loss on Assets for Insurance Acquisition Cash Flow	-	-	-	-
Changes that relate to past service:	1,410,519	7,396,844	-	8,807,363
Changes in estimates in LIC fulfilment cash flows	-	(3,402,876)	-	(3,402,876)
Experience adjustments in claims and other insurance	1,410,519	10,799,720	-	12,210,239
Changes that relate to future service:	**-**	**(30,618,060)**	-	**(30,618,060)**
Losses for the net outflow recognized on initial recognition	-	(2,302,654)	-	(2,302,654)
Losses and reversal of losses on onerous contracts – subsequent measurement	-	(28,315,406)	-	(28,315,406)
		-		
Insurance service result	**7,059,617**	**(13,071,663)**	**2,984**	**(6,009,062)**
		-		
Insurance finance income/(expenses) from insurance contracts issued	-	(143,450,240)	-	(143,450,240)
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**-**	**(52,469,890)**	**-**	**(52,469,890)**
Interest accreted on the carrying amount of the CSM	-	(2,593,783)	-	(2,593,783)
Interest accreted on present value cash flows	-	(47,952,142)	-	(47,952,142)
Interest accreted on risk adjustment	-	(1,923,965)	-	(1,923,965)
Interest accreted on LRC for contracts measured under the PAA.	-	-	-	-
The effect of financial risk and changes in financial risk	-	(101,022,784)	-	(101,022,784)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	10,042,434	-	10,042,434
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Changes in fair value of underlying items of direct participating contracts	-	-	-	-
Effects of risk mitigation option	-	-	-	-
Total insurance finance income or expenses	**-**	**(143,450,240)**	**-**	**(143,450,240)**

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6 PORTFOLIO INFORMATION (CONT'D)

Reinsurance contract porfolio - profit or loss

31 December 2024	PAA Reinsurance Group	PAA Reinsurance Individual	Total
Income or expense from reinsurance contracts held	(6,531,958)	28,431,872	21,899,914
Allocation of the premiums paid	(6,785,791)	(17,430,913)	(24,216,704)
Amounts recovered from reinsurance:	**253,833**	**45,862,785**	**46,116,618**
Incurred insurance service expenses:	**1,552,575**	**34,440,803**	**35,993,378**
Claims	1,552,575	34,722,421	36,274,996
Expenses	-	(281,618)	(281,618)
Other movements related to current service	-	-	-
Changes that relate to past service (changes in fulfilment cash flows re LIC):	**(1,298,742)**	**(3,845,000)**	**(5,143,742)**
Changes in estimates in LIC fulfilment cash flows	-	2,500,000	2,500,000
Experience adjustments in claims and other insurance service expenses in LIC	(1,298,742)	(6,345,000)	(7,643,742)
Changes that relate to future service:	**-**	**15,267,340**	**15,267,340**
Loss recovery related to losses on underlying insurance contracts at initial recognition	-	-	-
insurance contracts losses - subsequent measurement	-	15,267,340	15,267,340
Changes in Risk of Non-Performance	**-**	**(359)**	**(359)**
Net income from reinsurance contracts held	**(6,531,958)**	**28,431,872**	**21,899,914**
Finance income/(expenses) from reinsurance contracts held	-	1,109,324	1,109,324
based on the locked-in interest rates:	-	862,070	862,070
Interest accreted on the carrying amount of the CSM	-	(1,866,414)	(1,866,414)
Interest accreted on present value cash flows	-	2,024,700	2,024,700
Interest accreted on risk adjustment	-	703,784	703,784
Interest accreted on LRC for contracts measured under the PAA.	-	-	-
The effect of financial risk and changes in financial risk	-	1,743,657	1,743,657
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	(1,496,403)	(1,496,403)
Foreign exchange differences on changes in the carrying amount of groups of reinsurance contracts	-	-	-
Total reinsurance finance income or expenses	**-**	**1,109,324**	**1,109,324**

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6 PORTFOLIO INFORMATION (CONT'D)

Reinsurance contract porfolio - profit or loss (cont'd)

31 December 2023	PAA Reinsurance Group	PAA Reinsurance Individual	Total
Income or expense from reinsurance contracts held			
Income or expense from reinsurance contracts held	(4,634,951)	(13,833,700)	(18,468,651)
Allocation of the premiums paid	**(5,352,620)**	**(25,283,432)**	**(30,636,052)**
Amounts recovered from reinsurance:	**717,669**	**11,449,732**	**12,167,401**
Incurred insurance service expenses:	1,298,742	5,840,716	7,139,458
Claims	1,298,742	6,034,089	7,332,831
Expenses	-	(193,373)	(193,373)
Other movements related to current service	**-**	**-**	**-**
flows re LIC):	(581,074)	500,000	(81,074)
Changes in estimates in LIC fulfilment cash flows	-	500,000	500,000
expenses in LIC	(581,074)	-	(581,074)
Changes that relate to future service:	-	(5,113,769)	(5,113,769)
at initial recognition	-	-	-
insurance contracts losses - subsequent measurement	**-**	**(5,113,769)**	**(5,113,769)**
Changes in Risk of Non-Performance	**-**	**(4,753)**	**(4,753)**
	(4,634,951)	(13,833,700)	(18,468,651)
Finance income/(expenses) from reinsurance contracts held	-	11,355,285	11,355,285
money, based on the locked-in interest rates:	-	683,061	683,061
Interest accreted on the carrying amount of the CSM	-	(672,625)	(672,625)
Interest accreted on present value cash flows	-	1,033,852	1,033,852
Interest accreted on risk adjustment	-	321,834	321,834
Interest accreted on LRC for contracts measured under the PAA.	-	-	-
The effect of financial risk and changes in financial risk	-	10,672,224	10,672,224
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-	-
reinsurance contracts	-	-	-
Total reinsurance finance income	-	11,355,284	11,355,284

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6 PORTFOLIO INFORMATION (CONT'D)

Insurance contract porfolio - financial position

	PAA	GMM	VFA	Total
31 December 2024				
ASSETS				
Insurance contract assets				
Liability for remaining coverage:	-	-	-	-
flows:	-	-	-	-
flows excluding accrual balance	-	-	-	-
Extract of accrual balance	-	-	-	-
Risk adjustment for non-financial risk	-	-	-	-
Contractual service margin	-	-	-	-
measured under the PAA	-	-	-	-
Liability for incurred claims:	-	-	-	-
Estimates of present value of future cash flows	-	-	-	-
Risk adjustment for non-financial risk	-	-	-	-
Pre-recognition acquisition cash-flows	-	-	-	-
Total Insurance contract assets	-	-	-	-
LIABILITIES				
Insurance contract liabilities	(3,096,137)	(1,270,901,053)	(15,033,386)	(1,289,030,576)
Liability for remaining coverage:	(403,833)	(1,251,303,949)	(15,029,750)	(1,266,737,532)
Total estimates of present value of future cash flows:	-	(1,051,074,132)	(13,643,688)	(1,064,717,820)
Estimates of present value of future cash flows excluding accrual balance	-	(1,048,202,752)	(13,631,586)	(1,061,834,338)
Extract of accrual balance	-	(2,871,380)	(12,102)	(2,883,482)
Risk adjustment for non-financial risk	-	(69,424,657)	(68,235)	(69,492,892)
Contractual service margin	-	(130,805,160)	(1,317,827)	(132,122,987)
measured under the PAA	(403,833)	-	-	(403,833)
Liability for incurred claims:	(2,692,304)	(19,597,104)	(3,636)	(22,293,044)
Estimates of present value of future cash flows	(2,231,840)	(19,597,104)	(3,636)	(21,832,580)
Risk adjustment for non-financial risk	(460,464)	-	-	(460,464)
Pre-recognition acquisition cash-flows	-	-	-	-
Total Insurance contract liabilities	**(3,096,137)**	**(1,270,901,053)**	**(15,033,386)**	**(1,289,030,576)**

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6 PORTFOLIO INFORMATION (CONT'D)

Insurance contract porfolio - financial position (cont'd)

	PAA	GMM	VFA	Total
31 December 2023				
ASSETS				
Insurance contract assets	-	-	-	-
Liability for remaining coverage:	-	-	-	-
Total estimates of present value of future cash flows:	-	-	-	-
Estimates of present value of future cash flows excluding accrual balance	-	-	-	-
Extract of accrual balance	-	-	-	-
Risk adjustment for non-financial risk	-	-	-	-
Contractual service margin	-	-	-	-
Liability for remaining coverage of contracts measured under the PAA	-	-	-	-
Liability for incurred claims:	-	-	-	-
Estimates of present value of future cash flows	-	-	-	-
Risk adjustment for non-financial risk	-	-	-	-
Pre-recognition acquisition cash-flows	-	-	-	-
Total Insurance contract assets	-	-	-	-
LIABILITIES				
Insurance contract liabilities	(3,315,483)	(1,192,060,422)	(496,542)	(1,195,872,447)
Liability for remaining coverage:	(558,368)	(1,181,512,546)	(496,542)	(1,182,567,456)
Total estimates of present value of future cash flows:	-	(1,047,070,220)	(455,143)	(1,047,525,363)
Estimates of present value of future cash flows excluding accrual balance	-	(1,047,070,220)	(455,143)	(1,047,525,363)
Extract of accrual balance	-	-	-	-
Risk adjustment for non-financial risk	-	(55,983,061)	(2,561)	(55,985,622)
Contractual service margin	-	(78,459,265)	(38,838)	(78,498,103)
Liability for remaining coverage of contracts	(558,368)	-	-	(558,368)
Liability for incurred claims:	(2,757,116)	(10,547,876)	-	(13,304,992)
Estimates of present value of future cash flows	(2,334,795)	(10,547,876)	-	(12,882,671)
Risk adjustment for non-financial risk	(422,321)	-	-	(422,321)
Pre-recognition acquisition cash-flows	-	-	-	-
Total Insurance contract liabilities	(3,315,483)	(1,192,060,422)	(496,542)	(1,195,872,447)

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6 PORTFOLIO INFORMATION (CONT'D)

Reinsurance contract porfolio - Financial Position

31 December 2024	PAA Reinsurance Group	PAA Reinsurance Individual	Total
ASSETS			
Liability for remaining coverage:	-	26,096,396	26,096,396
Total estimates of present value of future cash flows:	**-**	**60,913,637**	**60,913,637**
Estimates of present value of future cash flows excluding accrual balance	**-**	**74,579,774**	**74,579,774**
Extract of accrual balance	-	(13,666,137)	(13,666,137)
Risk adjustment for non-financial risk	-	22,951,730	22,951,730
Contractual service margin	-	(57,768,971)	(57,768,971)
Liability for remaining coverage of contracts measured under the PAA	**-**	**-**	**-**
Liability for incurred claims:	-	20,570,359	20,570,359
Estimates of present value of future cash flows	-	20,570,359	20,570,359
Risk adjustment for non-financial risk	**-**	**-**	**-**
Total Reinsurance contract assets	-	46,666,755	46,666,755
Liabilities			
Liability for remaining coverage:	6,849,733	-	6,849,733
Total estimates of present value of future cash flows:	-	-	-
Estimates of present value of future cash flows excluding accrual balance	-	-	-
Extract of accrual balance	-	-	-
Risk adjustment for non-financial risk	-	-	-
Contractual service margin	-	-	-
Liability for remaining coverage of contracts measured under the PAA	6,849,733	-	6,849,733
Liability for incurred claims:	(1,552,575)	-	(1,552,575)
Estimates of present value of future cash flows	(953,802)	-	(953,802)
Risk adjustment for non-financial risk	(598,773)	-	(598,773)
Total Reinsurance contract liabilities	**5,297,158**	**-**	**5,297,158**

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6 PORTFOLIO INFORMATION (CONT'D)

Reinsurance contract porfolio - Financial Position (cont'd)

31 December 2023	PAA Reinsurance Group	PAA Reinsurance Individual	Total
ASSETS			
Liability for remaining coverage:	-	-	-
Total estimates of present value of future cash flows:	**-**	**-**	**-**
Estimates of present value of future cash flows excluding accrual balance	**-**	**-**	**-**
Extract of accrual balance	-	-	-
Risk adjustment for non-financial risk	-	-	-
Contractual service margin	-	-	-
Liability for remaining coverage of contracts measured under the PAA	**-**	**-**	**-**
Liability for incurred claims:	-	-	-
Estimates of present value of future cash flows	-	-	-
Risk adjustment for non-financial risk	**-**	**-**	**-**
Total Reinsurance contract assets	-	-	-
Liabilities			
Liability for remaining coverage:	3,940,828	8,069,776	12,010,604
Total estimates of present value of future cash flows:	-	(12,999,714)	(12,999,714)
Estimates of present value of future cash flows excluding accrual balance	-	(46,015,182)	(46,015,182)
Extract of accrual balance	-	33,015,468	33,015,468
Risk adjustment for non-financial risk	-	(15,866,052)	(15,866,052)
Contractual service margin	-	36,935,542	36,935,542
Liability for remaining coverage of contracts measured under the PAA	3,940,828	-	3,940,828
Liability for incurred claims:	(1,298,743)	(6,345,000)	(7,643,743)
Estimates of present value of future cash flows	(913,338)	(6,345,000)	(7,258,338)
Risk adjustment for non-financial risk	(385,405)	-	(385,405)
Total Reinsurance contract liabilities	**2,642,085**	**1,724,776**	**4,366,861**

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7 INSURANCE SERVICE RESULT

(a) Insurance revenue

The following tables present an analysis of the insurance revenue recognised during the year.

	PAA	GMM	VFA	Total
31 December 2024				
Contracts not measured under the PAA				
CSM recognized for services provided	-	18,023,144	265,095	18,288,239
Change in risk adjustment for non-financial risk for risk expired	-	989,642	16,555	1,006,197
Expected insurance service expenses incurred:	**-**	**81,229,880**	**(8,775)**	**81,221,105**
Claims	-	67,197,307	(66,972)	67,130,335
Expenses	-	14,032,573	58,197	14,090,770
Other expenses under the VFA	-	-	-	-
Recovery of insurance acquisition cash flows	-	5,543,806	17,831	5,561,637
Experience adjustments not related to future service	-	(20,116,709)	-	(20,116,709)
Restatement and Other Changes	-	-	-	-
Total Revenue from Contracts Not Measured Under PAA	**-**	**85,669,763**	**290,706**	**85,960,469**
Contracts Measured Under the PAA				
Expected premium receipts allocation under the PAA	558,368	-	-	558,368
Experience adjustments not related to future service	9,900,100	-	-	9,900,100
Total Revenue from Contracts Measured Under PAA	**10,458,468**	**-**	**-**	**10,458,468**
Total Revenue from Insurance contracts	**10,458,468**	**85,669,763**	**290,706**	**96,418,937**

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7 INSURANCE SERVICE RESULT (CONT'D)

(a) Insurance revenue (cont'd)

The following tables present an analysis of the insurance revenue recognised during the year.

	PAA	GMM	VFA	Total
31 December 2023				
Contracts not measured under the PAA				
CSM recognized for services provided	-	11,217,414	2,257	11,219,671
Change in risk adjustment for non-financial risk for risk expired	-	(1,465,305)	476	(1,464,829)
Expected insurance service expenses incurred:	**-**	**73,071,862**	**415**	**73,072,277**
Claims	-	61,241,708	(1,512)	61,240,196
Expenses	-	11,830,154	1,927	11,832,081
Other expenses under the VFA	-	-	-	-
Recovery of insurance acquisition cash flows	-	6,414,368	118	6,414,486
Experience adjustments not related to future service	-	(13,694,078)	-	(13,694,078)
Restatement and Other Changes	-	(85,073)	-	(85,073)
Total Revenue from Contracts Not Measured Under PAA	**-**	**75,459,188**	**3,266**	**75,462,454**
Contracts Measured Under the PAA				
Expected premium receipts allocation under the PAA	28,815	-	-	28,815
Experience adjustments not related to future service	10,310,782	-	-	10,310,782
Total Revenue from Contracts Measured Under PAA	**10,339,597**	**-**	**-**	**10,339,597**
Total Revenue from Insurance contracts	**10,339,597**	**75,459,188**	**3,266**	**85,802,051**

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7 INSURANCE SERVICE RESULT (CONT'D)

(b) Insurance service expenses

The following table present an analysis of the insurance service expenses for all measurement models applicable.

	PAA	GMM	VFA	Total
31 December 2024				
Incurred insurance service expenses:	**(6,551,311)**	**(74,393,665)**	**(10,145)**	**(80,955,121)**
Claims	(5,684,793)	(58,697,805)	-	(64,382,598)
Expenses	(866,518)	(15,695,860)	(10,145)	(16,572,523)
Other expenses under the VFA	-	-	-	-
Other movements related to current service	-	-	-	-
Amortisation of insurance acquisition cash flows	-	(5,543,806)	(17,831)	(5,561,637)
Impairment Loss on Assets for Insurance Acquisition Cash Flow	-	-	-	-
Reversal of Impairment Loss on Assets for Insurance Acquisition Cash Flow	-	-	-	-
Changes that relate to past service:	**2,757,116**	**9,984,507**	**-**	**12,741,623**
Changes in estimates in LIC fulfilment cash flows	-	(2,843,366)	-	(2,843,366)
Experience adjustments in claims and other insurance service expenses in LIC	2,757,116	12,827,873	-	15,584,989
Changes that relate to future service:	**-**	**(75,739,693)**	**-**	**(75,739,693)**
Losses for the net outflow recognized on initial recognition	-	(5,033,137)	-	(5,033,137)
Losses and reversal of losses on onerous contracts – subsequent measurement	-	(70,706,556)	-	(70,706,556)
Total Insurance service expenses	**(3,794,195)**	**(145,692,657)**	**(27,976)**	**(149,514,828)**

	PAA	GMM	VFA	Total
31 December 2023				
Incurred insurance service expenses:	(4,690,499)	(58,895,267)	(163)	(63,585,929)
Claims	(3,614,900)	(46,031,323)	-	(49,646,223)
Expenses	(1,075,599)	(12,863,944)	(163)	(13,939,706)
Other expenses under the VFA	-	-	-	-
Other movements related to current service	-	-	-	-
Amortisation of insurance acquisition cash flows	-	(6,414,368)	(119)	(6,414,487)
Impairment Loss on Assets for Insurance Acquisition Cash Flow	**-**	**-**	**-**	**-**
Reversal of Impairment Loss on Assets for Insurance Acquisition Cash Flow	-	-	-	-
Changes that relate to past service:	1,410,519	7,396,844	-	8,807,363
Changes in estimates in LIC fulfilment cash flows	**-**	**(3,402,876)**	**-**	**(3,402,876)**
Experience adjustments in claims and other insurance	1,410,519	10,799,720	-	12,210,239
Changes that relate to future service:	-	(30,618,060)	-	(30,618,060)
Losses for the net outflow recognized on initial recognition	-	(2,302,654)	-	(2,302,654)
Losses and reversal of losses on onerous contracts – subsequent measurement	**-**	**(28,315,406)**	**-**	**(28,315,406)**
		-		
Total Insurance service expenses	(3,279,980)	(88,530,851)	(282)	(91,811,113)

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8 INSURANCE FINANCE INCOME/(EXPENSES)

(a) Insurance finance income/(expenses)

	PAA	GMM	VFA	Total
31 December 2024				
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**-**	**(46,761,009)**	**-**	**(46,761,009)**
Interest accreted on the carrying amount of the CSM	-	(4,554,066)	-	(4,554,066)
Interest accreted on present value cash flows	-	(39,779,971)	-	(39,779,971)
Interest accreted on risk adjustment	-	(2,426,972)	-	(2,426,972)
Interest accreted on LRC for contracts measured under the PAA.	-	-	-	-
The effect of financial risk and changes in financial risk	-	(17,444,544)	-	(17,444,544)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	2,271,733	-	2,271,733
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Changes in fair value of underlying items of direct participating contracts	-	-	(731,699)	(731,699)
Effects of risk mitigation option	-	-	-	-
Total insurance finance income or expenses	**-**	**(61,933,820)**	**(731,699)**	**(62,665,519)**

	PAA	GMM	VFA	Total
31 December 2023				
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	**-**	**(52,469,890)**	**-**	**(52,469,890)**
Interest accreted on the carrying amount of the CSM	-	(2,593,783)	-	(2,593,783)
Interest accreted on present value cash flows	-	(47,952,142)	-	(47,952,142)
Interest accreted on risk adjustment	-	(1,923,965)	-	(1,923,965)
Interest accreted on LRC for contracts measured under the PAA.	-	-	-	-
The effect of financial risk and changes in financial risk	-	(101,022,784)	-	(101,022,784)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	10,042,434	-	10,042,434
Foreign exchange differences on changes in the carrying amount of groups of insurance contracts	-	-	-	-
Changes in fair value of underlying items of direct participating contracts	-	-	-	-
Effects of risk mitigation option	-	-	-	-
Total insurance finance income or expenses	**-**	**(143,450,240)**	**-**	**(143,450,240)**

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8 INSURANCE FINANCE INCOME/(EXPENSES) (CONT'D)

(a) Insurance finance income/(expenses) (cont'd)

(i) Consideration for annuities

ILA Managed Pension Fund (the “Fund”) used to buy-out Annuities for its members who retired (“Pensioners”) under the Defined Benefit (“DB”) and Defined Contribution (“DC”) Schemes respectively, whereby the Company , as appointed Administrator of the Fund, administer the periodical monthly pensions payable to the pensioners from the funds received on purchase of annuities by the Fund.

During the year 2021, the Trustees of the Fund, in consultation with the Fund’s Actuary AON Solutions Ltd, carried out an impact assessment for pensions to be paid from the Fund. As a result, with effect from 01 January 2021, the Trustees has decided that pensions payable to pensioners of the Fund will be paid out by the Fund itself and the Fund will no more buy out annuities with the Company.

(ii) Pensions

The Company will continue to administer the periodical monthly pensions payable to the Pensioners of the Fund, for whom annuities were bought out by the Fund, up to 31 December 2023 so long as the Pensioners survives.

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8 INSURANCE FINANCE INCOME/(EXPENSES) (CONT'D)

(b) Reinsurance finance income/(expenses)

	Reinsurance group Rs	Reinsurance individual Rs	Total Rs
31 December 2024			
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates	**-**	**862,070**	**862,070**
The effect of financial risk and changes in financial risk	**-**	**247,254**	**247,254**
Total Finance income/(expenses) from reinsurance contracts held	**-**	**1,109,324**	**1,109,324**
31 December 2023			
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates	-	683,061	683,061
The effect of financial risk and changes in financial risk	-	10,672,223	10,672,223
Total Finance income/(expenses) from reinsurance contracts held	-	11,355,284	11,355,284

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9 INSURANCE AND REINSURANCE CONTRACTS

	2024 Rs	2023 Rs
Insurance Contract Assets		
Movement in carrying amounts - By LRC and LIC - Direct - PAA (Note 9 (i))	**-**	-
Movement in carrying amounts - By LRC and LIC - Direct - GMM (Note 9 (ii))	**-**	-
	-	-
Insurance Contract Liabilities		
Movement in carrying amounts - By LRC and LIC - Direct - PAA (Note 9 (i))	**(3,096,136)**	(3,315,483)
Movement in carrying amounts - By Component - Direct - GMM (Note 9 (ii))	**(1,270,901,052)**	(1,192,060,422)
Movement in carrying amounts - By LRC and LIC - Direct - VFA (Note 9 (iv))	**(15,033,388)**	(496,541)
	(1,289,030,576)	(1,195,872,446)
Reinsurance Contract Assets		
Movement in carrying amounts - By LRC and LIC - Reinsurance - PAA (Note 9 (vi))	**-**	-
Movement in carrying amounts - By LRC and LIC - Reinsurance - GMM (Note 9 (vii))	**46,666,755**	-
	46,666,755	-
Reinsurance Contract Liabilities		
Movement in carrying amounts - By LRC and LIC - Reinsurance - PAA (Note 9 (v))	**(5,297,158)**	(2,642,085)
Movement in carrying amounts - By LRC and LIC - Reinsurance - GMM (Note 9 (viii))	**-**	(1,724,775)
	(5,297,158)	(4,366,860)

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9 INSURANCE AND REINSURANCE CONTRACTS

(i) Movement in carrying amounts - By LRC and LIC - Direct - PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component Rs	Loss component Rs	Estimates of present value of future cash Rs	Risk adjustment for non - financial risk Rs	Total Rs
31 December 2024					
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(558,368)	-	(2,334,795)	(422,321)	(3,315,484)
Net opening balance	(558,368)	-	(2,334,795)	(422,321)	(3,315,484)
Insurance revenue	10,458,468	-	-	-	10,458,468
Insurance incurred service expenses:					
Claim	-	-	(5,224,327)	(460,465)	(5,684,792)
Expenses	-	-	(866,518)	-	(866,518)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	2,334,795	422,321	2,757,116
Total insurance service result	10,458,468	-	(3,756,050)	(38,144)	6,664,274
Insurance finance income (expenses)	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total change in profit or loss	10,458,468	-	(3,756,050)	(38,144)	6,664,274
Cash flows (actual cashflows in the period)					
Premiums and premium tax received	10,303,933	-	-	-	10,303,933
Claims and other insurance service expenses paid, including investment components	-	-	(3,859,006)	-	(3,859,006)
Total cash flows	10,303,933	-	(3,859,006)	-	6,444,927
Net closing balance	(403,833)	-	(2,231,839)	(460,464)	(3,096,136)
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	(403,833)	-	(2,231,839)	(460,464)	(3,096,136)
Net closing balance	(403,833)	-	(2,231,839)	(460,464)	(3,096,136)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(i) Movement in carrying amounts - By LRC and LIC - Direct - PAA (Cont'd)

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash	Risk adjustment for non - financial risk	Total
	Rs	Rs	Rs	Rs	Rs
31 December 2023					
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(28,815)	-	(1,171,121)	(239,398)	(1,439,334)
Net opening balance	(28,815)	-	(1,171,121)	(239,398)	(1,439,334)
Insurance revenue	10,339,597	-	-	-	10,339,597
Insurance incurred service expenses:					
Claim	-	-	(3,192,579)	(422,321)	(3,614,900)
Expenses	-	-	(1,075,599)	-	(1,075,599)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	1,171,121	239,398	1,410,519
Total insurance service result	10,339,597	-	(3,097,057)	(182,923)	7,059,617
Insurance finance income (expenses)	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total change in profit or loss	10,339,597	-	(3,097,057)	(182,923)	7,059,617
Cash flows (actual cashflows in the period)					
Premiums and premium tax received	10,869,149	-	-	-	10,869,149
Claims and other insurance service expenses paid, including investment components	-	-	(1,933,383)	-	(1,933,383)
Total cash flows	10,869,149	-	(1,933,383)	-	8,935,766
Net closing balance	(558,367)	-	(2,334,795)	(422,321)	(3,315,483)
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	(558,367)	-	(2,334,795)	(422,321)	(3,315,483)
Net closing balance	(558,367)	-	(2,334,795)	(422,321)	(3,315,483)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(ii) Movement in carrying amounts – By Component– Direct - GMM

			CSM			
	Estimates of present value of future cash Rs	Risk adjustment for non - financial risk Rs	full retrospective Rs	Fair value Rs	Post transition Rs	Total Rs
31 December 2024						
Opening insurance contract assets	-	-	-	-	-	-
Opening insurance contract liabilities	(1,057,618,096)	(55,983,061)	(12,718,035)	(25,545,141)	(40,196,089)	(1,192,060,422)
Net opening balance	(1,057,618,096)	(55,983,061)	(12,718,035)	(25,545,141)	(40,196,089)	(1,192,060,422)
Changes that relate to current services	(13,272,273)	981,422	2,075,383	5,025,458	10,922,302	5,732,292
CSM recognised for services provided			2,075,383	5,025,458	10,922,302	18,023,143
Change in risk adjustment for non-financial risk for risk expired		981,422				981,422
Experience adjustments not related to future service	(13,272,273)					(13,272,273)
Restatement and Other Changes	-	-	-	-	-	-
	(13,272,273)	981,422	2,075,383	5,025,458	10,922,302	5,732,292
Changes that relate to future services						
Contracts initially recognised in the year	67,035,207	(9,493,647)	-	-	(62,574,697)	(5,033,137)
Changes in estimates that adjust the CSM	4,913,841	(1,673,565)	1,085,357	2,104,769	(6,430,402)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(72,161,251)	1,454,695				(70,706,556)
	(212,203)	(9,712,517)	1,085,357	2,104,769	(69,005,099)	(75,739,693)
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	(2,843,366)	-	-	-	-	(2,843,366)
Experience adjustments in claims and other insurance service expenses in LIC	12,827,873	-	-	-	-	12,827,873
	9,984,507	-	-	-	-	9,984,507
Total insurance service result	(3,499,969)	(8,731,095)	3,160,740	7,130,227	(58,082,797)	(60,022,894)
Insurance finance income or expense:						
The effect of and changes in time of time value of money and financial risk	(52,669,254)	(4,710,500)	(452,828)	(838,427)	(3,262,811)	(61,933,820)
	(52,669,254)	(4,710,500)	(452,828)	(838,427)	(3,262,811)	(61,933,820)
Total change in profit or loss	(56,169,223)	(13,441,595)	2,707,912	6,291,800	(61,345,608)	(121,956,714)
Cash flows (actual cashflows in the period)						
Premiums and premium tax received	189,650,454	-	-	-	-	189,650,454
Claims and other insurance service expenses paid, including investment components	(215,241,548)	-	-	-	-	(215,241,548)
Insurance acquisition cashflows	(17,524,990)		-	-	-	(17,524,990)
Total cash flows	(43,116,085)	-	-	-	-	(43,116,085)
Net closing balance	(1,070,671,235)	(69,424,656)	(10,010,123)	(19,253,341)	(101,541,697)	(1,270,901,052)
Closing insurance contract assets	-	-	-	-	-	-
Closing insurance contract liabilities	(1,070,671,235)	(69,424,656)	(10,010,123)	(19,253,341)	(101,541,697)	(1,270,901,052)
Net closing balance	(1,070,671,235)	(69,424,656)	(10,010,123)	(19,253,341)	(101,541,697)	(1,270,901,052)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(ii) Movement in carrying amounts – By Component – Direct - GMM

			CSM			
	Estimates of present value of future cash flows Rs	Risk adjustment for non -financial risk Rs	full retrospective Rs	Fair value Rs	Post transition Rs	Total Rs
31 December 2023						
Opening insurance contract assets	13,353,999	(7,044,667)	(5,447,397)	-	-	861,935
Opening insurance contract liabilities	(1,051,999,565)	(29,026,066)	(66,251,922)	-	-	(1,147,277,553)
Net opening balance	(1,038,645,566)	(36,070,733)	(71,699,319)	-	-	(1,146,415,618)
Changes that relate to current services						
CSM recognised for services provided	-	-	(11,217,414)	-	-	(11,217,414)
Change in risk adjustment for non-financial risk for risk expired	-	1,478,658	-	-	-	1,478,658
Experience adjustments not related to future service	(495,870)	-	-	-	-	(495,870)
Restatement and Other Changes	85,072	-	-	-	-	85,072
	(410,798)	1,478,658	(11,217,414)	-	-	(10,149,554)
Changes that relate to future services						
Contracts initially recognised in the year	(36,169,901)	4,689,002	33,783,554	-	-	2,302,655
Changes in estimates that adjust the CSM	12,388,851	6,440,584	(18,399,977)	-	-	429,458
Changes in estimates that relate to losses and reversal of losses on onerous contracts	30,749,594	(2,863,646)	-	-	-	27,885,948
	6,968,544	8,265,940	15,383,577	-	-	30,618,061
Changes that relate to past services						
Changes in estimates in LIC fulfilment cash flows	3,402,876	-	-	-	-	3,402,876
Experience adjustments in claims and other insurance service expenses in LIC	(10,799,720)	-	-	-	-	(10,799,720)
	(7,396,844)	-	-	-	-	(7,396,844)
Total insurance service result	(839,098)	9,744,598	4,166,163	-	-	13,071,663
Insurance finance income or expense:						
The effect of and changes in time of time value of money and financial risk	130,688,728	10,167,729	2,593,783	-	-	143,450,240
	130,688,728	10,167,729	2,593,783	-	-	143,450,240
Total change in profit or loss	129,849,630	19,912,327	6,759,946	-	-	156,521,903
Cash flows (actual cashflows in the period)						
Premiums and premium tax received	181,219,187	-	-	-	-	181,219,187
Claims and other insurance service expenses paid, including investment components	(277,733,670)	-	-	-	-	(277,733,670)
Insurance acquisition cashflows	(14,362,616)		-	-	-	(14,362,616)
Total cash flows	(110,877,099)	-	-	-	-	(110,877,099)
Net closing balance	(1,057,618,097)	(55,983,060)	(78,459,265)	-	-	(1,192,060,422)
Closing insurance contract assets	-	-	-	-	-	-
Closing insurance contract liabilities	(1,057,618,097)	(55,983,060)	(78,459,265)	-	-	(1,192,060,422)
Net closing balance	(1,057,618,097)	(55,983,060)	(78,459,265)	-	-	(1,192,060,422)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(iii) Movement in carrying amounts – By LRC and LIC - Direct - GMM

	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total
	Rs	Rs	Rs	Rs
31 December 2024				
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	(953,675,627)	(227,836,919)	(10,547,876)	(1,192,060,422)
Net opening balance	(953,675,627)	(227,836,919)	(10,547,876)	(1,192,060,422)
Insurance revenue – Full retrospective approach				
CSM recognised for services provided	2,075,383	-	-	2,075,383
Change in risk adjustment for non-financial risk for risk expired	425,964	-	-	425,964
Expected insurance service expenses incurred:				
Claims	11,163,968	-	-	11,163,968
Expenses	1,793,739	-	-	1,793,739
Recovery of insurance acquisition cash flows	1,740,014	-	-	1,740,014
Experience adjustment not related to future service	(4,444,800)	-	-	(4,444,800)
	12,754,268	-	-	12,754,268
Insurance revenue – Fair value approach				
CSM recognised for services provided	5,025,458	-	-	5,025,458
Change in risk adjustment for non-financial risk for risk expired	(925,937)	-	-	(925,937)
Expected insurance service expenses incurred:				
Claims	33,930,113	-	-	33,930,113
Expenses	9,220,428	-	-	9,220,428
Recovery of insurance acquisition cash flows	(2,508,116)	-	-	(2,508,116)
Experience adjustment not related to future service	(2,753,178)	-	-	(2,753,178)
	41,988,768	-	-	41,988,768
Insurance revenue – Post transition				
CSM recognised for services provided	10,922,302	-	-	10,922,302
Change in risk adjustment for non-financial risk for risk expired	1,489,616	-	-	1,489,616
Expected insurance service expenses incurred:				
Claims	22,103,226	-	-	22,103,226
Expenses	3,018,406	-	-	3,018,406
Recovery of insurance acquisition cash flows	6,311,908	-	-	6,311,908
Experience adjustment not related to future service	(12,918,730)	-	-	(12,918,730)
Restatement and other changes	-	-	-	-
	30,926,728	-	-	30,926,728
Total Insurance revenue – All transition methods	85,669,764	-	-	85,669,764
Insurance service expenses				
Insurance incurred service expenses:				
Claim	-	5,609,027	(64,306,832)	(58,697,805)
Expenses	-	1,422,625	(17,118,485)	(15,695,860)
Amortisation of insurance acquisition cash flows	(5,543,806)	-	-	(5,543,806)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	-	-
Changes that relate to future service:	-	-	9,984,507	9,984,507
Losses for the net outflow recognised on initial recognition	-	(5,033,137)	-	(5,033,137)
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(70,706,556)	-	(70,706,556)
	(5,543,806)	(68,708,041)	(71,440,810)	(145,692,657)
Investment components	152,849,965	-	(152,849,965)	-
Total insurance service result	232,975,923	(68,708,041)	(224,290,775)	(60,022,893)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(iii) Movement in carrying amounts – By LRC and LIC - Direct - GMM (cont'd)

	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred	Total
	Rs	Rs	Rs	Rs
31 December 2024 (cont'd)				
Insurance finance income/(expenses)				
The effect of and changes in time of time value of money and financial risk	**(55,726,503)**	**(6,207,317)**	**-**	**(61,933,820)**
	(55,726,503)	**(6,207,317)**	**-**	**(61,933,820)**
Total change in profit or loss	**177,249,421**	**(74,915,359)**	**(224,290,775)**	**(121,956,713)**
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	**189,650,454**	**-**	**-**	**189,650,454**
Claims and other insurance service expenses paid, 'including investment components	**-**	**-**	**(217,521,545)**	**(217,521,545)**
Insurance acquisition cash flows	**(17,524,990)**	**-**	**-**	**(17,524,990)**
	172,125,464	**-**	**(217,521,545)**	**(45,396,081)**
Net closing balance	**(948,551,671)**	**(302,752,277)**	**(19,597,104)**	**(1,270,901,052)**
Closing insurance contract assets	**-**	**-**	**-**	**-**
Closing insurance contract liabilities	**(948,551,671)**	**(302,752,277)**	**(19,597,104)**	**(1,270,901,052)**
Net closing balance	**(948,551,671)**	**(302,752,277)**	**(19,597,104)**	**(1,270,901,052)**

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(iii) Movement in carrying amounts – By LRC and LIC - Direct - GMM (cont'd)

	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total
	Rs	Rs	Rs	Rs
31 December 2023				
Opening insurance contract assets	3,784,231	(2,922,296)	-	861,935
Opening insurance contract liabilities	(943,534,557)	(192,943,276)	(10,799,721)	(1,147,277,554)
Net opening balance	(939,750,326)	(195,865,572)	(10,799,721)	(1,146,415,619)
Insurance revenue – Full retrospective approach				
CSM recognised for services provided	2,000,002	-	-	2,000,002
Change in risk adjustment for non-financial risk for risk expired	142,047	-	-	142,047
Expected insurance service expenses incurred:				
Claims	10,968,496	-	-	10,968,496
Expenses	1,562,045	-	-	1,562,045
Recovery of insurance acquisition cash flows	2,140,427	-	-	2,140,427
Experience adjustment not related to future service	(7,106,235)	-	-	(7,106,235)
	9,706,782	-	-	9,706,782
Insurance revenue – Fair value approach				
CSM recognised for services provided	5,216,222	-	-	5,216,222
Change in risk adjustment for non-financial risk for risk expired	(2,075,443)	-	-	(2,075,443)
Expected insurance service expenses incurred:				
Claims	37,506,370	-	-	37,506,370
Expenses	8,881,592	-	-	8,881,592
Recovery of insurance acquisition cash flows	(2,809,620)	-	-	(2,809,620)
Experience adjustment not related to future service	(2,130,787)	-	-	(2,130,787)
	44,588,334	-	-	44,588,334
Insurance revenue – Post transition				
CSM recognised for services provided	4,001,190	-	-	4,001,190
Change in risk adjustment for non-financial risk for risk expired	468,091	-	-	468,091
Expected insurance service expenses incurred:				
Claims	12,766,842	-	-	12,766,842
Expenses	1,386,517	-	-	1,386,517
Recovery of insurance acquisition cash flows	7,083,561	-	-	7,083,561
Experience adjustment not related to future service	(4,457,055)	-	-	(4,457,055)
Restatement and other changes	(85,073)	-	-	(85,073)
	21,164,073	-	-	21,164,073
Total Insurance revenue – All transition methods	75,459,189	-	-	75,459,189
Insurance service expenses				
Insurance incurred service expenses:				
Claim	-	2,367,221	(48,398,544)	(46,031,323)
Expenses	-	1,103,071	(13,967,015)	(12,863,944)
Amortisation of insurance acquisition cash flows	(6,414,368)	-	-	(6,414,368)
Changes that relate to past service (changes in fulfilment cash flows re LIC)	-	-	-	-
Changes that relate to future service:	-	-	7,396,844	7,396,844
Losses for the net outflow recognised on initial recognition	-	(2,302,654)	-	(2,302,654)
Losses and reversal of losses on onerous contracts - subsequent measurement	-	(27,885,948)	-	(27,885,948)
	(6,414,368)	(26,718,310)	(54,968,715)	(88,101,393)
Investment components	222,083,653	-	(222,513,110)	(429,457)
Total insurance service result	291,128,474	(26,718,310)	(277,481,825)	(13,071,661)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(iii) Movement in carrying amounts – By LRC and LIC - Direct - GMM (cont'd)

	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred claims	Total
	Rs	Rs	Rs	Rs
31 December 2023 (cont'd)				
Insurance finance income/(expenses)				
The effect of and changes in time of time value of money and financial risk	(138,197,204)	(5,253,036)	-	(143,450,240)
	(138,197,204)	(5,253,036)	-	(143,450,240)
Total change in profit or loss	152,931,270	(31,971,346)	(277,481,825)	(156,521,901)
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	181,219,187	-	-	181,219,187
Claims and other insurance service expenses paid, 'including investment components	-	-	(277,733,670)	(277,733,670)
Insurance acquisition cash flows	(14,362,616)	-	-	(14,362,616)
	166,856,571	-	(277,733,670)	(110,877,099)
Net closing balance	(953,675,627)	(227,836,918)	(10,547,876)	(1,192,060,421)
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	(953,675,627)	(227,836,918)	(10,547,876)	(1,192,060,421)
Net closing balance	(953,675,627)	(227,836,918)	(10,547,876)	(1,192,060,421)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(iv) Movement in carrying amounts – By LRC and LIC - Direct - VFA

	Liabilities for remaining coverage			
	Excluding loss component Rs	Loss component Rs	Liabilities for incurred claims Rs	Total Rs
31 December 2024				
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	(496,542)	-	-	(496,542)
Net opening balance	(496,542)	-	-	(496,542)
Insurance revenue – Post transition				
CSM recognised for services provided	265,095	-	-	265,095
Change in risk adjustment for non-financial risk for risk expired	16,555	-	-	16,555
Expected insurance service expenses incurred:				-
Claims	(66,972)	-	-	(66,972)
Expenses	58,197	-	-	58,197
Recovery of insurance acquisition cash flows	17,831	-	-	17,831
	290,706	-	-	290,706
Total insurance revenue	290,706	-	-	290,706
Insurance service expenses				
Insurance incurred service expenses:				
Claim				
Expenses	-	-	(10,145)	(10,145)
Amortisation of insurance acquisition cash flows	(17,831)	-	-	(17,831)
	(17,831)	-	(10,145)	(27,976)
Total insurance service result	272,875	-	(10,145)	262,730
Insurance finance income (expenses)				
The effect of and changes in time of time value 'of money and financial risk	(731,699)	-	-	(731,699)
	(731,699)	-	-	(731,699)
Total change in profit or loss	(458,824)	-	(10,145)	(468,969)
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	14,186,305	-	-	14,186,305
Claims and other insurance service expenses paid, including investment components		-	(6,509)	(6,509)
Insurance acquisition cash flows	(111,919)	-	-	(111,919)
	14,074,386	-	(6,509)	14,067,877
Net closing balance	(15,029,752)	-	(3,636)	(15,033,388)
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	(15,029,752)	-	(3,636)	(15,033,388)
Net closing balance	(15,029,752)	-	(3,636)	(15,033,388)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(iv) Movement in carrying amounts – By LRC and LIC - Direct - VFA

	Liabilities for remaining coverage			
	Excluding loss component Rs	Loss component Rs	Liabilities for incurred claims Rs	Total Rs
31 December 2023				
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	-	-	-	-
Net opening balance	-	-	-	-
Insurance revenue – Post transition				
CSM recognised for services provided	(2,257)	-	-	(2,257)
Change in risk adjustment for non-financial risk for risk expired	(476)	-	-	(476)
Expected insurance service expenses incurred:				-
Claims	1,512	-	-	1,512
Expenses	(1,927)	-	-	(1,927)
Recovery of insurance acquisition cash flows	(118)	-	-	(118)
	(3,266)	-	-	(3,266)
Total insurance revenue	(3,266)	-	-	(3,266)
Insurance service expenses				
Insurance incurred service expenses:				
Claim				
Expenses	-	-	(163)	(163)
Amortisation of insurance acquisition cash flows	(118)	-	-	(118)
	(118)	-	(163)	(281)
Total insurance service result	3,148	-	(163)	2,985
Insurance finance income (expenses)				
The effect of and changes in time of time value 'of money and financial risk	-	-	-	-
	-	-	-	-
Total change in profit or loss	3,148	-	(163)	2,985
Cash flows (actual cashflows in the period)				
Premiums and premium tax received	(501,750)	-	-	(501,750)
Claims and other insurance service expenses paid, including investment components	-	-	163	163
Insurance acquisition cash flows	2,061	-	-	2,061
	(499,689)	-	163	(499,526)
Net closing balance	(496,541)	-	-	(496,541)
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	(496,541)	-	-	(496,541)
Net closing balance	(496,541)	-	-	(496,541)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(v) Movement in carrying amounts - By LRC and LIC - Reinsurance- PAA

	Liabilities for remaining		Liabilities for incurred claims		
	Excluding loss component Rs	Loss component Rs	Estimates of present value of future cash Rs	Risk adjustment for non - financial risk Rs	Total Rs
31 December 2024					
Opening reinsurance contract assets	-	-	-	-	-
Opening reinsurance contract liabilities	(3,940,828)	-	913,338	385,405	(2,642,085)
Net opening balance	(3,940,828)	-	913,338	385,405	(2,642,085)
Allocation of the premiums paid					
Post transition	(6,785,791)	-	-	-	(6,785,791)
	(6,785,791)	-	-	-	(6,785,791)
Net expenses from reinsurance					
Amounts recovered from reinsurance:					
Recoveries of incurred claims and other insurance service expense	-	-	953,802	598,773	1,552,575
Changes related to past service (changes related to incurred claims component)	-	-	(913,338)	(385,405)	(1,298,743)
	-	-	40,464	213,368	253,832
Total change in profit or loss	(6,785,791)	-	40,464	213,368	(6,531,959)
Cash flows (actual cashflows in the period)					
Premiums and premium tax received	(3,876,886)	-	-	-	(3,876,886)
Total cash flows	(3,876,886)	-	-	-	(3,876,886)
Net closing balance	(6,849,733)	-	953,802	598,773	(5,297,158)
Closing reinsurance contract assets	-	-	-	-	-
Closing reinsurance contract liabilities	(6,849,733)	-	953,802	598,773	(5,297,158)
Net closing balance	(6,849,733)	-	953,802	598,773	(5,297,158)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(v) Movement in carrying amounts - By LRC and LIC - Reinsurance- PAA (cont'd)

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component Rs	Loss component Rs	Estimates of present value of future cash Rs	Risk adjustment for non -financial risk Rs	Total Rs
31 December 2023					
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(3,463,254)	-	408,639	172,435	(2,882,180)
Net opening balance	(3,463,254)	-	408,639	172,435	(2,882,180)
Allocation of the premiums paid					
Post transition	(5,352,620)	-	-	-	(5,352,620)
	(5,352,620)	-	-	-	(5,352,620)
Net expenses from reinsurance					
Amounts recovered from reinsurance:					
Recoveries of incurred claims and other insurance service expense	-	-	913,338	385,405	1,298,743
Changes related to past service (changes related to incurred claims component)	-	-	(408,639)	(172,435)	(581,074)
	-	-	504,699	212,970	717,669
Total change in profit or loss	(5,352,620)	-	504,699	212,970	(4,634,951)
Cash flows (actual cashflows in the period)					
Premiums and premium tax received	(4,875,046)	-	-	-	(4,875,046)
Total cash flows	(4,875,046)	-	-	-	(4,875,046)
Net closing balance	(3,940,848)	-	913,338	385,405	(2,642,085)
Closing reinsurance contract assets	-	-	-	-	-
Closing reinsurance contract liabilities	(3,940,848)	-	913,338	385,405	(2,642,085)
Net closing balance	(3,940,848)	-	913,338	385,405	(2,642,085)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(vi) Movement in carrying amounts – By Component - Reinsurance – GMM

			CSM				
	Estimates of present value of future cash Rs	Risk adjustment for non - financial risk Rs	Full retrospective Rs	Modified retrospective Rs	Fair value approach Rs	Post transition Rs	Total Rs
31 December 2024							
Opening reinsurance contract assets	-	-	-	-	-	-	-
Opening reinsurance contract liabilities	19,344,713	15,866,053	(8,448,509)	1,001,488	4,295,500	(33,784,019)	(1,724,774)
Net opening balance	19,344,713	15,866,053	(8,448,509)	1,001,488	4,295,500	(33,784,019)	(1,724,774)
Changes that relate to current services:							
CSM recognised for services received	-	-	2,044,906	-	(2,500,973)	7,056,458	6,600,391
Change in risk adjustment for non-financial risk for risk expired	-	(1,487,938)	-	-	-	-	(1,487,938)
Experience adjustments not related to future service	11,897,438	-	-	-	-	-	11,897,438
	11,897,438	(1,487,938)	2,044,906	-	(2,500,973)	7,056,458	17,009,891
Changes that relate to future services							
Contracts initially recognised in the year	12,657,034	5,110,713	-	-	-	(17,767,747)	-
Changes in estimates that adjust the CSM	2,859,298	2,221,736	(4,135,003)	-	13,485,434	(14,431,465)	-
Changes in estimates that adjust recoveries of losses on onerous contracts	17,643,869	342,097					17,985,966
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(4,111,204)	-	447,533	945,045	(2,718,626)
	33,160,201	7,674,546	(8,246,207)	-	13,932,967	(31,254,167)	15,267,340
Changes that relate to past services							
Changes in fulfilment cash flows re LIC	2,500,000	-	-	-	-	-	2,500,000
Experience adjustments in claims and other insurance service expenses in LIC	(6,345,000)	-	-	-	-	-	(6,345,000)
Effect of changes in non-performance risk of reinsurance	(360)	-	-	-	-	-	(360)
Total net expenses from Reinsurance	41,212,279	6,186,608	(6,201,301)	-	11,431,994	(24,197,709)	28,431,871
Insurance finance income or expense:							
The effect of and changes in time of time value of money and financial risk	2,076,668	899,070	(194,420)	-	137,588	(1,809,581)	1,109,325
	2,076,668	899,070	(194,420)	-	137,588	(1,809,581)	1,109,325
Total change in profit or loss	43,288,947	7,085,678	(6,395,721)	-	11,569,582	(26,007,290)	29,541,196
Cash flows							
Premiums and premium tax paid	(36,455,214)	-	-	-	-	-	(36,455,214)
Amounts recovered	17,604,879	-	-	-	-	-	17,604,879
Net closing balance	80,238,540	22,951,731	(14,844,230)	1,001,488	15,865,082	(59,791,310)	45,421,301
Closing reinsurance contract assets	80,238,540	22,951,731	-	-	15,865,082	-	119,055,353
Closing reinsurance contract liabilities	-	-	(14,844,230)	1,001,488	-	(59,791,310)	(73,634,052)
Net closing balance	80,238,540	22,951,731	(14,844,230)	1,001,488	15,865,082	(59,791,310)	45,421,301

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(vi) Movement in carrying amounts – By Component - Reinsurance – GMM

			CSM				
	Estimates of present value of future cash Rs	Risk adjustment for non -financial risk Rs	Full retrospective Rs	Modified retrospective Rs	Fair value approach Rs	Post transition Rs	Total Rs
31 December 2023							
Opening reinsurance contract assets	18,229,372	8,475,050	(1,178,978)	-	191,912	(14,021,929)	11,695,427
Opening reinsurance contract liabilities	2,007,913	768,597	-	-	-	(2,776,510)	-
Net opening balance	20,237,285	9,243,647	(1,178,978)	-	191,912	(16,798,439)	11,695,427
Changes that relate to current services:							
CSM recognised for services received	-	-	-	1,001,488	(1,008,596)	3,436,788	3,429,680
Change in risk adjustment for non-financial risk for risk expired	-	(985,062)	-	-	-	-	(985,062)
Experience adjustments not related to future service	(21,887,333)	-	-	-	-	-	(21,887,333)
	(21,887,333)	(985,062)	-	1,001,488	(1,008,596)	3,436,788	(19,442,715)
Changes that relate to future services							
Contracts initially recognised in the year	-	3,934,066	-	-	-	(3,934,066)	-
Changes in estimates that adjust the CSM	15,585,378	1,118,329	(7,649,807)	-	2,381,189	(15,717,362)	(4,282,273)
Changes in estimates that adjust recoveries of losses on onerous contracts	1,083,888	1,016,928	285,867	-	2,726,870	216	5,113,769
	16,669,266	6,069,323	(7,363,940)	-	5,108,059	(19,651,212)	831,496
Changes that relate to past services							
Changes in fulfilment cash flows re LIC	500,000	-	-	-	-	-	500,000
Effect of changes in non-performance risk of reinsurance	(4,753)	-	-	-	-	-	(4,753)
Total net expenses from Reinsurance	(4,722,820)	5,084,261	(7,363,940)	1,001,488	4,099,463	(16,214,424)	(18,115,972)
Insurance finance income or expense:							
The effect of and changes in time of time value of money and financial risk	10,489,764	1,538,146	94,409	-	4,125	(771,159)	11,355,285
	10,489,764	1,538,146	94,409	-	4,125	(771,159)	11,355,285
Total change in profit or loss	5,766,944	6,622,407	(7,269,531)	1,001,488	4,103,588	(16,985,583)	(6,760,687)
Cash flows							
Amounts recovered	(6,659,515)	-	-	-	-	-	(6,659,515)
Net closing balance	19,344,714	15,866,054	(8,448,509)	1,001,488	4,295,500	(33,784,022)	(1,724,775)
Closing reinsurance contract assets	-	-	-	-	-	-	-
Closing reinsurance contract liabilities	19,344,714	15,866,054	(8,448,509)	1,001,488	4,295,500	(33,784,022)	(1,724,775)
Net closing balance	19,344,714	15,866,054	(8,448,509)	1,001,488	4,295,500	(33,784,022)	(1,724,775)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(vii) Movement in carrying amounts – By LRC and LIC - Reinsurance - GMM

	Liabilities for remaining coverage			
	Excluding loss component	Loss component	Liabilities for incurred	Total
	Rs	Rs	Rs	Rs
31 December 2024				
Opening reinsurance contract assets	-	-	-	-
Opening reinsurance contract liabilities	(38,024,102)	29,954,327	6,345,000	(1,724,775)
Net opening balance	(38,024,102)	29,954,327	6,345,000	(1,724,775)
Allocation of premium paid – Full retrospective approach				
CSM recognised for services provided	2,044,906	-	-	2,044,906
Change in risk adjustment for non-financial risk for risk transferred	(364,748)	-	-	(364,748)
Expected recoveries of incurred claims and other insurance service expense	(6,607,688)	-	-	(6,607,688)
Experience adjustment not related to future service	1,224,605	-	-	1,224,605
	(3,702,925)	-	-	(3,702,925)
Allocation of premium paid – Fair value approach				
CSM recognised for services provided	(2,500,973)	-	-	(2,500,973)
Change in risk adjustment for non-financial risk for risk transferred	(296,715)	-	-	(296,715)
Expected recoveries of incurred claims and other insurance service expense	(5,126,494)	-	-	(5,126,494)
Experience adjustment not related to future service	1,079,161	-	-	1,079,161
	(6,845,021)	-	-	(6,845,021)
Allocation of premium paid – Post transition				
CSM recognised for services provided	7,056,458	-	-	7,056,458
Change in risk adjustment for non-financial risk for risk transferred	(796,409)	-	-	(796,409)
Expected recoveries of incurred claims and other insurance service expense	(14,568,814)	-	-	(14,568,814)
Experience adjustment not related to future service	1,425,800	-	-	1,425,800
	(6,882,965)	-	-	(6,882,965)
Total Allocation of premium paid	(17,430,911)	-	-	(17,430,911)
Amount recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	-	(1,234,434)	35,675,238	34,440,804
Changes related to past service (changes related to incurred claims component)	-	-	(3,845,000)	(3,845,000)
Changes that relate to future service (remeasurement)	-	15,267,340	-	15,267,340
	-	14,032,906	31,830,238	45,863,144
Effect of changes in non-performance risk of reinsurers	(360)	-	-	(360)
Total net expenses from reinsurance	(17,431,271)	14,032,906	31,830,238	28,431,873
Insurance finance income (expenses)				
The effect of and changes in time of time value of money and financial risk	312,496	796,828	-	1,109,324
	312,496	796,828	-	1,109,324
Total change in profit or loss	(17,118,415)	14,829,734	31,830,238	29,541,557
Cash flows (actual cashflows in the period)				
Premiums and premium tax paid	(36,455,214)	-	-	(36,455,214)
Amounts recovered	-	-	17,604,879	17,604,879
	(36,455,214)	-	17,604,879	(18,850,335)
Net closing balance	(18,687,305)	44,784,061	20,570,359	46,667,115
Closing insurance contract assets	(18,687,665)	44,784,061	20,570,359	46,666,755
Closing insurance contract liabilities	-	-	-	-

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Net closing balance	**(18,687,665)**	**44,784,061**	**20,570,359**	**46,666,755**

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

(vii) Movement in carrying amounts – By LRC and LIC - Reinsurance - GMM

	Liabilities for remaining coverage			
	Excluding loss component Rs	Loss component Rs	Liabilities for incurred Rs	Total Rs
31 December 2023				
Opening reinsurance contract assets	(17,385,202)	29,080,629	-	11,695,427
Opening reinsurance contract liabilities	-	-	-	-
Net opening balance	(17,385,202)	29,080,629	-	11,695,427
Allocation of premium paid – Full retrospective approach				
CSM recognised for services provided	100,486	-	-	100,486
transferred	(257,246)	-	-	(257,246)
Expected recoveries of incurred claims and other insurance service expense	(6,433,721)	-	-	(6,433,721)
Experience adjustment not related to future service	(2,712,505)	-	-	(2,712,505)
	(9,302,986)	-	-	(9,302,986)
Allocation of premium paid – Fair value approach				
CSM recognised for services provided	(1,008,596)	-	-	(1,008,596)
transferred	(315,120)	-	-	(315,120)
Expected recoveries of incurred claims and other insurance service expense	(5,762,900)	-	-	(5,762,900)
Experience adjustment not related to future service	(1,654,272)	-	-	(1,654,272)
	(8,740,888)	-	-	(8,740,888)
Allocation of premium paid – Post transition				
CSM recognised for services provided	3,436,788	-	-	3,436,788
transferred	(345,939)	-	-	(345,939)
Expected recoveries of incurred claims and other insurance service expense	(7,407,693)	-	-	(7,407,693)
Experience adjustment not related to future service	(3,823,714)	-	-	(3,823,714)
	(8,140,558)	-	-	(8,140,558)
Total Allocation of premium paid	(26,184,432)	-	-	(26,184,432)
Amount recovered from reinsurance expense	-	(818,800)	6,659,516	5,840,716
Changes related to past service (changes related to incurred claims component)	-	-	500,000	500,000
Changes that relate to future service (remeasurement)	-	831,498	-	831,498
	-	12,698	7,159,516	7,172,214
Effect of changes in non-performance risk of reinsurers	(4,753)	-	-	(4,753)
Total net expenses from reinsurance	(26,189,185)	12,698	7,159,516	(19,016,971)
Insurance finance income (expenses)				
The effect of and changes in time of time value of money and financial risk	4,649,285	861,000	5,845,000	11,355,285
	4,649,285	861,000	5,845,000	11,355,285
Total change in profit or loss	(21,539,900)	873,698	13,004,516	(7,661,686)
Cash flows (actual cashflows in the period)				
Amounts recovered	-	-	6,659,516	6,659,516
	-	-	6,659,516	6,659,516
Net closing balance	(38,925,102)	29,954,327	6,345,000	(2,625,775)
Closing insurance contract assets	-	-	-	-
Closing insurance contract liabilities	(38,925,102)	29,954,327	6,345,000	(2,625,775)
Net closing balance	(38,925,102)	29,954,327	6,345,000	(2,625,775)

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9 INSURANCE AND REINSURANCE CONTRACTS (CONT'D)

Effect of Contracts Initially Recognised in the Period for Insurance

	Non-onerous groups of contracts			Onerous groups of contracts			
	Contracts acquired in transfers or business combinations	**Other contracts**	**Total**	**Contracts acquired in transfers or business combinations**	**Other contracts**	**Total**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
31 December 2023							
Insurance contracts issued initially recognised in the period							
Estimates of the present value of future cash outflows:							
Insurance acquisition cash flows	**-**	**(47,690,083)**	**(47,690,083)**	**-**	**(3,932,202)**	**(3,932,202)**	**(51,622,285)**
Claims and other cash outflows	**-**	**(196,510,943)**	**(196,510,943)**	**-**	**(20,889,682)**	**(20,889,682)**	**(217,400,625)**
Estimates of the present value of future cash inflows	**-**	**316,331,979**	**316,331,979**	**-**	**20,793,035**	**20,793,035**	**337,125,014**
Risk adjustment for non-financial risk	**-**	**(8,558,890)**	**(8,558,890)**	**-**	**(1,004,288)**	**(1,004,288)**	**(9,563,178)**
Contractual service margin	**-**	**(63,572,063)**	**(63,572,063)**	**-**	**-**	**-**	**(63,572,063)**
Losses for the net outflow recognised on initial recognition	**-**	**-**	**-**	**-**	**(5,033,137)**	**(5,033,137)**	**(5,033,137)**

	Non-onerous groups of contracts			Onerous groups of contracts			
	acquired in transfers or business combinations	Other contracts	Total	acquired in transfers or business combinations	Other contracts	Total	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
31 December 2023							
Insurance contracts issued initially recognised in the period							
Estimates of the present value of future cash outflows:							
Insurance acquisition cash flows	(11,417,814)	-	(11,417,814)	(506,370)	-	(506,370)	(11,924,184)
Claims and other cash outflows	(132,963,010)	-	(132,963,010)	(5,311,010)	-	(5,311,010)	(138,274,020)
Estimates of the present value of future cash inflows	182,780,084	-	182,780,084	3,641,831	-	3,641,831	186,421,915
Risk adjustment for non-financial risk	(4,564,317)	-	(4,564,317)	(127,105)	-	(127,105)	(4,691,422)
Contractual service margin	(33,834,943)	-	(33,834,943)	-	-	-	(33,834,943)
Losses for the net outflow recognised on initial recognition	-	-	-	(2,302,654)	-	(2,302,654)	(2,302,654)

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10 NET INVESTMENT AND OTHER INCOME/(EXPENSE)

	2024 Rs	2023 Rs
Interest income	**21,902,158**	26,359,088
Dividend income	**15,517,925**	11,721,884
Rental Income	**13,464,947**	12,165,080
Administration fees	**16,889,093**	15,000,923
Policy servicing fees	**22,375**	277,064
Fair value gain on revaluation of investment properties (Note 17)	**7,920,000**	4,500,000
Fair value gain/(loss) on revaluation of repossessed properties (Note 20)	**2,169,000**	(2,749,000)
Net fair value gain/(loss) on revaluation of financial assets through profit or loss (Note 18(a))	**77,379,240**	28,526,438
Net gain/(loss) on disposal of financial assets through profit or loss (Note 18(a))	**10,618,273**	6,347,812
Decrease in provision for ECL (Note 19)	**-**	2,801,511
Refund from insurance for motor vehicle	**430,000**	-
Net gain on foreign exchange transactions	**2,153,819**	476,735
	168,466,830	105,427,535

During the year, interest income amounting to **Rs 5,926,097** (2023: Rs 6,717,939) was received from related parties (Note 28(iii)).

11 RESULTS FROM OPERATING ACTIVITIES

	2024 Rs	2023 Rs
The following items have been (credited)/charged in arriving at results from operating activities:		
Amortisation of intangible asset (Note 14)	**-**	93,747
Depreciation on plant and equipment (Note 15)	**1,536,879**	1,483,867
Depreciation on rights of use asset (Note 16)	**220,000**	-
Repairs and maintenance	**216,300**	276,854
Fees payable/paid to auditors for:		
Audit services	**3,500,000**	2,763,000
Tax services	**84,000**	97,000
Other services	**225,000**	196,000
Staff costs (Note 12)	**9,824,203**	6,634,475
Actuarial fees	**8,422,906**	3,777,268
Management and secretarial fees to group companies	**3,175,799**	2,630,986

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12 STAFF COSTS

	2024	2023
	Rs	Rs
Wages and salaries	**15,634,428**	12,749,875
Social security costs	**590,961**	458,041
Pension costs – defined benefit plan	**834,684**	1,137,784
Other benefits	**4,083,994**	1,789,066
Recovery from holding company (Note 28 (iv))	**(11,319,864)**	(9,500,291)
	9,824,203	6,634,475

Since 2020, the holding company has decided to bear 100% the cost of Senior Managers to reduce the expense cost of the Company.

	2024	2023
	Number	Number
Number of employees at year end:		
Full time	**32**	32

13 INCOME TAX

The Company is liable to income tax at **17%** (includes CSR of 2%) (2023: 17%) on its chargeable income.

Prior to 1 January 2021, as per section 17(5) of Income Tax Regulation, the net income of the Company from its life activity solely was the difference between:

(a) the income from investment held by the Company in connection with its life insurance business but excluding that attributable to the annuity business and pension business in that income year; and

(b) the sum of:

(i) all management expenses incurred and all commissions paid by the Company; and
(ii) all allowable deductions.

The Company also carries annuity business and the net income from this business segment is calculated based on an actuarial report. The total tax payable of the Company is then calculated based on the total chargeable income derived from both its life and annuity business.

However, as from 31 December 2022, as introduced by the Finance Act 2021 and as per Section 50 (1A) of the Income Tax Act, the tax payable by the Company is now the higher of:

(a) the normal tax payable; or
(b) 10% of the relevant profit.

“Relevant profit” means profit attributable to shareholders in respect of an income year:

(a) as reduced by capital gain attributable to shareholders where such gain has been credited to profit or loss of the Company; and
(b) as increased by any capital loss attributable to shareholders where such loss has been debited to the profit or loss of the Company for that income year.

The Company has a tax loss under the normal computation and also no profit to be attributed to shareholders. Therefore, there is no tax liability for the year.

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13 INCOME TAX (CONTD)

The tax on the Company's result before income tax expense differs from the theoretical amount that would arise using the basic tax rate of the Company is as follows:

	2024	2023
	Rs	Rs
Profit/(loss) before tax	**40,500,059**	(85,697,190)
Taxation at applicable rates of 17% (2023: 17%)	**6,885,010**	(14,568,522)
Tax effects of:		
Income not subject to tax	**(4,863,478)**	(25,654,506)
Expenses not deductible for tax purposes	**2,134,438**	45,621,142
Retirement benefit obligation	**(235,280)**	(212,500)
Utilisation of tax losses/ deferred tax assets not recognised	**(3,920,690)**	(5,185,614)
Actual tax charge	-	-

The Company's tax loss at 31 December 2024 was **Rs 54,630,384** (2023: Rs 89,886,361) to carry forward against future taxable profits. The accumulated tax losses are available for set off as follows:

	2024	2023
Year Ending	**Rs**	Rs
31 December 2024	**-**	(2,731,475)
31 December 2025	**(50,434,078)**	(50,434,078)
31 December 2026	**(4,196,306)**	(14,544,003)
31 December 2027	**-**	(8,080,419)
31 December 2028	**-**	(14,096,386)
	(54,630,384)	(89,886,361)

14 INTANGIBLE ASSETS

	Total
	Rs
Computer software	
Cost:	
At 01 January 2023	23,864,567
Additions	-
At 31 December 2023	23,864,567
Additions	**-**
At 31 December 2024	**23,864,567**
Accumulated amortisation:	
At 01 January 2023	23,770,820
Amortisation for the year	93,747
At 31 December 2023	23,864,567
Amortisation for the year	**-**
At 31 December 2024	**23,864,567**
Net book value:	
At 31 December 2024	**-**
At 31 December 2023	-

Amortisation charge of **Rs Nil** (2023: Rs 93,747) has been included in 'Operating expenses.

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15 PROPERTY, PLANT AND EQUIPMENT

	Land & building	Improvement to Leasehold building	Furniture & fittings	Computer equipment	Office equipment	Motor Vehicles	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Valuation:							
At 01 January 2023	19,599,999	6,651,649	756,357	11,358,712	4,272,033	1,080,000	43,718,750
Additions	-	-	-	852,840	303,483	-	1,156,323
At 31 December 2023	19,599,999	6,651,649	756,357	12,211,552	4,575,516	1,080,000	44,875,073
Additions	**-**	**-**	**6,990**	**362,935**	**71,848**	**690,000**	**1,131,773**
Revaluation	**600,000**						**600,000**
At 31 December 2024	**20,199,999**	**6,651,649**	**763,347**	**12,574,487**	**4,647,364**	**1,770,000**	**46,606,846**
Accumulated depreciation:							
At 01 January 2023	1,288,945	3,759,706	702,599	10,797,835	2,200,260	1,079,999	19,829,344
Charge for the year	172,221	505,331	18,698	518,057	269,560	-	1,483,867
At 31 December 2023	1,461,166	4,265,037	721,297	11,315,892	2,469,820	1,079,999	21,313,211
Charge for the year	**172,221**	**505,331**	**16,809**	**556,790**	**274,228**	**11,500**	**1,536,879**
At 31 December 2024	**1,633,387**	**4,770,368**	**738,106**	**11,872,682**	**2,744,048**	**1,091,499**	**22,850,090**
Net book value: At 31 December 2024	**18,566,612**	**1,881,281**	**25,241**	**701,805**	**1,903,316**	**678,501**	**23,756,756**
Net book value: At 31 December 2023	18,138,833	2,386,612	35,060	895,660	2,105,696	1	23,561,862

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15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

An experienced, qualified valuer Elevante Property Services, who has relevant professional experience in the localities and categories of the properties held, carried out the last valuation on 31 December 2024.

The valuation of land and buildings has been determined using the fair value basis. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its land and buildings into the three levels prescribed under the accounting standards.

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model for land and building.

Description	**Fair Value as at 31 Dec 2024**	**Valuation Technique**	**Key Unobservable Inputs**	**Range of Unobserved inputs 2024**
Land&Building	**18,566,612**	Income (DCF)	Discount Rate	10.75%
			Terminal Yield	7.75%
			Rental Growth Rate	3.00%

Description	**Fair Value as at 31 Dec 2023**	**Valuation Technique**	**Key Unobservable Inputs**	**Range of Unobserved inputs 2023**
Land&Building	18,138,833	Income (DCF)	Discount Rate	10.75%
			Terminal Yield	7.75%
			Rental Growth Rate	3.00%

Sensitivity

A 5% increase in land and building rates will result in an increase in the value of land and building by **Rs 928,331** (2023 - Rs **906,942**) with all other variables held constant.

The carrying amounts of buildings that would have been included in the financial statements had the asset been carried at cost less depreciation is as follows. The cost of the building is **Rs 17,003,060** as at 31 December 2024 (2023: Rs 17,003,060) and **Rs 1,633,387** accumulated depreciation in as at 31 December 2024 (2023: Rs 1,461,166).

Carrying amounts that would have been recognised if land and building were stated at cost:

Land and Building

	2024	2023
	Rs	Rs
Cost	**17,003,060**	17,003,060
Accumulated depreciation	**(1,633,387)**	(1,461,166)
Carrying Amount	**15,369,673**	15,541,894

16 LEASES

	2024	2023
	Rs	Rs
(a) Right of use assets - Motor Vehicles		
At 01 January	**-**	-
Additions	**2,200,000**	-
Depreciation charge for the year	**(220,000)**	-
At 31 December	**1,980,000**	-

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16 LEASES (CONT'D)

	2024 Rs	2023 Rs
(b) Lease liabilities		
At 01 January	**-**	-
Additions	**2,200,000**	-
Payments	**(220,000)**	-
At 31 December	**1,980,000**	-
(c) Amounts recognised in statement of profit or loss		
Depreciation expense of right-of-use assets	**220,000**	-

During the year ended 31 December 2024, the Company entered into a 5-Year lease with fixed monthly repayments.

Lease liabilities are measured at the present value of lease payments, discounted using the Mauritius Commercial Bank's incremental borrowing rate of 8%.

17 INVESTMENT PROPERTIES

	2024 Rs	2023 Rs
At 01 January	**209,380,000**	204,880,000
Fair value gain on revaluation	**7,920,000**	4,500,000
At 31 December	**217,300,000**	209,380,000

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17 INVESTMENT PROPERTIES (CONT'D)

Properties have been bought for investment purposes. Any income arising from these investments is primarily the fair value gain expected as a result of market appreciation in the value of these properties. The Company's investment properties were revalued at 31 December 2024 by an independent valuer, Elevante Property Services Ltd based on income approach valuation of the investment properties. The balance above also includes repossessed collateral. Repossessed collateral represents real estate assets acquired by the Company in settlement of overdue loans. The Company expects to dispose of the assets in the foreseeable future.

The properties are held for long-term capital appreciation rather than short-term sale. Rental income arising from the properties owned by the Company amounted to **Rs 13,464,947** (2023 – Rs 12,165,080) and is included in 'Investment and other income'. Direct operating expenses incurred during the year for properties on rent amounted to Rs **576,433** (2023: Rs 777,725). Direct operating expenses incurred during the year for properties where no rental income was generated amounted to Rs **66,650** (2023: Rs 34,500).

Investment properties amounting to **Rs 215,300,000** (2023 – Rs 206,200,000), excluding the repossessed assets, is valued annually by external chartered surveyors and using estimates during the intervention period. Investment properties are valued as an income approach that is based on current rental income plus anticipated uplifts at the next rent review, lease expiry or break options taking into consideration lease incentives and assuming no further growth in estimated rental value of the property. The uplift/discount rates are derived from rates implied by recent market transactions – these inputs are deemed unobservable.

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model for Investment Properties and excludes the repossessed assets.

Description	**Fair Value as at 31 Dec**		**Valuation technique**	**Key Unobservable Inputs**	**Range of Unobservable inputs**	
	2024	2023			**2024**	2023
	Rs	Rs			**%**	%
Investment Properties	**215,300,000**	206,200,000	Income (DCF)	Discount Rate	**10.75**	10.75
				Terminal Yield	**7.75**	7.75
				Rental Growth Rate	**3.00**	3.00

Investment Properties Sensitivity Analysis **Assumptions**

	2024		2023	
	-1%	**1%**	-1%	1%
	Rs	**Rs**	Rs	Rs
Discount Rate	8,500,000	(7,900,000)	8,100,000	(7,300,000)
Terminal Yield	16,032,451	(12,406,526)	15,482,808	(11,835,644)
Rental Growth	(13,481,834)	14,474,956	(12,612,151)	13,523,942

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18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Quoted Shares	Unquoted Shares	Local Debentures	Total
	Rs	Rs	Rs	Rs
Domestic				
At 1 January 2023	285,432,182	66,229,959	163,804,459	515,466,600
Additions	22,621,334	-	15,002,376	37,623,710
Disposals	(29,690,094)	-	(30,526,250)	(60,216,344)
Net fair value gain/(loss)	(5,431,089)	(10,431,517)	5,115,181	(10,747,425)
Net loss on disposal	544,965	-	3,357,500	3,902,465
At 31 December 2023	273,477,298	55,798,442	156,753,266	486,029,006
Additions	**10,736,500**	**-**	**7,945,090**	**18,681,590**
Disposals	**(1,372,070)**	**-**	**(15,240,000)**	**(16,612,070)**
Conversion	**5,082,626**	**-**	**-**	**5,082,626**
Transfer from/(to)	**(52,282,900)**	**(2,218,940)**	**48,386,630**	**(6,115,210)**
Net fair value (loss)/gain	**45,051,726**	**5,336,488**	**(1,142,376)**	**49,245,838**
Net loss on disposal	**(161,660)**	**-**	**13,380**	**(148,280)**
At 31 December 2024	**280,531,520**	**58,915,990**	**196,715,990**	**536,163,500**

	Quoted Shares	Unquoted Shares	Local Debentures	Total
	Rs	Rs	Rs	Rs
Foreign				
At 1 January 2023	154,537,995	38,338,131	-	192,876,126
Disposals	(15,436,226)	-	-	(15,436,226)
Net fair value gain/(loss)	32,248,134	7,025,729	-	39,273,863
Net loss on disposal	2,445,347	-	-	2,445,347
At 31 December 2023	173,795,250	45,363,860	-	219,159,110
Disposals	**(6,078,974)**	**(39,102,318)**	**-**	**(45,181,292)**
Net fair value gain	**725,286**	**27,408,116**	**-**	**28,133,402**
Transfer from/(to)	**(113,488,141)**	**119,603,352**	**-**	**6,115,211**
Net gain on disposal	**6,749,385**	**4,017,168**	**-**	**10,766,553**
At 31 December 2024	**61,702,806**	**157,290,178**	**-**	**218,992,984**
Total				
At 31 December 2024	**342,234,325**	**216,206,169**	**196,715,990**	**755,156,484**
At 31 December 2023	447,272,548	101,162,302	156,753,266	705,188,116

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19 LOANS AND ADVANCES

	2024	2023
	Rs	Rs
Loans and advances, at amortised cost (i)	**135,311,761**	160,966,834
Less: Allowance for expected credit loss	**(6,874,615)**	(16,375,419)
	128,437,146	144,591,415
Loans and advances, at amortised cost:		
Due within 1 year	**90,959,990**	1,492,712
Due after more than 1 year	**44,351,771**	159,474,122
	135,311,761	160,966,834

The movement in provision for expected credit loss of loans and advances is as follows:

	2024	2023
	Rs	Rs
As at 01 January	**16,375,419**	19,176,930
Provision for the year	**94,634**	123,438
Release during the year	**(9,595,438)**	(2,924,949)
As at 31 December	**6,874,615**	16,375,419

(i) Loans and advances

Secured loans:		
At 01 January	**81,683,496**	85,482,340
Loans granted	**3,442,233**	28,488,337
Reclassification	**(21,200,576)**	-
Loans repaid	**(12,736,684)**	(32,287,181)
At 31 December	**51,188,469**	81,683,496
Unsecured loans:		
At 01 January	**79,283,338**	69,215,335
Loan granted	**-**	13,273,304
Reclassification	**21,200,576**	-
Loans repaid	**(16,360,622)**	(3,205,301)
At 31 December	**84,123,292**	79,283,338
Total loans and advances	**135,311,761**	160,966,834

The estimated fair values of loans and advances are the discounted amount of the estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

The effective interest rates on non-current receivables were as follows:

	2024	2023
	%	%
Loans and advances	**3 - 14**	3 - 14

The Company considers an overdue loan receivable as impaired when the loan is overdue for more than 3 months and the value of the mortgaged property is less than the carrying value of the loan receivable. The overdue loans and advances are secured by mortgaged properties.

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19 LOANS AND ADVANCES (CONT'D)

(i) Loans and advances (cont'd)

The ageing analysis of the loans and advances were as follows:

	2024	2023
	Rs	Rs
Not past due	**95,017,920**	141,875,776
Past due but not impaired		
Between 6 months to 1 year	**-**	-
Between 1 to 2 years	**-**	-
More than 2 years	**-**	-
	-	-
Past due and impaired		
Between 6 months to 1 year	**6,074,930**	1,519,990
Between 1 to 2 years	**580,800**	798,827
More than 2 years	**33,638,111**	16,772,241
	40,293,841	19,091,058
	135,311,761	160,966,834

The provision for expected credit loss on housing loans amounted to **Rs 6,655,824** (2023: Rs 15,063,198), car loans amount to **Rs 15,539** (2023: Rs 137,660) and group loans amount to Rs **203,252** (2023: Rs 1,174,561)

Disclosures about related party transactions are provided in Note 28.

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19 LOANS AND ADVANCES (CONT'D)

Gross Carrying Amount

2024	**Stage 1** **Rs**	**Stage 2** **Rs**	**Stage 3** **Rs**	**Total** **Rs**
At 01 January 2024	**141,277,796**	**297,943**	**19,391,095**	**160,966,834**
At 31 December 2024	**115,865,419**	**1,927,631**	**17,518,711**	**135,311,761**

2023	Stage 1 Rs	Stage 2 Rs	Stage 3 Rs	Total Rs
At 01 January 2023	130,553,182	1,809,334	22,335,159	154,697,675
At 31 December 2023	141,277,796	297,943	19,391,095	160,966,834

20 OTHER RECEIVABLES

	2024 **Rs**	2023 Rs
Other receivables - Related parties (Note 28(v))	**5,765,740**	2,400,417
Other receivables	**61,186,965**	66,439,236
Repossessed properties (i)	**3,100,000**	931,000
	70,052,705	69,770,653

(i) Repossessed properties

As at 01 January	**931,000**	3,680,000
Transfer from Investment Properties (Note 17)	**-**	-
Gain/(loss) on revaluation	**2,169,000**	(2,749,000)
As at 31 December	**3,100,000**	931,000

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21 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following balance sheet amounts:

	31 December 2024 Rs	31 December 2023 Rs Restated	01 January 2023 Rs Restated
Cash at bank and in hand	**112,312,399**	65,900,253	92,993,268
Short term bank deposits	**-**	26,530,897	22,061,373
	112,312,399	92,431,150	115,054,641

22 STATUTORY DEPOSITS

Statutory deposits represent amounts placed in term deposits with financial institutions as required by the Mauritius Insurance Act 2005 (the "Act") and are subject to restrictions contained in the Act. These statutory deposits have been pledged in favour of the Financial Services Commission.

At 31 December 2024, statutory deposits comprised of Subordinated Notes certificates amounting to Rs 10,000,000, accounted as financial assets as at fair value through profit or loss.

23 SHARE CAPITAL

	2024 Number	2023 Number	**2024 Rs**	2023 Rs
Authorised :				
Ordinary shares of Rs 10 each	**34,668,400**	34,668,400	**346,684,000**	346,684,000
Issued and fully paid :				
Ordinary shares of Rs 10 each	**34,668,400**	34,668,400	**346,684,000**	346,684,000
Movement Schedule **:**				
At 01 January	**34,668,400**	32,453,000	**346,684,000**	324,530,000
Share capital issued during the year	**-**	2,215,400	**-**	22,154,000
At 31 December	**34,668,400**	34,668,400	**346,684,000**	346,684,000

Following a board meeting dated 27 April 2023, it was resolved to increase the share capital by issuing 2,215,400 ordinary shares for Rs 22,154,000.

Each share confers to its holders the right to one vote at general meetings of the Company and a proportional right to dividends.

24 DEFERRED TAX ASSETS

A deferred tax asset amounting to **Rs 16,949,461** (2024: Rs 8,266,803) has not been recognised. The directors will consider the recognition of a deferred income tax asset in respect of tax losses carried forward, impairment of receivables and retirement benefit obligation based on the probability that future taxable profit will be available against which the deductible temporary differences and tax losses carried forward can be utilised.

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24 DEFERRED TAX ASSETS (CONT'D)

	2024	2023
	Rs	Rs
Impairment of receivables	**1,168,685**	2,783,821
Retirement benefit asset	**271,490**	382,500
Temporary difference	**6,222,121**	6,093,594
Impact of tax loss	**9,287,165**	15,280,681
	16,949,461	24,540,596

25 RETIREMENT BENEFIT OBLIGATIONS

The table below outlines where the Company's post-employment amounts and activity are included in the financial statements.

	2024	2023
	Rs	Rs
Statement of financial position:		
Defined pension benefit	**1,597,000**	2,250,000
Due within 1 year	**-**	-
Due after more than 1 year	**1,597,000**	2,250,000
	1,597,000	2,250,000
Statement of comprehensive income charge:		
Profit or loss:		
Defined pension benefit	**1,314,000**	919,000
Impact of IFRS 17 translation	**(479,816)**	218,784
	834,184	1,137,784
Other comprehensive income:		
Defined pension benefit	**(518,000)**	2,456,000
Impact of IFRS 17 translation	**558,186**	-
	40,186	2,456,000

Forming part of the Retirement Benefit Obligation is the amount totalling to Rs 78,370 which has been identified to be attributable to insurance contracts. This amount has been included as part of insurance service expenses and disclosed as such on the statement of financial performance and accompanying notes.

The Company operates a multi-employer defined benefit contribution pension plan and a multi-employer defined benefit pension plan. The plans are either defined benefits plan or defined contribution plan. All new employees joining member companies as from 1 January 2017, are now in defined contribution plan.

	2024	2023
	Rs	Rs
The amounts recognised in the statement of financial position are determined as follows:		
Present value of funded and unfunded obligations	**30,216,000**	27,386,000
Fair value of plan assets	**(28,619,000)**	(25,136,000)
Deficit/(surplus) of funded plans	**-**	-
Liability in the statement of financial position	**1,597,000**	2,250,000

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25 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The movement in the defined benefit obligation over the year is as follows:

	Present value of obligation	**Fair value of plan assets**	**Total**
	Rs	**Rs**	**Rs**
At 1 January 2024	**27,386,000**	**(25,136,000)**	**2,250,000**
Adjustment to opening balance	**177,000**	**-**	**177,000**
Current service cost	**1,213,000**	**-**	**1,213,000**
Adjustment to current service cost	**82,000**	**-**	**82,000**
Interest expense/(income)	**1,473,000**	**(1,372,000)**	**101,000**
Adjustment to Interest expense	**7,000**	**-**	**7,000**
	2,952,000	**(1,372,000)**	**1,580,000**
Re-measurement			
Return on plan asset, excluding amount Included in interest expense/(income)	**-**	**(2,513,000)**	**(2,513,000)**
Loss from change in financial assumptions	**305,000**	**-**	**305,000**
Experience loss	**1,359,000**	**-**	**1,359,000**
	1,664,000	**(2,513,000)**	**(849,000)**
Contributions			
Employers	**-**	**(1,384,000)**	**(1,384,000)**
Payment from plans:	**(1,786,000)**	**1,786,000**	**-**
At 31 December 2024	**30,216,000**	**(28,619,000)**	**1,597,000**

	Present value of obligation	Fair value of plan assets	Total
	Rs	Rs	Rs
At 1 January 2023	23,150,000	(23,356,000)	(206,000)
Current service cost	974,000	-	974,000
Interest expense/(income)	1,519,000	(1,574,000)	(55,000)
	2,493,000	(1,574,000)	919,000
Re-measurement			
Return on plan asset, excluding amount Included in interest expense/(income)	-	75,000	75,000
Gain from change in financial assumptions	2,729,000	-	2,729,000
Experience loss	(17,000)	-	(17,000)
	2,712,000	75,000	2,787,000
Contributions			
Employers	-	(1,250,000)	(1,250,000)
Payment from plans:	(969,000)	969,000	-
At 31 December 2023	27,386,000	(25,136,000)	2,250,000

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25 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The significant actuarial assumptions were as follows:

	2024	2023
	%	%
Discount rate	**5.3**	5.5
Salary growth rate	**3.0**	3.5

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 63.

	2024	2023
Retiring at the end of the reporting period:		
- Male	**10.8**	10.6
- Female	**12.4**	12.1
Retiring 20 years after the end of the reporting period:		
- Male	**10.8**	10.6
- Female	**12.4**	12.1

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

		Impact of defined benefit (asset)/obligation	
	Change in assumption	**Increase in Assumption**	**Decrease in Assumption**
		Rs (000)	**Rs (000)**
2024			
Discount rate	**1%**	**3,848**	**4,847**
Salary rate	**1%**	**1,553**	**1,344**
2023	1%	3,717	4,652
Discount rate	1%	1,697	1,125
Salary rate			

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumption would have shown smaller variations in the benefit obligation.

Future cash flows

- The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.
- Expected employer contribution for next year is Rs. 1,188,000.
- Weighted average duration of the defined benefit obligation is 14 years (for funded plan) and 16 years (for unfunded plan).

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25 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Description of risks

The Company operates a final salary defined benefit pension plan for its employees.

The plan exposes the Company to normal risks associated with defined benefit pension plans, such as investment, interest, longevity and salary risks.

- Investment risk: The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

- Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

- Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

- Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Company had a residual obligation imposed by Workers Rights Act 2019 on top of its DC plan. It is also particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year.

	2024	2023
Allocation of plan asset:	**%**	%
- Equity - Overseas quoted	**34**	26
- Equity - Local quoted	**30**	28
- Equity - Local unquoted	**1**	1
- Debt - Overseas quoted	**6**	6
- Debt - Local quoted	**8**	9
- Debt - Local unquoted	**14**	15
- Cash and other	**7**	15
	100	100

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26 OTHER PAYABLES

	31 December 2024 Rs	31 December 2023 Rs Restated	01 January 2023 Rs Restated
Accruals	**15,202,420**	39,169,845	37,147,640
Amount due to related parties (Note 28 (v))	**7,659,154**	2,367,911	2,338,184
Deferred revenue	**-**	181,556	181,556
Other payables	**16,480,926**	23,439,810	26,587,124
	39,342,500	65,159,122	66,254,504
Due within 1 year	**39,342,500**	65,159,122	66,254,504
	39,342,500	65,159,122	66,254,504

27 COMMITMENTS

Capital commitments

No capital expenditure (2023 - Rs Nil) **was** contracted for at the end of the reporting period.

28 RELATED PARTY TRANSACTIONS

The directors consider Currimjee Jeewanjee and Company Limited, a company incorporated in Mauritius, as the Company's holding company, and Currimjee Limited, a company incorporated in Mauritius, as the Company's ultimate holding company.

The following transactions were carried out with related parties:

(i) Sales of services

	2024 Rs	2023 Rs
Holding company	**757,470**	655,609
Other related parties	**13,989,136**	16,327,647
Directors	**-**	1,116,338
Key management personnel	**4,843,712**	5,208,570
Pension Fund	**15,535,512**	10,312,704
	35,125,830	33,620,868

(ii) Purchases of services and payments of pensions

Holding company	**1,991,699**	1,879,739
Other related parties	**3,175,799**	2,247,675
Directors	**666,292**	666,292
	5,833,790	4,793,706

(iii) Interest income

Holding company	**3,646,643**	4,051,959
Other related parties	**2,279,454**	2,665,980
	5,926,097	6,717,939

(iv) Recovery from Holding Company

Recovery cost (Note 12)	**11,319,864**	9,500,291

Since 2020, Currimjee Jeewanjee and Company Ltd has decided to bear 100% the cost of Senior Managers to reduce the expense cost of the Company.

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28 RELATED PARTY TRANSACTIONS (CONTD)

(v) Year-end balances arising from sales/purchases of services

	2024	2023
	Rs	Rs
Receivables from related parties (Note 20):		
Holding company	**-**	-
Other related parties	**5,765,740**	2,400,417
	5,765,740	2,400,417
Payables to related parties (Note 26):		
Pension Fund	**6,532,214**	1,338,253
Other related parties	**1,126,940**	1,029,658
	7,659,154	2,367,911

(vi) Loans to related parties

	2024	2023
	Rs	Rs
Loan to holding company (unsecured):		
At beginning and end of year	**57,000,000**	57,000,000
Loan advanced during the year	**-**	10,000,000
Loans repaid during the year	**(10,000,000)**	(10,000,000)
At end of year	**47,000,000**	57,000,000

The loans to Currimjee Jeewanjee and Company Limited, the Company's holding company, are unsecured, bears interest at **6% to 7%** per annum (2023 – 6% to 7%) and repayable between 1 and 4 years.

	Rs	Rs
Loans to related companies		
At beginning of year	**43,483,916**	43,113,103
Loans granted during the year	**-**	7,500,000
Loans repaid during the year	**(6,360,624)**	(7,129,187)
At end of year	**37,123,292**	43,483,916

The loans to related companies are guaranteed by the shareholder, bear interest at **6% to 7%** per annum (2023 – 6% to 7%) and repayable between 1 and 4 years.

Loans to key management personnel (including directors):

At beginning of year	**5,206,976**	2,999,379
Loans advanced during the year	**-**	3,000,000
Loans repaid during the year	**-**	(792,403)
At end of year	**5,206,976**	5,206,976

The loans granted to key management personnel are secured and bear interest at **5.0%** to **10.0%** per annum as per Company policy and repayable over 5 years.

	2024	2023
	Rs	Rs
Loans on pledge with related parties:		
At beginning of year	**158,797**	416,740
Loans repaid during the year	**(158,797)**	(257,943)
At end of year	**-**	158,797

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28 RELATED PARTY TRANSACTIONS (CONTD)

(vii) Key management personnel (including independent directors)

	2024	2023
	Rs	Rs
Emoluments	**6,470,577**	4,754,355
Termination benefits	**-**	3,645,715
Director fees	**2,260,550**	1,278,581
	8,731,127	9,678,651

29 PRIOR YEAR ADJUSTMENTS

In prior years, outstanding cheques not cleared at year end for settlement of balance due were included in the cash book and the corresponding other payable balances were reduced accordingly.

A prior year adjustment was required to allow for the correction of the treatment of unpresented cheques.

	As previously stated	**Impact of restatement**	**As restated**
	Rs	**Rs**	**Rs**
Extract of Statement of Financial Position as at 31 December 2023			
Cash and cash equivalents	69,089,938	23,341,212	92,431,150
Other payables	(41,817,910)	(23,341,212)	(65,159,122)
Extract of Statement of Financial Position as at 01 January 2023			
Cash and cash equivalents	89,490,966	25,563,675	115,054,641
Other payables	(40,690,829)	(25,563,675)	(66,254,504)
Extract of Statement of Cash Flows as at 31 December 2023			
Increase/(decrease) in other payables	1,127,081	(2,222,463)	(1,095,382)
Cash and cash equivalents at start of the year	89,490,966	25,563,675	115,054,641
Cash and cash equivalents at end of year	69,089,938	23,341,212	92,431,150

These amount have therefore been reclassified under "cash and cash equivalents" and "other payables" for the years ended 31 December 2023 and 2022 respectively in line with the requirements of IFRS 9 - "Financial Instruments: Recognition and Measurements".

The prior year financial statements have been restated in line with the requirements of IAS 8 "Accounting Policy, Changes in Accounting Estimates and Errors".

The prior year restatement does not have any impact on the statement of profit or loss and other comprehensive income and statement of changes in equity for the year ended 31 December 2023.

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ISLAND LIFE ASSURANCE CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024 (CONT'D)

30 CURRENT VS NON CURRENT BREAKDOWN

	31 December 2024 Rs	31 December 2023 Rs Restated	01 January 2023 Rs Restated
ASSETS			
Non - Current Assets			
Intangible assets (Note 14)	**-**	-	93,747
Property, plant and equipment (Note 15)	**23,756,756**	23,561,862	23,889,406
Right of Use Assets (Note 16)	**1,980,000**	-	-
Investment properties (Note 17)	**217,300,000**	209,380,000	204,880,000
Financial assets at fair value through profit or loss (Note 18)	**753,620,111**	705,188,116	686,057,212
Insurance contract assets (Note 9)	**-**	-	766,461
Reinsurance contract assets (Note 9)	**41,224,350**	-	10,169,973
Loans and advances (Note 19)	**41,253,356**	125,674,706	66,622,556
Other receivables (Note 20)	**3,100,000**	931,000	3,680,000
	1,082,234,573	1,064,735,684	996,159,355
Current Assets			
Financial assets at fair value through profit or loss (Note 18)	**1,536,373**	-	22,285,514
Insurance contract assets (Note 9)	**-**	-	95,474
Reinsurance contract assets (Note 9)	**5,442,405**	-	1,525,454
Loans and advances (Note 19)	**87,183,790**	18,916,709	68,898,189
Other receivables (Note 20)	**66,952,705**	68,839,653	56,902,901
Retirement benefit assets (Note 25)	**-**	-	206,000
Cash and cash equivalents (Note 21)	**112,312,399**	92,431,150	115,054,641
	273,427,672	180,187,512	264,968,173
Total assets	**1,355,662,245**	1,244,923,196	1,261,127,528
EQUITY			
Capital and reserves			
Share capital (Note 23)	**346,684,000**	346,684,000	324,530,000
Accumulated losses	**(328,868,989)**	(369,409,234)	(281,256,044)
Properties revaluation reserves	**600,000**	-	-
Total equity	**18,415,011**	(22,725,234)	43,273,956
LIABILITIES			
Non-current liabilities			
Insurance contract liabilities (Note 9)	**1,178,141,034**	1,024,826,004	972,086,616
Reinsurance contract liabilities (Note 9)	**5,297,158**	370,079	-
Retirement benefit obligations (Note 25)	**1,597,000**	2,250,000	-
Lease liabilities	**1,540,000**	-	-
	1,186,575,192	1,027,446,083	972,086,616
Current liabilities			
Insurance contract liabilities (Note 9)	**110,889,542**	171,046,443	176,630,272
Reinsurance contract liabilities (Note 9)	**-**	3,996,782	2,882,180
Lease liabilities	**440,000**	-	-
Other payables (Note 26)	**39,342,500**	65,159,122	66,254,504
	150,672,042	240,202,347	245,766,956
Total liabilities	**1,337,247,234**	1,267,648,430	1,217,853,572
Total equity and liabilities	**1,355,662,245**	1,244,923,196	1,261,127,528

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31 DIVIDEND PAID

No dividend was declared and paid during the year ended 31 December 2024 (2023: Rs Nil).

32 CONTINGENT LIABILITIES

The Company has not provided any bank guarantee in the normal course of its activities.

33 INCORPORATION AND REGISTERED OFFICE

The Company is incorporated in Mauritius under the Mauritius Companies Act 2001 as a public company with limited liability. The Company's registered office is at 38, Royal Street, Port Louis.

34 EVENTS AFTER REPORTING DATE

No other events have been identified after the reporting period which could have an impact on the financial statements or warrant disclosures.

Management has assessed the potential impact of the Middle East Crisis on the Company's Insurance-Linked Assets ("ILA") portfolio. As of the date of approval of these financial statements, no specific losses or impairments attributable to these events have been identified. However, the situation remains fluid and may affect the valuation, performance, liquidity, and risk profile of certain underlying exposures within the ILA portfolio.

Given the uncertainty surrounding the duration and extent of the crisis, management is unable to reliably estimate the ultimate financial impact, if any, on the Company's future results, financial position, or cash flows. The Company continues to monitor developments closely and will take appropriate actions as necessary to manage potential risks arising from these events.