

SWAN



**EVEN
CLOSER
TO YOU**

ANNUAL REPORT 2023

SWAN GENERAL LTD

DEAR SHAREHOLDER



The Board of Directors is pleased to present the Annual Report of Swan General Ltd for the year ended December 31, 2023.

This report was approved by the Board of Directors on May 30, 2025.

Nicolas Maigrot
Chairperson

Louis Rivalland
Director &
Group Chief Executive

EVEN CLOSER TO YOU

At the heart of our theme lies a commitment to prioritizing individuals and the dreams that fuel their aspirations. With SWAN, our objective extends beyond conventional insurance; we strive to become a dynamic force that actively nurtures and supports the realization of their most ambitious goals.

SWAN doesn't just provide a safety net for the future; it's a steadfast ally in the journey toward turning dreams into reality. We understand that securing one's future is not merely about financial protection but also about fostering an environment where dreams can flourish. By instilling confidence through the assurance of a safeguarded future, SWAN empowers individuals to take bold and proactive steps towards their aspirations. Whether it's starting a business, pursuing higher education, or embarking on a creative endeavor, SWAN is there to not only protect but also to propel these dreams forward.

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OUR JOURNEY

As a forward-thinking corporate citizen, we remain committed to staying one step ahead. Guided by our Vision, Mission, and Values, we continuously adapt our organisation to meet the evolving needs and expectations of our stakeholders.

FOR OVER 160 YEARS, WE HAVE BEEN AT THE HEART OF OUR CLIENTS' LIVES AND THOSE OF THEIR LOVED ONES. AS A FINANCIAL INSTITUTION,

OUR RAISON D'ÊTRE IS TO PROTECT THOSE WHO TRUST US AND SUPPORT THEIR FUTURE, BRINGING PEACE OF MIND AND ENABLING LASTING SUCCESS.

OUR VISION

is to partner with you to secure a better future

OUR MISSION

is to be your preferred financial solutions partner for life.

OUR VALUES

are Passion, People, and Performance

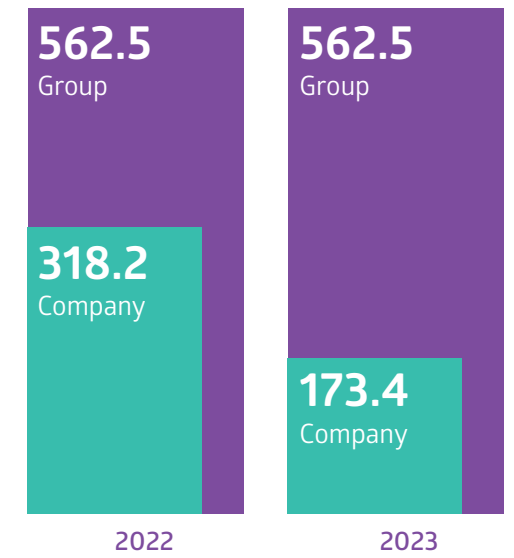
KEY FIGURES

THE GROUP (Rs. m)	THE COMPANY (Rs. m)
Insurance revenue Y2023 - 7,000.6 ↑ Y2022 - 6,179.1	Insurance revenue Y2023 - 4,178.3 ↑ Y2022 - 3,631.7
Insurance service results Y2023 - 562.5 ↑ Y2022 - 562.5	Insurance service results Y2023 - 173.4 ↓ Y2022 - 318.2
Profit before income tax expense Y2023 - 621.9 ↓ Y2022 - 652.3	Profit before income tax expense Y2023 - 36.1 ↓ Y2022 - 117.3
Dividends Paid Y2023 - 144.8 ↑ Y2022 - 125.1	Dividends Paid Y2023 - 144.8 ↑ Y2022 - 125.1
Dividends per share (Rs./cents) Y2023 - 17.50 ↑ Y2022 - 15.12	Dividends per share (Rs./cents) Y2023 - 17.50 ↑ Y2022 - 15.12
Earnings per share (Rs./cents) Y2023 - 53.47 ↓ Y2022 - 54.91	Earnings per share (Rs./cents) Y2023 - 7.16 ↓ Y2022 - 13.10

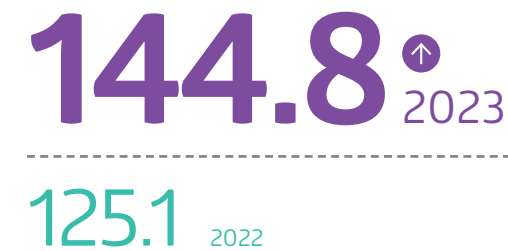
Insurance Revenue (Rs. m)



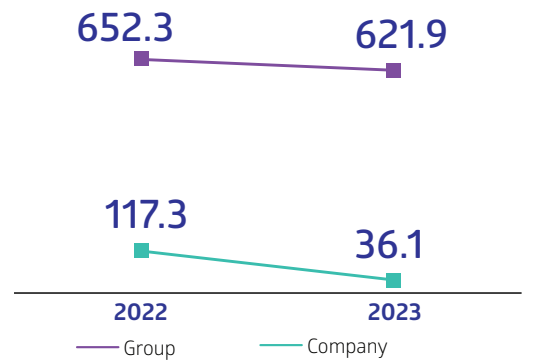
Insurance service results (Rs. m)



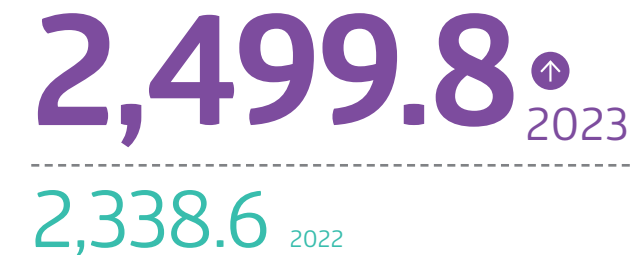
Dividends Declared (Rs. m)
(Group & Company)



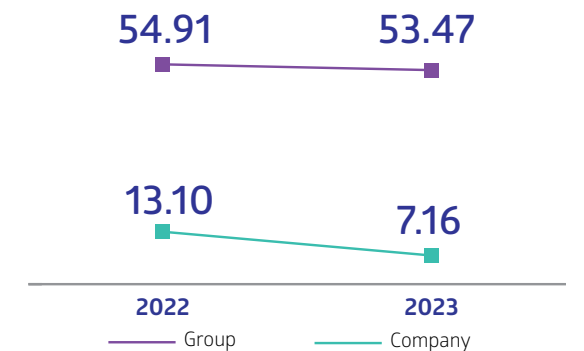
Profit Before Income Tax Expense (Rs. m)



Reserves (Company) (Rs. m)



Earnings per Share (Rs./cents)



CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT



Nicolas Maigrot
Chairperson

Louis Rivalland
Group Chief Executive

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT

Transformation and Transparency: IFRS 17/9 and Strategic Resilience

Introduction

On behalf of the Board of Directors, SWAN is pleased to present the Annual Report and the audited financial statements for the year ended 31 December 2023. This year marks a significant milestone: it is our first set of financial statements prepared under both IFRS 17 and IFRS 9. This transformation ushers in a new era of transparency, consistency, and comparability across our insurance and investment activities.

Reporting Landmark

The implementation of IFRS 17, the long-awaited accounting standard for insurance contracts, has been a transformational journey for the Group and the global insurance industry at large. After more than two decades in development, the International Accounting Standards Board (IASB) published IFRS 17 in May 2017, with an effective date originally set for 1 January 2021, subsequently postponed to 1 January 2023.

In recognition of the complexity and significant resource demands of this transition, the Financial Services Commission (FSC) granted an industry-wide extension to all insurers in Mauritius. The filing deadline for IFRS 17-compliant financial statements for the year ending 31 December 2023 was officially extended to 31 May 2025. This regulatory flexibility enabled SWAN to implement the

new standards in a controlled, compliant, and well-supported manner.

It is also important to note that companies implementing IFRS 17 were granted a regulatory derogation from the earlier adoption of IFRS 9, which governs the accounting treatment of financial instruments. Accordingly, this filing represents SWAN's first consolidated report under both IFRS 17 and IFRS 9.

Transformation Journey

To meet the new standards, the Group undertook an extensive, multi-year transformation effort involving systems, people, and processes. Actuarial consultants were engaged to support implementation design and methodology alignment, guide on implementation and methodology. A new information system was deployed to enable granular data capture, journal automation, and financial control under the new standard.

A dedicated infrastructure and systems architecture in support of IFRS 17 reporting was also implemented while a comprehensive and accelerated training program for Finance, Actuarial, and Risk teams was delivered through a combination of physical workshops and online modules.

These upgrades not only strengthen our financial reporting foundation but also enhance our risk visibility and support long-term value creation for all stakeholders.

Scope and Financial Impacts

IFRS 17 introduces clearer segmentation between insurance underwriting profits and investment results, offering deeper insights into performance drivers. A new solvency framework introduced by the FSC required adaptation and calibration. We continue to engage actively with the regulator to ensure sound interpretation and alignment.

Challenges Encountered

The transition to IFRS 17 and IFRS 9 has brought several operational and regulatory challenges. Maintaining dual reporting under both IFRS 4 and IFRS 17, including the management of parallel ledgers proved to be a complex undertaking. The need for finer data granularity and historical restatements placed additional pressure on internal systems and new disclosure and compliance requirements stretched our resources on our teams.

Navigating Complexity, Building Resilience, Driving Value

Despite these hurdles, SWAN remained fully committed to completing the IFRS 17 and IFRS 9 implementation in accordance

with the FSC's revised timeline. Amid macroeconomic volatility, regulatory changes, and global uncertainty, SWAN remained focused on resilience, agility, and value creation.

This transition was not just a technical accounting reform, but a transformation in the way we perceive and manage risks, profitability, and solvency.

We are proud to report that our teams navigated this transition successfully, thanks to years of dedicated preparation and cross-functional collaboration. Under the new standards, our reporting more accurately reflects economic substance and enhances comparability for investors and policyholders. The financials under IFRS 17/9 solidify our capital strength, reinforce our liability adequacy, and enhance the clarity of revenue emergence over the life of contracts.

Swan General Ltd and Swan General Group: Strategic Consolidation and Operational Strength

In the general insurance segment, Swan General Ltd (SGL) and the SGL Group delivered a solid performance, both operationally and strategically. We enhanced our competitive positioning through disciplined underwriting, proactive reinsurance management, and stronger analytics-driven pricing capabilities.

2023 was the first full year of reporting under IFRS 17 and IFRS 9 for SGL, which required comprehensive data remediation, reclassification of balances, and deeper coordination between finance, actuarial, and IT teams. We successfully restated comparative results and ensured full compliance

with the FSC's expectations. Despite external volatility, our net insurance revenue remained stable. Reinsurance recoveries played a crucial role in mitigating large claims, while strong capital buffers supported timely settlements and sustained client confidence. Beyond the numbers, the SGL Group maintained its relentless focus on strengthening risk governance, with further enhancements to our internal control environment, cyber resilience, and compliance frameworks.

Swan Life Ltd and Swan Life Group: Delivering Growth Through Reform

Swan Life Ltd (SLL) and the SLL Group demonstrated robust operational and financial resilience, particularly in the face of the implementation of IFRS 17 and IFRS 9, which represented a fundamental shift in how we account for life insurance contracts and financial instruments.

Our life operations maintained healthy new business levels, underpinned by sound investment strategies and a diversified product suite tailored to our clients' evolving needs. Operationally, the life segment continued to enhance digital capabilities and client experience, whilst investing in capacity building for actuarial, compliance, and data teams.

Investing in Our People, Purpose and Partnerships

SWAN's strength lies in its people. We have invested significantly in leadership development, actuarial capabilities, regulatory training with a particular focus on risk, compliance, and client centricity.

Our values — Passion, People, and Performance — continue to guide

our culture and decisions. We extend our sincere appreciation to all employees across SWAN for their dedication and meaningful contributions. We also deepened our stakeholder engagement through clear and regular communication with regulators, shareholders, and clients. Our digital transformation initiatives across the Group gained further momentum, setting the stage for long-term scalability and improved service delivery.

Looking Ahead

As we move into 2024 and beyond, our strategic priorities remain anchored in sustainable growth, operational excellence, regulatory integrity, and digital innovation. The Group will continue to strengthen its balance sheet, simplify its operating model, and expand its ecosystem through strategic partnerships and new channels. While the IFRS transition may be behind us, our journey of innovation, adaptation, and value creation continues, with renewed clarity, accountability, and confidence. Together, we are building a SWAN that is more resilient, transparent, and forward-looking than ever before.

Our appreciation also goes to all the Directors for their valued guidance and relentless contribution.



Nicolas Maigrot
Chairperson

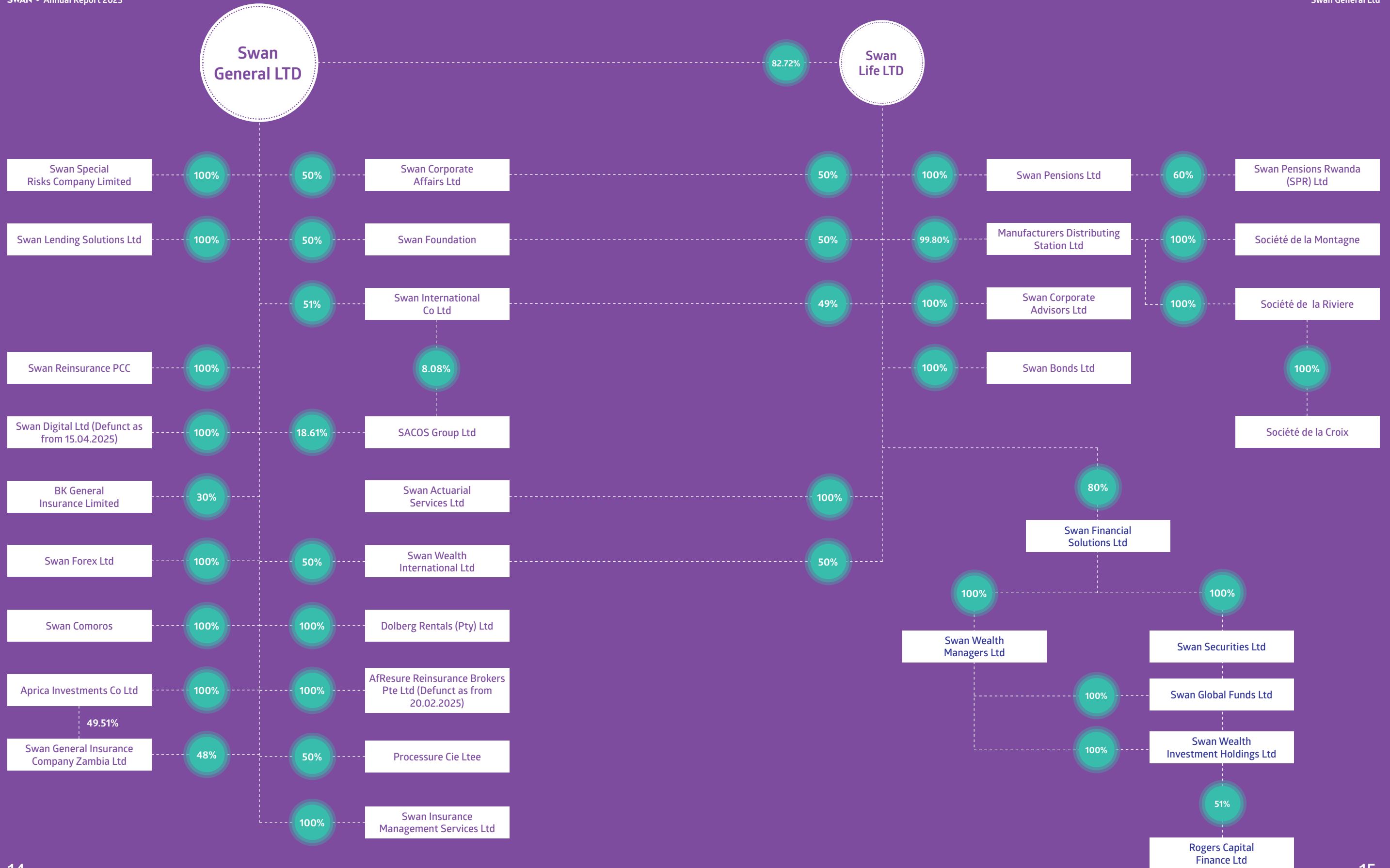


Louis Rivalland
Group Chief Executive

BE THE BEST BADMINTON PLAYER

Alice - 10 years old





CREATING VALUE THROUGH SUSTAINABILITY AND COMMUNITY ENGAGEMENT

As a corporate citizen, SWAN acknowledges its role in the advancement of society. We view Corporate Social Responsibility (CSR) as a long-term investment aimed at contributing to the future prosperity of communities across Mauritius. Over the years, our unwavering commitment helped us to build strong relationships with several NGOs, with which we partner to address environmental and social challenges. We also encourage our colleagues to actively participate in our CSR activities, reflecting the company's long and enduring legacy of engagement.

Environment

Our commitment to environmental stewardship is embedded in our internal practices. Indeed, much emphasis has been laid on reducing our carbon footprint over the past years. In 2023, we pursued our efforts to use our resources wisely, such as reducing our electricity consumption by implementing simple yet effective measures. We continue to drive emissions reductions through numerous projects, such as the upgrading to more energy-efficient air conditioners and lighting. Our actions are aimed at protecting our planet while supporting our business growth.



Social Impact

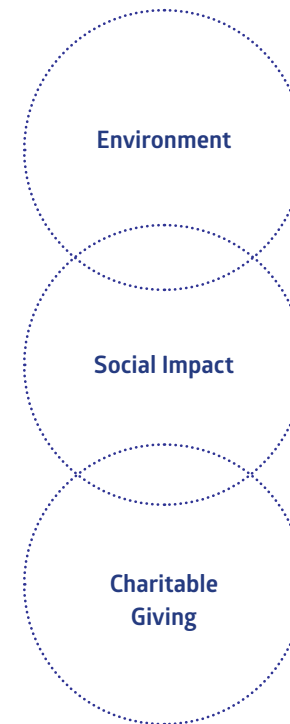
We are committed to providing comfort to those in need and creating opportunities for those striving to improve their lives. Our efforts include cash and in-kind contributions, employee volunteerism, and local collaboration. Our signature social impact programs leverage our assets and capabilities to contribute to societal well-being.



Charitable Giving

In fiscal year 2023, Swan Foundation donated Rs 966,750 in cash and in-kind contributions to nonprofit organisations. This financial assistance supports various programs and activities, bringing comfort, inspiration, and opportunities to people across Mauritius. Our 2023 donations primarily benefited projects focused on the health and well-being of children, as well as environmental conservation. We also actively promote volunteerism among our employees.

While we have made significant progress, there is still much to accomplish. We are committed to continually pushing ourselves and our company further. We are grateful for the strong support of our employees, stakeholders, and partners, and we look forward to continuing our collaborative efforts to create a better future for all Mauritians.



Swan Foundation donated
Rs 966,750

EXPAND MY BUSINESS OVERSEAS

Kunal - 52 years old



CORPORATE GOVERNANCE REPORT

Swan General Ltd (the 'Company') is a Public Interest Entity as defined by the Financial Reporting Act 2004. The Group, comprising of the Company and its subsidiaries, is also considered as a Public Interest Entity.

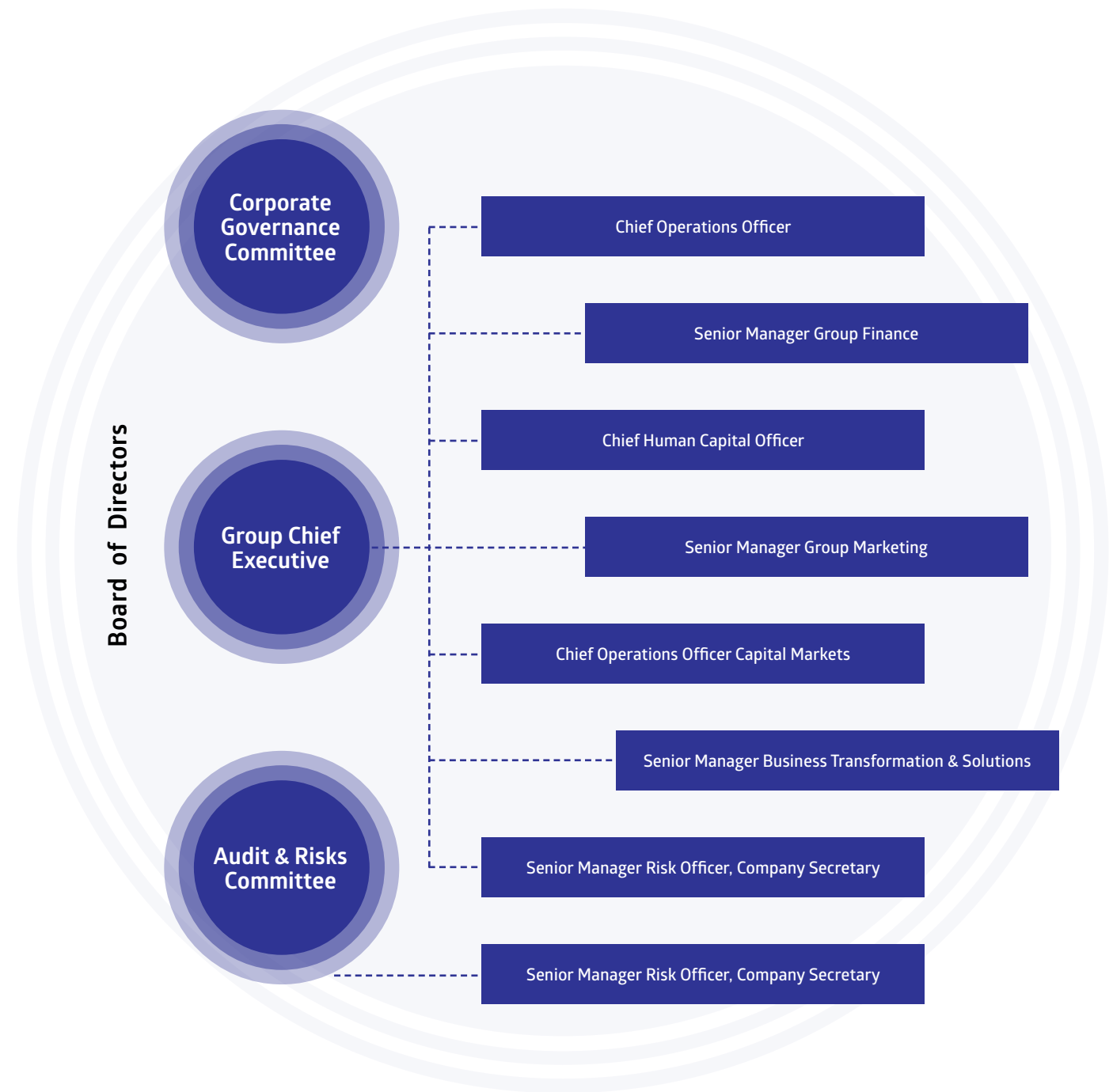
1. Governance Structure

Swan General Ltd is headed by a unitary Board. The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company including its reputation and good governance. The Board assumes responsibility for, inter alia, setting the strategic direction, overseeing the financial and investment affairs, corporate governance, risk management, internal control and compliance issues. The Board is also the link between the Company and the shareholders.

The Company does not have a board charter as it considers that the Mauritius Companies Act and Insurance Act are sufficiently clear as to the respective roles, responsibilities, and authorities of the Board of Directors. The Company has a code of ethics (the "Code") which explains the Group's and the Company's policies on how we conduct business in Mauritius and beyond. Employees, officers, and members of the Board of Directors alike commit to understanding the code and abiding by its principles. The principles support full compliance with applicable laws. They also represent the practical ways that we put our values to work every day. Our Corporate Values, Passion, People and Performance, serve as the foundation for the code. The code also contains provisions on whistle blowing and provides, inter alia, for anonymous reporting of unethical conducts.

The day-to-day operations are entrusted to management under the responsibility of the Group Chief Executive. Members of senior management have clearly defined job descriptions and are entrusted with the operational management of the business. Senior management reports to the Group Chief Executive. The Risk Officer reports to the Board/Audit & Risk Committee.

A high-level organisation chart is provided below:



Profile of the senior management team is at Annex 1 and on the website. The organigram, code of ethics and main clauses of the constitution have been published on the website of the Company.

CORPORATE GOVERNANCE REPORT

(cont'd)

2. Structure of the board and its committees

Swan General Ltd is headed by a unitary Board with eleven directors. The Board consists of executive, non-executive and independent non-executive directors. Members of the Board have a diverse set of skills, knowledge and come from different sphere of the business community. There are two female independent directors on the Board. Collectively, the Board is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the Group and the Company.

The functions and responsibilities of the Chairperson and Group Chief Executive are separate. The Chairperson leads the Board, ensuring that each director is able to make an effective contribution. He monitors, with the assistance of the Company Secretary, the information distributed to the Board to ensure it is sufficient, accurate, timely and clear.

The Chairperson is a non-independent non-executive director. The Group Chief Executive has the day-to-day management responsibility for the operations, implementing the strategies and policies agreed by the Board.

The Group Chief Executive and the Chief Operations Officer are the executive members of the Board. There are four independent non-executive directors. The independent directors bring a wide range of experience and skills to the Board. They are free from any business or other relationships which could materially affect their ability to exercise independent judgement, constructively dissent and are critical by-standers. Though Mr. Moorooogen has served for more than 10 years, the Board considers Mr. Moorooogen to still be independent. The Board does not insist that all the criteria set in The National Code of Corporate Governance for Mauritius (2016) ("the National Code") be cumulatively met.

The Board is satisfied that Mr. Moorooogen is able to, and in fact, exercises independence of mind and judgement in his duties of independent director and Chairperson of the Audit & Risks Committee. The Board considers the current mix of executive, non-executive and independent directors to be appropriate.

More so, the size and composition of the Board complies fully with the requirements of the Insurance Act 2005 and the Mauritius Companies Act. The Mauritius Companies Act (the Act") requires that any public company must have at least two independent directors.

The criteria for independent director are laid out in the Act. The Company is fully compliant with the Act, in that it has two independent directors who meet all the criteria. All the Directors are ordinarily resident in Mauritius.



The Company Secretary plays a key role in the application of corporate governance and ensuring the Board procedures and processes are followed. All Directors have access to the advice and services of the Company Secretary, who provides guidance to the Directors on their statutory responsibilities, ethics and good governance. The Company Secretary acts as a vital bridge between the Board and the executive management and ensures that the management, in a timely manner, provides the Board and its Committees with all relevant information. The Company Secretary discharged his duties as per the statutory requirements. Mr. Jaiyansing (Shailen) Soobah acts as the Group's Company Secretary.

Board Committees

The Board has instituted two committees – the Audit & Risks Committee and the Corporate Governance Committee, each mandated to provide guidance, recommendations on matters affecting the Group's and the Company's activities. The Chairperson of each committee regularly reports proceedings of the Committees to the Board. The terms of reference for each committee have been published on the website.

Audit & Risks Committee

The Committee comprises of a majority of independent directors. Members of the Committee are appointed by the Board. The Committee consists of four directors. The Board appoints a Chairperson from the independent directors of the Committee and determines the period for which he/she shall hold office. In the absence of the Chairperson of the Committee, the remaining members shall elect one of their members present to chair the meeting. The Chairperson of the Board and any executive director are not eligible to be member of the Committee. The Board satisfies itself that the Chairperson of the Committee has the relevant financial experience, ideally with a professional qualification from one of the professional accountancy bodies. The Board has the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.

The external auditor, internal auditor, risk officer and head of finance may be invited to attend meetings of the Committee on a regular basis. Other non-members and members of management may be invited to attend all or part of any meeting as and when appropriate and necessary. The Group Company Secretary, or his nominee, acts as the Secretary of the Committee and ensures that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

The Committee carries out its role, functions and duties for the Company and the major relevant subsidiaries. In performing its duties, the Committee maintains effective working relationships with the Board, management and the external and internal auditors.

To perform his or her duties, each Committee member will need to develop and maintain his skills and knowledge, including an understanding of the Committee's responsibilities and of the Group's and the Company's business, operations and risks. Consistent with the below mentioned duties, the Committee will encourage continuous improvement of, and foster adherence to, the Group's and the Company's policies, procedures and practices at all levels.

The role and function of the Committee with regards to the following matters shall be to:

Internal audit

- a) Consider and recommend to the board the appointment or termination of appointment of the internal auditor;
- b) Ensure the internal auditor has direct access to the Board Chairperson and to the Audit & Risks Committee Chairperson;
- c) Review and assess the annual internal audit work plan;
- d) Receive any report on the results of the internal auditor's work on a periodic basis;
- e) Review and monitor the senior management's responsiveness to the internal auditor's findings and recommendations;
- f) If required, meet with the internal auditors at least once a year without the presence of management;
- g) Monitor and review the effectiveness of the Group's and the Company's internal audit function, in the context of the Group's and the Company's overall risk management system;
- h) Direct and supervise investigations into matters within its scope, for example, evaluations of the effectiveness of the Group's and the Company's internal control, cases of employee fraud, misconduct or conflict of interest.

CORPORATE GOVERNANCE REPORT

(cont'd)

External Audit

- a) Consider and make recommendations to the Board, to be put to shareholders for approval at the annual meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- b) Ensure that at least once every seven years the audit services contract is put out to tender;
- c) If an auditor resigns, investigate the issues leading to this and decide whether any action is required;
- d) Oversee the relationship with the external auditor including (but not limited to):
 - i. Recommendations on their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - ii. Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - iii. Assessing their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- e) Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- f) Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present if deemed necessary, to discuss the auditor's remit and any issues arising from the audit;
- g) Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

- h) Consider whether any significant ventures, investments or operations are not subject to external audit;
- i) Obtain assurance from the external auditor(s) that adequate accounting records are being maintained;
- j) Review the findings of the audit with the external auditor. This shall include but not be limited to the following:
 - i. A discussion of any major issues which arose during the audit;
 - ii. Key accounting and audit judgements;
 - iii. Levels of errors identified during the audit; and
 - iv. The effectiveness of the audit process.
- k) Review any representation letter(s) requested by the external auditor before they are signed by management;
- l) Review the management letter and management's response to the auditor's findings and recommendations.
- m) Reviewing progress on implementation of auditors' recommendations;
- n) If necessary, develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.

Financial Statements

- a) The Committee will examine and review the quality and integrity of the financial statements, including its annual reports and any other formal announcement relating to the Group's and the Company's financial performance;
- b) The Committee shall review and report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditor;

- c) In particular, the Committee shall review and challenge where necessary:
 - i. The consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Group and the Company;
 - ii. Compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
 - iii. The methods used to account for significant or unusual transactions where different approaches are possible;
 - iv. Significant adjustments resulting from the audit; whether the Group and the Company have followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;
 - v. The clarity and completeness of disclosure in the Group's and the Company's financial reports and the context in which statements are made;
 - vi. All material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and risk management;
 - vii. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board;
 - viii. The basis on which the Company has been determined to be a going concern; capital adequacy and internal controls;
 - ix. Compliance with the financial conditions of any loan covenants; and
 - x. Reviewing special documents.

Narrative reporting

Where requested by the Board, the Committee shall review the content of the annual report and financial statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provide the information necessary for shareholders and other stakeholders to assess the Group's and the Company's performance, business model and strategy.

For internal control and risks management

The Committee will assist the Board of Directors in fulfilling their corporate governance responsibilities relating to risk management, i.e., in relation to the identification,

measurement, monitoring and controlling of the Group's and the Company's material risks. Specifically, the Committee's role is to report to the Board and provides appropriate advice and recommendations to develop and implement strategies, policies, procedures and controls to manage the material risks.

In this respect, the duties of the Committee shall include:

- a) Ensuring implementation of, and the continuous monitoring of compliance with, the FSC Insurance (Risk Management) Rules 2016 by:
 - i. defining and, at least annually, reviewing the risk appetite statements and tolerance levels;
 - ii. reviewing the design, completeness and effectiveness of the risk management framework;
 - iii. defining and reviewing the risk management strategy;
 - iv. receiving and reviewing reports and dashboards from Management for risk monitoring;
 - v. reviewing the 3-year rolling business plan;
 - vi. reviewing the Own Risk and Solvency Assessment report;
 - vii. reviewing risk policies; and
 - viii. receiving the auditors' and actuary's report on the compliance and effectiveness of the risk management framework and to recommend necessary actions.
- b) Ensuring the economy, efficiency and effectiveness of the Group's and the Company's operations and internal controls and the implementation of established policies and procedures;
- c) Maintaining a close relationship with the Risk Officer and management;
- d) Reviewing and providing an independent and objective oversight on reports submitted by management on corporate accountability and specifically how associated risks are being mitigated;
- e) Reviewing the continuous management of risk by Management;
- f) Keep under review the adequacy and effectiveness of the Group's and the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems; and
- g) Review and approve the statements to be included in the annual report concerning internal controls and risk management.

CORPORATE GOVERNANCE REPORT

(cont'd)

Compliance, Whistleblowing and Fraud

The Committee shall:

- a) Review the adequacy and security of the Group's and the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- b) Review the Group's and the Company's procedures for detecting fraud;
- c) Review the Group's and the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
- d) Receive and review regular reports from the Compliance Officer and Money Laundering Reporting Officer;
- e) Review the adequacy and effectiveness of the Group's and the Company's compliance function and policies, procedures and systems for combating money laundering and terrorism financing;
- f) Review significant transactions not directly related to the Group's and the Company's normal business as the Committee might deem appropriate;
- g) Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees of the Group and/or the Company; and
- h) Review any whistle blowing issue/report, as provided in the Group's and the Company's Code of Ethics.

As at 31st December 2023, the Committee consisted of four non-executive directors, three of whom are independent, including the Chairperson. The members are:

- a) Mr. Arif Currimjee (independent, non-executive)
- b) Mr. Henri Harel (non-executive)

- c) Mr. Gopallen Moorooogen (Chairperson) (independent, non-executive)
- d) Miss Grace Leung Shing (independent, non-executive)

Mrs Clairette Fy Thin Ah-Hen, independent non-executive director, also forms part of the Audit & Risk Committee effective as from 25th April 2024.

Mr. Jaiyansing (Shailen) Soobah, acts as secretary of the Committee. The Committee meets at least five times a year. The Group Chief Executive is not a Member of the Committee. He is in attendance unless a conflict of interest is likely to arise. Members of the Committee have ample financial awareness. Members of the senior management, the external auditors and the internal auditors attend meetings of the Committee, as are relevant. The Committee meets regularly with the external auditors (including once at the planning stage before the audit and once after the audit at the reporting stage). The Committee has not met the external auditor without management presence as there were no such request from either party, given that there were no material issues to be discussed.

During the year, the Committee met five times. The main issues discussed and deliberated on were:

- a) Yearly audited accounts and annual report– consideration and recommendation to the Board for approval;
- b) External audit - consideration and approval of audit strategy;
- c) Abridged quarterly accounts - consideration and recommendation to the Board for approval and publication;
- d) Internal audit – consideration of internal audit reports and internal audit plan;
- e) Consideration of auditors' fees for audit and non-audit services for the Company and its subsidiaries; and
- f) Risk management – consideration of risk appetite statements, own risk and solvency assessment, actuary's effectiveness report and auditors' compliance report;

Corporate Governance Committee

The Corporate Governance Committee's terms of reference, which comprises areas covered by a Nomination and Remuneration Committee, include, inter alia, the following:

- a) determining, agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;
- b) assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executives and senior management;
- c) putting in place plans for succession;
- d) making recommendations to the Board on all new Board appointments; and
- e) determining the level of emoluments of executive, non-executive, independent non-executive directors and Board Committee members.

The Committee consists of the following non-executive directors:

- a) Mr. Arif Currimjee (independent, non-executive)
- b) Mr. Nicolas Maigrot (Chairperson, non-executive)
- c) Mr. Gopallen Moorooogen (independent, non-executive)
- d) Miss Grace Leung Shing (independent, non-executive)

Mrs Clairette Fy Thin Ah-Hen, independent non-executive director, also forms part of the Corporate Governance Committee effective as from 25th April 2024. The Group Chief Executive is in attendance. Mr. Jaiyansing Soobah acts as secretary of the Committee. The Committee met once during the year.

Attendance of the Directors at Board meetings, Audit & Risk Committee and Corporate Governance Committee for 2023 were as follows:

Directors	Board Meeting	Audit & Risks Committee	Corporate Governance Committee
Number of meetings held	4	5	1
Arif CURRIMJEE	4	3	1
Eric ESPITALIER-NOËL	2	N/A	N/A
Philippe ESPITALIER-NOËL	2	N/A	N/A
Henri HAREL	4	5	N/A
Grace LEUNG SHING	4	4	1
Nicolas MAIGROT (CHAIRPERSON)	4	N/A	1
Sébastien MAMET	3	N/A	N/A
Gopallen MOOROOGEN	3	4	1
Louis RIVALLAND	4	N/A	N/A
Michel THOMAS	4	N/A	N/A

CORPORATE GOVERNANCE REPORT

(cont'd)

3. Director appointment procedures

Appointment of new directors is subject to a pre-determined process. Potential candidates are identified by the Corporate Governance Committee. The selection is made based on, inter alia, skills, business acumen, industry knowledge, experience and independence (where relevant). The Corporate Governance Committee then makes recommendation to the Board of Directors and/or shareholders (as relevant).

Director appointment is also subject to the approval of the Financial Services Commission, under section 24 of the Financial Services Act and section 36 of the Insurance Act. The law provides that a director (Officer) must be a fit and proper person.

Board Induction and Training

All new directors are provided with an induction pack, which covers, inter alia, background information on the Company and the Group, vision, mission & values, the regulatory and compliance landscape, products and services, governance structure etc. The Group Chief Executive and Group's Company Secretary are always available to provide any additional information that may be required by newly appointed directors. Newly appointed non-executive Directors receive a formal letter describing their legal responsibilities and fiduciary duties including their time commitment.

The Constitution of the Company does not provide for annual re-election of Directors. Directors are encouraged to keep themselves updated with industry practices, trends, practices and standards. As and when required or requested, the Group and the Company will organise workshops and arrange for training of directors. The Company Secretary oversees the training plan for the Directors. For the year under review, the Directors participated in AML/CFT in-house training.

Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive. There is in place a succession planning policy with the aim, inter-alia, to identify the business-critical positions and

potential successors. The policy is administered by the human resource department. The Chief Human Capital Officer has regular meetings with the Group Chief Executive in this respect.

4. Director duties, remuneration and performance

All directors are aware of their legal duties. Directors' duties emanate mainly from the Mauritius Companies Act, the Insurance Act, the Securities Act and the Listing Rules.

The Group and the Company have a Code of Ethics, which is applicable to employees and Directors. Monitoring day-to-day compliance with the code rests with senior management. Important issues, if any, are escalated to the Board. The code explains SWAN's policies for how business is conducted in Mauritius and beyond. The principles of the code support full compliance with applicable laws. They also represent the practical ways that SWAN put its values to work every day. Our corporate values, Passion, People & Performance, serve as the foundation for this Code. Our values guide our actions in conducting business in a socially responsible and ethical manner. Directors are expected to:

- a) act in good faith and in the best interest of the organisation;
- b) carry out their duties diligently, in an honest manner and with reasonable competence;
- c) observe the highest degree of confidentiality;
- d) avoid situations of conflict of interest, and where such situations arise, disclose same and adhere to all procedures for dealing with it;
- e) consistently attend board meetings and devote sufficient time to the organisation's business;
- f) deal with shares of the Company in strict compliance of all relevant laws;
- g) abstain from taking improper advantage of their position for personal gain; and
- h) abide by all directors' obligations imposed by all laws.

In accordance with the Mauritius Companies Act, the Company Secretary maintains an interests register. The interests register of directors is available for consultation to shareholders upon written request to the Company. As soon as a Director/Officer becomes aware that he is interested in a transaction, or that his holdings or that of his associates have changed, the interest should be reported to the Company Secretary in writing. The register of Directors' and Officers' Interests is updated with every transaction notified by the Directors/Officers and their associates. All new Directors/Officers are required to notify in writing to the Company Secretary their holdings in the Company's shares. According to the Company's Constitution, a Director is not required to hold shares in the Company.

The Directors confirm that whenever they deal in the shares of the Company, they follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

Directors' Interest in the Company's shares		
	No of shares	%
Nicolas Maignot	7,100	0.086
Henri Harel	33	0

None of the Directors sold shares of the Company during the year. Conflicts of interests are disclosed by directors as soon as they become aware that they are interested in a transaction. All interests, as disclosed by the Directors, are recorded. Conflicts of interest and related party transactions have been conducted in strict compliance with applicable legislations and the code of ethics. All related party transactions disclosures, as are legally required to be disclosed, are made in the annual report.

The Group and the Company do not have any conflict of interest and related party policies, as the Board considers that these are adequately covered under current laws.

Information, information technology and information security governance

The Board is responsible for information governance and places significant emphasis on the confidentiality, integrity and availability of information. It ensures that a robust framework is maintained to protect the Group's information asset and uphold the security and Information Technology system. At Board level, the Chairperson, the Group Chief Executive and the Company Secretary ensure that Directors receive adequate, timely and accurate information to be able

to discharge their duties. Directors are under obligations to keep all information confidential. The Board have unrestricted access to information. Where necessary in the discharge of their duties, all Directors may seek independent professional advice at the Company's expense. The Group and the Company have adequate Directors & Officers insurance. Day-to-day IT governance and security issues are delegated to senior management. IT expenses are monitored through the budgeting process. The Group and the Company have in place a number of IT policies, the purposes of which are to:

- a) to clarify the requirements, prohibitions, and procedures applicable to the use of the Group's and the Company's computing and network resources;
- b) provide guidelines to encourage responsible behaviour and good management practice;
- c) ensure that IT facilities and services provided by the Group and the Company are used legally, securely, effectively and in a spirit of co-operation and trust.

The policies cover a range of aspects, including physical security, users access & passwords, computer viruses, installation & modifications of the IT systems, emails, internet, copyrights & license agreements, smart devices, confidentiality and remote access. The Group continues to invest in technology to enhance its operational resilience.

The Group and the Company have published a brief of its IT policies on its website.

Remuneration policy

The Board is responsible for the remuneration policy of the Group and duties are delegated to the Group's Human Resource (HR) management team. The Remuneration policy has the following aims:

- a) To support the delivery of the Group's strategy, whilst ensuring adherence to the SWAN's risk appetite;
- b) To ensure remuneration is competitive for our markets to enable SWAN attract and retain talent;
- c) To ensure that pay levels are internally consistent and externally competitive;
- d) To reward employees according to their market value, performance and contribution;
- e) To ensure that the remuneration package promotes a high performance culture and is affordable;
- f) To ensure fair outcomes for our human resources, shareholders and customers.

CORPORATE GOVERNANCE REPORT

(cont'd)

Executive directors' remuneration package consists of basic salary, annual performance bonus, other benefits and an annual director's fee. The structure of the package is reviewed annually and benchmarked to market norms and practices. The Group's objective is to attract, motivate and retain executive directors of the highest calibre. This is essential for the successful leadership and effective management of the Group. Non-executive Directors have not received any remuneration in the form of share options or bonuses associated with the Group's and the Company's performance. Non-executive directors receive a fixed director fee. Directors' remuneration for the year from the Company and subsidiaries was as follows:

	From the Company (Rs)	From subsidiaries (Rs)
Executive Directors		
RIVALLAND Louis	4,560,652,000	18,121,359,000
THOMAS Michel	15,027,149,000	304,151,000
Non-Executive Directors		
Philippe ESPITALIER-NOËL	123,750	-
Eric ESPITALIER-NOËL	123,750	-
Henri HAREL	165,000	-
Grace LEUNG SHING	192,501	-
Nicolas MAIGROT	240,624	-
Sébastien MAMET	123,750	-
Arif CURRIMJEE	192,498	-
Gopallen MOOROGEN	220,002	160,000

The Board recognises the need to undertake a regular review of its performance and effectiveness, as well as those of its committees and individual members. It has been agreed that the Group and the Company will conduct a Board Evaluation every three years. The last board evaluation was conducted in 2021 through questionnaires and no independence evaluator was appointed.

5. Risk governance and internal control

The Board has ultimate responsibility for risk management and internal control and remains ultimately responsible for:

- Setting up a risk management framework;
- Overseeing the implementation and subsequent monitoring;
- Determining the risk culture;
- Providing management with leadership and guidance;
- Ensuring that any person responsible for risk management has the appropriate skill, knowledge, independence and authority;
- Defining the roles and responsibilities of management.

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

The Risk Officer has a duty to report to the Board. Independent reviews are also conducted by the external auditor and the statutory actuary on compliance and effectiveness of the framework, respectively. The Company has an obligation to report to the regulator. More information on risk is provided in the Risk Management Report, as disclosed in the financial statements. The system of internal controls has been designed to safeguard assets of the Group and the Company from unauthorised use. The Group and the Company maintain proper records to ensure effective operations of their business and compliance with laws and regulations. Management is directly responsible for implementing the strategies and policies adopted by the Board, and for managing all of the Group's and the Company's activities, including the operation of the internal control system. The system of internal controls is designed to provide assurance against material misstatement or loss, and to manage risks of failure in operational systems.

Key areas of effective internal controls are as follows:

- A clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, senior management and to the heads of operating units;
- The effectiveness of internal controls is assessed by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, statutory actuary and the external auditors;
- A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;
- There is an ongoing effort to review, reassess and document the process and procedures for each operating unit;
- A compliance function has been put in place under the leadership of the Money Laundering Reporting Officer and clear compliance procedures have been established to ensure compliance with all applicable laws, rules, regulations and codes;
- Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits.

Internal control covers all material functions of the Group and the Company. The Board, through the Audit & Risks Committee and senior management, is regularly apprised of the assessment of internal control. Deficiencies, if any, are promptly considered by management and action plans devised to address all such deficiencies. Internal and external auditors also have access to the Board.

6. Reporting with integrity

The Board is responsible for the preparation of the annual report and financial statements, on a going concern basis, that fairly present the state of affairs of the organisation and the results of its operations and that comply with IFRS standards as issued by the International Accounting Standards Board (IASB), International Accounting Standards (IAS) and the Mauritius Companies Act. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements.

The annual report comprises, inter alia, of the following:

- an overview and history of the Group and the Company;
- ownership, structure and principal activities of the Group and the Company;
- values of the Group and the Company;
- financial statements, risk report, report from the Group Chief Executive and Chairperson;
- details on our corporate social responsibility, information and profile of our senior management team.

The Board considers that the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Group's and the Company's position, performance and outlook. The annual report is published on the Company's website.

Dividend policy

The Company does not follow a formal dividend policy. Dividends are declared after taking into account the Company's profitability and the solvency requirements of the Mauritius Companies Act and the Insurance Act. The Company declares dividend in December based on best estimates of yearly results to 31 December. For the year under review, the Company declared and paid a dividend of **Rs17.50 per share**.

CORPORATE GOVERNANCE REPORT

(cont'd)

Shareholders Agreement

There were no such shareholders' agreement which was executed for the period under review that has an effect on the governance of the Group and the Company.

Environmental Issues

The Group and the Company have an obligation to protect and preserve the environment. We respect the environment and the business of the Group and the Company ensure that there is little impact on the environment. The employees comply with all applicable laws and regulations. We adopt standards, procedures, contingency measures and management systems to ensure that our operations are managed safely, ecologically and in a sustainable way.

Health and Safety

The Group and the Company have in place well defined procedures and practices with regards to Health and Safety. Wellness programs for employees of the Group and the Company are organised regularly.

Social Issues

It is the Group's and Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee to adhere to the standards and restrictions imposed by those laws, rules and regulations. The Group and the Company respect each individual's human rights and will not discriminate on the basis of race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will it commit other violations of human rights.

7. Audit

Internal Audit

Internal Audit is an objective assurance function reporting to the Audit & Risks Committee and the Board. It derives

its authority from the Board through the Audit and Risks Committee. The aim of the Internal Audit is to:

Collectively, the Audit & Risk Committee Members have the necessary financial literacy and expertise.

Internal auditors are appointed by the Board, following recommendation from the Audit and Risks Committee. Internal audit of the Group and the Company is outsourced to PwC. The Internal Auditors are responsible for providing assurance to the Board, through the Audit & Risk Committee, regarding the implementation, operation and effectiveness of internal control and risks management. An Internal Audit Charter is in place. A risk based 3-year road map is prepared. The internal audit plan, which is approved by the Audit & Risks Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited. The plan is reviewed yearly.

The Internal Auditors have a direct reporting line to the Audit & Risks Committee and maintain an open and constructive communication with executive management. They also have direct access to the Chairperson of the Committees and of the Board. This reporting structure allows the Internal Auditors to remain independent and report all items of significance to the Board/Audit and Risks Committee. They have unrestricted access to the records, management and employees. They act as a source of constructive advice and best practice, assisting the Audit & Risks Committee in its responsibility to improve the processes by which risks are identified and managed. Internal audit reports are sent to the Audit & Risks Committee.

During the year 2023, the internal audit covered the following areas:

- Intercompany transactions
- AML/CFT Compliance
- Motor claims

External Audit

Our external auditors are KPMG Mauritius. External auditors are appointed/re-appointed by shareholders. Auditors' remuneration is fixed by the Board, following recommendation from the Audit & Risks Committee. External auditors have unrestricted access to the Audit & Risks Committee. The Group and the Company are satisfied with the external audit process. The Audit & Risks Committee ensures that whenever non-audit services are provided, the fees remain reasonable compared to audit fees such that auditors' objectivity and independence are not impaired. Before the approval of yearly audited financial statements, external auditors meet with the Audit & Risks Committee. During the meeting, key audit matters are discussed. The Audit & Risks Committee did not meet with external auditors without management presence as there was no such request from external auditors.

KPMG was re-appointed as auditors of the Company during the annual meeting of the Shareholders in September 2023.

During 2023, the following fees (excl VAT) apply to KPMG:

For audit services	Rs 9,514,500
For other audit related services	Rs 632,500

Other audit related services consist of the review of the risk management framework and insurance returns and arise as a result of their appointment as auditors.

8. Relationship with shareholders and other key stakeholders

The Company and the Board have always maintained an open line of communication with all stakeholders. Key stakeholders of the Group and the Company are clients, shareholders, employees, regulators & government authorities, the public and investors, internal and external auditors among others. The Group and the Company communicate through emails, social media, press announcements, publication of quarterly results and its annual report.

In addition, the Company's website, provides meaningful information on the Group's and the Company's products & services, financials, quarterly results, updated news, share price, CSR etc.

As at 31 December 2023, the controlling and substantial shareholders of the Company were:

Shareholder	No of shares	% holding
Intendance Holding Ltd	2,771,082	33.48
Rogers and Company Limited	2,439,235	29.47
Excelsior United Development Companies Limited	1,149,772	13.89

A summary by shareholder category:

Category	Count	No of Shares	% holding
Individuals	1,099	931,939	11.261
Insurance & Assurance Companies	1	900	0.011
Pension & Providence Funds	15	174,798	2.112
Investment & Trust Companies	4	2,340	0.028
Other Corporate Bodies	96	7,165,792	86.588
TOTAL	1,231	8,275,769	100.00

CORPORATE GOVERNANCE REPORT

(cont'd)

Breakdown of ownership by size:

Size	No. of shareholders	No of Shares	% holding
1-500	861	102,445	1.238
501-1000	117	91,513	1.106
1,001-5000	165	387,345	4.68
5,001-10,000	39	280,240	3.386
10,001-50,000	26	464,429	5.612
50,001-100,000	3	265,135	3.204
100,001-250,000	0	0	0
250,001-500,000	1	324,573	3.922
Over 500,000	3	6,360,089	76.852
TOTAL	1,215	8,275,769	100.00

Annual meeting of shareholders is held annually, in compliance with the Mauritius Companies Act. The Chairperson, the Group Chief Executive, the Chairperson of the Audit & Risks Committee, the Senior Manager-Group Finance, the external auditors and all Directors attend the meeting. The Group Chief Executive makes a presentation on the major milestones during the year and present an overview of the financials. Shareholders are encouraged to ask questions during the meeting.

Key events during the year 2023 are set out below:

JANUARY	Payment of dividend (for financial year 31 December 2022)
DECEMBER	Declaration of dividend (for financial year 31 December 2023)

Other finalized key events during the year 2025

MAY	Publication of audited results for the financial year ended 31 December 2023
SEPTEMBER	Publication of the audited results for the financial year ended 31 December 2024



Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

Date: 30 May 2025

STATEMENT OF COMPLIANCE



SECTION 75(3) OF THE FINANCIAL REPORTING ACT
NAME OF PIE: SWAN GENERAL LTD
(the 'Company')

Throughout the year ended 31st December 2023, to the best of the Board's knowledge, the Company and the Group have complied with the National Code of Corporate Governance for Mauritius (2016) (the Code). The Company and the Group have applied all of the principles set out in the Code and explained how these principles have been applied.



Nicolas Maigrot
Chairperson



Louis Rivalland
Director

OWN A LUXURIOUS MANSION

Martine - 33 years old



BOARD OF DIRECTORS



LOUIS RIVALLAND

Group Chief Executive
Executive Director

Louis Rivalland, born in 1971, holds a Bachelor's degree in Actuarial Science and Statistics, a Post Graduate Diploma in Strategy and Innovation from SAID Business School, University of Oxford and is a qualified Actuary from the Faculty and Institute of Actuaries.

He was part of the management team of Commercial Union in South Africa from 1994 to January 1997 and conducted several assignments for Commercial Union in Europe. From February 1997 to July 1999, he worked as Actuary and Consultant at Watson Wyatt Worldwide developing the investment function as well as enhancing the healthcare function.

In August 1999, he joined SWAN as Consultant to Group Chief Executive. He was involved in the review and setting up of processes and systems for the pensions, investments and life insurance operations and was responsible for the actuarial and consultancy work for the pension schemes.

From January 2002 to December 2004, he acted as Executive Manager of The Anglo-Mauritius Assurance Society Limited, now Swan Life Ltd. In January 2005

he has been appointed Group Chief Executive Officer responsible for the operations of Swan Insurance Company Limited, now Swan General Ltd and The Anglo-Mauritius Assurance Society Limited, now Swan Life Ltd, and member of the Executive Management Committee of SWAN.

He has been the President of the Joint Economic Council, now Business Mauritius and of the Insurers' Association of Mauritius. He has played an active role in the development of risk management, investments, insurance and pensions in Mauritius having chaired or been part of various technical committees in these fields.

Companies

Aprica Investments Co Ltd, Manufacturers' Distributing Station Limited, Mauritius Investment Corporation Ltd, Processure Compagnie Limitée, Swan Corporate Affairs Ltd, Swan Digital Ltd, Swan Financial Solutions Ltd, Swan Foundation, Swan International Co Ltd, Swan Life Ltd, Swan Pensions Ltd, Swan Reinsurance PCC, Swan Special Risks Co Ltd, Swan Wealth International Ltd, Swan Wealth Managers Ltd, Swan Lending Solutions Ltd

Type of Directorship

- Director



NICOLAS MAIGROT

Non-Executive

Born in 1968, he holds a BSc in Management Sciences from the London School of Economics and Political Sciences. He is presently the Managing Director of Terra Mauricia Ltd. He has acquired, during his career, a rich experience at executive levels. He operated in various manufacturing industries, as well as in the areas of finance and services. Throughout his career, he had various leadership positions such as Chief Executive Officer of Ciel Textile Ltd (knits and knitwear division) and Ireland Blyth Limited.

Companies

Beau Plan Cellars Ltd, Cavell Touristic Investments Ltd, Grays Distilling Ltd, Grays Inc. Ltd, Intendance Holding Limited, Ivoirel Limitée, Sagiterra Ltd, Sugarworld Ltd, Terra Brands Ltd, Terra Foundation, Terra Mauricia Ltd, Terra Milling Ltd, Terra Services Ltd, Terragen Ltd, Terragen Management Ltd, Terrarock Ltd, Terravest Holding Ltd, AMCO Solutions Limited, Anytime Investment Ltd, Coal Terminal (Management) Co Ltd, Horus Ltée, New Fabulous Investment Ltd, New Goodwill Co. Ltd, Rehm Grinaker Construction Co.Ltd, Sucrivoire S.A, SuGha Ltd, Swan Life Ltd, Thermal Valorisation Co Ltd, UDL Investments Ltd, United Docks Ltd, United Investments Ltd, United Properties Ltd, Water Sports Village Ltd, Zilwa Resort Ltd

Type of Directorship

- Director
- Director and chairman



GOPALLEN MOOROOGEN

Independent Non-Executive

Born in 1959, Gopallen Moorooogen is a fellow of the Association of Chartered Certified Accountants (FCCA). He also holds an MBA from the University of Wales / Manchester Business School. A director on the Board of the Stock Exchange of Mauritius (SEM) and the Central Depository Services Ltd (CDS) for some time, he has also served as Chairman of the SEM for several years. He is currently The Chief Consumer and Fintech Officer at Mauritius Telecom.

Companies

Swan Life Ltd, Swan Reinsurance PCC, Swan Special Risks Company Limited, Swan Pensions Ltd, Swan Wealth Managers Ltd, Swan Lending Solutions Ltd,

Type of Directorship

- Director

BOARD OF DIRECTORS

(cont'd)



PHILIPPE ESPITALIER-NOËL
Non-Executive

Philippe Espitalier-Noël is currently the Chief Executive Officer and Executive Director of Rogers and Company Limited. Holder of a BSc in Agricultural Economics from the University of Natal in South Africa and an MBA from the London Business School, he worked for CSC Index in London as a management consultant from 1994 to 1997 before joining the Rogers Group in 1997. He was appointed Chief Executive Officer of the Rogers Group in 2007. Philippe Espitalier-Noël is the Honorary Consul of the Kingdom of Denmark following his appointment in March 2004. Since March 2017, he also chairs the Business Mauritius Sustainability and Inclusive Growth Commission. The latter has been working on bringing the Mauritian Business Community to join forces towards reinforced sustainable practices in the country. Philippe has proven experience in mergers and acquisitions, business turnaround and transformation. He also has extensive expertise in strategy development and execution, and a proven ability to develop senior leaders.

Companies

Agria LIMITED, Ascencia Limited, Bagatelle Hotel Operations Company Limited, Bebezors Ltd, Bioculture (Mauritius) Ltd, Biofarms Limited, BlueAlize Ltd, Cashverdure Limitée, Case Noyale Limitée, Croisière Australes Ltée, EDGBNK Ltd, ENL Limited, Foresite Property Holding Ltd, Le Morne Development Corporation Limited, Les Villas De Bel Ombre Amenities Ltd, Les Villas De Bel Ombre Ltée, Logistics Solutions Ltd, Reliance Facilities Ltd, Reliance Security Services Ltd, Rogers And Company Limited, Rogers Aviation Holding Company Limited, Rogers Capital Corporate Services Limited, Rogers Capital Finance Ltd, Rogers Capital Ltd, Rogers Capital Management Services Ltd, Rogers Capital Outsourcing Ltd, Rogers Capital Technology Services Ltd, Rogers Consolidated Shareholding Limited, Rogers Corporate Services Ltd, Rogers Foundation Ltd, Rogers Hospitality Group Ltd, Rogers Hospitality Management Company Ltd, Rogers Hospitality Operations Ltd, Rogers Hospitality Property Fund Ltd, Rogers Logistics International Ltd, Rogers Shipping PTE Ltd, Societe Helicophanta, South West Tourism Development Company Limited, Sports-Event Management Operation Co Ltd, Sukpak Ltd, Swan Life Ltd, Velogic Holding Company Limited,

Type of Directorship

- Director



MICHEL THOMAS
Chief Operations Officer
Executive Director

Born in 1959, he holds a Master of Laws (UK) and is a Fellow of the Chartered Insurance Institute (FC/1), (UK) as well as an Associate member of the Chartered Institute of Arbitrators. He is also a Chartered Insurer (UK) and a member of the British Insurance Law Association (BILA). He joined the Company in 1980 and worked as underwriter in various technical departments until 1988. He headed the Claims department before he was promoted as Senior Manager of the Group Research and Development department in 2001. He is currently the Chief Operations Officer (COO) of Swan General Ltd responsible for Short-Term Operations of the Company. His principal areas of specialisation are insurance and reinsurance contract law including policy drafting. He has extensive experience and skill in the handling of complex claims including liability, specialty and medical negligence/malpractice claims. He has worked with international law firms and barristers on a variety of high value casualty and engineering claims as well as on

reinsurance conflict of laws and coverage issues. He has also been specialising in arbitration law and alternative dispute resolution (ADR) procedures. As regards the modernisation of our insurance legislation, he has played an important role in the recognition of claims made clauses under Mauritian law and has collaborated closely with the State Law Office and the Regulator in bringing crucial amendments to the Road Traffic Act and other subsidiary legislation. He has also collaborated with the Law Reform Committee (LRC) regarding the review of our insurance contract law provisions in the Civil Code. He is a board member of Swan General Ltd since January 2008 and also of C-Care (Mauritius) Limited (formally known as Medical and Surgical Centre Limited) since 2009.

Companies

C-Care (Mauritius) Limited, Swan Reinsurance PCC, Swan Special Risks Company Ltd

Type of Directorship

- Director

BOARD OF DIRECTORS

(cont'd)



ARIF CURRIMJEE

Independent Non-Executive

Born in 1962, Arif Currimjee holds a degree in Economics from Williams College, MA and has studied at the London School of Economics, McGill University, and INSEAD.

The Chairman and Founder of ABANA (MAURITIUS), he is a non-executive Director on several companies within the Currimjee Group as well as serving on its Ownership Board and an independent director on companies in the financial sector.

The in-coming President of the Mauritius Export Association and a past-President of the Joint Economic Council, the Mauritian Private Sector's apex organisation, he has been a board member of several parastatal organizations including Enterprise Mauritius, The National Productivity and Competitiveness Council and the National Committee for Corporate Governance.

Companies

Currimjee Limited, formerly known as Fakhary Limited, Le Tricot International Limitée, Abana Online Limited, Abana (Mauritius) Ltd, Les Lycées Associés Ltée, Swan Life Ltd, Trampoline Ltd

Type of Directorship

- Director



GRACE SARAH LEUNG SHING

Independent Non-Executive

Born in 1987, Grace Sarah Leung Shing holds a MA Enterprise Management from Pantheon Paris Sorbonne (FR), an International MBA from Georgia State University (USA) and a BA Economics from the University of Manchester (UK).

She currently works at Boosted.ai, an artificial intelligence software for investment managers that creates value in their equity portfolios using deep analysis of market data.

Part of the Mergelance Accelerator, a Milestone Maker at the NASDAQ Entrepreneurial Center, a Zera-Allen Scholar and is currently a Beta Gamma Sigma Member.

Companies

NanoSAIO Ltd, Milepost Ltd, Luminary Investment Ltd, Fenx Ltd, Swan Life Ltd, Swan Forex Ltd, Thara Properties Ltd

Type of Directorship

- Director



ERIC ESPITALIER-NOËL

Non-Executive

Born in 1959, Eric Espitalier-Noël joined the ENL group in 1986 and is currently the Chief Executive Officer of ENL Commercial Limited. He has previously worked with De Chazal Du Mée & Co, Chartered Accountants in Mauritius. He has an extensive experience in the commercial and hospitality sectors serving as a board member of various companies evolving in those sectors.

Companies

Adnarev Ltd, Agrex Limited, Agria Limited, AS de Coeur, Automatic System Ltd, Avipro Co Ltd, Axess Limited, Case Noyale Limitée, Cashverdure Limitée, Commercial Investment Property Fund Limited, Emerald (Mauritius) Limited, Emblem Paints Limited, ENL Agri Limited, ENL Commercial Limited, ENL Corporate Services Limited, ENL Foundation, ENL Limited, ENL Property Limited, ENL Secretarial Services Limited, Ensport Limited, Field Good Fresh Foods Limited, Floreal Limited, Formation Recrutement Et Conseil Informatique Limitée, Grewals (Mauritius) Limited, Hyperdist IO (Mauritius) Limited, Inter-Ex SA, Joinery and Metal Distribution International Limited, La Sablonniere Holding Limited, L'Accord Limited, Les Moulins de la Concorde Ltée, Les Villas de Bel Ombre Amenties Ltd, Les Villas de Bel Ombre Ltée, Livestock Feed Limited, Management & Development Co Ltd, Moka City Limited, Mon Desert Alma Sugar Milling Company Limited, Nabridas International Limited, Nabridas Ltd, Oficea Company Limited, Plaine Des Papayes Properties Limited, Plastinax Austral Limited, Rennel Limited, Rogers & Company Limited, Rogers Consolidated Shareholding Limited, Rogers Hospitality Operations Ltd, Rogers Hospitality Training Ltd, Seven Colors Spa Ltd, South West Tourism Development Company Limited, St.Pierre Properties Limited, Suntricity Company Limited, Superdist Limited, Swan Life Ltd, Tambourissa Limited

Type of Directorship

- Director



HENRI HAREL

Non-Executive

Executive Director of Terra Mauricia Ltd - Henri Harel first worked in South Africa as an auditor with De Ravel, Boulle, Saad & Wyman (Chartered Accountants). He then occupied the post of Internal Auditor with Toyota S.A. Manufacturing and that of Financial Accountant at Amalgamated Beverage Industries Ltd (Coca-Cola).

Upon his return to Mauritius in 1991, he worked for Société de Gérance de Mon Loisir as Financial Controller until 1996, when he joined Harel Frères Limited in a similar capacity. He is at present Terra's Group Chief Finance Officer and a Management Committee member.

He has also been the Chairman of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

Companies

Beau Plan Cellars Ltd, Beau Plan Development Ltd, Beau Plan Office Park Ltd, Cavell Touristic Investments Ltd, Forbach Investment Ltd, Beau Plan Retail Park Ltd, Grays Distilling Ltd, Grays Inc. Ltd, Intendance Holding Limited, Ivoirel Limitée, Sagiterra Ltd, Terra Brands Ltd, Terra Finance Ltd, Terra Foundation, Terra Mauricia Ltd, Terra Milling Ltd, Terra Services Ltd, Terragen Ltd, Terragen Management Ltd, Terrarock Ltd, Terravest Holding Ltd, Amco Solutions Limited, Anytime Investment Ltd, Coal Terminal (Management) Co Ltd, Moulin Casse Limitée, New Fabulous Investment Ltd, New Goodwill Co. Ltd, Rehm Grinaker Construction Co Ltd, Sucrivoire S.A, Swan Life Ltd, Thermal Valorisation Co Ltd, United Investments Ltd, Water Sports Village Ltd, Zilwa Resort Ltd

Type of Directorship

- Director

BOARD OF DIRECTORS

(cont'd)



SÉBASTIEN MAMET

Non-Executive

Born in 1975, Sébastien Mamet worked in the audit department of Ernst & Young London and Mauritius for eight years, he joined the Corporate Finance division of PricewaterhouseCoopers Mauritius in 2004. As Senior Manager of the division, he advised clients on mergers & acquisitions, business plans, finance raising and financial restructuring, among other subjects. He joined Terra Group (previously known as Harel Frères) in 2009 to head its new strategic development function. As a member of the Management Committee, he advises on the strategic orientation of the group and is responsible for implementing new business developments. As from 13 May 2016 he was appointed General Manager of Terragri Ltd, in charge of all the agriculture sector of Terra in Mauritius and abroad.

Companies

Intendance Holding Ltd, Ivoirel Limitee, Sucrivoire, Swan Life Ltd, Terra Services Ltd, Terragen Ltd, Terragen Management Ltd, Terra Milling Ltd, Terrarock Ltd

Type of Directorship

● Director ● Alternate Director



CLAIRETTE FY THIN AH-HEN

Independent Non-Executive

Clairette is a fellow member of both the Institute of Chartered Accountants of England and Wales (ICAEW, UK) and the Chartered Institute of Management Accountants (CIMA, UK). She also holds a BA (Hons) in Accounting and Finance and a MPhil degree. Clairette has worked for both the public and private sectors, including regulatory agencies, academia, financial institutions and multi-national corporations, in either an executive or advisory capacity. Having been an Associate Professor at the University of Mauritius and Dean of the Faculty of Law and Management, she also practiced as a professional accountant in Mauritius, the UK and Sub-Saharan African countries with Big 4 firms. She serves as an advisor to the boards of private family companies and holds a board membership with Vivo Energy Mauritius Ltd since 21 July 2020. Clairette has contributed significantly to the development of corporate governance and the financial reporting landscape, as well as the financial services sector of Mauritius, by serving as a member or

chairperson on various boards and committees within and outside Mauritius. She was entrusted the responsibility of establishing the Mauritius Financial Reporting Council and was appointed as its first Chief Executive Officer. She was also the Chief Executive of the Financial Services Commission from 2011 to 2015. She has served as member of the Financial Stability Board (FSB) Regional Consultative Group for Sub-Saharan Africa and of the Committee 1 (Committee on Issuer Accounting, Audit and Disclosure) of International Organization of Securities Commissions (IOSCO), and Vice-president of the Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA) of Southern African Development Community (SADC).

Companies

Vivo Energy Mauritius Limited, Absa Bank (Mauritius) Limited, Meaders Feeds Ltd, MCCI Business School Ltd, Swan Life Ltd

Type of Directorship

● Director

SENIOR MANAGEMENT



From left to right

Vishnoo LUXIMAN
 Group Human Resources - Dip Personnel Management, Dip Business Management, Dip Public Relations, MSc, MSHRI

Karine MOREL
 Group Finance - BCom, FCCA, MIPA (M)

Ivan THOMAS
 Health - Senior Manager

Patrice BASTIDE
 Group Marketing - BSc, MSc

Geerijeshsingh Sujit WOOZAGEER
 Business Transformation & Solutions - Hon. Degree in Information Technology

Devsingh (Dev) SOBHA
 Claims - BA, MBA, Adv Dip CILA

Neelkamal Bipin RAGOO
 Technical, Motor, IBU, Captive Solutions - BSc (Hons), MBA, FCII

Herbert MADANAMOO THOO
 Customer Relations, Complaints, CSR - Maîtrise en Droit

Tse Kwong Philippe LO FAN HIN
 Reinsurance and Statistics - FCII

Jaiyansing (Shailen) SOOBAH
 Risk Officer, Group Company Secretary - Corporate Office - FCCA, MBA, ACG

Gianduth Alvin JEEAWOCK
 Chief Operations Officer- Capital Markets BSc (Hons), CFA, MBA


Guillaume BOUIC
 Business Development, Affinity, Individual Business, Intermediaries, Branch - BSc, ACII

Julien RIVET
 Corporate Business - Cert CII

SENIOR MANAGEMENT

(cont'd)

Geerijeshsing (Sujit) WOOZAGEER




Hon. Degree in Information Technology – Business Transformation & Solutions

Sujit, born in 1968, is a Business Transformation Professional with over 30 years of experience at higher management level across various industries ranging from Textiles, Medical Insurance Administration, Insurance Broking, BPO, Healthcare and Insurance. His focus has been on driving Business Transformation, Digitalisation, Process Reengineering, Efficiency, Data Analytics and Innovation.

Sujit started his career in the early 90s in the textile industry as Head of IT before moving to other managerial roles to become the Operations Manager at Momentum Ltd., then at Medscheme Ltd. He was later promoted to General Manager and was subsequently appointed Managing Director of Medscheme (Mtius) Ltd., Medscheme International Ltd., and Afrocentric International Ltd., all headquartered in South Africa.

He assumed the latter role for six years before accepting the position of Chief Officer: Shared Services & Innovation at C-Care Ltd. He joined SWAN in February 2021 as a Digital Transformation Consultant and was appointed Senior Manager: Business Transformation and Solutions in March 2022.

Ivan THOMAS




Health

Born in 1960, Ivan Thomas joined the Swan Insurance Company Ltd in 1984 as an underwriting officer in the Fire & Accident Department. He qualified as an Associate of the Australian Insurance Institute in 1990 and is now a Certified Insurance Professional Status (CIP) of the Australian and New Zealand Institute of Insurance and Finance (ANZIFF Assoc, CIP).

He was selected to join the Health & Travel Department in 1992 with the task to launch the Health and Travel product as a main class of insurance for the Company. He was then promoted to the Individual Business in 2009 to modernise the individual line products and to setup the concept of a one stop shop.

Having completed his challenge in the Individual Business, he was transferred to the Health Department since 2018 to revamp the Health product, improve the service level, digitalise and automate the processes. He has been appointed as Senior Manager in 2020 to advise on the strategic orientation and business development.

Patrice BASTIDE



BSc and MSc - Group Marketing

Responsible for SWAN's international development, Patrice oversees a number of projects, primarily in sub Saharan Africa, where he assists SWAN in seeking & assessing investment opportunities as well as setting up an elaborate network of cross-border relationships. His in-depth knowledge of these markets, operators, regulators, local business & industry dynamics allows him to be a well-informed Board Director on a few international subsidiaries. Patrice also leads the Marketing department of the Group responsible for all branding, distribution and communication functions. Born in 1963, Patrice holds a M.Sc. in Applied Mathematics, USA.

Devsingh (Dev) SOBHA



BA, MBA, Adv Dip CILA – Claims

Born in 1977, Dev is a member of the Chartered Institute of Loss Adjusters and holds a Master in Business Administration. He started his career with Mauritius Union Assurance Co Ltd in 2000 and joined Munich Re (Mauritius) eight years later. He joined SWAN in 2014 as Loss Adjuster in the Technical Department.

In 2018, he joined the Claims Department as Principal Claims Manager and was promoted to Senior Manager in 2022. In this role, he oversees all matters relating to Motor and Non-Motor Claims.


Gianduth (Alvin) JEEAWOCK



BSc (Hons), CFA, MBA - Capital Markets

Alvin holds the Chartered Financial Analyst (CFA) charterholder as well as MBA International Paris (by IAE Paris Sorbonne Business School and Université Paris Dauphine – PSL). Alvin is entering the nineteenth year of a dynamic financial career. As the COO of Swan Capital Solutions, Alvin is a strategic financial leader with proficiency in investment analysis that goes beyond routine assessments, focusing on innovative corporate finance solutions that align with executive-level goals. It's about discerning intrinsic value and aligning investment decisions with long-term strategic objectives. Alvin looks to bring not just expertise but a vision for transformative growth by translating strategic acumen into tangible financial success.

Julien RIVET



Corporate Business

Born in 1979, Julien joined Swan Insurance Company Limited in 2000 as a trainee Underwriter in the then Fire and Accident Department and was promoted Commercial Underwriter in 2005 until 2014 when he was further promoted to a Managerial Position within the Corporate Business (Property and Casualty) Unit. He is a member of the Chartered Insurance Institute (UK) and the Mauritius Institute of Directors (MIoD). Throughout his career, Julien has successfully evolved through the technical sphere (underwriting and claims) as well as client-management and leadership roles and has been heading since July 2018 our Corporate Business Unit and oversees the operations of our Property and Casualty, Specialty Risks, Marine, Travel, Documentation and Processing Business Units.

SENIOR MANAGEMENT

(cont'd)

Jaiyansing (Shailen) SOOBAH



Born in 1974 and a resident of Mauritius, Shailen is a Fellow of the Association of Chartered Certified Accountants, holds a Master in Business Administration and is a Chartered Governance Professional. He started his career with De Chazal Du Mée (now BDO) where he spent 10 years in the audit and offshore departments. In 2003, he moved to the Financial Services Commission in the insurance supervision department. In 2009, he joined CIM Group, and was subsequently appointed as Senior Manager Compliance of the insurance and investment cluster. He joined SWAN with the merger of the insurance businesses of Swan and CIM in June 2012. Shailen is currently Senior Manager – Group Company Secretary and Group Risk Officer and oversees the Governance, Risk and Compliance functions, as well as the internal audit function of the group. He holds directorship positions in the subsidiaries of Swan Group. He is also a Non-Executive Director of The Stock Exchange of Mauritius Ltd and of Central Depository & Settlement Co. Ltd.

Tse Kwong (Phillippe) LO FAN HIN



Born in 1958, Philippe joined the Company in 1978. He qualified as an Associate of the Chartered Insurance Institute (London) in 1983 (A.C.I.I.) and obtained his Fellowship (F.C.I.I.) in 1991. A Chartered Insurer and a member of the Insurance Institute of Mauritius (IIM), he joined the Senior Management team in 2003. He has worked in the Insurance Industry for 46 years for the past 29 of those years, as head of the Reinsurance and Statistics department. His main responsibility at Swan General Ltd is to ensure that the Company is adequately reinsured with first class security Reinsurers for all the risks emanating from our underwriting activities. He has been a member of the Board of Directors of Swan Reinsurance PCC since 2011, of Swan Special Risks Company Limited since 2014 and of Swan Insurance Management Services Ltd since 2020.

Herbert MADANAMOOHOO



Born in 1960, Herbert holds a Maîtrise en Droit from Bordeaux University, France, and a Postgraduate Certificate in English Law from Warwick University, UK. Herbert was recruited in 1995 to set up a legal department within SWAN, where he was appointed as Manager in 2001. He was subsequently appointed as Money Laundering Reporting Officer in 2007 & since then, he has also occupied the positions of Compliance Officer & Data Protection Officer at SWAN, & Complaints Co-ordinator at Swan Life Ltd. Since January 2023 he is the Senior Manager, Customer Relations and Complaints Co-ordinator & Corporate Social Responsibility. Herbert is also a member of the Motor Vehicle Insurance Arbitration Committee.

Guillaume BOUIC



Born in 1975, Guillaume holds a double major degree in 'Accounting & Corporate Administration' from Curtin University – W.A. Guillaume is a Chartered Insurer, qualifying as an Associate of the Chartered Insurance Institute (London – UK) in 2001 (ACII). He started his career with SWAN in 1996, before moving to the insurance broking industry from 2006 to 2016, taking Management and Senior Management roles at a local insurance broker and a foreign local established insurance broker, respectively. Guillaume returned to SWAN in December 2016 and was appointed Senior Manager – Health & Business Development in 2017. Since 2018, Guillaume has oversight exclusively the Business Development (IBU), Affinity partners, IBU Sales inc. Branches, Agents, Brokers, and Bancassurance (Short-term).

Karine MOREL



Born in 1979, Karine Morel is an esteemed member of the Association of Chartered Certified Accountants (FCCA) and hold a Bachelor of Commerce degree from the University of Cape Town. Karine commenced her journey with Swan Life Ltd in September 2001, contributing to the finance team's success. Her dedication and expertise led to her promotion as Manager – Finance and Accounts in August 2007. Since January 2019, Karine has served as the Senior Manager – Group Finance, demonstrating excellent leadership in overseeing the finance and accounting teams for both the Short-Term and Long-Term business segments of SWAN. Beyond her responsibilities within the organisation, she also plays a pivotal role in managing the financial operations of local and foreign subsidiaries.

Neelkamal (Bipin) RAGOO



Born in 1975, Bipin holds a B.Sc. (Hons) in Economics, an MBA and is also a Fellow of the Chartered Insurance Institute, UK. He started his career with Mauritius Union Assurance Co. Ltd. in 1996, and joined Swan Insurance Company Limited (now Swan General Ltd.) four years later, where he stayed till 2010. Bipin then occupied the position of Head of Underwriting at Munich Re (Mauritius), where he was responsible for clients in the Sub-Saharan African region. He returned to Swan General Ltd to head the Technical Dept. in 2014, and was appointed Senior Manager, Technical, Motor and Individual Business Unit, in 2016. Bipin is also responsible for the operations of the Swan Reinsurance PCC, a captive solution provider and subsidiary of Swan General Ltd.

Vishnoo LUXIMAN



Born in 1962, Vishnoo worked as Assistant Personnel & Public Relations Officer at the Constance & La Gaieté SE Company Ltd from 1983 to 1988. He joined Deep River-Beau Champ Ltd (DRBC) in 1988 as Assistant Personnel Manager/Public Relations Officer and was promoted to the position of Personnel Manager/Public Relations Officer with the same company in 1990. He was appointed Human Resources Manager of DRBC in 2002 and, as such, provided advice and services to 7 companies of the CIEL Group, including TPC Ltd, found in Tanzania. Vishnoo combined the responsibility of Acting Secretary of the Mauritius Sugar Producers' Association with that of Human Resources Manager of DRBC from September to December 2005, before joining SWAN in 2006.

MANAGEMENT TEAM



From left to right

Sonia CHAROUX
(up to 08 July 2023)
ACII, MBA
Reinsurance and Statistics

Jean-Marc LECKNING
Group Credit Control

Dave LUCHMUN
Group Facilities

Stephanie MARECHAL
Diploma in Business Practice,
ICSA – Procurement

From left to right

Mary Jane KWOK-HIN
Dip CII – Individual Business

Didier ADRIEN
Business Transformation & Solutions -
Diploma in Information Technology

Isabelle PADAYACHY
Health

Leong LAI MAN CHUN
Business
Transformation &
Solutions - BSc (Hons)

Carine ADELSON
Group Marketing - BA, MA

Jean Francois CATEAUX
International Development -
BSc MORSE, AIA, MBA

Javed BUROKUR
Investments - BBA, FCCA

Costain NIKISI (up to 28 April 2023)
Captive Solutions - BCom (Hons), MBA

Christel LIM SHIN CHONG
Group Human Resources - BA (Hons)

MANAGEMENT TEAM



From left to right

Nathalie TONG SAM
ACII - Corporate Travel and Documentation and Policy Processing

Benoit BANCILHON
Intermediaries Sales and Development (IBU)

Twayyab TAUJOO
ACII, FCCA, MSc - Finance

Mylene HENRY
Marine

Lim Tat Voon LIONG KEE
FCCA

Stéphanie TADDEBOIS
FCII, MBA - Reinsurance & Statistics

Ashley NUCKCHADY
Motor

From left to right

Armand MARTINET
Branch and Development (IBU)

Nathalie LO WING KWAN
Certified Accounting Technician, ACCA Diploma in Accounting and Business - Finance & Accounts

Sonia KALACHAND
BA (Hons), MA - Group Human Resources

Randhir MUNGRA
MSc, MBA
Project Office and Strategy

Clotilde DOMINGUE
Compliance - LLB (Hons)

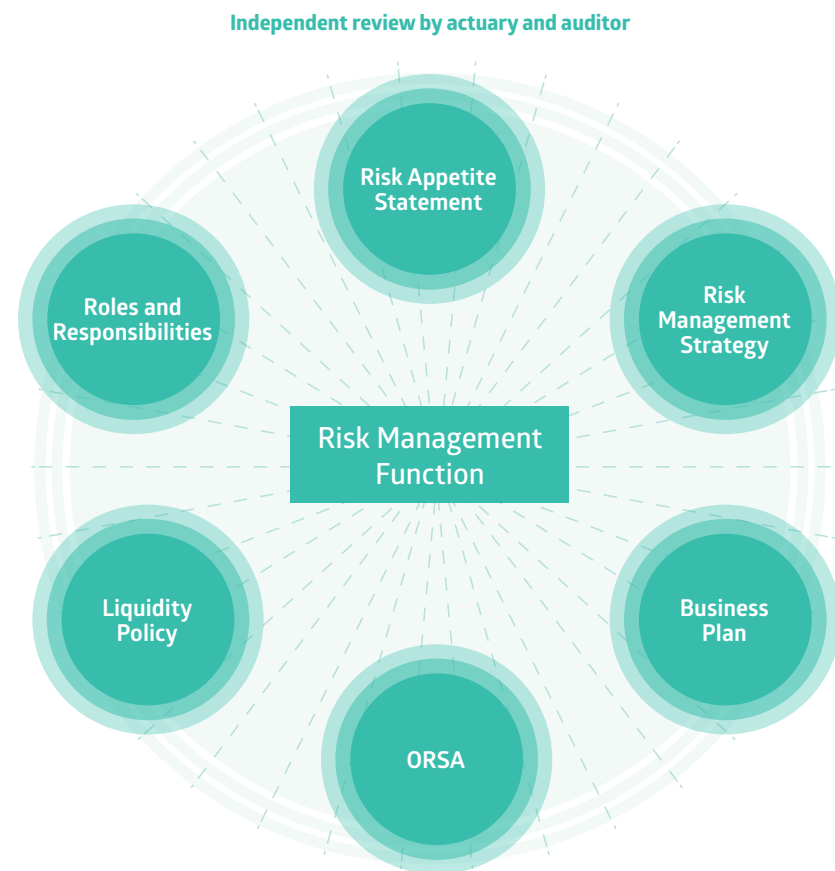
Jonathan ACKING
Maîtrise en Droit des Affaires, LL.B, LL.M in Banking and Finance, Barrister - Legal (as from 02 October 2023)

RISK MANAGEMENT REPORT

Effective risk management is fundamental and essential to the achievement of the Company's and Group's strategic objectives. In place formally since 2017, the Company's and Group's risk management framework (the 'RMF') undergoes regular enhancements and complies with the Insurance (Risk Management) Rules 2016 made by the Financial Services Commission (the 'FSC Rules').

The risk management framework

The RMF has the following elements:



SWAN has privileged the three lines of defense model for its RMF. It is a well-known and widely used regulated framework designed to facilitate an effective risk management system and is used as it provides a standardised and comprehensive risk management process that clarifies roles, reduces cost and optimises effort.

1st line of defence Risk Owners

The first line of defence is provided by front line staff and operational management. The systems, internal controls, control environment and culture developed and implemented by these business units is crucial in anticipating and managing operational and non-financial risks.

2nd line of defence Risk Oversight

The second line of defence is provided by the risk management and compliance functions. These functions provide the oversight and the tools, systems and advice necessary to support the first line in identifying, managing and monitoring risks.

3rd line of defence Risk Assurance

The third line of defence is provided by the internal audit function. This function provides a level of independent assurance that the risk management and internal control framework is working as designed.

Roles and responsibilities

The RMF is established to effectively develop and implement strategies, policies, procedures and controls to manage the material risks. The Board has ultimate responsibility for, inter alia:



- Setting up the RMF
- Overseeing the implementation and subsequent monitoring of the RMF
- Determining the risk culture
- Defining the roles and responsibilities in relation to risk management

A **Risk Management Committee** (RMC) oversees the whole process. Among other responsibilities, the RMC has the duty to:

- Assist the Board/Audit & Risk Committee in its review of the adequacy and effectiveness of the system of internal controls in operation
- Manage, review and implement any risk policies for consistency with the risk appetite and to approve any material changes to these policies
- To ensure that the organisation has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate appropriate risk management strategies to manage these risks if any
- To decide and review the organisation's appetite or tolerance for risk
- Ensure that the effectiveness and the compliance of the Company's risk management framework with the Insurance (Risk Management) Rules 2016 are satisfactory
- To ensure that a risk awareness culture is promoted throughout the organization

The responsibility of risk management has been delegated by the Board to the Audit & Risk Committee.

RISK MANAGEMENT REPORT

(cont'd)

As required by the FSC Rules, the Company has appointed a Risk Officer, who is a senior manager and is suitably qualified and experienced. The Risk Officer is responsible for the risk management function and has a direct reporting line to the Board/Audit & Risk Committee. He is independent from business lines, revenue generating activities and the finance function. The appointment of the Risk Officer has been approved by the Financial Services Commission.



Risks

Risk identification is a continuous process. Risks are identified using top-down approach as well as bottom-up approach. Other sources of risk identification include internal audit reports, external auditors management letters, regulators inspection reports, brainstorming and incident reporting.

All material risks identified are logged in a **risk register**. The risk register is reviewed on a regular basis, whenever there is a change in strategy, a new event or a change in the environment (internal and external) within which we operate.

The risk register is properly documented with, inter alia, the following:



Risk appetite statements (RAS) are developed for all material risks. For each risk, four tolerance levels are determined and one of these is the chosen risk appetite of the Company. The RAS also contain the risk management strategy for each risk. The RAS are assessed on a quarterly basis, breaches investigated, and actions taken as per the risk management strategies.

The main inherent material risks faced by the Company include the following:

Category	Description of Risk
Human resource	Scarcity of qualified and experience technicians
Strategic	Dependency on traditional distribution channels
Compliance	Increased regulatory obligations Non-compliance with laws and regulations IFRS 17 – risk of strained solvency, Late filings
Information system	Cybersecurity

Appropriate mitigating measures for proper risk management exist for all the above risks, such that the residual risks remain within manageable limits.

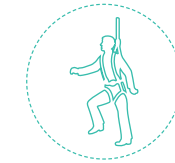
Controls are put in place to reduce or manage a risk by reducing one or both of the:

- Likelihood of a risk occurring
- Impact of the risk

To monitor the residual risks, an ongoing testing of control effectiveness is carried out by:

1. Understanding what risk(s) the control is intended to reduce or manage, how the control works (preventative, corrective, detective), and the intended effect.
2. Gathering quantitative and/or qualitative data that shows whether the control is having the intended effect.
3. Using an agreed rating scale for all control testing to ensure consistency and common understanding when evaluating the effectiveness of controls.
4. Planning treatments and updating the risk register where a control is rated in a way that suggests it is ineffective at reducing or managing the risk.

Risk Policies



A set of formal risk policies have been adopted for the core material risks.

- Credit Risk Policy
- Human Capital Risk Policy
- Information Technology Risk Policy
- Internal Control Policy
- Investment Risk Policy
- Liquidity Risk Policy
- Outsourcing Risk Policy
- Reserving Risk Policy
- Underwriting and Reinsurance Risk Policy

Business plan



We maintain a three-year rolling business plan, which includes a forecasted income statement, balance sheet and solvency. The business plan sets out our objectives and targets and is reviewed and updated yearly or whenever there has been a change in objectives or in our operating and business environment. The business plan is stress tested for different scenarios. The choice of scenarios is based on the appreciation of our business/operating environment. Typical scenarios/stress tests include variations in claims ratio, investment returns, management expenses, increases in inadmissible assets etc.

RISK MANAGEMENT REPORT

(cont'd)

<p>ORSA - Own Risk & Solvency Assessment</p>	<p>Independent Reviews</p>
<p>The ORSA is an assessment of the overall financial resources necessary to manage our business based on our risk appetite and risk tolerance levels, while maintaining the solvency requirements required by the regulator. The ORSA is conducted at least once a year and is reviewed on a quarterly basis to assess the adequacy of our risk management and solvency position. The solvency is modelled for the different levels of risk tolerances for each risk.</p>	<p>One of the particularities of the FSC Rules is that the insurer's framework should be reviewed by the insurer's auditors and actuary. The auditors review and report on the insurer's compliance with the FSC Rules, while the actuary review and report on the effectiveness of the framework. The Company submits both the auditors' report and the actuary's report to the FSC on a yearly basis.</p>
<p>Liquidity</p>	<p>Regulatory</p>
<p>Liquidity is one of the most critical risk for an insurer, as it goes to the heart of an insurer's business, that is, its ability to settle claims in a timely manner. The Company has a comprehensive liquidity policy which sets out, inter alia, the level of liquidity to be maintained having regard to its operating expenses and claims experience. There should also, at all times be sufficient liquid and near liquid assets to cover its current liabilities. The liquidity position is stress tested for different scenarios.</p>	<p>As required by the FSC Rules, we annually submit the following documents and reports to the FSC:</p> <ul style="list-style-type: none"> • Risk appetite statements • Own risk and solvency assessment report (ORSA) • Liquidity policy • Risk management framework • Effectiveness report of the actuary • Compliance report of the auditors

COMPANY SECRETARY'S CERTIFICATE



YEAR ENDED DECEMBER 31, 2023

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act in terms of section 166(d), for the year ended December 31, 2023, except for the filing of the financial statements and annual returns within the prescribed period.

Jaiyansing Soobah
for SWAN Corporate Affairs Ltd
Company Secretary

30 May 2025



TRAVEL, TRAVEL AND TRAVEL

Claudette - 66 years old

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DIRECTORS' REPORT

FINANCIAL STATEMENTS

The Directors of Swan General Ltd (the "Company") are responsible for the integrity of the audited financial statements of the Group and the Company and the objectivity of the other information presented in these statements.

The Board confirms that, in preparing the audited financial statements, it has:

- (i) selected suitable accounting policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent;
- (iii) stated whether International Financial Reporting Standards, Mauritius Companies Act and the Financial Reporting Act have been followed, subject to any material departures explained in the financial statements;
- (iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company;
- (v) safeguarded the assets of the Group and the Company by maintaining internal accounting and administrative control systems and procedures; and
- (vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN STATEMENT

On the basis of current projections, the directors are confident that the Group and the Company have adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the system of Internal Control and Risk Management for the Company and its subsidiaries. The Group is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group and the Company. The Board believes that the Group's systems of Internal Control and Risk Management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

DONATIONS

For details on political and charitable donations made by the Company, please refer to page 230.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group and the Company which appear on pages 76 to 227 were approved by the Board on May 30, 2025 and are signed on their behalf by:



Nicolas Maigrot

Chairman

May 30, 2025



Louis Rivalland

Director & CEO

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Swan General Ltd (the Group and Company), which comprise the consolidated and separate statements of financial position as at December 31, 2023 and consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, comprising material accounting policies and other explanatory information, as set out on pages 85 to 227.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Swan General Ltd as at December 31, 2023, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate financial statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters

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

Transition to IFRS 17, Insurance Contracts and IFRS 9, Financial Instruments	
<p>This key audit matter applies to both the consolidated and separate financial statements.</p> <p>Refer to accounting policies in 2.1, 2.9, 2.20, note 3, note 4.1 and note 15 to the consolidated and separate financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
<p>As at January 1, 2023, the Group and Company adopted IFRS 17, Insurance Contracts and IFRS 9, Financial Instruments (IFRS 17 and IFRS 9 respectively). As part of the initial application of these standards, comparative information at January 1, 2022 (transition balance sheet) needs to be prepared and the financial statements for December 31, 2022 needs to therefore be restated.</p> <p>IFRS 17 is a complex accounting standard requiring considerable judgment and interpretation in its implementation, and impacts how the Group and Company recognise, measure, present and disclose insurance/reinsurance contracts. In adopting the new standard, the Group and Company used significant judgment in selecting and implementing accounting policies, including policies specific to transition.</p> <p>IFRS 17 substantially modifies the valuation models for insurance and reinsurance contracts compared to IFRS 4, Insurance Contracts (IFRS 4), so the transition to the standard requires certain judgments and estimates by management, such as:</p> <ul style="list-style-type: none"> · The transition approaches (full retrospective, modified retrospective or fair value approach); · The selection of the measurement method at transition and the valuation of insurance/reinsurance contracts based on their characteristics and the information available; and · The definition of the units of account, determination of risk adjustment, present value of future cash flows as well as the determination of the "locked-in rate" discount rates for those insurance/reinsurance contracts where the Group and Company have adopted the other comprehensive income fair value method at transition. <p>The significant inputs used in the valuation of insurance/reinsurance contracts are discount rate, level of aggregation assumption, risk adjustment rate, contract boundary basis and determination of insurance acquisition cash flows, amongst others.</p> <p>Under IFRS 9, the determination of expected credit losses (ECL) involves judgement and is subject to a high degree of estimation uncertainty in the determination of the loss given default (LGD) as well as the probability of default (PD). Further, the modelling methodologies used to estimate the ECL are developed using historical experience (such as the staging of loans and advances) and forward-looking information.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> · We obtained an overall understanding of the processes followed and assumptions applied in the transition to IFRS 17 and IFRS 9 and evaluated the design, implementation and operating effectiveness of the controls related to the transition. <p>IFRS 17 Transition:</p> <p>With assistance of our actuarial specialist, we:</p> <ul style="list-style-type: none"> · Considered the valuations performed by management's external actuary at transition, and we accordingly assessed their competence and capabilities by inspecting their credentials (experience and qualifications). Through inquiries, we also obtained an understanding of the work performed by the actuary; · Assessed whether the Group's and Company's new accounting policies are in line with IFRS 17, including the measurement, transition approaches and assumptions used by management to determine the insurance/reinsurance contract liabilities, including the CSM (Contractual Service Margin) and characteristics of the groups of insurance/reinsurance contracts at transition; · Challenged and evaluated the reasonableness of the measurement method and key assumptions used to determine the fulfilment cash flows for the liability for insurance/reinsurance contracts through inquiries with management including their actuaries and by comparing them against the requirements of IFRS 17; · Challenged and evaluated the appropriateness of the Premium Allocation Approach (PAA) measurement method for the groups of insurance and reinsurance contracts less than one year through inspection of the contract information and compared them against the requirements of IFRS 17; · Assessed the application of the PAA eligibility for contracts that are more than one year by comparing the amount as per the General Measurement Model (GMM) approach to the PAA.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters (Continued)

Transition to IFRS 17, Insurance Contracts and IFRS 9, Financial Instruments	
<p>This key audit matter applies to both the consolidated and separate financial statements.</p> <p>Refer to accounting policies in 2.1, 2.9, 2.20, note 3, note 4.1 and note 15 to the consolidated and separate financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
<p>The impact of the adoption of these standards is significant on the consolidated and separate financial statements and on the related notes. Therefore, this has been assessed as a key audit matter in respect of the consolidated and separate financial statements.</p>	<ul style="list-style-type: none"> · Challenged the reasonableness of the valuation method and key assumptions used to determine the liability for remaining coverage, liability for incurred claims, asset for remaining coverage and asset for incurred claims under the PAA method through inquiries with management including their actuaries and by comparing them against the requirements of IFRS 17; · We recalculated the earned premium, which forms part of the liability for remaining coverage; · Evaluated the appropriateness of the risk adjustment against the requirements of IFRS 17 and compared to external market data where available; · Evaluated the determination of onerous contracts on transition on a sample basis. Where onerous contracts were identified, we assessed the appropriateness of the significant assumptions and recalculated the relevant loss recovery components; · Assessed the discount rate assumption against the requirements of IFRS 17, and external market data where available; and · Evaluated the supporting calculations related to the material transition adjustments at January 1, 2022 by comparing them against the requirements of IFRS 17, with the standard applied retrospectively. <p>In evaluating the integrity, completeness and accuracy of the data used in the actuarial valuation at transition, we:</p> <ul style="list-style-type: none"> · Agreed the relevant data extractions made by the Group and Company to those provided to management's external actuary; · Reconciled the data (number of policies, asset values and premiums) used by the actuary in valuing the actuarial liabilities and transition adjustments to the Group's and Company's records; and · Tested a sample of contracts to assess if the contracts were appropriately included in the respective groups of contracts. <p>IFRS 9 Transition:</p> <p>With assistance of our valuation specialist, we:</p> <ul style="list-style-type: none"> · Considered the ECL calculation performed by management at transition on the loan receivable portfolio and other financial assets (cash and cash equivalents and short-term deposits), and we accordingly assessed their competence and capabilities by assessing their credentials (experience and qualifications); · Challenged and evaluated the reasonableness of the valuation models and key assumptions used to determine the ECL against the requirements of IFRS 9; and · Evaluated the PD and LGD to independent sources such as Moody's/ Standard & Poor's. <p>We also assessed the reasonableness of the new and restated disclosures in the consolidated and separate financial statements against the requirements of IFRS 17 and IFRS 9.</p>

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters (Continued)

Impairment (expected credit losses) of investments in financial assets at amortised cost	
<p>This key audit matter applies to both the consolidated and separate financial statements. Refer to accounting policies in 2.9, note 3.2, note 11 and note 12 to the consolidated and separate financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
<p>The Group and the Company have investments in financial assets classified at amortised cost which comprise of debt instruments at amortised cost, loans and receivables, loans and advances towards finance leases, cash held at banks and short- term deposits.</p> <p>The valuation method used to estimate expected credit losses (ECL) for investments in financial assets at amortised cost is developed using historical experience and forward-looking information.</p> <p>The estimation of ECL involved significant measurement uncertainty, primarily as a result of the complexity of the valuation model (ECL calculation) and the quantity and subjectivity of the assumptions (PD and LGD). These included: the overall ECL policy, inclusive of the methodologies and assumptions used to estimate the PDs, Exposure at defaults (EADs) and LGDs; the future macroeconomic scenarios; the identification of a Significant Increase in Credit Risk (SICR) (stage 2) and exposures that are credit impaired (stage 3).</p> <p>Accordingly, we have identified the assessment of ECL as a key audit matter in respect of the consolidated and separate financial statements.</p>	<p>With the assistance of our valuation specialist where required, we:</p> <ul style="list-style-type: none"> · Evaluated the appropriateness of the accounting policies based on requirements of IFRS 9, our business understanding and industry practice; · Obtained an understanding of the valuation process and the relevant process risk points by performing inquiries; · Considered the relevant controls in place and evaluated the design and implementation of these relevant controls; · Assessed accounting policy papers on ECL from management and assess whether they are in accordance with requirements of IFRS 9; · Evaluated the reasonableness of management's key judgements in estimating ECLs, including selection and application of methods/models (by comparing to the requirements of IFRS 9), significant assumptions (by corroborating the assumptions to external sources) and data (by testing the information to source documents); and · Assessed the disclosures against the requirements of IFRS 9.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters (Continued)

Valuation of investments in financial assets - Level 3	
<p>This key audit matter applies to both the consolidated and separate financial statements. Refer to accounting policies in 2.9, note 3.2, note 4.6 and note 11 to the consolidated and separate financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
<p>The Group and Company have investments in financial assets classified as Level 3 instruments:</p> <ul style="list-style-type: none"> · Financial assets at fair value through other comprehensive income (FVOCI) amounting to Rs 189,214,000 and Rs 119,575,000 respectively; and · Financial assets at fair value through profit or loss (FVTPL) amounting to Rs 2,617,227,000 and Rs nil respectively. <p>The valuation of these financial assets is based on valuation techniques as described in Note 11 which require significant judgements and estimates and includes unobservable inputs.</p> <p>The significant unobservable inputs used in measuring the investment in financial assets were as follows:</p> <ul style="list-style-type: none"> · Market multiples; and · Discount rate. <p>Due to the significant judgements, estimates and unobservable inputs, we have identified the valuation of the investments in financial assets classified as level 3, as a key audit matter for the consolidated and separate financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> · Obtained an understanding of the processes followed and assumptions applied in the valuation of the investments in financial assets - Level 3 through inquiries of management; · Evaluated the design, implementation and operating effectiveness of the controls related to the review of the investments - Level 3 through inquiries and inspection of relevant documents; · Assessed the competence and capabilities of management's expert who is responsible for the valuation of the investments held by evaluating their credentials (experience and qualifications); · Assessed the appropriateness of the valuation methods, assumptions (significant unobservable inputs) and judgements used, as disclosed in the consolidated and separate financial statements by involving our own valuation specialist to evaluate the investment valuation performed by management's expert against an appropriate range of values. Furthermore, the significant unobservable inputs were evaluated through benchmarking against available market data; · Evaluated the impairment assessment provided by management by making use of both qualitative and quantitative factors to assess whether any indication of impairment existed. <p>We have evaluated the appropriateness of disclosures against the requirements of IFRS 13, <i>Fair value measurement</i>.</p>

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters (Continued)

Valuation of insurance contract liabilities, reinsurance contract assets, insurance revenue and net expenses from reinsurance contracts - Premium Allocation Approach ("PAA")	
<p>This key audit matter applies to the consolidated and separate financial statements.</p> <p>Refer to accounting policies in note 2.1, 2.20, note 3.1, note 4.1, note 15 and note 23 to the consolidated and separate financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
<p>As at December 31, 2023:</p> <ul style="list-style-type: none"> The Group and Company recorded insurance contract liabilities measured under the IFRS 17 measurement basis (PAA) of Rs 1,945,739,000 and Rs 1,573,928,000 respectively; The Group and Company held Rs 996,780,000 and Rs 839,281,000 respectively of reinsurance contract assets; <p>As at December 31, 2023:</p> <ul style="list-style-type: none"> The Group and Company recorded insurance revenue under the PAA measurement basis of Rs 4,935,145,000 and Rs 4,178,295,000; and The Group and Company recorded net expenses from reinsurance contracts held of Rs 789,716,000 and Rs 278,602,000. <p>The Group and Company recognised insurance contract liabilities and reinsurance contract assets for its general insurance business using the Premium Allocation Approach (PAA), in accordance with IFRS 17.</p> <p>The valuation of these liabilities and assets requires significant management judgement and estimation, particularly in respect of:</p> <ul style="list-style-type: none"> Determining the ultimate value of claims; Assessing the adequacy of incurred but not reported (IBNR) reserves and outstanding claims reserves (OCR); Estimating the risk adjustment for non- financial risk; Identifying and measuring any onerous contracts; Assessing the discount rate used to estimate the future cash flows. <p>Insurance revenue for general insurance comprises of premium written for fire and allied perils, motor, health and other short- term insurance.</p> <p>The insurance revenue forms part of the reconciliation of the Liability for remaining coverage ("LRC").</p> <p>Accordingly, we have identified the valuation of insurance contract liabilities, reinsurance contract assets, insurance revenue and net expenses from reinsurance contracts - Premium Allocation Approach ("PAA") as a key audit matter due to the complexity of the IFRS 17 requirements and the significance of these balances to the consolidated and separate financial statements, and the inherent estimation uncertainty involved.</p>	<p>Our audit procedures included the following:</p> <p>Through inquiries and review of the accounting policy papers of the Group and Company, we obtained an overall understanding of the processes followed and assumptions applied in the valuation of insurance contract liabilities, reinsurance contract assets and recognition of insurance revenue and evaluated the design, implementation and operating effectiveness of the key controls.</p> <p>We have assessed the competence and capabilities of management's expert who is responsible for the valuation of the insurance contract liabilities and reinsurance contract assets, by reviewing their credentials (experience and qualifications).</p> <p>To test insurance contract liabilities and reinsurance contract assets, with assistance of our actuarial specialist, we:</p> <ul style="list-style-type: none"> Evaluated the models and assumptions used by management in measuring insurance contract liabilities, reinsurance contract assets including the risk adjustment and the assessment for onerous contracts against the requirements of IFRS 17; Assessed the appropriateness of the methodologies applied and the basis used for the valuation of IBNR and OCR through inquiries with management including their actuaries and by comparing them against the requirements of IFRS 17; Recalculated the earned premium and reinsurance premium, which forms part of the liability for remaining coverage or asset for remaining coverage; Recalculated the Unallocated Loss Adjustment Expenses ("ULAE"), a component of IBNR and OCR; and Assessed the discount rate against the requirements of IFRS 17, and to external market data where available. <p>In evaluating the integrity, completeness and accuracy of the data used in the actuarial valuation of insurance contract liabilities and reinsurance contract assets, we:</p> <ul style="list-style-type: none"> Agreed the relevant data extractions made by the Group and Company to those provided to the management external actuary; and Tested the completeness and accuracy of data including the list of contracts written during the year, list of premiums received/paid during the year, claims development table by reconciling to the underlying accounting records.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters (Continued)

Valuation of insurance contract liabilities, reinsurance contract assets, insurance revenue and net expenses from reinsurance contracts - Premium Allocation Approach ("PAA")	
<p>This key audit matter applies to the consolidated and separate financial statements.</p> <p>Refer to accounting policies in note 2.1, 2.20, note 3.1, note 4.1, note 15 and note 23 to the consolidated and separate financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
	<p>On a sample basis, for the insurance contracts written during the year, we:</p> <ul style="list-style-type: none"> Agreed the premium to the underlying policy documents for new and renewed contracts; Agreed receipts to bank statements for new and renewed contracts; Traced premiums to broker placing slips, where relevant; Inquired on the rationale and obtained supporting documents for adjustments to and cancellations of premiums; Inspected that premiums have been recorded in the correct accounting period based on the terms of the contract; Inspected the premium listing after year end to ensure that policies which were relevant for the year end December 31, 2023 had not been subsequently cancelled; Assessed that duplicate policy numbers in the premium listing for the year did not pertain to the same transaction by corroborating to relevant supporting documentation. <p>We also assessed the reasonableness of the disclosures in the consolidated and separate financial statements against the requirements of IFRS 17.</p>

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters (Continued)

Valuation of insurance contract liabilities, reinsurance contract liabilities, insurance revenue (which is a release of CSM) and net income from reinsurance contracts held	
<p>This key audit matter applies to the consolidated financial statements.</p> <p>Refer to accounting policies in note 2.1, 2.20, note 4.1 and note 15 to the consolidated financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
<p>As at December 31, 2023, the Group recorded insurance contract liabilities and reinsurance contract liabilities measured under the IFRS 17 measurement basis of Rs 42,733,016,000 and Rs 85,797,000 respectively in the consolidated financial statements. The recognition of insurance revenue (which includes the release of contractual service margin (CSM)) and the net income from reinsurance contracts held amounted to Rs 2,065,460,000 and Rs 7,386,000, respectively, for the year ended December 31, 2023.</p> <p>The Group measures a group of insurance contracts under the GMM and Variable Fee Approach (VFA) as the total of:</p> <ul style="list-style-type: none"> · Fulfilment cash flows, which comprise of: <ul style="list-style-type: none"> (a) estimates of future cash flows, adjusted to reflect the time value of money and financial risks; and (b) risk adjustment for non-financial risk. <p>CSM, which represents the unearned profit the Company will recognise as it provides services under the related insurance contracts. The CSM is released to insurance revenue systematically using the determined coverage units basis. For reinsurance contracts held, the CSM represents the net cost or net gain on purchasing the reinsurance.</p> <p>The valuation of insurance contract liabilities and reinsurance contract liabilities including the release of CSM are associated with significant uncertainties requiring the use of expert judgment within complex actuarial models, which rely on subjective assumptions in relation to future events.</p> <p>Key assumptions in the valuation of insurance contract liabilities and reinsurance contract liabilities include mortality rates, lapse rates and expense assumptions as well as modelled future decisions of management and of policyholders. Moreover, because of the long duration of many life insurance products, relatively small changes in key assumptions may have a significant impact on insurance contract liabilities and reinsurance contract liabilities as well as the recognition of insurance revenue (which includes the release of the CSM) and the net income from reinsurance contracts held.</p> <p>Accordingly, we have identified the valuation of insurance contract liabilities and reinsurance contract liabilities and the recognition of insurance revenue (which includes the release of CSM) and the net income from reinsurance contracts held, as a key audit matter in respect of the consolidated financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> · Through inquiries and inspection of the accounting policy papers of the Group, we obtained an overall understanding of the processes followed and assumptions applied in the valuation of insurance contract liabilities, reinsurance contract liabilities, and recognition of insurance revenue and net income from reinsurance contracts held; and · Evaluated the design, implementation and operating effectiveness of the key controls through inquiries and inspection of relevant documents. <p>To test insurance contract liabilities and reinsurance contract liabilities, with assistance of our actuarial specialist, we:</p> <ul style="list-style-type: none"> · Challenged and evaluated the reasonableness of the models and key assumptions used to determine the fulfilment cash flows and CSM for the liability for insurance contracts and reinsurance contract assets by performing an independent check to market information and by comparing them to the requirements of IFRS 17; · Evaluated the application of the GMM and VFA for specific groups of insurance and reinsurance contracts by assessing the reasonableness of the underlying significant assumptions used to derive the fulfilment cash flows and related CSM, where applicable, as well as the related revenue recognition against the requirements of IFRS 17; · Evaluated the appropriateness of the assumptions for the risk adjustment rate against the requirements of IFRS 17 and comparing to external market data where available; · Evaluated the model calculations on a sample basis, through performing independent calculations and comparing the results to those reported by the Group; and · Assessed the release of the insurance revenue by validating the coverage units basis against the requirements of IFRS 17 and assessing if the release of insurance/reinsurance revenue for the year is reasonable.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Key Audit Matters (Continued)

Valuation of insurance contract liabilities, reinsurance contract liabilities, insurance revenue (which is a release of CSM) and net income from reinsurance contracts held	
<p>This key audit matter applies to the consolidated financial statements.</p> <p>Refer to accounting policies in note 2.1, 2.20, note 4.1 and note 15 to the consolidated financial statements.</p>	
Key audit matter	How the matter was addressed in our audit
	<p>In evaluating the integrity, completeness and accuracy of the data used in the actuarial valuation of insurance/reinsurance contracts and recognition of insurance revenue (CSM) and net income from reinsurance contracts held, we:</p> <ul style="list-style-type: none"> · Agreed the relevant data extractions made by the Group to those provided to management's external actuary; · Tested the completeness and accuracy of data, including in-force policyholder data as utilized by management by reconciling such amounts to the underlying accounting records; and · Tested a sample of contracts to assess if the contracts used for the valuation were appropriately included in the respective groups of contracts. <p>We also assessed the reasonableness of the disclosures in the consolidated financial statements against the requirements of IFRS 17.</p>

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Statement of Compliance, Risk Management Report, Other Statutory Disclosures and the Secretary's Certificate, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditors' report thereon.

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

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

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Use of our Report

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

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

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

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

Insurance Act

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

Financial Reporting Act

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the financial statements 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 consolidated and separate financial statements, the Group and Company has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

KPMG

Ebène, Mauritius

Date: May 31, 2025

Varsha Bishundat

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CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2023

	Notes	THE GROUP			THE COMPANY		
		December 31, 2023	December 31, 2022	January 01, 2022	December 31, 2023	December 31, 2022	January 01, 2022
		Rs'000	Restated *	Restated *	Rs'000	Restated *	Restated *
ASSETS							
Non-current assets							
Property and equipment	5	396,735	355,727	377,448	68,249	66,291	
Right-of-use assets	5A	51,413	21,079	13,072	1,292	4,289	
Investment properties	6(a)	540,190	408,263	422,105	-	-	
Intangible assets	7	195,302	136,088	114,570	75,432	31,788	
Investments in subsidiary companies	8	-	-	-	643,575	565,874	
Investments in associated companies	9	315,638	300,309	253,243	103,989	103,989	
Investment in joint venture	10	5,982	4,717	4,135	500	500	
Financial assets at fair value through OCI	11	3,404,143	3,118,413	4,228,721	2,037,179	1,960,450	
Financial assets at fair value through P&L	11	23,598,702	23,078,108	27,759,172	-	-	
Debt instruments at amortised cost	11	16,281,689	17,717,380	15,369,576	415,258	445,065	
Loans and receivables at amortised cost	12A	5,789,685	5,733,236	5,539,477	41,970	48,528	
Loans and advances towards finance leases	12B	1,684,821	-	-	-	-	
Other receivables	13	2,605	3,605	4,895	-	-	
Deferred tax assets	14(b)	162,328	76,851	78,485	87,163	68,508	
		52,429,233	50,953,776	54,164,899	3,474,607	3,372,983	
Current assets							
Debt instruments at amortised cost	11	4,156,929	1,809,307	1,524,996	28,266	4,985	
Loans and receivables at amortised cost	12A	1,175,612	409,340	1,158,958	7,034	6,265	
Loans and advances towards finance leases	12B	541,218	-	-	-	-	
Other receivables	13	1,258,697	254,161	498,672	203,238	184,578	
Insurance contract assets	15(a)	132	-	1,413	-	-	
Reinsurance contract assets	15(b)	996,780	884,524	667,331	839,281	716,836	
Seized properties	6(b)	92,857	92,637	45,441	-	-	
Current tax assets	22	9,960	289	-	9,960	-	
Short term deposits	31(b)	3,547,495	2,141,436	1,181,047	145,127	38,559	
Cash held at banks	31(b)	1,904,558	2,572,783	1,772,166	259,123	207,496	
		13,684,238	8,164,477	6,850,024	1,492,029	1,158,719	
Total assets		66,113,471	59,118,253	61,014,923	4,966,636	4,531,702	

	Notes	THE GROUP			THE COMPANY		
		December 31, 2023	December 31, 2022	January 01, 2022	December 31, 2023	December 31, 2022	January 01, 2022
		Rs'000	Restated *	Restated *	Rs'000	Restated *	Restated *
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	17	41,379	41,379	41,379	41,379	41,379	
Retained earnings		5,006,597	4,657,376	4,092,219	2,231,590	2,251,683	
Other reserves		774,326	556,733	1,535,315	226,823	45,569	
Attributable to owners of the parent		5,822,302	5,255,488	5,668,913	2,499,792	2,338,631	
Non-controlling interests	18	1,156,339	849,870	800,271	-	-	
Total equity		6,978,641	6,105,358	6,469,184	2,499,792	2,338,631	
Non-current liabilities							
Insurance contract liabilities	15(a)	41,557,292	39,271,851	41,203,781	-	-	
Reinsurance contract liabilities	15(b)	49,512	53,657	118,449	-	-	
Investment contract liabilities	16	10,704,425	9,407,722	9,276,860	-	-	
Borrowings	20	639,421	1,428	-	-	-	
Lease liabilities	5B	48,180	13,935	7,453	373	2,522	
Retirement benefit obligations	21	406,100	525,292	418,619	228,194	305,170	
Deferred tax liabilities	14(b)	14,509	17,146	21,168	220	729	
Other payables	19	-	159,401	160,233	-	106,471	
		53,419,439	49,450,432	51,206,563	228,787	414,892	
Current liabilities							
Insurance contract liabilities	15(a)	3,121,595	2,726,278	2,432,421	1,573,928	1,325,989	
Reinsurance contract liabilities	15(b)	36,285	53,726	30,388	-	-	
Reinsurance settlement amount	39	-	44,300	44,300	-	44,300	
Other payables	19	1,631,947	570,551	656,515	304,311	279,991	
Borrowings	20	640,142	-	-	213,736	-	
Bank overdraft	31(b)	77,833	-	-	-	-	
Lease liabilities	5B	11,355	8,323	6,923	1,256	2,385	
Current tax liabilities	22	51,408	34,155	49,458	-	384	
Dividend payable	29	144,826	125,130	119,171	144,826	125,130	
		5,715,391	3,562,463	3,339,176	2,238,057	1,778,179	
Total equity and liabilities		66,113,471	59,118,253	61,014,923	4,966,636	4,531,702	

*The comparative information is restated on account of transition to IFRS 17, IFRS 9 and correction of prior period error (Note 39)

These consolidated and separate financial statements have been approved and authorised for issue by the Board of Directors on: May 30, 2025



Nicolas Maigrot

Chairman



Louis Rivalland

Director & CEO

The notes on pages 85 to 227 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 65 to 75.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2023

Notes	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Restated * Rs'000	Rs'000	Restated * Rs'000
Insurance revenue	23	7,000,605	4,178,295	3,631,705
Insurance service expenses from insurance contracts issued	24	(5,656,378)	(3,726,338)	(3,163,910)
Insurance service result before reinsurance		1,344,227	451,957	467,795
Net expenses from reinsurance contracts held	15(B)	(781,716)	(278,602)	(149,630)
Insurance service results		562,511	173,355	318,165
Interest revenue calculated using the effective interest method **	27A	1,668,274	33,043	17,577
Other investment income **	27B	2,129,444	190,733	178,978
Net impairment loss	28(b)	(65,795)	(9,563)	(776)
Investment return		3,731,923	214,213	195,779
Net finance (expense)/income from insurance contracts issued	25	(2,711,146)	3,979	17,284
Net finance (expense)/income from reinsurance contracts held	26	(4,128)	7,068	(8,727)
Movement in investment contract liabilities	16	(768,575)	-	-
Net financial results		248,074	225,260	204,336
Revenue from investment management services	27D	94,376	-	-
Other income	27C	566,459	6,741	(10,377)
Other operating expenses	28(a)	(848,812)	(365,985)	(393,571)
Finance costs	28(c)	(48,869)	(3,243)	(1,287)
Share of results of associated companies and joint venture, net of tax	9/10	48,130	-	-
Profit before income tax expense		621,869	36,128	117,266
Income tax (expense)/credit	22	(19,670)	23,095	(8,843)
Profit for the year		602,199	59,223	108,423
Other comprehensive income, net of tax:				
Items that will not be reclassified to profit or loss:				
Financial assets at fair value through OCI - Net change in fair value	11A	322,136	227,573	(474,757)
Remeasurements of retirement benefit obligations, net of tax	21	39,501	19,191	(43,688)
		361,637	246,764	(518,445)

Notes	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Restated * Rs'000	Rs'000	Restated * Rs'000
Items that may be reclassified subsequently to profit or loss:				
Net finance expense from insurance contracts	25	(31,193)	-	-
Net finance (expense)/income from reinsurance contracts held	26	(5,334)	-	-
Share of other comprehensive income of associated companies	9/17	2,023	-	-
Exchange differences on translating foreign entities	17	(22,272)	-	-
		(56,776)	-	-
Other comprehensive income for the year, net of tax		304,861	246,764	(518,445)
Total comprehensive income for the year, net of tax		907,060	305,987	(410,022)
Profit for the year				
Attributable to:				
Owners of the parent		442,519	59,223	108,423
Non-controlling interests	18	159,680	-	-
		602,199	59,223	108,423
Total comprehensive income for the year, net of tax				
Attributable to:				
Owners of the parent		737,549	305,987	(410,022)
Non-controlling interests	18	169,511	-	-
		907,060	305,987	(410,022)
Basic and diluted earnings per share				
(Rupees and cents)	30	53.47	7.16	13.10

*The comparative information is restated on account of transition to IFRS 17, IFRS 9 and correction of prior period error (Note 39)

**In the prior year, investment income included interest income calculated using effective interest method, other investment income and other income. This has been disaggregated in the current year.

The notes on pages 85 to 227 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 65 to 75.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2023

(a) THE GROUP	Notes	Attributable to owners of the parent				Attributable to owners of the parent				Non-controlling Interests	Total Equity	
		Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Non-Distributable Reserve (NDR)	Insurance Finance Reserve	Amalgamation Reserve	Actuarial Gains/(Losses)			Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000			Rs'000
At January 1, 2023		41,379	339,003	87,759	4,657,376	236,566	(27,955)	267,477	(346,117)	5,255,488	849,870	6,105,358
Total comprehensive income for the year:												
Profit for the year		-	-	-	442,519	-	-	-	-	442,519	159,680	602,199
Other comprehensive income for the year:												
Financial assets at fair value through OCI - Net change in fair value		-	309,437	-	-	-	-	-	-	309,437	12,699	322,136
Remeasurements of retirement benefit obligations, net of tax	21	-	-	-	-	-	-	-	35,866	35,866	3,635	39,501
Share of other comprehensive income of associated companies		-	-	1,971	-	-	-	-	-	1,971	52	2,023
Exchange differences on translating foreign entities	11A	-	-	(22,029)	-	-	-	-	-	(22,029)	(243)	(22,272)
Net finance income/(expenses) from insurance contracts		-	-	-	-	-	(25,803)	-	-	(25,803)	(5,390)	(31,193)
Net finance income/(expenses) from reinsurance contracts held		-	-	-	-	-	(4,412)	-	-	(4,412)	(922)	(5,334)
Release of fair value upon disposal of investments		-	(77,437)	-	77,437	-	-	-	-	-	-	-
Reduction in non-controlling interests		-	-	-	649	-	-	-	-	649	(649)	-
Acquisition of new subsidiary		-	-	-	(26,558)	-	-	-	-	(26,558)	180,794	154,236
Total transactions with owners of the parent:												
Dividends	18/29	-	-	-	(144,826)	-	-	-	-	(144,826)	(43,187)	(188,013)
Balance at December 31, 2023		41,379	571,003	67,701	5,006,597	236,566	(58,170)	267,477	(310,251)	5,822,302	1,156,339	6,978,641
Balance at January 1, 2022												
As previously reported		41,379	665,497	78,350	4,025,587	-	-	267,477	(148,466)	4,929,824	601,041	5,530,865
Adjustment on corrections of prior period error	39	-	-	-	(44,300)	-	-	-	-	(44,300)	-	(44,300)
Adjustment on initial application of IFRS 17, net of tax		-	487,559	-	98,976	275,994	29,485	-	(120,581)	771,433	196,466	967,899
Adjustment on initial application of IFRS 9, net of tax		-	-	-	11,956	-	-	-	-	11,956	2,764	14,720
Restated balance at January 1, 2022		41,379	1,153,056	78,350	4,092,219	275,994	29,485	267,477	(269,047)	5,668,913	800,271	6,469,184
Total comprehensive income for the year:												
Profit for the year		-	-	-	454,445	-	-	-	-	454,445	134,495	588,940
Other comprehensive income for the year:												
Financial assets at fair value through OCI - Net change in fair value	11A	-	(617,639)	-	-	-	-	-	-	(617,639)	(21,773)	(639,412)
Remeasurements of retirement benefit obligations, net of tax	21	-	-	-	-	-	-	-	(77,070)	(77,070)	(7,645)	(84,715)
Share of other comprehensive income of associated companies		-	-	834	-	-	-	-	-	834	22	856
Exchange differences on translating foreign entities		-	-	8,575	-	-	-	-	-	8,575	222	8,797
Net finance income/(expenses) from insurance contracts		-	-	-	-	-	(73,250)	-	-	(73,250)	(15,302)	(88,552)
Net finance income/(expenses) from reinsurance contracts held		-	-	-	-	-	15,810	-	-	15,810	3,303	19,113
Release of fair value upon disposal of investments		-	(196,414)	-	196,414	-	-	-	-	-	-	-
Release of NDR to retained earnings		-	-	-	39,428	(39,428)	-	-	-	-	-	-
Total transactions with owners of the parent:												
Dividends	18/29	-	-	-	(125,130)	-	-	-	-	(125,130)	(43,723)	(168,853)
Balance at December 31, 2022		41,379	339,003	87,759	4,657,376	236,566	(27,955)	267,477	(346,117)	5,255,488	849,870	6,105,358

The notes on pages 85 to 227 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 65 to 75.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2023

(b) THE COMPANY	Notes	Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Amalgamation Reserve	Actuarial Gains/ (Losses)	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2023		41,379	(28,297)	43,099	2,251,683	220,593	(189,826)	2,338,631
Total comprehensive income for the year:								
Profit for the year		-	-	-	59,223	-	-	59,223
Other comprehensive income for the year:								
Financial assets at fair value through OCI - Net change in fair value	11A	-	227,573	-	-	-	-	227,573
Remeasurements of retirement benefit obligations, net of tax	21	-	-	-	-	-	19,191	19,191
Release of fair value upon disposal of investments		-	(65,510)	-	65,510	-	-	-
Total transactions with owners of the parent:								
Dividends	29	-	-	-	(144,826)	-	-	(144,826)
Balance at December 31, 2023		41,379	133,766	43,099	2,231,590	220,593	(170,635)	2,499,792
Balance at January 1, 2022								
As previously stated		41,379	577,213	43,099	2,374,961	220,593	(146,138)	3,111,107
Adjustment on corrections of prior period error	39	-	-	-	(44,300)	-	-	(44,300)
Adjustment on initial application of IFRS 17, net of tax		-	-	-	(191,750)	-	-	(191,750)
Adjustment on initial application of IFRS 9, net of tax		-	-	-	(1,274)	-	-	(1,274)
Restated balance at January 1, 2022		41,379	577,213	43,099	2,137,637	220,593	(146,138)	2,873,783
Total comprehensive income for the year:								
Profit for the year		-	-	-	108,423	-	-	108,423
Other comprehensive income for the year:								
Financial assets at fair value through OCI - Net change in fair value	11A	-	(474,757)	-	-	-	-	(474,757)
Remeasurements of retirement benefit obligations, net of tax	21	-	-	-	-	-	(43,688)	(43,688)
Release of fair value upon disposal of investments		-	(130,753)	-	130,753	-	-	-
Total transactions with owners of the parent:								
Dividends	29	-	-	-	(125,130)	-	-	(125,130)
Balance at December 31, 2022		41,379	(28,297)	43,099	2,251,683	220,593	(189,826)	2,338,631

The notes on pages 85 to 227 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 65 to 75.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

Notes	THE GROUP		THE COMPANY		
	2023	2022	2023	2022	
	Rs'000	Restated * Rs'000	Rs'000	Restated * Rs'000	
Cash flows from operating activities					
Cash generated from operations	31(a)	956,842	734,205	(191,184)	35,750
Interest paid		(48,869)	(2,212)	(171)	(349)
Income tax paid	22	(59,827)	(70,890)	(10,344)	(13,379)
Net cash generated from operating activities		848,146	661,103	(201,699)	22,022
Cash flows from investing activities					
Purchase of property and equipment	5	(37,576)	(15,482)	(13,084)	(8,892)
Purchase of investment properties	6 (a)	(143,571)	(1,444)	-	-
Purchase of seized properties	6 (b)	(220)	(47,196)	-	-
Purchase of intangible assets	7	(71,773)	(44,248)	(64,003)	(29,996)
Proceeds from sale of property and equipment		5,536	124	565	9
Proceeds from sale of investment properties		8,935	17,480	-	-
Proceeds from sale of seized properties		-	-	-	-
Acquisition of subsidiary, net of cash	35	(131,427)	(20,602)	-	-
Proceeds from sale of financial assets	11	2,595,450	5,540,150	258,379	656,569
Purchase of financial assets	11	(17,474,934)	(8,406,072)	(108,130)	(320,672)
Disposal/maturity of financial assets at amortised cost	11	15,121,928	2,189,383	5,669	(234,963)
Loans granted		(2,316,487)	(1,032,587)	-	-
Loans recovered		874,397	1,580,913	5,666	24,232
Dividend income received**		500,428	341,144	176,803	165,162
Interest income received**		1,498,284	1,223,653	33,001	31,952
Net cash generated from investing activities		428,970	1,325,216	294,866	283,401
Cash flows from financing activities					
Payments on borrowings		(1,440,433)	(217)	-	(51,526)
Proceeds from borrowings		949,900	-	210,830	-
Additional interest acquired in subsidiary***		-	-	-	(77,701)
Principal paid on lease liabilities		(12,727)	(8,072)	(3,278)	(2,991)
Dividends paid to Company's shareholders	29	(125,130)	(119,171)	(125,130)	(119,171)
Dividends paid to non-controlling interests		(41,523)	(41,021)	-	-
Net cash (used in)/generated from financing activities		(669,913)	(168,481)	82,422	(251,389)
Increase in cash and cash equivalents		607,203	1,817,838	175,589	54,034
Movement in cash and cash equivalents					
At January 1,		4,720,301	2,956,427	246,179	211,493
Increase		607,203	1,817,838	175,589	54,034
Effect of foreign exchange rate changes on cash and cash equivalents		55,926	(53,964)	(17,093)	(19,348)
At December 31,	31(b)	5,383,430	4,720,301	404,675	246,179

*The comparative information is restated on account of transition to IFRS 17, IFRS 9 and correction of prior period error (Note 39)

**Investment income received in the prior year has been disaggregated and presented as interest income received and dividend income received.

***In the prior year, additional interest acquired in subsidiary was classified under investing activities. This has been correctly reclassified to financing activities. There is no change in the actual cash flows generated other than the presentation on the face of the statements of cash flows.

The notes on pages 85 to 227 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 65 to 75.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

Swan General Ltd (the "Company") is a limited liability company incorporated and domiciled in Mauritius. These consolidated and separate financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company. The address of its registered office is Swan Centre, 10 Intendance Street, Port Louis.

The principal activity of the Company is to underwrite short term insurance business and has remained unchanged during the year. The Company and its Subsidiaries listed in Note 8, forms the Group, and thereafter referred as "Group".

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated and separate financial statements comply with the requirements of Mauritius Companies Act and Financial Reporting Act (FRA) and have been prepared in accordance with IFRS[®] Accounting Standards. The consolidated and separate financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The consolidated and separate financial statements are presented in Mauritian Rupees which is the Company's functional currency and all values are rounded to the nearest thousand (Rs'000). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The consolidated and separate financial statements are prepared, using the going concern principle, under the historical cost convention excepts for:

- Financial assets at fair value through Other Comprehensive Income (Financial assets at fair value through OCI);
- Financial assets at fair value through Profit or Loss (Financial assets at fair value through P&L);
- The liability for defined benefit obligations is recognised as the fair value of plan assets less present value of the defined obligations that are stated at their fair values.

Standards and interpretations effective and adopted during the year

IFRS 17 Insurance Contracts

In the consolidated and separate financial statements, the Group and the Company have applied IFRS 17 for the first time.

IFRS 17 replaces IFRS 4 "Insurance Contracts" for annual periods beginning on or after January 01, 2023. The Group and the Company have restated comparative information for the financial year 2022 applying the retrospective approach to transition.

The application of IFRS 17 in the current year has had a material impact on the Company's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated and separate financial statements.

The nature of the changes in accounting policies can be summarised, as follows:

1. Changes in classification and measurement

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group and the Company.

The key principles of IFRS 17 are that the Group and the Company:

- Identify insurance contracts as those under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separate specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other accounting standards such as IFRS 9 and IFRS 15.
- Divide the insurance and reinsurance contracts into groups that it will recognise and measure at:
 - (i) A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information.

Plus

 - (ii) An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM)
 - Recognise profit from insurance contracts over the period that the Group and the Company provide insurance coverage till the Group and the Company are released from the related insurance risk. If a group of contracts is expected to be onerous (i.e., lossmaking) over the remaining coverage period, the Group and the Company recognise the loss immediately in the profit or loss.

The Group and the Company's classification and measurement of insurance and reinsurance contracts is explained in Note 2.20.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations effective and adopted during the year (cont'd)

IFRS 17 Insurance Contracts (cont'd)

2. Changes to presentation and disclosure

For presentation in the consolidated and separate statement of financial position, the Group and the Company aggregate groups of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately:

- Groups of insurance contracts issued that are assets
- Groups of reinsurance contracts held that are assets
- Groups of insurance contracts issued that are liabilities
- Groups of reinsurance contracts held that are liabilities

The groups referred to above are those established at initial recognition in accordance with the IFRS 17 requirements (IFRS 17.14-24).

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously the Group and the Company reported the following line items: Gross earned premiums, Premium ceded to reinsurers, policyholder claims and benefits, and movement in Life assurance fund. IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Insurance finance income or expense
- Net expenses from reinsurance contracts

The Group and the Company provide disaggregated qualitative and quantitative information in the notes to the consolidated and separate financial statements about:

- The amounts recognised in its financial statements from insurance contracts;
- Significant judgements, and changes in those judgements, made when applying the standard;
- The nature and extent of the risks from insurance contracts.

3. Transition

On transition date, January 01, 2022, the Group and the Company:

- Have identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied;
- Derecognised any existing balances that would not exist had IFRS 17 always applied;
- Identify, recognise and measure any assets for insurance acquisition cash flows as if IFRS 17 had always applied;
- Recognised any resulting net difference in equity.

IFRS 9 Financial Instruments

i. Classification of financial assets and financial liabilities

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of IFRS 9 are not separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 has not had a significant effect on the Group's and the Company's accounting policies for financial liabilities.

The Group and the Company have initially applied IFRS 9 as from January 1, 2022.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' model. The new impairment model applies to financial assets measured at amortised cost and lease receivables. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations effective and adopted during the year (cont'd)

IFRS 9 Financial Instruments (cont'd)

iii. Transition

The adoption of IFRS 9 has a material impact on the Company's basic or diluted EPS for the years ended December 31, 2023 and 2022.

Details of the impact of the application of IFRS 9 Financial instruments can be found in note (iv) below:

iv. Effect of initial application

Classification of financial assets and financial liabilities

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group and the Company's financial assets and financial liabilities as at January 1, 2022.

	Note	Original classification under IAS 39	New classification under IFRS 9	THE GROUP		THE COMPANY	
				Original carrying amount under IAS 39 Rs'000	New carrying amount under IFRS 9 Rs'000	Original carrying amount under IAS 39 Rs'000	New carrying amount under IFRS 9 Rs'000
FINANCIAL ASSETS							
Cash and cash equivalents	31(b)	Loans and receivables	Amortised cost	2,956,427	2,953,213	211,493	211,351
Financial investments – other							
Debts securities	11	Held-to-maturity	Amortised cost	16,940,644	16,894,572	230,066	229,386
Equity securities	11	Available for sale	FVOCI FVTPL	31,987,893 -	4,228,721 27,759,172	2,771,104 -	2,771,104 -
Loans and receivables	11	Loans and receivables	Amortised cost	6,689,033	6,698,435	79,267	78,815
Other receivables	13	Loans and receivables	Amortised cost	1,524,996	503,567	203,238	288,734
Total Financial assets				60,098,993	59,037,680	3,495,168	3,579,390
FINANCIAL LIABILITIES							
Other payables	19	Other financial liabilities	Amortised cost	1,254,456	656,515	304,311	350,491
Investment contract liabilities	16	Other financial liabilities	Amortised cost	-	9,276,860	-	-
Dividend payable	29	Other financial liabilities	Amortised cost	119,171	119,171	119,171	119,171
				1,373,627	10,052,546	423,482	469,662

The Group and the Company's accounting policies on the classification of financial instruments under IFRS 9 are set out in note 2.9.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations effective and adopted during the year (cont'd)

IFRS 17 Insurance Contracts (cont'd)

iv. Effect of initial application (cont'd)

Classification of financial assets and financial liabilities (cont'd)

The Equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group designated these investments at January 1, 2022 as measured at FVOCI. Unlike under IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

A portion of the equity securities have been classified at FVTPL to remove the accounting mismatch arising with the introduction of IFRS 17. The Group and the Company have, at initial recognition, irrevocably designate a portfolio of financial assets to be measured at fair value through profit or loss as doing so significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. On disposal, the related fair value changes are reclassified from 'Fair value reserves' to 'Retained earnings'.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on January 1, 2022.

	FVOCI- Equity Rs'000	FVTPL-Equity Rs'000	Debt instruments at amortised cost Rs'000	Loans and receivables at amortised cost Rs'000	Other receivables Rs'000	Cash and cash equivalents Rs'000
The Group						
As previously stated under IAS39	31,987,893	-	16,940,644	6,689,033	1,524,996	2,956,427
Reclassification	(27,759,172)	27,759,172	-	-	(1,018,814)	-
Remeasurement	-	-	(46,072)	9,402	(2,615)	(3,214)
Restated balance under IFRS 9	4,228,721	27,759,172	16,894,572	6,698,435	503,567	2,953,213
The Company						
As previously stated under IAS39	-	-	230,066	79,267	203,238	211,493
Reclassification	-	-	-	-	-	-
Remeasurement	-	-	(680)	(452)	85,496	(142)
Restated balance under IFRS 9	-	-	229,386	78,815	288,734	211,351

Impairment of financial assets

The following table reconciles the closing impairment allowance under IAS 39 with the opening loss allowance under IFRS 9 as at January 1, 2022:

	Debt instruments at amortised cost Rs'000	Loans and receivables at amortised cost Rs'000	Other receivables Rs'000	Cash and cash equivalents Rs'000	Total Rs'000
The Group					
Balance under IAS 39	-	95,587	21,902	-	117,489
Remeasurement	46,072	(61,391)	(2,615)	3,214	(14,720)
Balance under IFRS 9	46,072	34,196	19,287	3,214	102,769
The Company					
Balance under IAS 39	-	-	7,488	-	7,488
Remeasurement	680	452	-	142	1,274
Balance under IFRS 9	680	452	7,488	142	8,762

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective

The below table summarises the remaining amendments and standards issued but not yet effective which are not expected to impact the Group or the Company materially.

1. Non-current liabilities with covenants (Amendments to IAS 1)
2. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
3. Lease liabilities in a Sale and Leaseback (Amendments to IFRS 16)
4. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
5. Lack of Exchangeability (Amendments to IAS 21)
6. Presentation and disclosure in financial statements (IFRS 18)
7. Subsidiaries without Public Accountability: Disclosures (IFRS 19)
8. Annual Improvements to IFRS Accounting Standards – Amendments to:
 - FRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - FRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows.

2.2 Property and equipment

All property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Buildings	2%
Motor vehicles	20%
Office furniture, fittings and equipment	10%
Computer equipment	15% - 33%
Land is not depreciated.	

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Impairment is normally recognised in profit or loss in the line item "Impairment of non-financial assets". There was no impairment on property and equipment during the year.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are included in the consolidated and separate statements of profit or loss.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3(i) Investment properties

Properties held to earn rentals or capital appreciation or both and not occupied by the Group are classified as investment property.

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Impairment losses are recognised in the consolidated statements of profit or loss in the line item "Impairment of non-financial assets". No impairment losses have been identified in current year. Refer to note 6(a) for further details.

Depreciation is calculated on the straight line method to write off the cost of each asset, to its residual value over its estimated useful life. The principal annual rate used is:-

Buildings	2%
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Land is not depreciated.

Gains and losses on the disposal of investment properties are determined by reference to their carrying amount and are taken into account in determining the profit or loss.

Rental income from investment properties is recognised on a straight-line basis over the term of the lease, and are included under "other income" in the consolidated and separate statement of profit or loss.

2.3(ii) Seized properties

Seized properties represent properties acquired through auction at the Master's Bar further to the default of clients by the Group. The properties are held by the Group until they are sold. Seized properties are recognised at cost which represents the price paid at the Master's Bar together with all related expenses incurred on the acquisition. Realised loss/gain on the disposal of seized properties is taken to the profit or loss. No depreciation is charged on seized properties since they have been classified as current assets but they are assessed for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statements of profit or loss in the line item "Impairment of non-financial assets". Refer to note 6(b) for further details.

2.4 Goodwill and Intangible assets

Recognition and measurement:

(i) Goodwill

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity over the fair value of the net identifiable assets is recorded as goodwill. Goodwill on acquisition of subsidiaries is included under intangible assets and goodwill on acquisition of associates is included in the carrying amount of the investments in associates. In the books of the Group, Goodwill is measured at cost less accumulated impairment.

The Group uses the full goodwill method to calculate goodwill on an acquisition by acquisition basis. Expenses related to acquiring new subsidiaries are charged to profit or loss in the period in which they are incurred and not included in goodwill. Income and expenses of acquired businesses are included in profit or loss from the date of acquisition.

Goodwill arising on the acquisition of a foreign operation is treated as an asset of the operation, expressed in the functional currency of the operation and translated at closing rate.

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Gain on bargain purchase represents the excess of net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed measured in terms of IFRS 3 *Business Combinations* over the sum of consideration transferred measured at the acquisition date fair value, the amount of NCI in the acquiree measured in accordance with IFRS 3 *Business Combinations* and in a business achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree. Gain on bargain purchase is recognised immediately in profit or loss (Refer to note 2.6).

(ii) Computer software

Acquired computer software is capitalised on the basis of costs incurred to acquire and bring to use and is amortised, on a straight line basis, over an estimated useful lives of 3 years. The carrying amounts of the computer software are reviewed annually and adjusted for impairment where considered necessary.

(iii) Customer portfolio

Customer portfolio represents the value of the customer list. It is recorded in intangible asset and being amortised over a period of 15 years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Goodwill and intangible assets (cont'd)

Amortisation of intangible assets

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss in the line item "Depreciation and amortisation". Goodwill is not amortised.

Amortisation method, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

Impairment of intangible assets

(I) Goodwill:

Goodwill impairment testing is conducted annually and when there is an indication of impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model.

(II) Other intangible assets:

Other intangible assets comprises of computer software, customer list and other intangibles. Such assets, which 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 carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment is normally recognised in profit or loss in the line item "Impairment of non-financial assets". There was no impairment on intangible assets during the year.

2.5 Investments in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the Company, investments in subsidiary companies are carried at cost less impairment. The carrying amount is reduced to recognise any impairment in the separate financial statements. Impairment is normally recognised in profit or loss in the line item "Impairment of non-financial assets". There was no impairment on investment in subsidiaries during the year.

Consolidated financial statements

Subsidiaries are all entities over which the Group and the Company have control. The Group and the Company control an entity when the Group and the Company are exposed to, or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and the Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group and the Company. The consideration transferred for the acquisition of a subsidiary is the acquisition date's fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group and the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Moreover, the consideration does not include any amounts related to the settlement of pre-existing relationships; which is rather recognised in profit or loss. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non controlling interest in the acquiree at fair value or at the non controlling interest's proportionate share of the acquiree's net assets.

Accounting policy on goodwill/bargain purchase arising on acquisition of subsidiaries is included under note 2.4.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company. The impact of adoption of IFRS 9 by the Company's subsidiaries and associates has a material impact at Group level. Details of impact can be found in note 2.1 (iv).

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant acquired share of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests without loss of control are also recorded in equity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Disposal of subsidiaries

When the Group and the Company cease to have control or significant influence, any retained interest in the equity is remeasured to its fair value at the date control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity is accounted for as if the Group and the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.6 Investments in associated companies

Separate financial statements of the investor

In the separate financial statements of the Company, investments in associated companies are carried at cost (which includes transaction costs) less impairment. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group and the Company have significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's and the Company's share of the net assets of the associate less any impairment in the value of individual investments. Post acquisition changes include share of profit or loss, share of other comprehensive income and distributions.

Any excess of the cost of acquisition and the Group's share of net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised in goodwill, which is included in the carrying amount of the investment. Any excess of the cost of acquisition and the Group's share of net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised in goodwill, which is included in the carrying amount of the investment. Bargain purchase is defined as the excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition and is included as income in the determination of the Group's share of the associate's profit or loss.

The share of profit of associated companies is shown on the face of the consolidated statement of profit or loss and the movement in the other comprehensive income of associated companies is recognised in the consolidated statement of other comprehensive income.

Unrealised profits and losses are eliminated to the extent of the Group's and the Company's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group and the Company.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.7 Investment in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venture has an interest. The Group recognises its interest in the joint venture using the equity method, whereby the investment in the joint venture is initially recorded at cost as adjusted by post acquisition changes in the Group's share of net asset of the joint venture less any impairment in the value of the individual investment. Post acquisition changes include share of profit or loss, share of other comprehensive income and distributions (Refer to note 10).

2.8 Investment in structured entities

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Group and the Company hold ownerships in three structured entities namely Swan Foundation, Swan Wealth Structured Products Ltd and Swan Smart Achiever Notes Ltd (Refer to note 8 (h)).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets and financial liabilities

i. *Recognition and initial measurement*

The Group and the Company recognise deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

The Group and the Company elect to present changes in the fair value of certain equity investments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group and the Company have certain equity investments in the participating (Life) segments measured at FVTPL on initial recognition.

Business model assessment

The Group and the Company assess the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's and the Company's continuing recognition of the assets.

Most of the Group and the Company's debt securities are held in separate portfolios for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group and the Company consider that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as 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 (e.g. liquidity risk and administrative costs), as well as a profit margin.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets and financial liabilities (cont'd)

ii. Classification and subsequent measurement (cont'd)

Assessment of whether contractual cash flows are SPPI (cont'd)

In assessing whether the contractual cash flows are SPPI, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider:

Subsequent measurement and gains and losses

Financial assets at FVTPL Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

Financial assets at FVOCI Measured at fair value. Dividends are recognised as income in profit or loss when the Group's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Financial assets at amortised cost Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities

All of the Group's and the Company's financial liabilities fall into the category of 'financial liabilities at amortised cost'.

Financial liabilities at amortised cost Measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Interest on financial instruments

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is calculated on initial recognition of a financial instrument and is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance.

Financial assets not credit-impaired on initial recognition If the financial asset is not credit-impaired, then interest income is calculated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the asset, but not ECL.

If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective interest rate to the amortised cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets and financial liabilities (cont'd)

ii. Classification and subsequent measurement (cont'd)

Interest on financial instruments (cont'd)

Financial assets credit-impaired on initial recognition Interest income is calculated by applying a credit-adjusted effective interest rate to the amortised cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Financial liabilities Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Group and the Company estimate future cash flows considering all contractual terms of the liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost.

iii. Impairment

The Group and the Company recognise loss allowances for ECL on financial assets measured at amortised cost.

The Group and the Company measure loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial instruments for which lifetime ECL are recognised because of a significant increase in credit risk since initial recognition but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group and the Company in accordance with the contract and the cash flows that the Group expects to receive).

The Expected Credit Loss (ECL) is calculated using the model $\text{Expected Credit Loss} = \text{Exposure at Default (EAD)} \times \text{Probability of Default (PD)} \times \text{Loss Given Default (LGD)}$.

- Exposure at Default (EAD): This refers to the total amount of the financial asset at the time of default.
- Probability of Default (PD): This represents the chance that a financial obligation will not be fulfilled within a given period.
- Loss Given Default (LGD): This is the percentage of exposure that the Group and Company expect to lose if a counterparty defaults.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets and financial liabilities (cont'd)

iii. Impairment (cont'd)

Credit-impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets measured at amortised cost are credit impaired. 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or past-due event;
- the restructuring of an amount due to the Group and the Company on terms that the Group and the Company would not otherwise consider;
- the debtor entering bankruptcy or other financial reorganisation becoming probable; or
- the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Presentation of loss allowances in the statement of financial position

Loss allowances for ECL are presented as follows:

- financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group and the Company determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Although the Group and the Company expect no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery of amounts due.

iv. Derecognition and contract modification

Financial assets

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. The cumulative gain or loss on equity investments designated as at FVOCI is not reclassified to profit or loss.

If the terms of a financial asset are modified, then the Group and the Company evaluate whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the new asset.
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets and financial liabilities (cont'd)

iv. Derecognition and contract modification (cont'd)

Financial assets

If a financial asset measured at amortised cost or FVOCI is modified but not substantially, then the financial asset is not derecognised. If the asset had not been derecognised at January 1, 2022, then the Group and the Company recalculate the gross carrying amount of the financial asset by discounting the modified contractual cash flows at the original effective interest rate and recognises the resulting adjustment to the gross carrying amount as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses; in other cases, it is presented as interest revenue. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group and the Company generally derecognise a financial liability when its contractual obligations expire or are discharged or cancelled. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

If a financial liability measured at amortised cost is modified but not substantially, then it is not derecognised.

v. Offsetting

Financial assets and liabilities are offset and the net amount presented in the consolidated and separate statement of financial position when, and only when, the Group and the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS[®] Accounting Standards.

vi. Cash and cash equivalents

Cash comprises cash in hand, cash held at banks and other short-term highly liquid investments with original maturities of 3 months or less. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Group and the Company have elected to present the consolidated and separate statement of cash flows using the indirect method.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss in the line "Impairment of non-financial assets".

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Current and deferred income tax

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

Current tax

The current income tax charge is based on the taxable income for the year calculated on the basis of tax laws enacted or substantially enacted by the end of the reporting period. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

The directors have assessed of the impact of IFRIC 23 - *Uncertainty over Income Tax Treatments* on the consolidated and separate financial statements and have concluded that there is no uncertain tax positions.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated and separate financial statements. However, if the deferred income tax 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, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each of reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint venture to the extent that the Group and the Company are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Current and deferred tax assets and liabilities are offset only if:-

- The Group and the Company have a legally enforceable right to set the recognised amount; and
- The Group and the Company intend to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Current and deferred income tax (cont'd)

Corporate Social Responsibility (CSR)

Every company in Mauritius is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year and the company should remit 75% of the fund respectively to the Mauritian Tax Authorities. This practice is being interpreted and classified as taxation in the consolidated and separate financial statements (excluding foreign subsidiaries).

2.12 Revenue recognition

(i) Insurance revenue

Entities in the Group conducting insurance related activities have recognised an 'Insurance revenue' under IFRS 17 Insurance contracts.

Refer to note 2.20 (part 11.1) for accounting policy on revenue recognition for insurance contracts.

(ii) Investment Income, Other Income and Other Operating Income (Non- Insurance)

Investment Income, Other income and Other operating income earned by the Group and the Company comprise of rental income, interest income, dividend income, management fee and commission income.

a. Outside the scope of IFRS 15 'Revenue from Contracts with Customers':

- (i) Rental income - accrue on a straight line basis over term of the lease.
- (ii) Interest income - on a time-proportion basis using the effective interest method.
- (iii) Dividend income - when the shareholder's right to receive payment is established.

b. Under the scope of IFRS 15 'Revenue from Contracts with Customers':

The Group and the Company earned management fee and commission income, recognised within the Statements of Profit or Loss and Other Comprehensive Income under the line 'Other income' and are accounted within the scope of IFRS 15.

The income is based on the consideration specified in the contract with the customer. The Group and the Company recognise revenue when they transfer control over a service to a customer.

The five steps in the model are as follows:

- Identify the contract with customers;
- Identify the performance obligations in the contract;
- Determine the transaction price of the contract;
- Allocate the transaction price to each performance obligations in the contracts; and
- Recognise revenue as each performance obligation is satisfied.

Disaggregation of revenue, performance obligations and significant judgments applied under IFRS 15:

Under IFRS 15 *Revenue from Contracts with Customers*, revenue is recognised when a customer obtains control of the services. Determining the timing of the transfer of control - at a point of time or over time - requires judgement.

Type of service	Source of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms
Management and Consultancy services	Fees and Commission Income	The Group and the Company provide management and consultancy services (investment, actuarial and pension administration) to their customers. On the other hand, the Group and the Company receive commission income from their Reinsurers.
		The fee and commission income shall be calculated on a pro rata basis for any partial period.
		Therefore, revenue in the form of fees and commission income is recognised over time.
		Fees and Commissions Income are receivable quarterly or annually, depending on the terms and conditions of the agreements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Retirement benefit obligations

(i) Defined Benefit Plan

The Group and the Company contribute to a defined benefit plan, the assets of which are held and administered by Swan Life Ltd.

- The Group and the Company contribute to a pension plan in respect of some employees who have a No Worse Off Guarantee (NWOG) that their benefits would not be worse than what they would have earned under a previous defined benefit plan.

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

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

For Defined Benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which it occurs. Remeasurements recognised in other comprehensive income is reflected immediately in 'Actuarial gains/(losses)' (note 21(a)(vi)) and shall not be reclassified to profit or loss in subsequent periods.

The Group and the Company determine the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in the statements of profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in the profit or loss. Plan service cost is recognised in profit or loss in the period of a plan amendment.

(ii) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate administered Fund. The Group and the Company have no legal or constructive obligations to pay further contributions if the pension's investment fund does not hold sufficient assets to pay all employees, the benefits relating to employee service in the current and prior periods.

The Group and the Company contribute to a multi-employer defined contribution retirement plan, with Swan Defined Contribution Pension Scheme (SDCPS), for all its qualifying employees (new entrants and their dependents). Payments to deferred contribution retirement plans are charged as an expense, in the profit or loss within apportioned between 'Insurance service expenses from insurance contract issued' and 'Other operating expenses', as they fall due.

(iii) Termination benefits

Termination benefits are payable when the employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group and the Company recognise a liability and expense for termination benefits at the earlier of the following dates:

- when the Group and the Company can no longer withdraw the offer of those benefits; and
- when the Group and the Company recognise costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

For termination benefits payable as a result of an employee's decision to accept an offer of benefits in exchange for the termination of employment, the time when the Group and the Company can no longer withdraw the offer of termination benefits is the earlier of:

- when the employee accepts the offer; and
- when a restriction (eg a legal, regulatory or contractual requirement or other restriction) on the Group's and the Company's ability to withdraw the offer takes effect. This would be when the offer is made, if the restriction existed at the time of the offer.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Retirement benefit obligations (cont'd)

(iii) Termination benefits (cont'd)

For termination benefits payable as a result of the Group's and the Company's decision to terminate an employee's employment, the Group and the Company can no longer withdraw the offer when the entity has communicated to the affected employees a plan of termination meeting all of the following criteria:

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made.
- The plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations (but the plan need not identify each individual employee) and the expected completion date.
- The plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

(iv) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the gratuity on retirement payable under the Workers' Rights Act 2019 represents a defined benefit obligation. The present value of this defined benefit obligation is calculated by a qualified actuary using the projected unit credit method and is provided for similarly to the defined benefit plan of the Group and the Company. The obligations arising under this item are not funded. Refer to note 21 for further details.

2.14 Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Translation differences on non-monetary items are recognised directly in profit or loss except for equity instruments, classified as financial assets at fair value through other comprehensive income, are included in the fair value reserve in other comprehensive income. Translation differences arising on debt instruments, denominated in foreign currencies, are recognised in directly in profit or loss.

(iii) Translation of foreign entities

The results and financial position of all the Group entities that have a functional currency different from that of the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the end of the reporting period rate;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- the resulting exchange differences are recognised in the "Other reserves", as a separate component of equity.

In the event of disposal of any of the above Group entities, such translation differences are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale.

2.15 Leases - as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.15 Leases - as lessee (cont'd)

Identifying leases

The Group and the Company account for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) Right to control the identified asset;
- (c) The Group and the Company obtain substantially all the economic benefits from use of the asset; and
- (d) The Group and the Company have the right to direct use of the asset.

The Group and the Company consider whether the lessor has substantive substitution rights. If the lessor does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group and the Company obtain substantially all the economic benefits from use of the asset, the Group and the Company consider only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group and the Company have the right to direct use of the asset, the Group and the Company consider whether they direct how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group and the Company consider whether they were involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group and the Company apply other applicable IFRSs rather than IFRS 16 Leases

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's and the Company's incremental borrowing rate on commencement of the lease 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.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group or the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group or Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

The lease liability is recognised at amortised cost using the effective interest method. Right-of-use assets are subsequently depreciated on a straight-line basis over the remaining term of the lease or over the remaining useful life of the asset if, rarely, this is judged to be shorter than the lease term and if the cost of the asset reflects that the lessee will exercise a purchase option.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.15 Leases - as lessee (cont'd)

Identifying leases (cont'd)

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

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

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

For contracts that both convey a right to the Group and the Company to use an identified asset and require services to be provided to the Group and the Company by the lessor, the Group and the Company have elected to account for the entire contract as a lease, i.e. they do not allocate any amount of the contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

2.15 Leases - as Lessor

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

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

Rental income from investment properties is recognised on a straight-line basis over the term of the lease, and are included under "other income" in the consolidated and separate statements of profit or loss and other comprehensive income.

2.16 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources that can be reasonably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.17 Dividend payable

Dividend payable is recognised as a liability in the consolidated and separate financial statements in the period in which the dividends are declared. It includes dividend payable to Non-controlling interest.

2.18 Investment contract liabilities

Investment contracts without Discretionary Participation Feature (DPF) which do not contain sufficient insurance risk are not considered as insurance contracts and are accounted for as a financial liability under IFRS 9.

Deposits collected and benefit payments under investment contracts without DPF are not accounted for through the Statement of Profit or Loss, except for fees attributed to those contracts, but are accounted for directly through the Statement of Financial Position as an adjustment to the investment contract liability, which reflects the account balance.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.18 Investment contract liabilities (cont'd)

Those contracts classified as investment contracts are unit-linked contracts relating to pension schemes, with measurement directly linked to the underlying investment assets, which are portfolios maintained to meet specific investment objectives of policyholders who generally bear the credit and market risks on those investments. The liabilities are carried at fair value determined with reference to the accumulation value (current unit value). The costs of policy administration, investment management, surrender charges and certain policyholder taxes assessed against customers' account balances are included in 'Other income' as fee income.

2.19 Marketing and administrative expenses

Marketing and administrative expenses, comprising mainly staff costs, are accounted under accrual basis.

2.20 Insurance contracts

1. Summary of measurement methods

The Group and the Company issue the following contracts that are accounted for using different measurement methods:

Long term Insurance

- Term life insurance contracts, which are life insurance contracts that provide either level or decreasing sum assured coverage for a limited period of time in exchange for renewable fixed premiums. The Group accounts for these policies applying the General Measurement Model (GMM);
- **Fixed annuity contracts**, which provide the annuitant with a guaranteed income payout for life. These policies are accounted for applying the GMM;
- **Deferred variable annuity contracts**, which provide the annuitant with a guaranteed income payout for life. The deferred variable annuity involves two phases: accumulation and payout. Cash flows of deferred variable annuity contracts vary with the return on underlying items in accumulation phase, but not thereafter. The minimum pre-determined guaranteed annuity rates are specified at contract's inception. These policies do not meet the criteria for measuring such contracts applying the Variable Fee Approach (VFA) and are accounted for applying the GMM;
- Investment contracts with discretionary participation features which provide the investor with the right to receive additional discretionary amounts contractually based on specified underlying items and that are expected to be a significant portion of the total contractual benefits. The Group and the Company apply the VFA to these contracts;
- Investment-linked insurance policies, which have life insurance coverage and investment components. The Group and the Company have an obligation to pay policyholders an amount equal to the value to specified underlying items, minus a variable fee for service. Those contracts are measured applying the VFA; and
- In addition to issuing all these insurance contracts and investment contracts, the Group and the Company hold quota share reinsurance treaty for term and deferred variable annuity insurance policies, as well as for investment linked insurance policies, accounted applying GMM.

Short term insurance

The Group and the Company issue short term insurance contracts such as home, motors, engineering which are accounted for under the Premium Allocation Approach Model (PAA).

2. Definitions and classifications

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

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

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

Some contracts issued by the Group and the Company which have the legal form of an insurance contract but do not transfer significant insurance risk to the Group and the Company are not classified as insurance contracts and follow financial instruments or service contracts accounting applying IFRS 9 or IFRS 15 respectively.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

2. Definitions and classifications (cont'd)

The Group and the Company issue certain insurance contracts to allow policyholders to participate in investment returns with the Group and the Company, in addition to compensation for losses from insured risk. The entity assesses, on a contract-by-contract basis, whether participating contracts meet the definition of insurance contracts with direct participation features, which need to satisfy all three of the following criteria:

The company assesses, on a contract-by-contract basis, whether participating contracts meet the definition of insurance contracts with direct participation features, which need to satisfy all three of the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group and the Company expect to pay to the policyholder an amount equal to a substantial share of the fair value returns from the underlying items; and
- a substantial proportion of the cash - flows that the Group and the Company expects to pay to the policyholder should be expected to vary with the cash flows from the underlying items.

In assessing whether the conditions above are met, the Group and the Company use its expectations at the issue date of the contracts.

The Group and the Company apply their judgement to assess whether the amount expected to be paid to the policyholder constitutes a substantial share of fair value returns from the underlying items and whether the variable cash flows represent a substantial proportion of the cash flows.

The Group and the Company also issue investment contracts with discretionary participation features for some insurance contracts. These contracts have similar economic characteristics as insurance contracts and they are linked to the same pool of assets as insurance contracts. The Group and the Company apply insurance contract accounting to these contracts.

The Group and the Company hold reinsurance contracts to mitigate certain risk exposure. These are quota share reinsurance and facultative reinsurance contracts. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Group and the Company for claims arising from one or more insurance contracts issued by the Group and the Company.

Throughout a product assessment exercise, the Group and the Company consider that all of its products are insurance contracts as per the definition and criteria under IFRS 17.

3. Separating components from insurance and reinsurance contracts

Some insurance contracts issued by the Group and the Company have several components in addition to the provision of the insurance coverage service, such as an investment component, an investment management service, an embedded derivative and a provision of some other distinct goods or non-insurance services.

The Group and the Company assess their products to determine whether some of these components are distinct and need to be separated and accounted under other IFRS Standards. When these non-insurance components are non-distinct they will be accounted for together with the insurance component as part of the accounting for an insurance contract.

The Group and the Company first consider the need to separate distinct investment components before assessing the need to separate any non-insurance services component.

Separating investment components

The Group and the Company issues certain life insurance policies which include an investment component under which the Group and the Company is required to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. Investment components are only separated from the insurance contract if they are distinct. Those distinct investment components are accounted for applying IFRS 9.

In assessing whether an investment component is distinct, the Group and the Company consider whether the investment and insurance components are not highly interrelated and a contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities (including entities issuing insurance contracts).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

3. Separating components from insurance and reinsurance contracts (cont'd)

In determining whether investment and insurance components are highly interrelated the Group and the Company assess whether it is unable to measure one component without considering the other and the policyholder is unable to benefit from one component unless the other component is present, i.e. whether cancelling one component also terminates the other. The Group and the Company have not identified any distinct investment components.

The Group and the Company apply IFRS 17 to account for non-distinct investment components as part of its insurance contracts.

4. Level of aggregation

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

Each portfolio is sub-divided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Group and the Company segregate contracts based on when they were issued. A portfolio contains all contracts that were issued within a 12-month period. Each portfolio is then further disaggregated into three groups of contracts:

- (a) contracts that are onerous on initial recognition;
- (b) contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- (c) any remaining contracts in the portfolio.

In determining the appropriate grouping, the Group and the Company measure a set of contracts together using reasonable and supportable information. The Group and the Company apply significant judgement in determining at what level of granularity it has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information the Group and the Company assess each contract individually.

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The Group and the Company determine the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.

Reinsurance contracts held are assessed separately from underlying insurance contracts issued. The Group and the Company disaggregate a portfolio of its reinsurance contracts held into three groups of contracts:

- a) those that on initial recognition have a net gain;
- b) those that on initial recognition have a net cost that is not immediately recognised in profit or loss; and
- c) those that on initial recognition have a net cost that is immediately recognised in profit or loss.

5. Recognition

The Group and the Company recognise groups of insurance contracts issued from the earliest of the following dates:

- a) the beginning of the coverage period of the group of contracts;
- b) the date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received); and
- c) when the Group and the Company determine that a group of contracts becomes onerous.

The Group and the Company recognise only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period and new contracts are included to the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

Investment contracts with discretionary participation features are initially recognised at the date the Group and the Company becomes a party to the contract.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

6. Contract boundaries

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

The Group and the Company estimate expected future cash flows for a group of contracts at a portfolio level and then allocates them to the group using a systematic and rational basis.

In determining which cash flows fall within a contract boundary, the Group and the Company consider its substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations. The Group and the Company determine that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group and the Company can compel the policyholder to pay the premiums or the Group and the Company have a substantive obligation to provide the policyholder with services.

A substantive obligation to provide services ends when:

- (i) the Group and the Company has the practical ability to reassess the risks of a particular policyholder and as a result change the price charged or the level of benefits provided for the price to fully reflect the new level of risk; or
- (ii) the boundary assessment is performed at a portfolio rather than individual contract level, there are two criteria that need to be satisfied: the Group and the Company must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders' and the Group and the Company's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all the risks have been reflected either in the premium or in the level of benefits, the Group and the Company consider all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Group and the Company conclude on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks that it would assess when underwriting equivalent contracts on the renewal date for the remaining coverage. The assessment on the Group's and the Company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Group and the Company disregard restrictions that have no commercial substance. The Group and the Company also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. Judgement is required to decide whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

7. Measurement of insurance contracts issued

7.1 Measurement at initial recognition for contracts other than PAA

The Group and the Company measure a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows (FCF) within contract boundary

The FCF are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Group and the Company consider a range of scenarios to establish a full range of possible outcomes incorporating all the reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The Group and the Company estimate expected future cash flows for a group of contracts at a portfolio level and then allocated them to the groups in that portfolio in a systematic and rational way.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7. Measurement of insurance contracts issued (cont'd)

7.1 Measurement at initial recognition for contracts other than PAA (cont'd)

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

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

- premiums and any additional cash flows resulting from those premiums;
- claims paid, reported claims that have not yet been paid, claims incurred but not yet reported (IBNR), future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts;
- for deferred variable annuity, investment-linked insurance policies and investment contract with discretionary participation features, payments that vary based on the returns on underlying items and resulting from any embedded guarantees;
- an allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs;
- claim handling costs;
- costs of providing contractual benefits in kind;
- policy administration and maintenance costs including recurring commissions that are expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows);
- transaction-based taxes;
- an allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities;
- costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder; and
- costs incurred for providing investment-related service to policyholders.

For fulfilment cash flows of reinsurance contract held, refer to section 8.

The cash flow estimates include both market variables, which are consistent with observable market prices, and non-market variables, which are not contradictory with market information and based on internally and externally derived data.

The Group and the Company update their estimates at the end of each reporting period using all newly available, as well as historic evidence and information about trends. The Group and the Company determine their current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group and the Company consider the most recent experience and earlier experience, as well as other information.

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period.

The Group and the Company measure the time value of money using discount rates that reflect the liquidity characteristic's of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices and exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk).

Expected future cash flows that vary based on the returns on any financial underlying items are discounted at rates that reflect this variability.

Risk adjustment for non-financial risk

The Group and the Company measure the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk separately as an adjustment for non-financial risk. The Group and the Company uses a hybrid approach that is materially equivalent to the Value at Risk (VaR) method targeting a specified confidence level in estimating the risk adjustment. The approach leverages the Mauritian capital requirement (STR) in determining the appropriate confidence level, which is then joined with the Provision for Adverse Deviation (PAD) approach to provide a pragmatic solution in calculating the Risk Adjustment for non-financial risk.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7. Measurement of insurance contracts issued (cont'd)

7.1 Measurement at initial recognition for contracts other than PAA (cont'd)

Contractual Service Margin (CSM)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit the Group and the Company will recognise as it provides insurance contract services over the coverage period.

At initial recognition, the Group and the Company measures the CSM at an amount that, unless a group of insurance contracts is onerous, results in no gains recognised in profit or loss arising from:

- the expected fulfilment cash flows of the group of contracts;
- the amount of any derecognised asset for acquisition cash flows allocated to the group; and any other asset or liability previously recognised for cash flows related to the group of contracts; and
- any cash flows that have already arisen on the contracts as of that date.

If a group of contracts is onerous, the Group and the Company recognise a loss on initial recognition, resulting in the carrying amount of the liability for the Group and the Company being equal to the fulfilment cash flows, and the CSM of the Group and the Company being nil. A loss component is recognised for any loss on initial recognition of the group of insurance contracts. See onerous contracts below.

The Group and the Company determine, at initial recognition, the Group and the Company's coverage units and allocates the Group and the Company's CSM based on the coverage units provided in the period.

Insurance acquisition cashflows

The Group and the Company include insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs.

The Group and the Company estimate insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio at a portfolio level and then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Group and the Company recognise an asset in respect of costs in securing a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are already paid before the recognition of the group of insurance contracts to which these costs relate to. The Group and the Company recognise such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. Such assets are derecognised when the insurance acquisition cash flows allocated to those insurance contracts are initially recognised. The related portion of the asset for insurance acquisition cash flows is derecognised when the associated group of contracts is recognised, and its balance is included in the fulfilment cash flows. When only some of the insurance contracts expected to be included within the group of insurance contracts is recognised as at the end of the reporting period, the Group and the Company determine the related portion of the asset that is derecognised and included in the fulfilment cash flows on the basis of a systematic and rational allocation method taking into consideration the timing of recognition of the insurance contracts.

At each reporting date, the Group and the Company review the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Group and the Company adjust the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts and an impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7. Measurement of insurance contracts issued (cont'd)

7.2 Subsequent measurement under the general measurement model (GMM)

After initial recognition, at the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for incurred claims (LIC) as at that date and a current estimate of the liability for remaining coverage (LRC).

The LRC represents the Group and the Company's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, comprising (a) fulfilment cash flows relating to future service and (b) the CSM yet to be earned.

The LIC includes the Group and the Company's liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and includes the liability for claims incurred but not yet reported. It also includes the Group and the Company's liability to pay amounts the Group and the Company are obliged to pay the policyholder under the contract, including repayment of investment components, when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group of contracts at the reporting date.

In estimating the total future fulfilment cash flows, the Group and the Company distinguish between those relating to already incurred claims and those relating to future services.

At the end of each reporting period, the fulfilment cash flows are updated by the Group and the Company to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates to ensure that the estimates measured in the consolidated and separate statement of financial position are always current.

Experience adjustments are the difference between:

- (a) Premium received (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes) and the estimate at the beginning of the period of the amounts expected in the period; or
- (b) The actual amounts of insurance service expenses incurred in the period (excluding insurance acquisition expenses) and the estimate at the beginning of the period of the amounts expected to be incurred in the period.

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

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, participates indirectly, or directly participates in the performance of the specified underlying items.

Subsequent to initial recognition, the CSM of a group of insurance contracts accretes interest at the discount rates 'locked in' on initial recognition, which represent a historic curve of discount rates that were applied for initial measurement. The curve is made up of discount rates used to discount those cash flows that do not vary with the returns of the underlying items.

The carrying amount of the CSM for insurance contracts without direct participating features at the end of the reporting period is the carrying amount at the beginning of the period adjusted for:

- the effect of any new contracts added to the group of contracts;
- interest accreted on the carrying amount of CSM measured at the discount rates determined at initial recognition;
- the changes in fulfilment cash flows related to future service, except that:
 - (i) such increases in fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous; or
 - (ii) such decreases in fulfilment cash flows reverse a previously recognised loss on a group of onerous contracts;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7. Measurement of insurance contracts issued (cont'd)

7.2 Subsequent measurement under the general measurement model (GMM) (cont'd)

Interest accretion on the CSM

For insurance contracts without direct participation features i.e. accounted for under the GMM, the interest rate used to accrete interest on the CSM is the one determined at the date of initial recognition of a group of insurance contracts. As more contracts are added to the existing group of contracts in the subsequent reporting period, the discount rate applicable to the group of contracts on initial recognition is then re-estimated using a weighted average discount rate over the period the contracts in the group are issued.

Changes in fulfilment cash flows

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

For insurance contracts without direct participating features, the following changes in fulfilment cash flows are considered to be related to future services and adjust (or 'unlock') the CSM:

- Experience adjustments relating to the premiums received in the period that relate to future services, and any related cash flows such as acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised.
- The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised.
- Changes in the risk adjustment for non-financial risk relating to future services. The Group has elected not to disaggregate the change in the risk adjustment for non-financial risk between (i) a change related to non-financial risk and (ii) the effect of the time value of money and changes in the time value of money. If the Group make such a disaggregation, it shall adjust the CSM for the change related to non-financial risk, measured at the discount rates applicable when the contracts were initially recognised.
- Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. Both these amounts are measured at the discount rates applicable when the contracts in the group were initially recognised.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- Changes in the fulfilment cash flows relating to the LIC; and
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Group follows three steps:

- determine the total number of coverage units in the group of contracts. The amount of coverage units in the group of contracts is determined by considering for each contract the quantity of benefits provided under the contract and the expected coverage period.
- allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future.
- recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.

The number of coverage units changes as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added into the group of contracts. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts, which can differ from the legal contract maturity because of the impact of policyholder behaviour and the uncertainty surrounding future insured events. In determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviours to the extent that they affect expected period of coverage in the group of contracts, the different levels of service offered across periods (e.g. policyholder exercising an option and adding an additional coverage for a previously guaranteed price) and the 'quantity of benefits' provided under a contract.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7. Measurement of insurance contracts issued (cont'd)

7.2 Subsequent measurement under the general measurement model (GMM) (cont'd)

Recognition of the CSM in profit or loss (cont'd)

In determining the number of coverage units, the Group applies the following methods:

- For non-profit risk products, such as term assurance, endowment, whole of life and credit insurance. The coverage units are calculated based on the value of expected sum assured
- For non-profit immediate annuities, the value of expected recurring annuity payments
- For non-profit deferred annuities, the value of expected sum assured
- For non-profit pensions, the value of expected sum assured (pre-retirement) and recurring annuity payments (post-retirement)
- For non-profit permanent health insurance, the value of expected benefit payments
- For with-profit endowment, whole of life, deferred annuities, the value of the expected accumulated sum assured
- For with-profit immediate annuities, the value of expected recurring annuity payments
- For with-profit pensions, the value of expected accumulated sum assured (pre-retirement) and recurring annuity payments (post-retirement)
- For unit-linked products, the value of expected accumulated sum assured

The amount of CSM allocated to each coverage unit changes over time, as the amount of CSM changes. The allocation of the CSM to coverage units is done at the end of the period, after reflecting all the other CSM adjustments (the accretion of interest and the effect of change in assumptions relating to future coverage), but before any of it is released to profit or loss. The amount of CSM remaining at the end of the reporting period is allocated equally to both the coverage units provided in the period and the remaining coverage units relating to future periods.

7.3 Insurance contracts under the premium allocation approach

The Group and the Company apply the PAA to the measurement of motor, home insurance, health insurance, product insurance and other General Insurance (GI) contracts with a coverage period of one year or less. For those GI products, having a coverage period of more than one year, the Group's and the Company's initial recognition apply criteria to determine whether the PAA is a reasonable approximation of the general model.

On initial recognition, the Group and the Company measure the LRC at the amount of premiums received in cash and also apply a policy of expensing insurance acquisition cash flows as they are incurred.

The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the following:

- the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period; and
- any adjustment to a financing component and any investment component paid or transferred to the liability for incurred claims.

The Group and the Company have determined that there is no significant financing component in motor and home insurance contracts with a coverage period of one year or less. The Group and the Company do not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Group and the Company also apply the PAA to the quota share GI reinsurance contracts held. The coverage period of such reinsurance contracts held is 12 months or less.

The carrying amount of the LIC comprises of the fulfilment cash flows for settling the LIC claims and expenses related to claims reported and incurred but not yet reported at the reporting date. For those claims that the Group and the Company expect to be paid within one year or less from the date of incurring, the Group and the Company do not adjust future cash flows for the time value of money and the effect of financial risk. However, claims expected to take more than one year to settle are discounted. Expected recoveries are within the contract boundary of insurance contracts and is included as part of LIC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7.3 Insurance contracts under the premium allocation approach (cont'd)

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done on the basis of the passage of time unless the expected pattern of release from risk differs significantly from the passage of time, in which case it is recognised on the expected timing of incurred claims and benefits. The Group and the Company apply judgement in determining the basis of allocation.

If facts and circumstances lead the Group and the Company to believe that a group of contracts under PAA has become onerous, the Group and the Company test it for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group and the Company recognise a loss in profit or loss and increases the LRC for the corresponding amount.

7.4 Subsequent measurement for direct participating contracts (accounted under VFA)

The Group issues insurance contracts with substantial investment-related services. When assessing whether a contract meets the definition of a direct participating contracts, the Group applies the definition of IFRS 17. Under the definition, direct participating insurance contracts are contracts for which:

- The contractual terms specify policyholder participation in a share of a clearly identified pool of underlying items;
- The payment to the policyholder is expected to be a substantial share of fair value returns on the underlying items; and
- The Group and the Company expect a substantial proportion of the variability in the payments due to the policyholder to be due to changes in the fair value of the underlying items.

The assessment of whether a contract meets the definition of a direct participating contract is performed on initial recognition using the Group's expectations existing at inception of the contract. In applying the definition of a direct participating contract, the Group considers the legal enforceability of the contractual link with the participating policyholder to a share of returns from a clearly defined pool of underlying items.

The Group's obligation to the policyholders consists of the obligation to pay policyholders, the fair value of the underlying items less a variable fee for future services provided under the insurance contract.

In determining the policyholder's share of returns from the underlying items and how substantial the degree of variability in total payments to the policyholder is due to returns from underlying items, the Group makes the assessment:

- over the duration of the insurance contracts; and
- on a present value probability-weighted average basis.

When calculating the probability-weighted average of multiple scenarios where some of those scenarios result in the payments to the policyholder not equalling a substantial share of the fair value of the underlying items, the Group applies judgement of whether a contract meets the definition of a direct participating contract.

The CSM for direct participating contracts is measured using the variable fee approach (VFA).

The carrying amount of the CSM for direct participating contracts at the end of the reporting period is the carrying amount at the beginning of reporting period adjusted for:

- The effect of any new contracts added to the group of contracts;
- The change in the amount of Group's share of the fair value of the underlying items except for:
 - the amount of CSM the Group chooses to present in profit or loss to offset the impact from its risk mitigation instruments;
 - the decrease in the amount of Group's share of the fair value of the underlying items that exceeds the carrying amount of the CSM giving rise to a loss that makes the associated group of contracts onerous, or that results in a loss for an existing onerous group becoming more onerous; or
 - the increase in the amount of Group's share of the fair value of the underlying items that reverses a previously recognised loss on an onerous group of contracts.
- The effect of any currency exchange differences on the CSM;
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period. This amount is determined by allocating the CSM remaining at the end of the reporting period (after all other adjustments but before any allocation) over the current and remaining coverage period based on the amount of coverage units provided in the period. This process is explained in section 7.2 above.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7.4 Subsequent measurement for direct participating contracts (accounted under VFA) (cont'd)

All CSM adjustments are measured considering a current measure of the time value of money with full allowance of its dependency on the financial variables affecting the fair value returns of the underlying items.

Applying the VFA, the changes in fulfilment cash flows that adjust the CSM are changes in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that do not vary based on the returns of the underlying items. The changes in fulfilment cash flows that do not vary based on the returns of the underlying items are:

- changes in the effect of the time value of money and financial risks not arising from the underlying items, for example the impact of financial guarantees;
- experience adjustments arising from premiums received in the period related to future service;
- changes in the estimate of future expected cash flows of the liability for remaining coverage;
- differences arising from timing of payment of investment components; and
- changes in the risk adjustment for non-financial risk related to future service.

7.5 Onerous contracts

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

The onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the Group's and the Company's measurement consist entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognised, the Group and the Company allocate any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between 'loss component' and 'LRC excluding the loss component'.

The subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- insurance finance income or expense;
- changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period; and
- estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expense in the period.

The Group and the Company determine the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total outflows included in the LRC, excluding any investment component amount.

Any subsequent decreases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk are allocated first only to the loss component, until it is exhausted. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service create the Group's and the Company's CSM.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

7.5 Onerous contracts (cont'd)

A group of insurance contracts becomes onerous (or more onerous) on subsequent measurement if the following amounts exceed the carrying amount of the CSM:

- for a group of direct participating contracts, the decrease in the amount of the Group and the Company's share of the fair value of the underlying items; and
- unfavourable changes relating to future service in the fulfilment cash flows allocated to the group of contracts, arising from changes in estimates of future cash flows and the risk adjustments for non-financial risk.

For onerous groups of contracts, revenue is calculated as the amount of insurance service expense expected at the beginning of the period that form part of revenue and reflects only:

- the change in the risk adjustment for non-financial risk due to expected release from risk in the period (excluding the amount systematically allocated to the loss component);
- the estimates of the present value of future cash flows related to claims expected to incur in the period (excluding the systematic allocation to the loss component); and
- the allocation, based on the coverage units, of the portion of premiums that relates to the recovery of the insurance acquisition cash flows.

All these amounts are accounted for in reduction of the LRC excluding the loss component.

The Group and the Company recognise amounts in insurance service expense related to the loss component arising from:

- changes in fulfilment cash flows arising from changes in estimates related to future service that establish or further increase the loss component;
- subsequent decreases in fulfilment cash flows that relate to future service and reduce the loss component until it is exhausted;
- changes, for direct participating contracts only, in the entity's share of decrease in the fair value of the underlying items, that result in or further increase the loss component;
- for direct participating contracts only, subsequent increases in the entity's share of the fair value of the underlying items that reduce the loss component until it is exhausted; and
- systematic allocation to the loss component arising both from changes in the risk adjustment for non-financial risk and from incurred insurance services expenses.

8. Reinsurance contracts held

8.1 Recognition

The Group and the Company use facultative and treaty reinsurance to mitigate some of its risks exposures. Reinsurance contracts held are accounted under IFRS 17 when they meet the definition of an insurance contract, which includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss. The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, the Group and the Company apply the general approach and disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- contracts that on initial recognition have a net gain;
- contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently; and
- any remaining reinsurance contracts held in the portfolio.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

8. Reinsurance contracts held (cont'd)

8.1 Recognition (cont'd)

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

- (i) at the same time as the onerous underlying contracts are recognised; or
- (ii) for all the other reinsurance contracts held that provide proportionate coverage, at the start of the coverage period of the reinsurance contracts; or at the initial recognition of any of the underlying insurance contracts, whichever is later.

The Group and the Company recognise a group of non-proportional reinsurance contracts at the earliest of the beginning of the coverage period or the date an underlying onerous group of contracts is recognised. Cash flows are within the boundary of a reinsurance contract held, if they arise from the substantive rights and obligations of the cedant that exist during the reporting period in which the Group and the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

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

8.2 Reinsurance contracts held measured under the general measurement model

The Group's quota share life reinsurance and the excess of individual loss reinsurance contracts held are accounted for applying the measurement requirements of the general model for estimates of cash flows and discount rates. The Group measures the reinsurance contracts held and the underlying insurance contracts issued using consistent assumptions. The Group includes in the estimates of the present value of expected future cash flows, for a group of reinsurance contracts held, the effect of any risk of non-performance by the reinsurer, including the effects of any collateral and losses from disputes. The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is always recognised in profit or loss as part of the insurance service result.

In determining the asset representing the risk adjustment for non-financial risk transferred to the reinsurer, the Group assesses the amount of risk transferred by the Group to the reinsurer by calculating the risk adjustment of the underlying contracts before and after the effect of the reinsurance contracts held. The difference is then recognised as the asset representing the risk adjustment reinsured.

On initial recognition, the Group recognises any net cost or net gain on purchasing the group of reinsurance contracts held as a reinsurance CSM, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, where the Group recognises such a cost immediately in profit or loss as an expense as part of insurance service result.

For a group of reinsurance contracts held covering an onerous underlying group of contracts, the Group adjusts the CSM of the group of reinsurance contracts held and recognise an income when a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is created and subsequently adjusted for any changes in the amount.

For a group of reinsurance contracts held, the Group adjusts the carrying amount of the CSM at the end of a reporting period to reflect changes in the fulfilment cashflow (FCF) applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the FCF for underlying insurance contracts is recognised in profit and loss by adjusting the loss component. The respective changes in reinsurance contracts is also recognised in profit and loss.

8.3 Reinsurance contracts held measured under the premium allocation approach (PAA)

The Group and the Company measure quota share motor reinsurance contracts applying the PAA. See 7.3 above.

Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Group and the Company adjust the carrying amount of the asset for remaining coverage and recognise an income when a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group of contracts. A loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is created and subsequently adjusted for any changes in the amount.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

9. Investment contracts with discretionary participation features

The Group issues investment contracts with discretionary participating features (DPF) which provide the investor with the contractual right to receive a non-discretionary amount and, as a supplement to that amount, additional amounts that are expected to be a significant portion of the total contractual benefits based on the return of a specified pool of contracts.

The Group recognises investments contracts with DPF at the date when the Group becomes a party to the contract. The investment contracts with DPF are aggregated in the same manner as insurance contracts. The Group identifies portfolios of such investment contracts with DPF and within that portfolio group them based on three expected profitability levels (onerous, marginally profitable, profitable) into groups of contracts issued not more than a year apart.

At initial recognition, similar to insurance contracts, for investment contracts with DPF, the Group estimates fulfilment cash flows consisting of the present value of expected future cash flows and risk adjustment for non-financial risk and establishes the initial CSM.

In estimating future cash flows, the Group considers the contract boundary which only includes cash flows if they result from a substantive obligation of the Group to deliver cash at a present or future date.

In estimating the risk adjustment for non-financial risk for investment contracts with DPF, the Group considers other non-financial risks, such as the risks arising from the contract holder behaviour (e.g. lapse risk) and expense risk.

The Group discounts cash flows using discount rates that reflect that variability. Where contracts provide guarantees of minimum return, because the return does not vary solely with the underlying items, the guarantee are also reflected in the discount rate that reflects the variability of underlying items.

The Group allocates the CSM over the group's whole duration period in a systematic way reflecting the transfer of investment services under a contract.

The Group measures investment contracts with DPF under the VFA because they meet the VFA criteria. See section 7.4 above for the accounting policies for direct participating contracts accounted under VFA.

10. Modification and derecognition

The Group and the Company derecognise a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised.

If the contract modification does not meet any of the conditions, the Group and the Company treat changes in cash flows caused by a modification as changes in estimates of fulfilment cash flows.

For insurance contracts accounted for applying the GMM, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period as if the revised CSM amount applied from the beginning of the period, but reflecting the change in the coverage units due to the modification during the period. This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the Group and the Company adjust insurance revenue prospectively from the time of the contract modification for a change in estimates of the fulfilment cash flows.

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

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

When the Group and the Company derecognise an insurance contract from within a group of contracts, the Group and the Company:

- Adjust the FCF allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group;
- Adjust the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component);
- Adjust the number of coverage units for expected remaining insurance contract service to reflect the coverage units derecognised from the group, and recognise in profit or loss in the period the amount of CSM based on that adjusted number.

When the Group and the Company derecognise an insurance contract because it transfers the contract to a third party, the Group and the Company adjust the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to FCF due to derecognition and the premium charged by a third party.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

10. Modification and derecognition (cont'd)

When the Group and the Company derecognise an insurance contract due to modification, derecognises an insurance contract and recognises a new insurance contract, the Group and the Company adjust the CSM of the group from which the contract has been derecognised for the difference between the change in the carrying amount of the group as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Group and the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

11. Presentation

The Group and the Company have presented separately in the consolidated and separate statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, portfolio of reinsurance contracts held that are assets and those that are liabilities.

The Group and the Company disaggregate the amounts recognised in the consolidated and separate statement of profit or loss and other comprehensive income into an insurance service result comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.

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

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

11.1 Insurance revenue

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

For groups of insurance contracts measured under the GMM, insurance revenue consists of the following:

- i) The sum of the changes in the LRC:
 - (a) the insurance service expense incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - amounts allocated to the loss component;
 - amounts relating to risk adjustment for non-financial risk;
 - repayments of investment components;
 - insurance acquisition expenses;
 - (b) amounts related to income tax that are specifically chargeable to the policyholder;
 - (c) the change in the risk adjustment for non-financial risk, excluding:
 - changes included in insurance finance income or expenses;
 - changes that relate to future service that adjust the CSM; and
 - amounts allocated to the loss component;
 - (d) The amount of CSM for the services provided in the period.
 - (e) experience adjustments for premium receipts, if any.
- (ii) The portion of acquisition cash flows that is determined by systematically allocating the portion of premiums that can be seen as recovering those cash flows to each period on the basis of the passage of time.

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

At the end of each reporting period, the Group and the Company consider whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to change in the expected pattern of claim occurrence for new and existing group of contracts.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

11.2 Insurance service expense

Insurance service expense arising from group insurance contracts issued comprises of:

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

11.3 Income or expenses from reinsurance contracts held

The Group and the Company present income or expenses from a group of reinsurance contracts held and insurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- amount recovered from reinsurer; and
- an allocation of the reinsurance premium paid, provided together they equal total income or expenses from reinsurance contracts held.

The Group and the Company present cash flows that are contingent on claims as part of the amount recovered from reinsurer. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a reduction in the premiums to be paid to the reinsurer.

11.4 Insurance finance income and expense

Insurance finance income or expense presents the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk.

The use of OCI presentation for insurance finance income and expense

The use of the OCI option for groups of insurance contracts issued by the Group and the Company have been considered necessary to reduce accounting mismatch and as such disaggregation of insurance finance income and expenses has been performed.

For PAA contracts

Applying the PAA, the Group and the Company do not discount the liability for remaining coverage to reflect the time value of money and financial risk for general insurance policies with a coverage period of one year or less.

The Group and the Company adjust the liability for remaining coverage for the time value of money for general insurance policies with a coverage period longer than one year. The Group and the Company have elected to disaggregate insurance finance income or expense in profit or loss based on the systematic allocation method over the duration of the contracts in the group. The method of systematic allocation uses discount rates determined at the date of the incurred claim based on nominal cash flows that do not vary based on the returns on any underlying items.

For contracts with cash flows not affected by underlying items

For contracts with cash flows not affected by underlying items, the Group and the Company have elected to present all insurance finance income or expenses in profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Insurance contracts (cont'd)

11.4 Insurance finance income and expense (cont'd)

For contracts with cash flows affected by underlying items not meeting the definition of direct participating contracts

For those groups of insurance contracts for which changes in financial risk assumptions do not have a substantial effect on the amounts paid to the policyholder, the systematic allocation uses the discount rates curve locked in at initial recognition of those group of contracts.

When changes in financial risk have a substantial effect on the amounts paid to the policyholders, in determining the systematic allocation of total finance income or expense, the Group and the Company applies one of two approaches:

- using a discount rate that allocates the remaining expected insurance finance income or expense over the expected remaining duration of the group of contracts at a constant rate; or
- for contracts that use a crediting rate to determine the amount due to the policyholders, use an allocation based on the amount credited in the period and expected to be credited in future periods.

The Group and the Company consider which approach to apply on a portfolio-by-portfolio basis.

12. Transition

The Group and the Company have adopted IFRS 17 retrospectively, applying the modified retrospective approach and the fair value approach when the fully retrospective approach was impracticable. The Group and the Company applied the full retrospective approach to all insurance contracts, which were issued subsequent to January 1, 2020; the modified retrospective approach to all insurance contracts, which were issued between January 1, 2015 to December 31, 2019 and the fair value approach to the remaining insurance policies issued before January 1, 2015.

12.1 Contracts measured under the fully retrospective approach

The Group and the Company concluded that reasonable and supportable information that was necessary to apply the fully retrospective approach was available for all insurance contracts issued within two years prior to transition.

Applying the fully retrospective approach, the Group and the Company identified, recognised and measured each group of insurance contracts and assets for insurance acquisition cash flows as if IFRS 17 had always applied, derecognised any existing balances that would not exist had IFRS 17 always been applied and recognised any resulting net difference in equity. As permitted under the transition requirements of IFRS 17, the Group and the Company did not perform any impairment assessment on the assets for insurance acquisition cash flows relating to periods prior to transition.

12.2 Contracts measured under the modified retrospective approach

The Group assessed historical information available to the Group and determined that all reasonable and supportable information necessary for applying the fully retrospective approach was not available for groups of insurance contracts issued between seven to two years prior to the transition date. The Group elected to apply the modified retrospective approach, which was intended to achieve the closest possible outcome to the fully retrospective application maximizing the use of information available to the Group.

The Group and the Company applied some modifications in the following areas:

- assessments of insurance contracts or groups of insurance contracts that are required to be made at inception or initial recognition, such as assessments of insurance contracts profitability, eligibility for PAA and for meeting the criteria of direct participating contracts, and identification of discretionary cash flows for deferred variable annuity contracts;
- estimation of expected future cash flows discount rates and risk adjustment for non-financial risk as at the date of initial recognition;
- the determination of the CSM for direct participating contracts and other insurance contracts;
- the determination of insurance finance income or expense; and
- the Group and the Company chose not to change the accounting treatment of accounting estimates made in previous interim financial statements.

12.3 Contracts measured under the fair value approach

The Group concluded that reasonable and supportable information for application of the modified retrospective approach was not available for all insurance contracts issued more than seven years prior to the date of transition and therefore applied the fair value approach for those contracts.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Group and the Company issue contracts that transfer insurance or financial risk or both. This section summarises the main risks linked to long-term and short-term insurance business and the way they are managed.

A description of the significant risk factors is given below together with the risk management policies applicable.

3.1 Insurance risk

The Group and the Company have set up an Enterprise Risk Management Framework required under the Insurance (Risk Management) Rules 2016 made by the Financial Services Commission under section 130 of the Insurance Act and section 93 of the Financial Services Act 2007.

The 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 fortuitous and therefore unexpected and unpredictable.

The Group and the Company are exposed to different elements of insurance risks:

For life insurance policies:

- Mortality risk - the risk of losses arising from to life insurance policyholders death being earlier than expected;
- Morbidity risk - the risk of losses arising from life insurance policyholders health experience being different than expected; and
- Longevity risks - the risk of losses arising from the increase in life expectancy of policyholders.

For short-term (General) insurance policies:

- Catastrophe risk – the risk of incurring significant losses as a result of catastrophe events.

For all policies:

- Premium risk - the risk that premiums charged to policyholders are less than claims cost on business written; and
- Reserve risk - the risk that the claims reserves are insufficient to cover all claims.

The Group and the Company have developed their insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

(a) Short-term (General) insurance:

(i) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors, the most significant resulting from severe weather events like cyclones, flooding, fire and allied perils and their consequences and liability claims awarded by the Court. Inflation is another factor that may affect claims payments.

Underwriting measures are in place to enforce appropriate risk selection criteria. For example, the Group and the Company have the right to review terms and conditions on renewal or not to renew an insurance contract.

The reinsurance arrangements for proportional and non-proportional treaties are such that the Group and the Company are adequately protected and would only suffer predetermined amounts.

(ii) Concentration of insurance risk

The following table discloses the concentration of claims by class of business gross and net of reinsurance for short-term insurance:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risk (cont'd)

(a) Short-term (General) insurance: (cont'd)

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

Class of Business	THE GROUP					
	Outstanding claims					
	2023			Restated 2022		
	Gross Insurance	Reinsurance Held	Net	Gross Insurance	Reinsurance Held	Net
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Accident and Health	301,484	(36,398)	265,086	233,441	(50,954)	182,487
Engineering	46,550	(41,668)	4,882	53,863	(46,670)	7,193
Guarantee	743	(27)	716	1,048	(24)	1,024
Motor	31,254	7,142	38,396	249,520	(13,380)	236,140
Liability	88,446	(25,056)	63,390	62,275	(19,218)	43,057
Miscellaneous	53,563	(47,729)	5,834	53,291	(40,492)	12,799
Property	530,005	(362,229)	167,776	420,099	(379,427)	40,672
Transportation	98,154	(30,460)	67,694	92,099	(22,623)	69,476
	1,150,199	(536,425)	613,774	1,165,636	(572,788)	592,848

Class of Business	THE COMPANY					
	Outstanding claims					
	2023			Restated 2022		
	Gross Insurance	Reinsurance Held	Net	Gross Insurance	Reinsurance Held	Net
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Accident and Health	276,687	(22,032)	254,655	182,006	(24,539)	157,467
Engineering	46,316	(41,560)	4,756	53,240	(46,231)	7,009
Motor	31,524	7,142	38,666	249,520	(13,380)	236,140
Liability	78,001	(18,118)	59,883	54,224	(14,193)	40,031
Miscellaneous	50,341	(44,510)	5,831	50,110	(37,315)	12,795
Property	387,085	(332,505)	54,580	315,480	(288,243)	27,237
Transportation	40,190	(17,478)	22,712	32,755	(18,179)	14,576
	910,144	(469,061)	441,083	937,335	(442,080)	495,255

(iii) Sources of uncertainty in the estimation of future claim payments

Claims are payable on a claims-occurrence basis. The Group and the Company are liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and there are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury by employees (for employer liability covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

Claims can be either long tail or short tail. Short tail claims are settled within a short time and the Group's and the Company's estimation processes reflect with a higher degree of certainty all the factors that influence the amount and timing of cash flows about the estimated costs of claims. However, for long tail claims (e.g. bodily injury), the estimation process is more uncertain and depends largely on external factors such as Court awards for example.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risk (cont'd)

(a) Short-term (General) insurance: (cont'd)

(iii) Sources of uncertainty in the estimation of future claim payments (cont'd)

The Group and the Company take all reasonable steps to ensure that they have appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for claims incurred but not yet reported and a provision for reported claims not yet paid at the reporting date. The Group and the Company have ensured that liabilities on the consolidated and separate statement of financial position at the reporting date for existing claims whether reported or not are adequate.

	Change in assumptions	Impact on profit before tax, gross of reinsurance	Impact on profit before tax, net of reinsurance	Impact on equity, gross of reinsurance	Impact on equity, net of reinsurance
		Rs'000	Rs'000	Rs'000	Rs'000
The Group					
2023					
Expected loss rate	+ 5%	(19,794)	(3,317)	(14,918)	(6,501)
Expected loss rate	- 5%	19,794	3,317	14,918	6,501
Discount rate	+ 1%	6,675	2,874	5,674	2,443
Discount rate	- 1%	(7,117)	(2,982)	(6,050)	(2,534)
2022					
Expected loss rate	+ 5%	(11,457)	(1,575)	(9,232)	(2,247)
Expected loss rate	- 5%	11,457	1,575	9,232	2,247
Discount rate	+ 1%	4,968	2,110	4,223	1,794
Discount rate	- 1%	(5,297)	(2,167)	(4,502)	(1,842)
The Company					
2023					
Expected loss rate	+ 5%	(9,106)	(1,607)	(7,741)	(1,366)
Expected loss rate	- 5%	9,106	1,607	7,741	1,366
Discount rate	+ 1%	6,458	2,856	5,490	2,428
Discount rate	- 1%	(6,676)	(2,945)	(5,674)	(2,503)
2022					
Expected loss rate	+ 5%	(7,646)	(1,065)	(6,499)	(905)
Expected loss rate	- 5%	7,646	1,065	6,499	905
Discount rate	+ 1%	4,756	2,105	4,043	1,789
Discount rate	- 1%	(4,866)	(2,157)	(4,136)	(1,833)

(b) Long term insurance

(i) Frequency and severity of claims

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risk (cont'd)

(b) Long term insurance (cont'd)

(i) Frequency and severity of claims (cont'd)

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

The Group manages these risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. For example, the Group balances death risk and survival risk across its portfolio. Medical selection is also included in the Group's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants. The Group has defined group-wide retention limit on any single life insured and reinsures the excess of the insured benefit over its retention limit. The retention limit is further reinsured through a Catastrophe Risk Reinsurance treaty. The Group does not have any reinsurance covers for contracts that insure survival risk.

(ii) Concentration of insurance risk

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

Benefits assured per life assured at end of:

Rs'000	THE GROUP			
	Total benefits insured			
	2023		2022	
	Before reinsurance			
	Rs'000	%	Rs'000	%
0-1000	26,253,348	22%	26,817,812	23%
1000-2000	16,094,784	14%	16,035,555	14%
>2000	76,118,378	64%	74,478,452	63%
	118,466,510	100%	117,331,819	100%

*The above amounts represent the gross value of total benefits insured, prior to reinsurance.

The following table for annuity insurance contracts illustrates the concentration of risk in bands that group these contracts in relation to the amount payable per annum as if the annuities were in payment at the year end.

Annuities payable per annum per life insured:

Rs'000	THE GROUP			
	2023		2022	
	Rs'000	%	Rs'000	%
0 -10	8,335	1%	7,838	1%
10 - 20	29,196	3%	27,010	3%
20 - 30	35,302	4%	32,830	4%
30 - 50	67,353	7%	62,006	7%
50 - 100	132,121	14%	121,428	14%
100+	643,128	70%	602,193	71%
	915,437	100%	853,304	100%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risk (cont'd)

(b) Long term insurance (cont'd)

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

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holders' behaviour.

The Group uses appropriate base tables of standard mortality according to the type of contract being written and statistical data are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. When data is not sufficient to be statistically credible, the best estimate of future mortality is based on standard industry tables adjusted for the Group's experience.

(iv) Sensitivities

The following table details the impact of changes in key assumptions on the Company's profit and loss, equity and CSM before and after risk mitigation by reinsurance held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

	Change in assumption	Year ended 2023					
		CSM		Profit & Loss		Equity	
		Gross	Net	Gross	Net	Gross	Net
Mortality	5%	(19,516)	(14,070)	(310)	(310)	(310)	(310)
Mortality	-5%	19,528	14,077	310	310	310	310
Morbidity	5%	(15,761)	(13,951)	(389)	(389)	(389)	(389)
Morbidity	-5%	15,787	13,155	375	375	375	375
Longevity	5%	(16,451)	(16,451)	(821)	(821)	(821)	(821)
Longevity	-5%	15,863	15,863	731	731	731	731
Expenses	10%	(63,895)	(63,895)	(5,561)	(5,561)	(5,561)	(5,561)
Expenses	-10%	65,634	65,634	3,817	3,817	3,817	3,817
Lapse rate	10%	(52,341)	(45,706)	518	518	518	518
Lapse rate	-10%	56,526	49,624	(937)	(937)	(937)	(937)
Interest rate	-1%	(119,168)	(119,168)	(125)	(125)	(44,769)	(59,618)
Market value of equities and properties	-10%	(349,725)	(349,725)	(7,103)	(7,103)	(7,103)	(7,103)

	Change in assumption	Year ended 2022					
		CSM		Profit & Loss		Equity	
		Gross	Net	Gross	Net	Gross	Net
Mortality	5%	(19,785)	(14,530)	(403)	(403)	(403)	(403)
Mortality	-5%	19,813	14,554	388	388	388	388
Morbidity	5%	(15,799)	(13,127)	(182)	(182)	(182)	(182)
Morbidity	-5%	15,809	13,136	182	182	182	182
Longevity	5%	(13,864)	(13,864)	(947)	(947)	(947)	(947)
Longevity	-5%	13,729	13,729	528	528	528	528
Expenses	10%	(61,271)	(61,271)	(5,283)	(5,283)	(5,283)	(5,283)
Expenses	-10%	61,700	61,700	4,848	4,848	4,848	4,848
Lapse rate	10%	(52,567)	(45,158)	(1,242)	(1,242)	(1,242)	(1,242)
Lapse rate	-10%	57,029	49,318	2,092	2,092	2,092	2,092
Interest rate	-1%	(84,198)	(84,198)	(565)	(565)	(32,499)	(47,094)
Market value of equities and properties	-10%	(190,256)	(190,256)	(2,027)	(2,027)	(2,027)	(2,027)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risks (cont'd)

(c) Claims development table

The development of insurance liabilities for the short-term insurance provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year ends and the table reconciles the cumulative claims to the amount appearing in the statements of financial position.

THE GROUP

GROSS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimates of undiscounted gross cumulative claims:											
- At end of claim year	250,919	309,417	383,428	546,266	486,378	356,268	483,768	525,550	554,682	574,174	4,470,850
- one year later	55,896	87,150	53,679	178,515	155,439	76,240	100,558	197,733	242,384	-	1,147,594
- two years later	28,235	55,280	20,293	29,282	49,821	33,008	37,233	61,382	-	-	314,534
- three years later	24,217	27,880	15,100	16,227	42,863	19,881	16,221	-	-	-	162,389
- four years later	20,629	25,187	15,944	14,528	13,455	4,986	-	-	-	-	94,729
- five years later	15,326	25,060	18,935	8,920	1,592	-	-	-	-	-	69,833
- six years later	14,643	15,973	10,457	1,993	-	-	-	-	-	-	43,066
- seven years later	14,897	14,593	9,630	-	-	-	-	-	-	-	39,120
- eight years later	17,715	2,366	-	-	-	-	-	-	-	-	20,081
- nine years later	9,354	-	-	-	-	-	-	-	-	-	9,354
Current estimate of cumulative claims	950,718	1,065,775	1,301,276	1,537,039	2,008,958	1,682,240	1,849,372	2,474,165	2,754,808	2,970,576	18,594,927
Less Cumulative payments to date	941,364	1,063,409	1,291,646	1,535,046	2,007,475	1,675,027	1,835,262	2,404,253	2,516,183	2,374,436	17,644,101
Liability recognised in the statements of financial position	9,354	2,366	9,630	1,993	1,483	7,213	14,110	69,912	238,625	596,140	950,826
Liability in respect of prior years											46,462
Gross claims outstanding as at year end											997,288
IBNR											161,978
Effect of the risk adjustment margin for non financial risk											73,531
Effect of discounting											(15,237)
Total Liability for Incurred claims											1,217,560

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risks (cont'd)

(c) Claims development table

THE GROUP

NET

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimates of undiscounted net cumulative claims:											
- At end of claim year	108,798	166,163	178,385	195,610	291,854	243,036	377,308	382,320	369,179	376,400	2,689,053
- one year later	29,087	48,185	39,527	26,424	40,856	56,868	46,048	59,858	109,295	-	456,148
- two years later	20,155	31,328	14,984	15,188	20,712	22,996	17,366	3,615	-	-	146,344
- three years later	19,323	22,169	12,316	12,009	15,941	17,792	3,617	-	-	-	103,167
- four years later	16,026	20,862	14,202	11,525	11,051	1,894	-	-	-	-	75,560
- five years later	13,302	21,675	17,470	5,678	(1,835)	-	-	-	-	-	56,290
- six years later	12,990	13,529	10,047	(603)	-	-	-	-	-	-	35,963
- seven years later	13,446	12,666	5,270	-	-	-	-	-	-	-	31,382
- eight years later	16,120	893	-	-	-	-	-	-	-	-	17,013
- nine years later	8,120	2	-	-	-	-	-	-	-	-	8,122
Current estimate of cumulative claims	486,019	606,399	857,585	975,805	1,205,832	1,215,974	1,611,213	1,782,344	2,344,575	2,623,646	13,709,392
Less Cumulative payments to date	477,899	605,506	852,315	976,408	1,207,776	1,211,853	1,609,707	1,770,200	2,239,039	2,274,242	13,224,945
Liability recognised in the statements of financial position	8,120	893	5,270	(603)	(1,944)	4,121	1,506	12,144	105,536	349,404	484,447
Liability in respect of prior years											8,889
Net claims outstanding as at year end											493,336
IBNR											117,752
Effect of the risk adjustment margin for non financial risk											9,405
Effect of discounting											332
Net Liability for Incurred claims											620,825

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risks (cont'd)

(c) Claims development table

The development of insurance liabilities for the short-term insurance provides a measure of the Company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year ends and the table reconciles the cumulative claims to the amount appearing in the statements of financial position.

THE COMPANY

GROSS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimates of undiscounted gross cumulative claims:											
- At end of claim year	250,919	309,417	383,428	538,263	413,963	322,374	433,352	442,356	457,698	493,561	4,045,331
- one year later	55,896	87,150	53,679	178,515	148,916	69,912	83,983	175,383	144,574	-	998,008
- two years later	28,235	55,280	20,293	29,282	48,029	32,036	35,726	56,142	-	-	305,023
- three years later	24,217	27,880	15,100	16,227	39,569	19,774	15,624	-	-	-	158,391
- four years later	20,629	25,187	15,944	14,528	12,173	3,865	-	-	-	-	92,326
- five years later	15,326	25,060	18,935	8,920	375	-	-	-	-	-	68,616
- six years later	14,643	15,973	10,457	1,917	-	-	-	-	-	-	42,990
- seven years later	14,897	14,593	9,630	-	-	-	-	-	-	-	39,120
- eight years later	17,715	2,366	-	-	-	-	-	-	-	-	20,081
- nine years later	9,354	-	-	-	-	-	-	-	-	-	9,354
Current estimate of cumulative claims	950,718	1,065,775	1,301,276	1,532,909	1,918,937	1,639,152	1,718,610	2,248,895	2,463,199	2,828,275	17,667,746
Less Cumulative payments to date	941,364	1,063,409	1,291,646	1,530,992	1,918,562	1,635,287	1,702,986	2,192,752	2,318,625	2,334,714	16,930,337
Liability recognised in the statements of financial position	9,354	2,366	9,630	1,917	375	3,865	15,624	56,143	144,574	493,561	737,409
Liability in respect of prior years											46,462
Gross claims outstanding as at year end											783,871
IBNR											126,872
Effect of the risk adjustment margin for non financial risk											71,253
Effect of discounting											(14,341)
Total Liability for Incurred claims											967,655

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.1 Insurance risks (cont'd)

(c) Claims development table

THE COMPANY

NET

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimates of undiscounted net cumulative claims:											
- At end of claim year	108,798	166,163	178,385	195,610	221,945	215,869	340,072	318,507	281,652	296,281	2,323,282
- one year later	29,087	48,185	39,527	26,424	34,333	50,540	29,813	37,508	13,511	-	308,928
- two years later	20,155	31,328	14,984	15,188	18,920	22,944	15,859	1,417	-	-	140,795
- three years later	19,323	22,169	12,316	12,009	12,647	17,685	3,266	-	-	-	99,415
- four years later	16,026	20,862	14,202	11,525	9,769	1,566	-	-	-	-	73,950
- five years later	13,302	21,675	17,470	5,678	(1,886)	-	-	-	-	-	56,239
- six years later	12,990	13,529	10,047	(603)	-	-	-	-	-	-	35,963
- seven years later	13,446	12,666	5,270	-	-	-	-	-	-	-	31,382
- eight years later	16,120	893	-	-	-	-	-	-	-	-	17,013
- nine years later	8,120	2	-	-	-	-	-	-	-	-	8,122
Current estimate of cumulative claims	486,019	606,399	857,584	975,805	1,122,982	1,181,992	1,555,885	1,693,983	2,161,264	2,544,089	13,186,002
Less Cumulative payments to date	477,899	605,506	852,314	976,408	1,124,868	1,180,426	1,552,619	1,692,566	2,147,753	2,247,810	12,858,169
Liability recognised in the statements of financial position	8,120	893	5,270	(603)	(1,886)	1,566	3,266	1,417	13,511	296,279	327,833
Liability in respect of prior years											8,889
Net claims outstanding as at year end											336,722
IBNR											104,359
Effect of the risk adjustment margin for non financial risk											9,405
Effect of discounting											332
Net Liability for Incurred claims											450,818

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk

The Group's and the Company's activities are exposed to financial risks through their financial assets, financial liabilities, insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund the obligations arising from insurance contracts.

The most important components of this financial risk are:

- Market risk (which includes currency risk, interest rate risk and equity price risk)
- Credit risk;
- Liquidity risk;
- Capital management; and
- Fair value estimation.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

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

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

3.2.1 Market risk

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk

The Group and the Company have assets and liabilities denominated in currencies other than MUR and accordingly are exposed to currency risk.

The Group and the Company purchase reinsurance contracts internationally, thereby being exposed to foreign currency fluctuations. The Group's and the Company's primary exposures are with respect to the Euro, and US Dollar.

The Group and the Company have a number of investments in foreign currencies, namely Euro (EUR), US Dollar (USD), Japanese Yen (JPY), Swiss Franc (CHF), Pound Sterling (GBP), South African Rand (ZAR), Seychellois Rupee (SCR) and Rwandan Franc (RWF) which are exposed to currency risk. Separate disclosures and sensitivity analysis for other currencies have not been shown due to their exposure being not material.

The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

The financial and insurance assets and liabilities by currency is detailed below:

THE GROUP

At December 31, 2023	MUR	Equivalent in Rs'000			Total
		USD	Euro	Others*	
Financial and insurance assets					
- Financial assets at FVOCI	1,282,345	2,072,694	44,033	5,071	3,404,143
- Financial assets at FVPL	13,710,456	9,111,279	706,938	70,029	23,598,702
- Debt instruments at amortised cost (Gross)	15,375,581	5,099,177	29,656	26,870	20,531,284
- Loans and receivables at amortised cost (Gross)	7,008,954	-	-	-	7,008,954
- Loans and advances towards finance leases (Gross)	2,235,603	-	-	-	2,235,603
- Net reinsurance contract assets	791,200	-	-	119,783	910,983
- Other receivables (Gross)	1,214,773	38,000	578	7,297	1,260,648
- Cash held at banks and short term deposits (Gross)	1,732,127	3,562,534	48,645	117,957	5,461,263
	43,351,039	19,883,684	829,850	347,007	64,411,580
Less allowances for credit impairment					(168,686)
Total					64,242,894
Financial and insurance liabilities					
- Net insurance contract liabilities	44,351,243	(132)	-	327,644	44,678,755
- Investment contract liabilities	10,704,425	-	-	-	10,704,425
- Lease liabilities	59,053	482	-	-	59,535
- Bank overdrafts	77,833	-	-	-	77,833
- Dividend payable	144,826	-	-	-	144,826
- Borrowings	1,279,563	-	-	-	1,279,563
- Other payables	1,604,676	8,402	102	18,767	1,631,947
	58,221,619	8,752	102	346,411	58,576,884

*Others consist of the CHF, ZAR, SCR, MGA, ZMW, GBP and RWF

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

THE GROUP

At December 31, 2022 (restated)

Financial and insurance assets

	Equivalent in Rs'000				Total
	MUR	USD	Euro	Others*	
- Financial assets at FVOCI	1,235,260	1,857,756	21,271	4,126	3,118,413
- Financial assets at FVPL	13,496,230	9,189,462	335,035	57,381	23,078,108
- Debt instruments at amortised cost (Gross)	15,303,704	4,234,887	26,925	25,244	19,590,760
- Loans and receivables at amortised cost (Gross)	6,168,824	-	-	-	6,168,824
- Net reinsurance contract assets	660,479	-	-	116,662	777,141
- Other receivables (Gross)	194,647	45,863	14	6,810	247,334
- Cash held at banks and short term deposits (Gross)	2,435,696	2,036,478	138,500	109,627	4,720,301
	<u>39,494,840</u>	<u>17,364,446</u>	<u>521,745</u>	<u>319,850</u>	<u>57,700,881</u>

Less allowances for credit impairment

(111,929)

Total 57,588,952

Financial and insurance liabilities

- Net Insurance contract liabilities	41,767,813	218	-	230,098	41,998,129
- Investment contract liabilities	9,407,722	-	-	-	9,407,722
- Lease liabilities	21,418	-	840	-	22,258
- Dividend payable	125,130	-	-	-	125,130
- Borrowings	1,428	-	-	-	1,428
- Other payables	748,832	8,920	-	16,500	774,252
	<u>52,072,343</u>	<u>9,138</u>	<u>840</u>	<u>246,598</u>	<u>52,328,919</u>

THE COMPANY

At December 31, 2023

Financial and insurance assets

	Equivalent in Rs'000				Total
	MUR	USD	Euro	Others*	
- Financial assets at fair value through OCI	510,315	1,526,864	-	-	2,037,179
- Debt instruments at amortised cost	143,181	302,095	-	-	445,276
- Loans and receivables at amortised cost	49,369	-	-	-	49,369
- Reinsurance contract assets	839,281	-	-	-	839,281
- Other receivables	202,467	-	-	-	202,467
- Cash held at banks and short term deposits	219,865	175,113	8,529	1,168	404,675
	<u>1,964,478</u>	<u>2,004,072</u>	<u>8,529</u>	<u>1,168</u>	<u>3,978,247</u>

Less allowances for credit impairment

(10,030)

Total 3,968,217

Financial and insurance liabilities

- Insurance contract liabilities	1,573,928	-	-	-	1,573,928
- Lease liabilities	1,629	-	-	-	1,629
- Dividend payable	144,826	-	-	-	144,826
- Borrowings	213,736	-	-	-	213,736
- Other payables	304,311	-	-	-	304,311
	<u>2,238,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,238,430</u>

*Others consist of the GBP, SCR and ZAR

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

THE COMPANY

At December 31, 2022 (restated)

Financial and insurance assets

	Equivalent in Rs'000				Total
	MUR	USD	Euro	Others	
- Financial assets at fair value through OCI	462,285	1,498,165	-	-	1,960,450
- Debt instruments at amortised cost	245,441	205,503	-	-	450,944
- Loans and receivables at amortised cost	55,035	-	-	-	55,035
- Reinsurance contract assets	716,836	-	-	-	716,836
- Other receivables (Gross)	169,149	-	-	-	169,149
- Cash held at banks and short term deposits (Gross)	127,133	113,476	5,532	38	246,179
	<u>1,775,879</u>	<u>1,817,144</u>	<u>5,532</u>	<u>38</u>	<u>3,598,593</u>

Less allowances for credit impairment

(8,748)

Total 3,589,845

Financial and insurance liabilities

- Insurance contract liabilities	1,325,989	-	-	-	1,325,989
- Lease liabilities	4,907	-	-	-	4,907
- Dividend payable	125,130	-	-	-	125,130
- Other payables	324,291	-	-	-	324,291
	<u>1,780,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,780,317</u>

*Others consist of the GBP, SCR and ZAR

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity

If the rupee had weakened/strengthened against the following currencies with all variables remaining constant, the impact on the Profit or Loss and Equity for the year would have been as shown below mainly as a result of foreign exchange gains/losses.

THE GROUP	Impact on profit:				Impact on equity:			
	USD		EURO		USD		EURO	
	+3%	-3%	+3%	-3%	+3%	-3%	+3%	-3%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2023								
- Financial assets at FVOCI	62,181	(62,181)	1,321	(1,321)	62,181	(62,181)	1,321	(1,321)
- Financial assets at FVPL	273,338	(273,338)	21,208	(21,208)	273,338	(273,338)	21,208	(21,208)
- Debt instruments at amortised cost	152,975	(152,975)	890	(890)	152,975	(152,975)	890	(890)
- Cash held at banks and short term deposits	106,876	(106,876)	1,459	(1,459)	106,876	(106,876)	1,459	(1,459)
- Net reinsurance contract assets	-	-	-	-	-	-	-	-
- Other receivables	1,140	(1,140)	17	(17)	1,140	(1,140)	17	(17)
- Net insurance contract liabilities	(4)	4	-	-	(4)	4	-	-
- Other payables	252	(252)	3	(3)	252	(252)	3	(3)
	Impact on profit:				Impact on equity:			
	USD		EURO		USD		EURO	
	+3%	-3%	+3%	-3%	+3%	-3%	+3%	-3%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022 (restated)								
- Financial assets at FVOCI	55,733	(55,733)	638	(638)	55,733	(55,733)	638	(638)
- Financial assets at FVPL	275,684	(275,684)	10,051	(10,051)	275,684	(275,684)	10,051	(10,051)
- Debt instruments at amortised cost	127,047	(127,047)	808	(808)	127,047	(127,047)	808	(808)
- Cash held at banks and short term deposits	61,094	(61,094)	4,155	(4,155)	61,094	(61,094)	4,155	(4,155)
- Net reinsurance contract assets	-	-	-	-	-	-	-	-
- Other receivables	1,376	(1,376)	-	-	1,376	(1,376)	-	-
- Net insurance contract liabilities	7	(7)	-	-	7	(7)	-	-
- Other payables	268	(268)	-	-	268	(268)	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE COMPANY	Impact on profit				Impact on equity			
	USD		EURO		USD		EURO	
	+5%	-5%	+5%	-5%	+5%	-5%	+5%	-5%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2023								
- Financial assets at fair value through OCI	-	-	-	-	76,343	(76,343)	-	-
- Debt instruments at amortised cost	15,105	(15,105)	-	-	15,105	(15,105)	-	-
- Cash held at banks and short term deposits	8,756	(8,756)	426	(426)	8,756	(8,756)	426	(426)
At December 31, 2022 (restated)								
- Financial assets at fair value through OCI	-	-	-	-	74,908	(74,908)	-	-
- Debt instruments at amortised cost	10,275	(10,275)	-	-	10,275	(10,275)	-	-
- Cash held at banks and short term deposits	5,674	(5,674)	277	(277)	5,674	(5,674)	277	(277)

(ii) Interest rate risk

Financial assets and liabilities

Interest rate risk arises from the Group's and Company's investments in long term debt securities investments (excluding fixed income securities), borrowings, cash held at banks and short-term deposits which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustained low interest rates is also regularly monitored. The interest rates on finance leases are fixed and not material and have not been disclosed in the below table.

Short-term (General) insurance assets and liabilities

Short term insurance liabilities are not directly sensitive to the level of market interest rates as they are undiscounted and contractually non-interest bearing. However, due to the time value of money and the impact of interest rates on the level of bodily injury related claims incurred by certain insurance contract holders, a reduction for interest rates would normally produce a higher insurance liability. The Group and the Company review their estimation in respect of these claims on a regular basis and ensures that adequate cash flow is available at all times.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Long-term (Life) insurance assets and liabilities

Changes in interest rate also affect the carrying amount of insurance liabilities as cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. Refer to note 3.1 (b)(iv) for sensitivity analysis on insurance and reinsurance contracts.

The interest rate profiles of the financial assets of the Group and Company as at December 31, were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	%	%	%	%
Debt instruments at amortised cost	2.55 -15.17	1.25 - 12.25	2.55 -15.17	1.25 - 12.25
Loans and receivables at amortised cost	3.90 - 17.60	3.125 - 17.10	3.90 - 17.60	3.125 - 17.10
Cash held at banks and short term deposits	0.00 -5.70	1.90-3.10	0.00 -5.70	1.90-3.10

Management regularly monitors the sensitivity of reported interest rate movements.

Sensitivity

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

	THE GROUP				THE COMPANY			
	2023		2022		2023		2022	
	P&L Rs'000	Equity Rs'000	P&L Rs'000	Equity Rs'000	P&L Rs'000	Equity Rs'000	P&L Rs'000	Equity Rs'000
	+/-0.15%		+/-2.45%		+/-0.15%		+/-2.45%	
THE GROUP								
Financial assets:								
- Debt instruments at amortised cost	2,838	2,838	115,247	115,247	21	21	17	17
- Loans and receivables at amortised cost	7,889	7,889	115,853	115,853	30	30	35	35
- Cash held at banks and short term deposits	8,855	8,855	33,478	33,478	5	5	-	-
	19,582	19,582	264,578	264,578	56	56	52	52
Financial liabilities:								
- Borrowings	-	-	-	-	31	31	9	9

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(iii) Equity price risk

The Group and the Company are subject to price risk due to daily changes in the market values of their equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risks, catastrophes risks and reinsurance ceded.

The Group and the Company have holdings in unquoted equity securities (Refer to note 11). The Investment Committee actively monitors equity assets owned directly by the Group and the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group and the Company hold diversified portfolios of local and foreign investments in various sectors of the economy.

Sensitivity

The impact on OCI and equity had the equity market values increased/decreased by 8% (2022: 14%) with other assumptions left unchanged would have been as follows:

	2023			2022		
	OCI Rs'000	P&L Rs'000	Equity Rs'000	OCI Rs'000	P&L Rs'000	Equity Rs'000
Change in share price		+/-8%			+/-14%	
The Group	257,194	-	257,194	416,433	-	416,433
The Company	153,000	-	153,000	263,000	-	263,000

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instruments fails to meet all or part of their obligations. The Group's and the Company's credit risk is primarily attributable to:

- reinsurance contract assets in terms of amounts due from reinsurers in respect of claims already paid;
- investment in debt instruments at amortised cost;
- cash held at banks and short term deposits;
- other receivables;
- receivable from related parties;
- loans and receivables; and
- loans and advances towards finance leases.

Financial assets presented in the consolidated and separate statement of financial position are net of expected credit loss allowances, based on management's prior experience and forward looking environment.

At December 31, 2023, the Group and the Company have a maximum exposure to credit risk from insurance contracts amounting to Rs 2,454m (2022:MUR 2,445m) and Rs 1,420m (2022:MUR 1,310m) respectively, which primarily relates to premiums receivable for services that the Group and the Company have already provided.

Reinsurance credit exposures

The Group and the Company are exposed to concentrations of risks with respect to its reinsurers due to the nature of the reinsurance treaty. The Group and the Company are exposed to the possibility of default by its reinsurers in respect of their share of insurance liabilities and refunds in respect of claims already paid.

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk.

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposures for the Group and the Company will arise.

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

Reinsurance credit exposures (cont'd)

The following table sets out information about the Group and the Company's reinsurance counterparty exposures as well as the credit quality of reinsurance contract assets.

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Reinsurance contract assets				
FITCH (A to AAA)	883,561	738,682	839,281	716,836
S& P (Range AA- to AA)	66	1	-	-
AM BEST (B- to A+)	5,608	8,897	-	-
UNRATED	179	28	-	-
	889,414	747,608	839,281	716,836

Short term deposits and cash and cash equivalents

Short term deposits and cash and cash equivalents include cash held with local banks as well as internationally renowned banks and cash equivalents in the form of short-term treasury bills. The Directors have assessed that the credit risk is low as cash and cash equivalents are held with reputable institutions duly licensed and rated investment grade by credit rating agencies.

Debt instruments at amortised cost

The Group's and the Company's investment in Debt instruments at amortised cost comprises mainly of investment in deposits, bills, notes and bonds issued by governments and corporates. Prior to any investment, a credit assessment is undertaken by the Group's and Company's Investment Managers based on information gathered from the institutions, the public domain as well as credit rating agencies. These investments are held primarily with reputable and credit-worthy institutions comprising of the Government of Mauritius, Bank of Mauritius, other local and international financial and non-financial entities.

Loans and receivables and Loans and advances towards finance leases

For loans, all borrowers undergo a credit assessment undertaken by credit specialists of the Group and the Company. The credit assessment is based on a credit scoring model that takes into account the qualitative and quantitative metrics of the borrowers. The metrics are derived from historical and forecasted information gathered from the borrowers, external parties including credit rating agencies, exchanges and the public domain. In mitigating credit risk, the Group and the Company ensure that the credit assessment is based on informed and thorough research, that borrower's debt service capacity is established and that loans are secured through guarantees and/ or adequate security interests.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

Loss allowance

The following tables shows the expected credit loss allowance by class of financial instrument. Further disclosures are disclosed in each of the respective financial instruments note.

	Note	THE GROUP					
		2023			2022		
		At January 01,	Net movement	At December 31,	At January 01, Restated	Net movement	At December 31, Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ECL Allowances on:							
(i) Cash held at banks and short term deposits	31(b)(i)	6,082	3,128	9,210	3,214	2,868	6,082
(ii) Investment in debts instruments at amortised cost	11(k)	64,073	28,593	92,666	46,072	18,001	64,073
(iii) Other receivables	13(a)	15,526	(1,937)	13,589	19,287	(3,761)	15,526
(iv) Loans and receivables	12A	26,248	17,409	43,657	34,196	(7,948)	26,248
(v) Loans and advances towards finance leases*	12B	-	9,564	9,564	-	-	-
		111,929	56,757	168,686	102,769	9,160	111,929

*Net movement includes balance from acquisition of subsidiary amounting to Rs000's 8,345 (Refer to note 12B (c)).

	Note	THE COMPANY					
		2023			2022		
		At January 01,	Net movement	At December 31,	At January 01, Restated	Net movement	At December 31, Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ECL Allowances on:							
(i) Cash held at banks and short term deposits	31(b)(i)	124	301	425	142	(18)	124
(ii) Investment in debt instruments at amortised cost	11(k)	894	858	1,752	680	214	894
(iii) Other receivables	13(a)	7,488	-	7,488	7,488	-	7,488
(iv) Loans and receivables	12(i)	242	123	365	452	(210)	242
		8,748	1,282	10,030	8,762	(14)	8,748

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

The following table provides information regarding the carrying value of financial assets that have been impaired and that are past due but not impaired.

THE GROUP

	Neither past due nor impaired	Past due but not impaired	Expected credit loss allowances	Write- Off	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023					
- Debt instruments at amortised cost	20,438,618	92,666	(92,666)	-	20,438,618
- Loans and receivables at amortised cost	6,692,971	323,578	(43,657)	(7,595)	6,965,297
- Loans and advances toward finance leases	2,226,039	9,669	(9,564)	(105)	2,226,039
- Other receivables	1,255,332	13,589	(13,589)	(8,273)	1,247,059
- Cash held at banks and short term deposits	5,452,053	9,210	(9,210)	-	5,452,053
2022 (restated)					
- Debt instruments at amortised cost	19,526,687	64,073	(64,073)	-	19,526,687
- Loans and receivables at amortised cost	5,882,065	293,029	(26,248)	(6,270)	6,142,576
- Other receivables	232,686	15,526	(15,526)	(878)	231,808
- Cash held at banks and short term deposits	4,714,219	6,082	(6,082)	-	4,714,219

THE COMPANY

	Neither past due nor impaired	Past due but not impaired	Expected credit loss allowances	Write- Off	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023					
- Debt instruments at amortised cost	443,524	1,752	(1,752)	-	443,524
- Loans and receivables at amortised cost	49,004	365	(365)	-	49,004
- Other receivables	203,238	7,488	(7,488)	-	203,238
- Cash held at banks and short term deposits	404,250	425	(425)	-	404,250
2022 (restated)					
- Debt instruments at amortised cost	450,050	894	(894)	-	450,050
- Loans and receivables at amortised cost	54,793	242	(242)	-	54,793
- Other receivables	184,578	7,488	(7,488)	-	184,578
- Cash held at banks and short term deposits	246,055	124	(124)	-	246,055

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk

The Group and the Company have strong liquidity positions and liquidity risk is considered to be low. Through the application of the liquidity management policy, the Group and the Company seek to maintain sufficient financial resources to meet their obligations as they fall due.

THE GROUP

Maturity analysis of financial assets and liabilities:

At December 31, 2023	Carrying Amount	Undiscounted cash flows				Total
		< 1 year	1 to 5 years	> 5 years	No stated Maturity	
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets						
- Financial assets at FVOCI	3,404,143	-	-	-	3,404,143	3,404,143
- Financial assets at FVTPL	23,598,702	-	-	-	23,598,702	23,598,702
- Debt instruments at amortised cost	20,531,284	3,444,896	9,313,987	14,196,241	125,952	27,081,076
- Loans and receivables at amortised cost	7,008,954	1,899,409	2,145,687	6,150,382	-	10,195,478
- Loans and receivables towards finance leases	2,235,603	61,867	1,433,356	740,380	-	2,235,603
- Other receivables	1,260,648	1,260,648	-	-	-	1,260,648
- Cash held at banks and short term deposits	5,461,263	5,461,263	-	-	-	5,461,263
	63,500,597	12,128,083	12,893,030	21,087,003	27,128,797	73,236,913
Less allowances for credit impairment	(168,686)					
Total	63,331,911					
Financial liabilities						
- Investment contract liabilities	10,704,425	-	-	10,704,425	-	10,704,425
- Borrowings	1,279,563	753,086	878,901	-	-	1,631,987
- Lease liabilities	59,535	18,881	26,620	22,070	-	67,571
- Bank overdraft	77,833	77,833	-	-	-	77,833
- Dividend payable	144,826	144,826	-	-	-	144,826
- Other payables	1,631,947	1,631,947	-	-	-	1,631,947
	1,914,141	1,873,487	26,620	22,070	-	1,922,177
At December 31, 2022 (restated)	Carrying Amount	Undiscounted cash flows				Total
		< 1 year	1 to 5 years	> 5 years	No stated Maturity	
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets						
- Financial assets at FVOCI	3,118,413	-	-	-	3,118,413	3,118,413
- Financial assets at FVTPL	23,078,108	-	-	-	23,078,108	23,078,108
- Debt instruments at amortised cost	19,590,760	2,494,258	9,465,720	13,728,289	-	25,688,267
- Loans and receivables at amortised cost	6,168,824	752,914	1,708,124	6,763,065	-	9,224,103
- Other receivables	247,334	247,334	-	-	-	247,334
- Cash held at banks and short term deposits	4,720,301	4,720,301	-	-	-	4,720,301
	56,923,740	8,214,807	11,173,844	20,491,354	26,196,521	66,076,526
Less allowances for credit impairment	(111,929)					
Total	56,811,811					

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE GROUP

Maturity analysis of financial assets and liabilities:

At December 31, 2022 (restated)	Carrying Amount	Undiscounted cash flows				No stated Maturity	Total
		< 1 year	1 to 5 years	> 5 years			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Restated						Restated
Financial liabilities							
- Investment contract liabilities	9,407,722	-	-	9,407,722	-	-	9,407,722
- Borrowings	1,428	-	1,428	-	-	-	1,428
- Lease liabilities	22,258	9,037	14,785	-	-	-	23,822
- Dividend payable	125,130	125,130	-	-	-	-	125,130
- Other payables	729,952	729,952	-	-	-	-	729,952
	<u>10,286,490</u>	<u>864,119</u>	<u>16,213</u>	<u>9,407,722</u>	<u>-</u>	<u>-</u>	<u>10,288,054</u>

THE COMPANY

Maturity analysis of financial assets and liabilities:

At December 31, 2023	Carrying Amount	Undiscounted cash flows				No stated Maturity	Total
		< 1 year	1 to 5 years	> 5 years			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets							
- Financial assets at fair value through OCI	2,037,179	-	-	-	2,037,179	-	2,037,179
- Debt instruments at amortised cost	445,276	28,266	289,120	127,890	-	-	445,276
- Loans and receivables at amortised cost	49,369	7,034	15,725	26,610	-	-	49,369
- Other receivables	202,467	202,467	-	-	-	-	202,467
- Cash held at banks and short term deposits	404,675	404,675	-	-	-	-	404,675
	<u>3,138,966</u>	<u>642,442</u>	<u>304,845</u>	<u>154,500</u>	<u>2,037,179</u>	<u>-</u>	<u>3,138,966</u>
Less allowances for credit impairment	(10,030)						
Total	<u>3,128,936</u>						
Financial liabilities							
- Lease liabilities	1,629	1,256	373	-	-	-	1,629
- Dividend payable	144,826	144,826	-	-	-	-	144,826
- Borrowings	213,736	213,736	-	-	-	-	213,736
- Other payables	304,311	304,311	-	-	-	-	304,311
	<u>664,502</u>	<u>664,129</u>	<u>373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664,502</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE COMPANY

Maturity analysis of financial and insurance assets and liabilities: (cont'd)

At December 31, 2022 (restated)	Carrying Amount	Undiscounted cash flows				No stated Maturity	Total
		< 1 year	1 to 5 years	> 5 years			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets							
- Financial assets at fair value through OCI	1,960,450	-	-	-	1,960,450	-	1,960,450
- Debt instruments at amortised cost	450,944	4,985	214,417	231,542	-	-	450,944
- Loans and receivables at amortised cost	55,035	6,265	14,984	33,786	-	-	55,035
- Other receivables	169,149	169,149	-	-	-	-	169,149
- Cash held at banks and short term deposits	246,179	246,179	-	-	-	-	246,179
	<u>2,881,757</u>	<u>426,578</u>	<u>229,401</u>	<u>265,328</u>	<u>1,960,450</u>	<u>-</u>	<u>2,881,757</u>
Less allowances for credit impairment	(8,748)						
Total	<u>2,873,009</u>						
Financial liabilities							
- Lease liabilities	4,907	2,385	2,522	-	-	-	4,907
- Non-current payables	106,471	106,471	-	-	-	-	106,471
- Dividend payable	125,130	125,130	-	-	-	-	125,130
- Other payables	324,291	324,291	-	-	-	-	324,291
	<u>560,799</u>	<u>558,277</u>	<u>2,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,799</u>

The above tables exclude insurance related assets/liabilities, property and equipment, right-of-use assets, investment properties, intangible assets, investments in subsidiary companies, investments in associated companies, investments in joint venture, deferred tax assets, seized properties, current tax assets, prepayments, retirement benefit obligations and current tax liabilities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

The following table summarises the maturity profile of groups of insurance contract issued and groups of reinsurance contracts held that are liabilities of the Group and the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

Maturity analysis of insurance/reinsurance contract assets and liabilities:

	THE GROUP							
	Carrying Amount	Undiscounted cashflows						Total
		< 1 year	1- 2 years	2-3years	3-4 years	4-5 years	>5years	
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
At December 31, 2023								
Net insurance contract liabilities	44,678,755	3,120,850	1,215,826	1,092,693	1,073,741	1,595,028	36,697,065	44,795,203
Net reinsurance contract asset/(liabilities)	910,983	960,495	(32,787)	(30,367)	(27,839)	(25,161)	(268,718)	575,623
	<u>45,589,738</u>	<u>4,081,345</u>	<u>1,183,039</u>	<u>1,062,326</u>	<u>1,045,902</u>	<u>1,569,867</u>	<u>36,428,347</u>	<u>45,370,826</u>
At December 31, 2022 (restated)								
Net insurance contract liabilities	41,998,129	2,708,627	1,136,174	1,150,626	1,060,386	1,313,578	35,492,524	42,861,915
Net reinsurance contract asset/(liabilities)	777,141	830,799	(39,124)	(35,373)	(32,474)	(29,567)	(273,905)	420,356
	<u>42,775,270</u>	<u>3,539,426</u>	<u>1,097,050</u>	<u>1,115,253</u>	<u>1,027,912</u>	<u>1,284,011</u>	<u>35,218,619</u>	<u>43,282,271</u>
	THE COMPANY							
	Carrying Amount	Undiscounted cashflows						Total
		< 1 year	1- 2 years	2-3years	3-4 years	4-5 years	>5years	
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
At December 31, 2023								
Assets								
Reinsurance contract assets	839,281	839,281	-	-	-	-	-	839,281
	<u>839,281</u>	<u>839,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>839,281</u>
Liabilities								
Insurance contract liabilities	1,573,928	1,573,928	-	-	-	-	-	1,573,928
	<u>1,573,928</u>	<u>1,573,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,573,928</u>
At December 31, 2022 (restated)								
Assets								
Reinsurance contract assets	716,836	716,836	-	-	-	-	-	716,836
	<u>716,836</u>	<u>716,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716,836</u>
Liabilities								
Insurance contract liabilities	1,325,989	1,325,989	-	-	-	-	-	1,325,989
	<u>1,325,989</u>	<u>1,325,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,325,989</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.4 Capital risk management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern and also comply with applicable laws and regulations.

The Group and the Company have established the following capital management objectives, policies and approach to managing the risks that affect their capital position:

- to ensure that the Minimum Capital Requirement ratio of 150% (with a minimum of Rs.25m) as required by the Insurance Act 2005 be maintained at all times at Company level.
- This is a risk based capital method of measuring the minimum amount appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Company's assets, liabilities arising from insurance and reinsurance contracts and assets above a certain concentration limit.
- to safeguard the Group's and the Company's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.
- to maintain the required level of stability of the Group and the Company thereby providing a degree of security to policyholders.
- to maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Group and the Company manage their capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 2022.

The operations of the Group and the Company are also subject to regulatory requirements within the jurisdictions in which they operate. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for the statement of financial position as per Rule 6, capital required for investment above concentration limit as per Rule 7, capital required for policy liabilities as per Rule 8, capital required for catastrophes as per Rule 9 and capital required for reinsurance ceded under Rule 10.

Under the Insurance (Long-Term Insurance Business Solvency) Rules 2007, the minimum capital requirement for long-term business is determined by the actuary, which is the higher of:

- a stress test requirement determined in accordance with guidelines issued by the Financial Services Commission to ensure that the Company remains solvent; or
- the higher of:
 - an amount of Rs 25 million; or
 - an amount representing 13 weeks' operating financial services, with operating expenses as defined and reported in the annual statutory return submitted to the Financial Services Commission.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Financial Services Commission (FSC). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Group's and the Company's capital management policy for their insurance is to hold sufficient capital to cover the statutory requirements based on the FSC directives, including any additional amounts required by the regulator.

For the year ended 31 December 2023 and 31 December 2022, the Group and Company have satisfied the minimum capital requirements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.4 Capital risk management (cont'd)

Approach to capital management

The Group and the Company seek to optimise the structure and sources of capital to ensure that they consistently maximises returns to the shareholders and policyholders.

The Group's and the Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group and the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's and the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group and the Company are focused on the creation of value for shareholders.

3.2.5 Fair value estimation

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

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Only investments at fair value through profit or loss and investments at fair value through other comprehensive income have been fair valued in the consolidated and separate financial statements.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.6 Financial instruments by category and fair values

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

	IFRS 9 classification	Fair value Hierarchy	Notes	THE GROUP				THE COMPANY						
				2023		2022		2023		2022				
				Carrying Amount Rs 000's	Fair Value Rs 000's	Carrying Amount Rs 000's	Fair Value Rs 000's	Carrying Amount Rs 000's	Fair Value Rs 000's	Carrying Amount Rs 000's	Fair Value Rs 000's			
Financial and insurance assets														
Financial assets at fair value through OCI														
-Quoted securities	FVOCI	Level 1	11	2,953,106	2,953,106	2,827,295	2,827,295	1,845,020	1,845,020	1,814,090	1,814,090			
-Investment funds	FVOCI	Level 2	11	261,823	261,823	147,229	147,229	72,584	72,584	68,040	68,040			
-Unquoted securities	FVOCI	Level 3	11	189,214	189,214	143,889	143,889	119,575	119,575	78,320	78,320			
Financial assets at fair value through P&L:														
-Quoted securities	FVTPL	Level 1	11	19,369,863	19,369,863	19,117,018	19,117,018	-	-	-	-			
-Investment funds	FVTPL	Level 2	11	1,611,612	1,611,612	1,269,076	1,269,076	-	-	-	-			
-Unquoted securities	FVTPL	Level 3	11	2,617,227	2,617,227	2,692,014	2,692,014	-	-	-	-			
Debt instruments at amortised cost	Amortised cost	NA	11	20,438,618	20,882,152	19,526,687	20,525,663	443,524	447,380	450,050	459,900			
Loans and receivables at amortised cost	Amortised cost	NA	12A	6,965,297	6,965,297	6,142,576	6,142,576	49,004	49,004	54,793	54,793			
Loans and advances towards finance leases	Amortised cost	NA	12B	2,226,039	2,226,039	-	-	-	-	-	-			
Other receivables	Amortised cost	NA	13	1,247,059	1,247,059	231,808	231,808	194,979	194,979	161,661	161,661			
Cash held at banks and short term deposits	Amortised cost	NA	31	5,452,053	5,452,053	4,714,219	4,714,219	404,250	404,250	246,055	246,055			
Insurance contract assets	NA	NA	15(a)	132	132	-	-	-	-	-	-			
Reinsurance contract assets	NA	NA	15(b)	996,780	996,780	884,524	884,524	839,281	839,281	716,836	716,836			
				64,328,823	64,772,357	57,696,335	58,695,311	3,968,217	3,972,073	3,589,845	3,599,695			
Financial and insurance liabilities														
Net insurance contract liabilities	NA	NA	15(a)	44,678,887	44,678,887	41,998,129	41,998,129	1,573,928	1,573,928	1,325,989	1,325,989			
Net reinsurance contract liabilities	NA	NA	15(b)	85,797	85,797	107,383	107,383	-	-	-	-			
Investment contract liabilities	NA	NA	16	10,704,425	10,704,425	9,407,722	9,407,722	-	-	-	-			
Lease liabilities	Amortised cost	NA	5B	59,535	59,535	22,258	22,258	1,629	1,629	4,907	4,907			
Borrowings	Amortised cost	NA	20	1,279,563	1,279,563	1,428	1,428	213,736	213,736	-	-			
Dividend payable	Amortised cost	NA	29	144,826	144,826	125,130	125,130	144,826	144,826	125,130	125,130			
Other payables	Amortised cost	NA	19	1,631,947	1,631,947	570,551	570,551	304,311	304,311	324,291	324,291			
Non-current payables	Amortised cost	NA	19	-	-	159,401	159,401	-	-	106,471	-			
				58,584,980	58,584,980	52,392,002	52,392,002	2,238,430	2,238,430	1,886,788	1,780,317			

All of the above financial and insurance assets/liabilities disclosures exclude property and equipment, right-of-use assets, investment properties, intangible assets, investments in subsidiary companies, investment in associated companies, deferred tax assets, seized properties, current tax assets, prepayments, retirement benefit obligations and current tax liabilities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

4.1 Insurance contracts

Assessment of significance of insurance risk:

The Group and the Company apply its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group and the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on occurrence of insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. This assessment is performed after separation of non-closely related derivatives, distinct investment components and promises to transfer distinct goods and non-insurance services. Refer to note 2.17 section 2 for more details.

Separation of insurance contracts into components from insurance contracts:

The Group and the Company issue some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. Overriding the 'single contract' unit of account presumption involves significant judgement and is not an accounting policy choice. In determining whether a legal contract does not reflect its substance such that separate insurance elements are required to be recognised, the Group and the Company consider the interdependency between the different risks covered, the ability of all components to lapse independently of each other and the ability to price and sell the components separately.

Consideration whether there are investment components:

The Group considers all the terms of the contracts it issues to determine whether there are amounts payable to policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of insured event. Some amounts, once paid by policyholder, are repayable to policyholder in all circumstances. The Group considers such payments to meet the definition of investment component, notwithstanding that the amount repayable varies over the term of the contract as it is repayable only after it has first been paid by the policyholder.

Determination of contract boundary:

The measurement of a group insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group and the Company considers its substantive rights and obligations arising from the terms of the contract, and also from applicable law and regulations. Cash flows are considered to be outside of the contract boundary if the Company has practical ability to reprice existing contracts to reflect their reassessed risks and if the contract's pricing for coverage up to the date of re-assessment considers only the risks till that next reassessment date. The Group and the Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. The Group and the Company considers contractual, legal and regulatory restrictions when making its assessment. In doing so, the Group and the Company disregards restrictions that have no commercial substance. The Group and the Company also apply judgement to decide whether commercial considerations are relevant.

Level of aggregation:

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

Assessment of directly attributable cash flows:

The Group and the Company apply judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cashflows (FCF), the Group and the Company also allocate to the FCF fixed and variable overheads directly attributable to the fulfilment of insurance contracts.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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

4.1 Insurance contracts (cont'd)

Assessment of whether the retrospective approach on transition is impracticable:

The Group and the Company assessed all information available them and determined that it would be impracticable to apply the fully retrospective approach to all insurance contracts. Refer to note 2.20 section 12 for more details.

Disaggregation of changes in the risk adjustment for non-financial risk:

The Group and the Company do not disaggregate the risk adjustment for non-financial risk into an insurance service component and an insurance finance component, which would otherwise require a significant judgement and additional disclosure. The Group and the Company present changes in the risk adjustment for non-financial risk included in the liability for remaining coverage (LRC) that do not relate to future service as insurance revenue and changes in the risk adjustment for non-financial risk related to current and past service as insurance service expense.

Risk adjustments are determined separately from estimates from the present value of future cash flows, using the confidence level technique.

Disaggregation of changes in the risk adjustment for non-financial risk: (cont'd)

Applying a confidence level technique, the Group and the Company estimate the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at 75th percentile (the target confidence level) over the expected present value of the future cash flows.

Technique for estimation of future cash flows:

In estimating FCF included in the contract boundary, the Group and the Company consider all the range of possible outcomes in an unbiased way specifying the amount of cash flows, timing and a probability of each scenario reflecting conditions existing at the measurement data, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Group and the Company use all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, accident rates, average claim costs, probabilities of severe claims, policy surrender rates. The Group and the Company maximize the use of observable inputs for market variables and utilises internally generated group-specific data. For life insurance contracts, the Group and the Company use national statistic data for estimating the mortality rates as the national statistic data is more current than internal mortality statistics.

Method of estimating discounts rates:

In determining discount rates for different products, the company uses the bottom-up or top-down approaches.

For cash flows of non-participating contracts that do not depend on underlying items, the Group and the Company applies the bottom-up approach. Under this approach, the Group and the Company estimate discount rates as points on a liquid risk-free rate curve for the same currency and duration as the cash flows of insurance contract with a premium for the illiquidity of the insurance contract to be explicitly added to the risk-free rate. The liquidity premium adjusts for the fact that yield curves derived from observable market prices reflect liquid assets, whereas insurance contracts are difficult to sell, or surrender quickly without incurring significant costs. The Group and the Company apply judgement in determining the liquidity characteristics of the group of insurance contracts.

The Group and the Company use the top-down approach to determine discounts rates for all other insurance contracts within the scope of IFRS 17. Applying this approach, the Group and the Company use the yield curve created by market rates of return implied in the fair value of a reference portfolio of assets and adjusts it to exclude the effects of risks present in the assets, but not in the insurance cash flows, except for the differences in liquidity, which need not be eliminated. The Group and the Company exclude the market risk premiums for credit risk of the underlying items that are only relevant to assets included in the reference portfolio by looking to the market price of credit derivatives as a reference point.

The table below illustrates the discount rates used to discount the insurance cashflows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
Discount rate applied	3.7% - 7.2%	3.9% - 7.7%	4.0%-6.3%	4.5%-8.7%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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

4.2 Significant influence over associates and joint venture

The Directors assessed whether or not the Group and the Company have significant influence over their associates and joint ventures. In making their judgment, the Directors considered the nature and structure of the relationship and other facts and circumstances. The Directors have concluded that the Group and the Company have significant influence over their associates and joint ventures as detailed in note 9 and note 10.

4.3 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.4(i).

4.4 Impairment of other assets

At the end of each reporting period, management reviews and assesses the carrying amounts of the other assets and where relevant write them down to their recoverable amounts based on best estimates, ie. the higher of fair value less cost to sell or value in use.

4.5 Pension 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 obligation.

The Group and the Company determine the appropriate discount rate at the end of the year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group and the Company consider the interest rate of high quality corporate bond 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 21.

The Group and the Company contribute to a defined benefit plan, the assets of which are held and administered by Swan Life Ltd.

4.6 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group and the Company using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group and the Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Asset lives and residual values

Property and equipment and intangible assets (except for goodwill) are depreciated and amortised respectively over their estimated useful lives taking into account residual values, where appropriate. The estimated lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing the estimated useful life an asset, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets. The depreciation/amortisation rates and methods have been disclosed in note 2.2 and note 2.4.

4.8 Involvement with unconsolidated structured entities

The Group and the Company have concluded that portfolio companies in which they invests, but that they do not consolidate, meet the definition of structured entities because:

- the voting rights in the entities are not dominant rights in deciding who controls them because they relate to administrative tasks only; and
- the investee's activities are restricted by its prospectus.

Refer to note 8(h) for details of involvement with unconsolidated structured entities.

4.9 Control over subsidiaries

The Directors assessed whether or not the Group and the Company has control over their subsidiaries based on whether the Group and the Company have the practical ability to direct their relevant activities unilaterally. In making their judgment, the directors considered the Group's and the Company's absolute size of holding in these subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the Group and the Company have sufficient dominant voting interest to direct the relevant activities of these subsidiaries and therefore the Group and the Company have control over them. Note 8 describes all the entities that have been identified as subsidiaries of the Group and the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

5. PROPERTY AND EQUIPMENT

	Note	Freehold land and buildings	Motor vehicles	Furniture & fittings	Office equipment	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP COST						
At January 1, 2022		444,959	41,366	131,266	187,506	805,097
Acquired through business combination		-	2,997	-	415	3,412
Additions		488	-	712	14,282	15,482
Disposals		-	-	(52)	(2,604)	(2,656)
Exchange differences		(4,790)	3,061	(3,344)	(527)	(5,600)
At December 31, 2022		440,657	47,424	128,582	199,072	815,735
Acquired through business combination	35	-	4,291	19,773	98,559	122,623
Additions		197	5,376	12,265	19,738	37,576
Disposals		-	(1,650)	-	(11,293)	(12,943)
Write off		-	-	-	-	-
Exchange differences		(16,867)	(2,087)	(815)	(2,059)	(21,828)
At December 31, 2023		423,987	53,354	159,805	304,017	941,163

DEPRECIATION

At January 1, 2022		130,558	23,799	114,639	158,653	427,649
Acquired through business combination		-	1,611	-	189	1,800
Charge for the year		8,369	4,221	4,706	20,146	37,442
Disposal adjustment		-	-	-	(2,604)	(2,604)
Exchange differences		(447)	(296)	(3,257)	(279)	(4,279)
At December 31, 2022		138,480	29,335	116,088	176,105	460,008
Acquired through business combination	35	-	4,157	15,545	35,443	55,145
Charge for the year		8,213	4,462	6,999	22,375	42,049
Disposal adjustment		-	(1,237)	-	(6,430)	(7,667)
Exchange differences		(1,867)	(1,264)	(608)	(1,368)	(5,107)
At December 31, 2023		144,826	35,453	138,024	226,125	544,428

CARRYING AMOUNT

At December 31, 2023		279,161	17,901	21,781	77,892	396,735
At December 31, 2022		302,177	18,089	12,494	22,967	355,727
At January 01, 2022		314,401	17,567	16,627	28,853	377,448

For both 2023 and 2022, all additions have been financed by cash and there were no transactions under finance lease.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

5. PROPERTY AND EQUIPMENT**THE COMPANY
COST**

	Freehold land and buildings Rs'000	Motor vehicles Rs'000	Furniture & fittings Rs'000	Office equipment Rs'000	Total Rs'000
At January 1, 2022	86,475	10,450	38,214	102,284	237,423
Additions	-	-	-	8,892	8,892
Disposals	-	-	-	(413)	(413)
At December 31, 2022	86,475	10,450	38,214	110,763	245,902
Additions	-	-	146	12,938	13,084
Disposals	-	(1,650)	-	-	(1,650)
At December 31, 2023	86,475	8,800	38,360	123,701	257,336

DEPRECIATION

At January 1, 2022	34,575	8,042	37,038	89,307	168,962
Charge for the year	1,730	247	690	8,395	11,062
Disposal adjustment	-	-	-	(413)	(413)
At December 31, 2022	36,305	8,289	37,728	97,289	179,611
Charge for the year	1,730	-	240	8,743	10,713
Disposal adjustment	-	(1,237)	-	-	(1,237)
At December 31, 2023	38,035	7,052	37,968	106,032	189,087

CARRYING AMOUNT

At December 31, 2023	48,440	1,748	392	17,669	68,249
At December 31, 2022	50,170	2,161	486	13,474	66,291
At January 01, 2022	51,900	2,408	1,176	12,977	68,461

For both 2023 and 2022, all additions have been financed by cash and there were no transactions under finance lease.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

5A. RIGHT-OF-USE-ASSETS

At January 1, 2022	
Additions	
Depreciation	
Exchange differences	
Carrying amount at December 31, 2022	
Acquired through business combination (note 35)	
Additions	
Derecognition	
Depreciation	
Exchange differences	
Carrying amount at December 31, 2023	

At January 1, 2022	
Depreciation	
Carrying amount at December 31, 2022	
Depreciation	
Carrying amount at December 31, 2023	

5B. LEASE LIABILITIES

At January 1, 2022	
Additions	
Interest expense	
Lease payments	
Exchange differences	
At December 31, 2022	
Acquired through business combination (note 35)	
Additions	
Derecognition	
Interest expense	
Lease payments	
Exchange differences	
At December 31, 2023	

THE GROUP		
Land and buildings Rs'000	Machinery and motor vehicles Rs'000	Total Rs'000
9,377	3,695	13,072
15,843	-	15,843
(6,376)	(1,399)	(7,775)
(34)	(27)	(61)
18,810	2,269	21,079
26,799	-	26,799
17,680	142	17,822
(367)	-	(367)
(12,487)	(1,238)	(13,725)
(131)	(64)	(195)
50,304	1,109	51,413

THE COMPANY		
Land and buildings Rs'000	Machinery and motor vehicles Rs'000	Total Rs'000
4,075	3,211	7,286
(1,863)	(1,134)	(2,997)
2,212	2,077	4,289
(1,863)	(1,134)	(2,997)
349	943	1,292

THE GROUP		
Land and buildings Rs'000	Machinery and motor vehicles Rs'000	Total Rs'000
10,111	4,265	14,376
15,843	-	15,843
685	214	899
(7,232)	(1,739)	(8,971)
32	79	111
19,439	2,819	22,258
32,817	-	32,817
17,521	171	17,692
(392)	-	(392)
1,973	117	2,090
(13,223)	(1,594)	(14,817)
(67)	(46)	(113)
58,068	1,467	59,535

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

5B. LEASE LIABILITIES (CONT'D)

Analysed as:	2023	2022
	Rs'000	Rs'000
Current	11,355	8,323
Non-current	48,180	13,935
	59,535	22,258

	THE COMPANY		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2022	4,385	3,513	7,898
Interest expense	187	162	349
Lease payments	(2,146)	(1,194)	(3,340)
At December 31, 2022	2,426	2,481	4,907
Interest expense	75	96	171
Lease payments	(2,146)	(1,303)	(3,449)
At December 31, 2023	355	1,274	1,629

Analysed as:	2023	2022
	Rs'000	Rs'000
Current	1,256	2,385
Non current	373	2,522
	1,629	4,907

(a) Nature of leasing activities (in the capacity as lessee)

The Group and the Company lease a number of properties in the jurisdictions from which they operate. In some jurisdictions, it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions property leases the periodic rent is fixed over the lease term.

The Group and the Company lease a number of office space in the following regions in Mauritius; Black River, Goodlands, Rose Belle, Quatre Bornes and Ebène.

The Group and the Company also lease certain items of plant and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of property, equipment and vehicles comprise only fixed payments over the lease terms.

(b) Extension and termination options

There is no extension and termination options included in property and equipment leases across the Group and the Company.

(c) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group and the Company are typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group and the Company are typically reasonably certain to extend (or not terminate);
- Otherwise, the Group and the Company consider other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

No extension options in offices and vehicles leases have been included in the lease liability, because the Group and the Company could replace the assets without significant cost or business disruption.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

5B. LEASE LIABILITIES (CONT'D)

(d) Interest expense	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense (included in finance cost)	2,090	899	171	349

The total cash outflow for leases in 2023 was Rs'000 14,817 (2022: Rs'000 8,971) for the Group and Rs'000 3,349 (2022: Rs'000 3,340) for the Company.

(e) The maturity analysis of the lease liabilities have been disclosed in the note 3.2.3.

6 (a). INVESTMENT PROPERTIES

COST

	THE GROUP
	Rs'000
At January 1, 2022	545,710
Additions	1,444
Disposals	(6,169)
At December 31, 2022	540,985
Additions	143,571
Disposals	(2,521)
At December 31, 2023	682,035

DEPRECIATION

At January 1, 2022	123,605
Charge for the year	9,117
At December 31, 2022	132,722
Charge for the year	9,123
At December 31, 2023	141,845

CARRYING AMOUNT

At December 31, 2023	540,190
At December 31, 2022	408,263
At January 01, 2022	422,105

(i) The fair value of investment properties is estimated as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At December 31,	1,688,961	1,563,835

The investment properties were last revalued in September 2023 by Messrs Noor Dilmohamed & Associates, an independent professionally qualified valuer. The fair value was determined on an open market value basis by reference to market evidence of transaction prices for similar properties using comparative cost approach and income capitalization approach. The valuation is performed every 3 years.

The valuation of the investment properties has been valued using unobservable inputs and are classified under level 3 hierarchy in the fair value hierarchy table.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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6 (a). INVESTMENT PROPERTIES (CONT'D)

(ii) The following have been recognised in the statements of profit or loss and other comprehensive income.

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Rental income	40,935	29,458
Direct operating expenses from investment properties that generate rental income	9,925	9,662
Direct operating expenses from investment properties that do not generate rental income	9,859	10,459

The following table sets out a maturity analysis of lease receipts, showing the undiscounted lease receipts to be received after the reporting date:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Less than one year	35,697	33,537
One to two years	22,418	18,154
Two to three years	17,207	14,424
Three to four years	13,860	10,142
Four to five years	10,289	7,105
More than five years	16,602	46,700
Total	80,376	96,525

6(b). SEIZED PROPERTIES

At January 1,
Additions
At December 31,

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At January 1,	92,637	45,441
Additions	220	47,196
At December 31,	92,857	92,637

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

7. INTANGIBLE ASSETS

THE GROUP COST

At January 1, 2022
Additions
Exchange differences
At December 31, 2022
Additions
Acquired through business combination (note 35)
Exchange differences
At December 31, 2023

AMORTISATION

At January 1, 2022
Charge for the year
Exchange differences
At December 31, 2022
Charge for the year
Acquired through business combination (note 35)
Exchange differences
At December 31, 2023

CARRYING AMOUNT

At December 31, 2023

At December 31, 2022

At January 01, 2022

Goodwill	Computer software	Customer list	Other intangibles	Total
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
66,349	137,021	55,375	79,567	338,312
16,704	44,248	-	-	60,952
-	(893)	-	-	(893)
83,053	180,376	55,375	79,567	398,371
-	71,185	-	588	71,773
-	53,740	-	4,000	57,740
-	(3,096)	-	-	(3,096)
83,053	302,205	55,375	84,155	524,788
-	100,036	49,838	73,868	223,742
-	31,282	5,537	1,898	38,717
-	(176)	-	-	(176)
-	131,142	55,375	75,766	262,283
-	26,499	-	1,898	28,397
-	38,806	-	-	38,806
-	-	-	-	-
-	196,447	55,375	77,664	329,486
83,053	105,758	-	6,491	195,302
83,053	49,234	-	3,801	136,088
66,349	36,985	5,537	5,699	114,570

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY

COST

	Computer software Rs'000	Other intangibles Rs'000	Total Rs'000
At January 1, 2022	109,836	14,990	124,826
Additions	29,996	-	29,996
At December 31, 2022	139,832	14,990	154,822
Additions	64,003	-	64,003
At December 31, 2023	203,835	14,990	218,825

AMORTISATION

At January 1, 2022	80,903	14,990	95,893
Charge for the year	27,141	-	27,141
At December 31, 2022	108,044	14,990	123,034
Charge for the year	20,359	-	20,359
At December 31, 2023	128,403	14,990	143,393

CARRYING AMOUNT

At December 31, 2023	75,432	-	75,432
At December 31, 2022	31,788	-	31,788
At January 01, 2022	28,933	-	28,933

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	2023 Rs'000	2022 Rs'000
(a) THE COMPANY		
At January 1,	643,575	565,874
Additions (note (ii))	-	77,701
At December 31,	643,575	643,575

(i) The market value of the subsidiary company, Swan Life Ltd based on the DEM bid price at December 31, 2023 amounted to Rs.4.4bn (2022: Rs.3.9bn).

(ii) In FY2022, additions relates to the acquisition of 2,700,000 shares in Swan Forex Ltd for Rs 77.7m.

NOTES TO THE CONSOLIDATED AND SEPARATE
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YEAR ENDED DECEMBER 31, 2023

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The financial statements of the following subsidiaries have been included in the consolidated and separate financial statements for the year ended December 31, 2023 and 2022.

Name of subsidiaries	Class of shares held	Stated Capital	Nominal value of investment		Proportion of ownership interest					
			2023		2022		2023		2022	
			Rs'000	Rs'000	Rs'000	%	%	%	%	
· Swan Life Ltd	Ordinary	26,322	239,435	239,435	82.72	82.72	-	-		
· Swan Corporate Affairs Ltd	Ordinary	1,000	500	500	50.00	50.00	-	-		
· Swan International Co Ltd	Ordinary	156	80	80	51.00	51.00	-	-		
· Swan Reinsurance PCC (8c)	Core and Cellular	250,000	250,000	250,000	100.00	100.00	-	-		
· Swan Forex Ltd	Ordinary	27,000	77,701	77,701	100.00	100.00	-	-		
· Dolberg Rental (Pty) Ltd	Ordinary	18,319	6,788	6,788	100.00	100.00	-	-		
· Swan Foundation *	Limited by guarantee	1	-	-	50.00	50.00	-	-		
· Swan Special Risks Company Limited	Ordinary	50,000	50,000	50,000	100.00	100.00	-	-		
· Aprica Investments Co Ltd	Ordinary	30	-	-	100.00	100.00	-	-		
· Swan Wealth Structured Products Ltd *	Ordinary	1	1	1	100.00	100.00	-	-		
· Swan Digital Ltd	Ordinary	1,300	1,440	1,440	100.00	100.00	-	-		
· Swan Comoros SA	Ordinary	3,879	3,879	3,879	100.00	100.00	-	-		
· Swan Smart Achiever Notes Ltd *	Ordinary	1	1	1	100.00	100.00	-	-		
· Swan General Insurance Company Zambia Limited	Ordinary	37,073	-	-	47.96	47.96	49.51	49.51		
· Swan Wealth International Ltd	Ordinary	7,500	3,750	3,750	50.00	50.00	-	-		
· Afresure Reinsurance Brokers Ltd	Ordinary	10,000	10,000	10,000	100.00	100.00	-	-		
			643,575	643,575						
Held indirectly through Swan Life Ltd:			-	-						
· Swan Financial Solutions Ltd	Ordinary	586,876	-	-	-	-	66.18	66.18		
· Manufacturers' Distributing Station Limited (8d)	Ordinary	961	-	-	-	-	82.55	82.55		
· Swan Pensions Ltd	Ordinary	4,100	-	-	-	-	82.72	82.72		
· Swan Wealth Managers Ltd	Ordinary	1,600	-	-	-	-	66.18	66.18		
· Swan Securities Ltd	Ordinary	10,000	-	-	-	-	66.18	66.18		
· Rogers Capital Finance Ltd	Ordinary	750,020	-	-	-	-	51.00	-		
· Swan Corporate Advisors Ltd	Ordinary	1,300	-	-	-	-	66.18	66.18		
· Société de La Croix (8d)	Parts	2,500	-	-	-	-	82.55	82.55		
· Société de La Montagne (8d)	Parts	45,604	-	-	-	-	82.55	82.55		
· Société de La Rivière (8d)	Parts	2,500	-	-	-	-	82.55	82.55		
· Swan Pensions Rwanda (SPR) Ltd	Ordinary	2,485	-	-	-	-	49.63	49.63		
· Swan Actuarial Services Ltd	Ordinary	1,107	-	-	-	-	82.72	82.72		

* Swan Foundation, Swan Wealth Structured Products Ltd, and Swan Smart Achiever Notes Ltd are not consolidated.

Refer to note 8 (g) for details.

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Name of subsidiaries	Other group companies	Proportion of ownership held by non-controlling interests		Place of Business/ Country of incorporation	Main Business		
		2023				2022	
		%	%			%	%
· Swan Life Ltd	-	-	17.28	17.28	Mauritius	· Life insurance, pensions, actuarial and investment business	
· Swan Corporate Affairs Ltd	41.36	41.36	8.64	8.64	Mauritius	· Provision of secretarial services to the Group	
· Swan International Co Ltd	40.53	40.53	8.47	8.47	Mauritius	· Reinsurance Brokers and Consultants	
· Swan Reinsurance PCC (8c)	-	-	-	-	Mauritius	· Reinsurance of long term and short term business	
· Swan Forex Ltd	-	-	-	-	Mauritius	· Foreign exchange dealer and money changer	
· Dolberg Rental (Pty) Ltd	-	-	-	-	South Africa	· Leasing of office and other related equipment	
· Swan Foundation *	50.00	50.00	-	-	Mauritius	· Management of Swan Group's CSR fund (not consolidated)	
· Swan Special Risks Company Limited	-	-	-	-	Mauritius	· Underwriter of short term and fronting business	
· Aprica Investments Co Ltd	-	-	-	-	Mauritius	· Investment holding	
· Swan Wealth Structured Products Ltd *	-	-	-	-	Mauritius	· Provider of structured solutions	
· Swan Digital Ltd	-	-	-	-	Mauritius	· Software developer	
· Swan Comoros SA	-	-	-	-	Comoros	· Underwriter of short term and fronting business	
· Swan Smart Achiever Notes Ltd *	-	-	-	-	Mauritius	· Provider of structured solutions	
· Swan General Insurance Company Zambia Limited	-	-	2.53	2.53	Zambia	· Underwriter of short term business	
· Swan Wealth International Ltd	41.36	41.36	8.64	8.64	Mauritius	· Investment holding	
· Afresure Reinsurance Brokers Ltd	-	-	-	-	Mauritius	· Reinsurance Brokers and Consultants	
· Swan Financial Solutions Ltd	66.18	66.18	33.82	33.82	Mauritius	· Investment holding	
· Manufacturers' Distributing Station Limited (8d)	82.55	82.55	17.45	17.45	Mauritius	· Investment holding	
· Swan Pensions Ltd	82.72	82.72	17.28	17.28	Mauritius	· Pension fund administration	
· Swan Wealth Managers Ltd	66.18	66.18	33.82	33.82	Mauritius	· Fund management and investment	
· Swan Securities Ltd	66.18	66.18	33.82	33.82	Mauritius	· Stockbroking	
· Rogers Capital Finance Ltd	51.00	-	49.00	-	Mauritius	· Leasing and factoring	
· Swan Corporate Advisors Ltd	66.18	66.18	33.82	33.82	Mauritius	· Advisory	
· Société de La Croix (8d)	82.55	82.55	17.45	17.45	Mauritius	· Investment holding	
· Société de La Montagne (8d)	82.55	82.55	17.45	17.45	Mauritius	· Investment holding	
· Société de La Rivière (8d)	82.55	82.55	17.45	17.45	Mauritius	· Investment holding	
· Swan Pensions Rwanda (SPR) Ltd	49.63	49.63	50.37	50.37	Rwanda	· Pension and fund administration	
· Swan Actuarial Services Ltd	82.72	82.72	17.28	17.28	Mauritius	· Actuarial services	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

- (c) The Company consolidates the activities of the Core cell only.
- (d) These Sociétés are consolidated in the financial statements of Swan Life Ltd, by holding 99.80% of the three Sociétés through Manufacturers' Distributing Station Limited.
- (e) The financial year end is 31st December for all companies.
- (f) There was no additions at Company level during the year.

(g) Interest in structured entities not consolidated

(I) Swan Wealth Structured Products Ltd

Swan Wealth Structured Products Ltd's (SWSPL) principal aim is to provide comprehensive structured financial solutions. Last year, the entity launched the Smart Dynamic Notes through the issue of debentures which will be matched to its assets which are classified as financial assets at amortised cost.

Financial assets at amortised cost consist of various fixed deposits with reputable bank and financial institutions. The respective terms and conditions of the investments have been disclosed to the noteholders who bear all the benefits and risks associated with the products. The financial liabilities of the notes issued by the entity consist of two distinct obligations, the capital guarantee and the minimum guaranteed return. The financial liabilities have been measured at amortised cost using the effective interest rate methods.

	2023	2022
	Rs'000	Rs'000
The financial position of SWSPL is as follows:		
Financial assets at fair value through profit or loss	-	-
Financial assets at amortised cost	-	-
Other assets	26	73
Total assets	<u>26</u>	<u>73</u>
Other financial liabilities	-	-
Other liabilities	120	-
Equity	(94)	73
	<u>26</u>	<u>73</u>

The Group's maximum exposure to loss from its interests in Swan Wealth Structured Products Ltd as at December 31, 2023 is described above.

During the year ended December 31, 2023, the Group and the Company did not provide any financial support to the unconsolidated structured entity and has no intention of providing financial or other support.

The financial statements of Swan Wealth Structured Products Ltd (SWSPL) are not included in the consolidated financial statements since Swan General Ltd does not have any control over the operations of the entity.

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(g) Interest in structured entities not consolidated (cont'd)

(II) Swan Smart Achiever Notes Ltd

Swan Smart Achiever Notes Ltd (SSANL) is a special purpose vehicle (SVP) with the principal aim of issuing and launching Smart Achiever Notes through the issue of debentures.

The proceeds being invested in Warrants from JP. Morgan Structured Products, 364 Days Treasury Bills, 10 Year Government Bonds and rights & benefits attributable to 20 Year Government Bonds from Swan Life Ltd and Swan General Ltd. Investors in Smart Achiever Notes will recover (i) at the first anniversary, an income of 6.0%, (ii) at the third anniversary, an income of 4.0% only if held until respective payments are made, and (iii) at maturity, 100% of their initial investment if held until maturity only. The investors benefit from the participation in the positive performance of Reference instruments from JP Morgan Structured Products (Namely: Yield Enhancer Mutual Fund Basket and STOXX Emerging Markets Select 100 Index) and as such do not participate in any negative performance in the Reference Instruments which is the case for this Financial Year where both reference instruments underperformed.

	2023	2022
	Rs'000	Rs'000
The financial position of SSANL is as follows:		
Financial assets at fair value through profit or loss	-	2,448
Financial assets at amortised cost	1,222	213,039
Cash and cash equivalents	74	45,669
Other assets	16	52
Total assets	<u>1,312</u>	<u>261,208</u>
Other financial liabilities	-	250,396
Other liabilities	257	8,782
Equity	1,055	2,030
	<u>1,312</u>	<u>261,208</u>

The Group's maximum exposure to loss from its interests in Swan Smart Achiever Notes Ltd as at December 31, 2023 is described above.

During the year December 31, 2023, the Group and the Company did not provide any financial support to the unconsolidated structured entity and has no intention of providing financial or other support.

The financial statements of Swan Smart Achiever Notes Ltd (SSANL) are not included in the consolidated financial statements since Swan General Ltd does not have any control over the operations of the entity.

(III) Swan Foundation

Swan Foundation is a non-profit and limited by guarantee organisation.

Being a guarantee company, Swan Foundation does not have share capital nor shareholders, but instead has members who act as guarantors.

As at December 31, 2023, both Swan Life Ltd and Swan General Ltd have made a capital injection of Rs. 500 to Swan Foundation, which represents the Group's maximum exposure to loss from their interests in Swan Foundation.

The main activity of the entity is to collect Corporate Social Responsibility (CSR) contributions from the group companies in order to donate to approved Non Governmental Organisations (NGO) and other approved corporate partners. Swan Foundation is governed by CSR guidelines.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(g) Interest in structured entities not consolidated (cont'd)

(III) Swan Foundation (cont'd)

Yearly contribution made to Swan Foundation represents 50% of CSR amount (equivalent to 2% of Taxable profit of Group Companies). The amount paid is recognised as an expense within the 'Income tax expense' in the Statement of Profit and Loss and accrued as 'Current tax liabilities' within Current Liabilities in the Statement of Financial Position.

During the year December 31, 2023, the Group and the Company did not provide any financial support to the unconsolidated structured entity and have no intention of providing financial or other support.

Name of Entity	Country of incorporation	
Swan Foundation	Mauritius	
Contributors	Amount	Holdings
Swan General Ltd	Rs.500	50%
Swan Life Ltd	Rs.500	50%

Below are the summarised results and financial position of the unconsolidated structured entity:

	2023	2022
	Rs'000	Rs'000
Revenue	967	1,090
Surplus for the year	39	(1)
Current Assets	255	204
Current Liabilities	106	203
Total Equity	149	1

(h) Details for subsidiaries are as follows:

Name of subsidiaries	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests as at December 31,
	Rs'000	Rs'000
2023		
• Swan Life Ltd (Group)	160,900	1,158,966
• Swan Corporate Affairs Ltd	69	970
• Swan International Co Ltd	(28)	(4,749)
• Swan General Insurance Company Zambia Limited	(1,327)	508
• Swan Wealth International Ltd	66	644
	159,680	1,156,339
2022 (restated)		
• Swan Life Ltd (Group) *	134,627	850,671
• Swan Corporate Affairs Ltd	67	901
• Swan International Co Ltd	87	(4,200)
• Swan General Insurance Company Zambia Limited *	(279)	1,920
• Swan Wealth International Ltd	(7)	578
	134,495	849,870

*Prior year figures have been restated due to the implementation of IFRS 17 and IFRS 9.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) Summarised financial information on subsidiaries

(a) The summarised statements of financial position and statement of profit or loss and other comprehensive income for the subsidiaries are shown below:

Name of subsidiaries	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non controlling interests
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023									
Swan Life Ltd (Group)	12,023,844	48,946,864	3,530,980	53,175,631	2,065,460	676,212	59,244	735,456	(11,803)
Swan International Co Ltd	6,149	52,411	5,358	-	-	399	5,565	5,964	-
Swan Corporate Affairs Ltd	6,395	8,149	3,320	-	4,344	828	-	828	-
Swan Reinsurance PCC	118,490	321,198	13,298	3,230	5,317	17,973	16,280	34,253	-
Dolberg Rental (Pty) Ltd	30,180	-	11,693	13,420	1,967	1,016	-	1,016	-
Aprica Investments Co Ltd	59	-	-	-	324	24	-	24	-
Swan Special Risks Company Limited	112,027	51,970	56,146	-	254,580	(1,279)	4,120	2,841	-
Swan Digital Ltd	1,025	-	17	-	-	(36)	-	(36)	-
Swan Comoros SA	6,727	-	953	-	-	(54)	-	(54)	-
Swan General Insurance Company Zambia Limited	270,410	68,896	342,050	-	525,538	(52,443)	13,397	(39,047)	-
Swan Wealth International Limited	7,500	-	36	-	-	759	-	759	-
Swan Forex Ltd	100,972	-	14,321	-	44,248	22,990	391	23,381	-
Afresure Reinsurance Brokers Ltd	9,052	-	73	-	123	(41)	-	(41)	-
2022									
Swan Life Ltd (Group)	6,775,356	47,518,629	1,709,647	49,016,508	1,980,642	554,254	(236,288)	317,966	(14,003)
Swan International Co Ltd	4,840	46,443	4,449	-	-	(2,884)	(3,515)	(6,398)	-
Swan Corporate Affairs Ltd	11,571	246	3,411	-	4,653	742	-	742	-
Swan Reinsurance PCC	68,599	2,265	8,953	1,159	5,479	29,890	(37,672)	(7,783)	-
Swan Forex Ltd	73,896	-	10,536	-	17,809	5,152	(184)	4,968	-
Dolberg Rental (Pty) Ltd	3,203	1	13,331	14,337	2,630	72	-	72	-
Aprica Investments Co Ltd	35	-	-	-	16,640	15,843	-	15,843	-
Swan Special Risks Company Limited	133,450	32,433	60,873	-	276,187	7,340	(3,281)	4,059	-
Swan Digital Ltd	1,321	-	29	-	-	(47)	-	(47)	-
Swan Comoros SA	6,906	-	996	1,167	5,494	(402)	-	(402)	-
Swan General Insurance Company Zambia Limited	267,006	71,779	292,889	-	331,371	(11,873)	31	(11,843)	-
Swan Wealth International Limited	7,500	-	795	-	-	(91)	-	(91)	-
Afresure Reinsurance Brokers Ltd	9,094	-	73	-	-	(177)	-	(177)	-

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) Summarised financial information on subsidiaries (cont'd)

(b) Summarised Cash flow information

Name of subsidiaries	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
Swan Life Ltd (Group)	3,023,581	(2,345,188)	(193,193)	485,200
Swan International Co Ltd	(873)	-	-	(873)
Swan Corporate Affairs Ltd	683	(7,898)	-	(7,215)
Swan Reinsurance PCC	9,867	36,826	-	46,693
Dolberg Rental (Pty) Ltd	1,835	-	-	1,835
Aprica Investments Co Ltd	-	-	-	-
Swan Special Risks Company Limited	(4,076)	(14,497)	-	(18,573)
Swan Digital Ltd	(47)	-	-	(47)
Swan Comoros SA	354	-	-	354
Swan General Insurance Company Zambia Limited	56,926	(47,217)	11,024	20,733
Swan Wealth International Limited	-	-	-	-
Swan Forex Ltd	23,805	2,273	(794)	25,284
Afresure Reinsurance Brokers Ltd	(42)	-	-	(42)
2022				
Swan Life Ltd (Group)	2,066,636	(209,593)	(175,537)	1,681,506
Swan International Co Ltd	(1,826)	-	-	(1,826)
Swan Corporate Affairs Ltd	1,308	-	-	1,308
Swan Reinsurance PCC	42,477	(34,136)	-	8,341
Dolberg Rental (Pty) Ltd	1,562	1,370	-	2,932
Aprica Investments Co Ltd	2,280	-	-	2,280
Swan Special Risks Company Limited	2,028	469	-	2,497
Swan Digital Ltd	(182)	-	-	(182)
Swan Comoros SA	(4,717)	-	-	(4,717)
Swan General Insurance Company Zambia Limited	88,555	(67,853)	2,766	23,468
Swan Wealth International Limited	-	-	-	-
Swan Forex Ltd	11,876	230	(567)	11,539
Afresure Reinsurance Brokers Ltd	(865)	-	-	(865)

The summarised financial information above is the amount before intra-group eliminations.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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9. INVESTMENTS IN ASSOCIATED COMPANIES

(a) Group's share of net assets in associated companies

As previously reported

Adjustment on initial application of IFRS 17 and IFRS 9, net of tax

Restated balance at January 1, 2022

Share of results of associated companies

Dividends

Share of other comprehensive income

Exchange differences on translation

At December 31,

THE GROUP	
2023	2022
Rs'000	Rs'000
300,309	222,295
-	30,948
300,309	253,243
46,865	40,223
(14,025)	(4,889)
2,023	856
(19,534)	10,876
315,638	300,309
THE COMPANY	
2023	2022
Rs'000	Rs'000
103,989	103,989

At January 1 and December 31

(b) Details of the associates at the end of the reporting period are as follows:

Name	Year end	Principal place of business/country of incorporation	Proportion of ownership interest and voting rights (direct)	Proportion of ownership interest and voting rights (indirect)	Nature of business
2023			%	%	
SACOS Group Limited	Dec 31	Seychelles	18.61	8.08	Insurance activities
BK General Insurance Company Limited	Dec 31	Rwanda	30.00	-	Insurance activities
2022			%	%	
SACOS Group Limited	Dec 31	Seychelles	18.61	8.08	Insurance activities
BK General Insurance Company Limited	Dec 31	Rwanda	30.00	-	Insurance activities

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

- (i) The above associates are accounted for using the equity method.
- (ii) The carrying value of SACOS Group Limited at December 31, 2023 reflects the share of net assets at December 31, 2023. SACOS Group Limited is a public company listed on the Seychelles Stock Exchange. The market price at December 31, 2023 is Rs.324.5 (2022: Rs.319.5) and the market value of the associate is Rs.173m (2022: Rs.171m).

(c) Summarised financial information in respect of each of the associates is set out below:

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit after tax	Dividend received during the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023							
SACOS Group Limited	1,390,733	2,215,331	2,854,343	23,381	725,033	55,563	22,540
BK General Insurance Company Limited	965,909	37,550	489,057	-	431,379	106,781	26,695
2022							
SACOS Group Limited	691,901	2,030,491	2,024,560	21,002	589,780	26,557	18,318
BK General Insurance Company Limited	884,108	46,824	421,785	-	457,561	114,753	-

(d) Reconciliation of summarised financial information

Name	At January 1,	Profit for the year	Other comprehensive income for the year	Dividend	Closing net assets	Ownership interest	Interest in associates	Excess net assets acquired	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2023									
SACOS Group Limited	676,832	55,563	18,485	(22,540)	728,340	26.69	194,394	(33,079)	161,315
BK General Insurance Company Limited	509,138	106,781	(74,814)	(26,695)	514,410	30.00	154,323	-	154,323
									<u>315,638</u>
2022									
SACOS Group Limited	610,906	26,557	57,687	(18,318)	676,832	26.69	180,646	(33,079)	147,567
BK General Insurance Company Limited	406,601	114,753	(12,216)	-	509,138	30.00	152,741	-	152,741
									<u>300,309</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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10. INVESTMENT IN JOINT VENTURE

(a) Group's share of net assets in joint venture

At January 1,

Share of results

At December 31,

THE GROUP	
2023	2022
Rs'000	Rs'000
4,717	4,135
1,265	582
<u>5,982</u>	<u>4,717</u>

(b) The Company

At January 1 and December 31

THE COMPANY	
2023	2022
Rs'000	Rs'000
500	500

(c) Details of the joint venture at the end of the reporting period are as follows:

Name of joint venture	Country of incorporation and place of business	Proportion of interest and voting rights held	Principal Activity
Processure Compagnie Limitée	Mauritius	50%	Insurance Back Office

Processure Compagnie Limitée is a jointly controlled entity by Swan General Ltd and Tessi S.A, a company incorporated in France.

(d) Summarised Financial information

Summarised financial information in respect of the Group's and the Company's joint venture is set out below. The summarised information below represents the amount as shown in the joint venture's financial statements prepared in accordance with IFRS, adjusted for equity accounting purposes such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

Summarised financial information in respect of each of the joint venture is set out below:

Name	Current assets	Current liabilities	Profit after tax	Other comprehensive income	Total comprehensive income for the year
2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Processure Compagnie Limitée	18,648	6,685	2,531	-	2,531
2022					
Processure Compagnie Limitée	16,092	6,178	1,164	-	1,164

(e) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the financial statements is shown below:

Name	Opening net assets	Profit for the year	Closing net assets	Ownership interest	Carrying value
2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Processure Compagnie Limitée	9,433	2,531	11,964	0.50	5,982
2022					
Processure Compagnie Limitée	8,269	1,164	9,433	0.50	4,717

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11. INVESTMENTS IN FINANCIAL ASSETS

(a)	THE GROUP							
	2023				2022 (restated)			
	Debt instruments at amortised cost	Financial assets at:			Debt instruments at amortised cost	Financial assets at:		
		FVPL	FVOCI	Total		FVPL	FVOCI	Total
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
At January 1,	19,590,760	23,078,108	3,118,413	45,787,281	16,940,644	27,759,172	4,228,721	48,928,537
Addition through acquisition of subsidiary	-	-	-	-	8,135	-	-	8,135
Additions	16,039,147	1,320,563	255,278	17,614,988	4,760,306	3,466,581	374,873	8,601,760
Conversion to ordinary equity shares	-	-	-	-	(445)	-	445	-
Movement in fair value	-	1,507,147	322,136	1,829,283	-	(3,415,497)	(639,412)	(4,054,909)
Disposals	-	(2,307,116)	(292,494)	(2,599,610)	-	(4,732,148)	(848,344)	(5,580,492)
Maturity	(15,121,928)	-	-	(15,121,928)	(2,189,383)	-	-	(2,189,383)
Movement in accrued interest	68,188	-	-	68,188	28,586	-	-	28,586
Exchange differences	(44,883)	-	810	(44,073)	42,917	-	2,130	45,047
At December 31,	20,531,284	23,598,702	3,404,143	47,534,129	19,590,760	23,078,108	3,118,413	45,787,281
Less expected credit loss allowance (see note (k) below)	(92,666)	-	-	(92,666)	(64,073)	-	-	(64,073)
At December 31,	20,438,618	23,598,702	3,404,143	47,441,463	19,526,687	23,078,108	3,118,413	45,723,208

(b)	THE COMPANY							
	2023				2022 (restated)			
	Debt instruments at amortised cost	Financial assets at:			Debt instruments at amortised cost	Financial assets at:		
		FVPL	FVOCI	Total		FVPL	FVOCI	Total
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
At January 1,	450,944	-	1,960,450	2,411,394	230,066	-	2,771,104	3,001,170
Additions	110,435	-	108,723	219,158	247,388	-	332,416	579,804
Conversion to Ordinary shares	-	-	-	-	(445)	-	445	-
Movement in fair value	-	-	227,573	227,573	-	-	(474,757)	(474,757)
Disposals	-	-	(259,567)	(259,567)	-	-	(668,758)	(668,758)
Maturity	(103,000)	-	-	(103,000)	(10,000)	-	-	(10,000)
Movement in accrued interest	2,692	-	-	2,692	(13,195)	-	-	(13,195)
Exchange differences	(15,795)	-	-	(15,795)	(2,870)	-	-	(2,870)
	445,276	-	2,037,179	2,482,455	450,944	-	1,960,450	2,411,394
Less expected credit loss allowance (see note (k) below)	(1,752)	-	-	(1,752)	(894)	-	-	(894)
At December 31,	443,524	-	2,037,179	2,480,703	450,050	-	1,960,450	2,410,500

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

Analysed as follows:

Non-current

Financial assets at fair value through OCI
Financial assets at fair value through P&L
Debt instruments at amortised cost

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through OCI	3,404,143	3,118,413	2,037,179	1,960,450
Financial assets at fair value through P&L	23,598,702	23,078,108	-	-
Debt instruments at amortised cost	16,281,689	17,717,380	415,258	445,065
	43,284,534	43,913,901	2,452,437	2,405,515
Current				
Debt instruments at amortised cost	4,156,929	1,809,307	28,266	4,985
	47,441,463	45,723,208	2,480,703	2,410,500

Current

Debt instruments at amortised cost

	THE GROUP				THE COMPANY			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2023								
Financial assets at fair value through OCI	2,953,106	261,823	189,214	3,404,143	1,845,020	72,584	119,575	2,037,179
Financial assets at fair value through P&L	19,369,863	1,611,612	2,617,227	23,598,702	-	-	-	-
	22,322,969	1,873,435	2,806,441	27,002,845	1,845,020	72,584	119,575	2,037,179
At December 31, 2022 (restated)								
Financial assets at fair value through OCI	2,827,295	147,229	143,889	3,118,413	1,814,090	68,040	78,320	1,960,450
Financial assets at fair value through P&L	19,117,018	1,269,076	2,692,014	23,078,108	-	-	-	-
	21,944,313	1,416,305	2,835,903	26,196,521	1,814,090	68,040	78,320	1,960,450

- (c) Debt instruments at amortised cost comprise of Mauritius Government Securities, Debenture Stocks, Notes, Treasury Bills, Corporate Bonds and Deposits with interest rates varying from 1.70% to 12.25% p.a (2022: 4.5% to 8.73%).
- (d) Financial assets at fair value through profit or loss and other comprehensive income comprise of quoted and unquoted financial assets depending on the business model.
- (e) None of the financial assets are past due.
- (f) Currency analysis of financial assets is disclosed in note 3.2.1.(i).
- (g) The maturity of financial assets is disclosed in note 3.2.3.

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(h) The table below shows the changes in level 3 instruments for the year ended December 31:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	2,835,903	2,152,115	78,320	56,460
Additions	20,389	694,701	-	25,450
Transfer to level 1 instruments	-	(66,065)	-	-
Disposals	(53,789)	(67,937)	-	-
Movement in fair value	3,938	123,089	41,255	(3,590)
At December 31,	2,806,441	2,835,903	119,575	78,320

(i) The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

During the financial year, there were no transfers to level 3 amounting to Rs'000 for either the Group or the Company (2022: Rs'000 66,065 for the Group and nil for the Company).

(j) The non cash transactions were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Non-cash additions	140,054	195,688	593	12,669
Non-cash disposals	4,160	40,342	-	-

(k) **Loss allowance**

The following tables show reconciliations from the opening balance to the closing balance of the loss allowance for investment in debt instruments at amortised cost.

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Balance at 01 January	64,073	46,072	894	680
Net remeasurement of loss allowance (Refer to note 28 (b)(ii))	29,246	18,058	858	214
Effects of movements in exchange rates	(653)	(57)	-	-
Balance at 31 December	92,666	64,073	1,752	894

(l) Level 2 investments are based on the net assets value of the investment funds and amounts to Rs 1,873m (2022: Rs 1,416m) and Rs 72m (2022: Rs 68m) for the Group and the Company respectively. The net asset value is based on the market price of the underlying quoted securities as at December 31, 2023. There has been no change in the valuation technique.

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(l) The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

THE GROUP

Fair value at December 31, 2023

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
A.	352,069	Price-Earning multiple	(i) Market multiple	2.96x - 11.99x	A decrease in market multiple by 10% would decrease value of the unquoted investments by Rs000's. 35,207 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 35,207.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 3,912 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 3,912.
B.	590,967	Price Book Value	(i) Market multiple	0.32x - 1.38x	A decrease in market multiple by 10% would decrease value of the unquoted investments by Rs000's. 59,097 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 59,097.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 6,566 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 6,566.
C.	121,750	Discounted net asset value (NAV)	(i) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 1,353 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 1,353.
D.	1,741,655	Cost	No unobservable input is used	NA	NA
	2,806,441				

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

THE GROUP (cont'd)

Fair value at December 31, 2022

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	638,457	Price-Earning multiple	(i) Market multiple	7.77x - 11.74x	A decrease in market multiple by 10% would decrease the value of the unquoted investments by Rs000's. 18,041 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 18,041.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investments by Rs000's.2,005 while an increase in discount rate by 10% would increase the value of the unquoted investments by Rs000's.2,005.
Equity instruments	117,009	Price Book Value	(i) Market multiple	0.71x - 0.89x	A decrease in market multiple by 10% would decrease the value of the unquoted investments by Rs000's. 11,701 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 11,701.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investments by Rs000's 1,290 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 1,290.
Equity instruments	269,661	Discounted net asset value (NAV)	(i) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investments by Rs000's 2,996 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's 2,996.
Equity instruments	1,810,776	Cost	No unobservable input is used	NA	NA
	<u>2,835,903</u>				

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

THE COMPANY

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Fair value at December 31, 2023

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	87,801	Price-Earning multiple	(i) Market multiple	5.92x	A decrease in market multiple by 10% would decrease value of the unquoted investments by Rs000's. 8,780 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 8,780.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 976 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 976.
Equity instruments	5,042	Price Book Value	(i) Market multiple	0.68x	A decrease in market multiple by 10% would decrease value of the unquoted investments by Rs000's. 504 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 504.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 56 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 56.
Equity instruments	26,732	Price of recent transaction	No unobservable input is used	NA	NA
	<u>119,575</u>				

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

THE COMPANY (CONT'D)

Fair value at December 31, 2022

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	46,597	Price-Earning multiple	(i) Market multiple	7.77x	A decrease in market multiple by 10% would decrease value of the unquoted investments by Rs000's. 4,660 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 4,660.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 518 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 518.
Equity instruments	4,708	Price Book Value	(i) Market multiple	0.76x	A decrease in market multiple by 10% would decrease value of the unquoted investments by Rs000's. 471 while an increase in market multiple by 10% would increase the value of the unquoted investments by Rs000's. 471.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 52 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 52.
Equity instruments	638	Discounted net asset value (NAV)	Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investments by Rs000's. 7 while an increase in discount rate by 10% would decrease the value of the unquoted investments by Rs000's. 7.
Equity instruments	26,377	Price of recent transaction	No unobservable input is used	NA	NA
	<u>78,320</u>				

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

12A. LOANS AND RECEIVABLES

Loans on residential properties
Loans on business properties
Personal loans
Cumulative accrued interests

Less expected credit loss allowance
(see note (h) below)

At December 31,

Analysed as follows:

Non-current
Current

THE GROUP		THE COMPANY	
2023	2022	2023	2022
Rs'000	Rs'000	Rs'000	Rs'000
1,721,560	2,573,345	49,369	55,035
4,997,402	3,303,172	-	-
164,522	168,518	-	-
125,470	123,789	-	-
7,008,954	6,168,824	49,369	55,035
(43,657)	(26,248)	(365)	(242)
6,965,297	6,142,576	49,004	54,793
5,789,685	5,733,236	41,970	48,528
1,175,612	409,340	7,034	6,265
6,965,297	6,142,576	49,004	54,793

- (a) The rate of interest on loans vary from 3.125% to 14.95% p.a (2022: 4.25% to 14.00% p.a). The repayment terms for the loans varies between annually, semi-annually, quarterly and monthly and are all secured loans except for personal loans which consists of both secured and non-secured loans.
- (b) There is no concentration of credit risk with respect to loans and receivables since exposures are widely dispersed.
- (c) The non-covered portion of impaired loans and receivables are secured by fixed charge collaterals on immovable properties. Expected credit loss allowance has been booked where recovery was estimated as doubtful.
- (d) Currency analysis of loans and receivables is disclosed in note 3.2.1.(i).
- (e) The ageing of loans and receivables is disclosed in note 3.2.2.
- (f) The maturity of loans and receivables is disclosed in note 3.2.3.
- (g) Interest income accrued on non-performing loans amounted to Rs 13m and nil during the year for the Group and the Company respectively (2022: Rs 4.2m for the Group and nil for the Company).
- (h) Movements on the expected credit loss allowance on loans and receivables are as follows:

Gross carrying amount

At January 1,
New assets originated
Assets derecognised or repaid
Transfers to Stage 1
Transfers to Stage 2
Transfers to Stage 3
Write offs

THE GROUP			
2023			
Stage 1	Stage 2	Stage 3	Total
Rs'000	Rs'000	Rs'000	Rs'000
4,871,722	969,237	327,865	6,168,824
347,410	983,150	8,116	1,338,676
(247,603)	(214,731)	(28,617)	(490,951)
(239,478)	239,478	-	-
310,548	(310,548)	-	-
-	-	-	-
(6,552)	(107)	(936)	(7,595)
5,036,047	1,666,479	306,428	7,008,954

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

12A. LOANS AND RECEIVABLES (CONT'D)

(h) Movements on the expected credit loss allowance on loans and receivables are as follows (cont'd):

	THE GROUP			
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Expected credit loss allowance				
At January 1,	16,716	7,339	2,193	26,248
New assets originated	10,654	3,568	816	15,038
Assets derecognised or repaid	(1,301)	(815)	(251)	(2,367)
Transfers to Stage 1	(2,339)	2,339	-	-
Transfers to Stage 2	4,043	(4,043)	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	2,695	1,916	323	4,934
Write offs	(108)	(83)	(5)	(196)
	30,360	10,221	3,076	43,657

	THE GROUP			
	2022 (Restated)			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At January 1,	5,406,668	912,981	362,827	6,682,476
New assets originated	574,125	45,275	8,483	627,883
Assets derecognised or repaid	(929,406)	(161,702)	(44,157)	(1,135,265)
Transfers to Stage 1	(359,325)	359,325	-	-
Transfers to Stage 2	183,619	(184,331)	712	-
Transfers to Stage 3	-	-	-	-
Write offs	(3,959)	(2,311)	-	(6,270)
	4,871,722	969,237	327,865	6,168,824

Expected credit loss allowance

At January 1,	22,423	8,821	2,952	34,196
New assets originated	568	117	-	685
Assets derecognised or repaid	(3,542)	(1,292)	(690)	(5,524)
Transfers to Stage 1	(2,191)	2,191	-	-
Transfers to Stage 2	1,514	(1,520)	6	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(1,870)	(798)	(75)	(2,743)
Write offs	(186)	(180)	-	(366)
	16,716	7,339	2,193	26,248

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

12A. LOANS AND RECEIVABLES (CONT'D)

(h) Movements on the expected credit loss allowance on loans and receivables are as follows (cont'd):

	THE COMPANY			
	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At January 1,	40,529	13,527	979	55,035
New assets originated	-	-	-	-
Assets derecognised or repaid	(4,676)	(990)	-	(5,666)
Transfers to Stage 1	(3,155)	3,155	-	-
Transfers to Stage 2	4,493	(4,493)	-	-
Transfers to Stage 3	-	-	-	-
Write offs	-	-	-	-
	37,191	11,199	979	49,369

Expected credit loss allowance

At January 1,	177	60	5	242
New assets originated	-	-	-	-
Assets derecognised or repaid	(21)	(5)	-	(26)
Transfers to Stage 1	(24)	24	-	-
Transfers to Stage 2	34	(34)	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	107	39	3	149
Write offs	-	-	-	-
	273	84	8	365

Gross carrying amount

At January 1,	61,448	16,840	979	79,267
New assets originated	-	-	-	-
Assets derecognised or repaid	(19,441)	(4,791)	-	(24,232)
Transfers to Stage 1	(3,859)	3,859	-	-
Transfers to Stage 2	2,381	(2,381)	-	-
Transfers to Stage 3	-	-	-	-
	40,529	13,527	979	55,035

Expected credit loss allowance

At January 1,	348	98	6	452
New assets originated	-	-	-	-
Assets derecognised or repaid	(113)	(28)	-	(141)
Transfers to Stage 1	(17)	17	-	-
Transfers to Stage 2	11	(11)	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(52)	(16)	(1)	(69)
	177	60	5	242

	THE COMPANY			
	2022 (Restated)			
	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount				
At January 1,	61,448	16,840	979	79,267
New assets originated	-	-	-	-
Assets derecognised or repaid	(19,441)	(4,791)	-	(24,232)
Transfers to Stage 1	(3,859)	3,859	-	-
Transfers to Stage 2	2,381	(2,381)	-	-
Transfers to Stage 3	-	-	-	-
	40,529	13,527	979	55,035
Expected credit loss allowance				
At January 1,	348	98	6	452
New assets originated	-	-	-	-
Assets derecognised or repaid	(113)	(28)	-	(141)
Transfers to Stage 1	(17)	17	-	-
Transfers to Stage 2	11	(11)	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(52)	(16)	(1)	(69)
	177	60	5	242

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

12B. LOANS AND ADVANCES TOWARDS FINANCE LEASES

(a) Loans and advances towards finance leases

Gross carrying amount on loans and advances towards finance leases
Less allowance for ECL

Made up of:

Current
Non-current

THE GROUP	
2023	2022
Rs'000	Rs'000
2,235,603	-
(9,564)	-
2,226,039	-
541,218	-
1,684,821	-
2,226,039	-

(b) Remaining term to maturity

Up to 3 months
Over 3 months and up to 6 months
Over 6 months and up to 12 months
Over 1 year and up to 5 years
Over 5 years
Loans and advances towards finance leases before allowance for ECL

THE GROUP	
2023	2022
Rs'000	Rs'000
8,443	-
10,948	-
42,476	-
1,433,356	-
740,380	-
2,235,603	-

(c) Allowance for ECL

Opening balance
Acquisition of subsidiary
Charge for the period (Note 28 (b))
Closing balance

Amount written off (Note 28 (b))

THE GROUP	
2023	2022
Rs'000	Rs'000
-	-
8,345	-
1,219	-
9,564	-
105	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

12B. LOANS AND ADVANCES TOWARDS FINANCE LEASES (CONT'D)

(c) Allowance for ECL (cont'd)

At reporting date, the analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances towards finance leases is as follows:

	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Opening balance	-	-	-	-
Acquisition of subsidiary (Refer to Note 35)	1,807,135	76,648	45,392	1,929,175
New assets originated or purchased	604,666	-	-	604,666
Assets derecognised or repaid	(286,978)	(7,032)	(4,228)	(298,238)
Transfers to Stage 1	52,931	(40,976)	(11,955)	-
Transfers to Stage 2	(55,716)	61,606	(5,890)	-
Transfers to Stage 3	(2,337)	(10,488)	12,825	-
Closing balance	2,119,701	79,758	36,144	2,235,603
Opening balance	-	-	-	-
Acquisition of subsidiary (Refer to Note 35)	1,904	202	6,239	8,345
New assets originated or purchased	433	-	-	433
Assets derecognised or repaid	-	-	-	-
Transfers to Stage 1	1,026	(105)	(921)	-
Transfers to Stage 2	(43)	207	(164)	-
Transfers to Stage 3	-	(24)	24	-
Changes in ECL during the period	(1,486)	1,486	786	786
Closing balance	1,834	1,766	5,964	9,564
Total	2,117,867	77,992	30,180	2,226,039

13. OTHER RECEIVABLES

Other receivables
Prepayments
Receivable from related parties (Note 34)

less expected credit loss allowances on:

Other receivables

Analysed as follows:

Non-current
Current

THE GROUP		THE COMPANY	
2023	2022	2023	2022
Rs'000	Rs'000	Rs'000	Rs'000
1,088,081	237,546	186,739	149,707
14,243	25,958	8,259	22,917
172,567	9,788	15,728	19,442
1,274,891	273,292	210,726	192,066
(13,589)	(15,526)	(7,488)	(7,488)
1,261,302	257,766	203,238	184,578
2,605	3,605	-	-
1,258,697	254,161	203,238	184,578
1,261,302	257,766	203,238	184,578

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

13. OTHER RECEIVABLES (CONT'D)

(a) Movements on the ECL allowance on other receivables are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	15,526	19,287	7,488	7,488
Charge for the year (Note 28(b))	(1,304)	(768)	-	-
Amount written off	(633)	(2,993)	-	-
At December 31,	13,589	15,526	7,488	7,488

(b) The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

(c) The Group and the Company do not hold any collateral as security for other receivables.

(d) The carrying amounts of other receivables which are receivable within one year approximate their fair values.

(e) Other receivables consists mainly of dividend receivable from corporates and rental receivable from clients. They are interest-free and unsecured.

(f) Prepayments mainly relate to prepaid expenses.

14. DEFERRED TAX ASSETS

(a) Deferred taxes are calculated on all temporary differences under the liability method at 17% (2022: 17%). The movement on deferred tax account is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	59,705	57,317	67,779	54,974
Acquisition of subsidiary (note 35)	44,113	(67)	-	-
(Credited)/charged to profit or loss (note 22)	48,087	(7,953)	23,095	3,857
Other comprehensive income	(3,779)	9,730	(3,931)	8,948
Exchange differences	(307)	678	-	-
At December 31,	147,819	59,705	86,943	67,779

(b) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets	162,328	76,851	87,163	68,508
Deferred tax liabilities	(14,509)	(17,146)	(220)	(729)

*Unrecognised deferred tax assets for the Group has been disclosed in note 22 (f).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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14. DEFERRED TAX ASSETS (CONT'D)

(c) Deferred tax assets and liabilities credited to the statement of profit or loss and other comprehensive income are attributable to the following items:

	THE GROUP							
	At January 1, 2023	Acquisition of subsidiary (Note 35)	Credited to profit or loss	Credited to other comprehensive income	Exchange differences	At December 31, 2023	Deferred tax assets	Deferred tax liabilities
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets								
Retirement benefit obligations	69,900	-	(6,892)	(3,779)	-	59,229	59,229	-
Accumulated tax losses	5,697	-	56,026	-	(6,338)	55,385	55,385	-
Lease liability	572	-	(557)	-	508	523	523	-
Other provisions	-	-	34	-	-	34	34	-
Other temporary differences	(837)	-	2,234	-	(145)	1,252	1,252	-
Expected credit losses	961	44,113	831	-	-	45,905	45,905	-
	76,293	44,113	51,676	(3,779)	(5,975)	162,328	162,328	-
Deferred tax liabilities								
Rights-of-use assets	(755)	-	3	-	79	(673)	-	(673)
Accelerated tax depreciation	(6,064)	-	553	-	1,552	(3,959)	-	(3,959)
Revaluation surplus	(9,769)	-	(4,145)	-	4,037	(9,877)	-	(9,877)
	(16,588)	-	(3,589)	-	5,668	(14,509)	-	(14,509)
Net deferred tax assets/(liabilities)	59,705	44,113	48,087	(3,779)	(307)	147,819	162,328	(14,509)

	THE GROUP							
	At January 1, 2022	Acquisition of subsidiary (Note 35)	Credited to profit or loss	Credited to other comprehensive income	Exchange differences	At December 31, 2022	Deferred tax assets	Deferred tax liabilities
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets								
Retirement benefit obligations	55,357	37	4,776	9,730	-	69,900	69,900	-
Accumulated tax losses	10,552	-	(4,023)	-	(832)	5,697	5,697	-
Lease liability	1,152	-	(580)	-	-	572	572	-
Other temporary differences	8,025	-	(8,586)	-	(276)	(837)	(837)	-
Provision for impairment	1,613	-	(652)	-	-	961	961	-
	76,699	37	(9,065)	9,730	(1,108)	76,293	76,293	-
Deferred tax liabilities								
Rights-of-use assets	(1,046)	-	291	-	-	(755)	(755)	-
Accelerated tax depreciation	(6,686)	(104)	80	-	646	(6,064)	1,313	(7,377)
Intangible assets	(755)	-	741	-	14	-	-	-
Revaluation surplus	(10,895)	-	-	-	1,126	(9,769)	-	(9,769)
	(19,382)	(104)	1,112	-	1,786	(16,588)	558	(17,146)
Net deferred tax assets/(liabilities)	57,317	(67)	(7,953)	9,730	678	59,705	76,851	(17,146)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

14. DEFERRED TAX ASSETS (CONT'D)

(c) Deferred tax assets and liabilities credited to the statement of profit or loss and other comprehensive income are attributable to the following items: (cont'd)

	THE COMPANY			
	At January 1, 2023	Credited to profit or loss	Credited to other comprehensive income	At December 31, 2023
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets				
Retirement benefit obligations	66,208	(6,538)	(3,931)	55,739
Accelerated tax depreciation	1,466	(923)	-	543
Accumulated tax losses	-	30,172	-	30,172
Lease liability	834	(557)	-	277
Provision for impairment	-	432	-	432
	68,508	22,586	(3,931)	87,163
Deferred tax liability				
Rights-of-use assets	(729)	509	-	(220)
Net deferred tax assets/(liabilities)	67,779	23,095	(3,931)	86,943

	THE COMPANY			
	At January 1, 2022	Credited to profit or loss	Credited to other comprehensive income	At December 31, 2022
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets				
Retirement benefit obligations	53,115	4,145	8,948	66,208
Accelerated tax depreciation	1,755	(289)	-	1,466
Lease liability	1,342	(508)	-	834
	56,212	3,348	8,948	68,508
Deferred tax liability				
Rights-of-use assets	(1,238)	509	-	(729)
Net deferred tax assets	54,974	3,857	8,948	67,779

15. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	THE GROUP				THE COMPANY			
	2023		2022		2023		2022	
	Assets Rs'000	Liabilities Rs'000	Assets Rs'000	Liabilities Rs'000	Assets Rs'000	Liabilities Rs'000	Assets Rs'000	Liabilities Rs'000
Insurance contracts issued								
Life Insurance	-	42,733,016	-	40,371,835	-	-	-	-
General Insurance	132	1,945,871	-	1,626,294	-	1,573,928	-	1,325,989
Total insurance contracts issued	132	44,678,887	-	41,998,129	-	1,573,928	-	1,325,989
Reinsurance contracts held								
Life Insurance	-	85,797	-	107,383	-	-	-	-
General Insurance	996,780	-	884,524	-	839,281	-	716,836	-
Total reinsurance contracts held	996,780	85,797	884,524	107,383	839,281	-	716,836	-

The Group and the Company disaggregate information to provide disclosure in respect of insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the Group and the Company are managed.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(A). INSURANCE CONTRACTS

(i) Analysis by remaining coverage and incurred claims

The roll-forward of the net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims for the Group and the Company, is disclosed in the table below:

Life Insurance

	THE GROUP				THE GROUP			
	2023		2022		2023		2022	
Liabilities for remaining coverage			Liabilities for remaining coverage				Liabilities for remaining coverage	
	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total	Excluding loss component	Loss component	Liabilities for Incurred Claims	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening liabilities	40,134,860	41,198	195,777	40,371,835	41,954,998	42,693	172,136	42,169,827
Changes in the statement of profit or loss and OCI								
Insurance revenue (Note 15 F(i))	(2,065,460)	-	-	(2,065,460)	(1,980,641)	-	-	(1,980,641)
Insurance service expenses								
Incurring claims and other incurred insurance service expenses	-	-	1,412,458	1,412,458	-	-	1,604,044	1,604,044
Amortisation of insurance acquisition costs	110,083	-	-	110,083	112,050	-	-	112,050
Losses and reversals of losses on onerous contracts	-	30,056	-	30,056	-	(1,495)	-	(1,495)
Experience adjustment related to insurance acquisition cashflows	61	-	-	61	945	-	-	945
	110,144	30,056	1,412,458	1,552,658	112,995	(1,495)	1,604,044	1,715,544
Investment component	(2,193,722)	-	2,193,722	-	(2,140,669)	-	2,140,669	-
Insurance service result	(4,149,038)	30,056	3,606,180	(512,802)	(4,008,315)	(1,495)	3,744,713	(265,097)
Net finance (income)/ expenses from insurance contracts	2,746,388	-	-	2,746,388	(1,714,177)	-	-	(1,714,177)
Total changes in the statement of profit or loss and OCI	(1,402,650)	30,056	3,606,180	2,233,586	(5,722,492)	(1,495)	3,744,713	(1,979,274)
Cash flows								
Premiums received for insurance contracts issued	3,959,606	-	-	3,959,606	4,129,778	-	-	4,129,778
Net cash received from policy loan assets	6,316	-	-	6,316	7,661	-	-	7,661
Insurance acquisition cash flows	(229,611)	-	-	(229,611)	(235,085)	-	-	(235,085)
Claims and other insurance service expenses paid, including investment	-	-	(3,608,716)	(3,608,716)	-	-	(3,721,072)	(3,721,072)
Total cash flows	3,736,311	-	(3,608,716)	127,595	3,902,354	-	(3,721,072)	181,282
Closing liabilities	42,468,521	71,254	193,241	42,733,016	40,134,860	41,198	195,777	40,371,835

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(A). INSURANCE CONTRACTS (CON'TD)

(i) Analysis by remaining coverage and incurred claims (Cont'd)

General insurance

	THE GROUP				
	2023				
	Liabilities for remaining coverage		Liabilities for Incurred Claims		Total
Excluding loss component	Loss component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening assets	(958)	-	-	-	(958)
Opening liabilities	538,328	31,849	1,008,865	48,210	1,627,252
Net opening balance	537,370	31,849	1,008,865	48,210	1,626,294
Changes in the statement of profit or loss and OCI					
Insurance revenue (Note 23)	(4,935,145)	-	-	-	(4,935,145)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	3,532,634	-	3,532,634
Adjustments to liabilities for incurred claims	-	-	-	35,702	35,702
Amortisation of insurance acquisition costs	117,877	-	-	-	117,877
Insurance acquisition cash flows recognised when incurred	442,703	-	-	-	442,703
Losses and reversals of losses on onerous contracts	-	(25,196)	-	-	(25,196)
	560,580	(25,196)	3,532,634	35,702	4,103,720
Insurance service result	(4,374,565)	(25,196)	3,532,634	35,702	(831,425)
Net finance (income)/expenses from insurance contracts	-	-	(4,049)	-	(4,049)
Movements in foreign exchange rates	(28,700)	(1,289)	(74,287)	(3,390)	(107,666)
Total changes in the statement of profit or loss and OCI	(4,403,265)	(26,485)	3,454,298	32,312	(943,140)
Cash flows					
Premiums received for insurance contracts issued	5,190,259	-	-	-	5,190,259
Net cash received from policy loan assets	-	-	-	-	-
Insurance acquisition cash flows	(601,549)	-	-	-	(601,549)
Claims and other insurance service expenses paid, including investment	-	-	(3,326,125)	-	(3,326,125)
Total cash flows	4,588,710	-	(3,326,125)	-	1,262,585
Net closing balance	722,815	5,364	1,137,038	80,522	1,945,739
Closing assets	(3,348)	-	-	-	(3,348)
Closing liabilities	726,163	5,364	1,137,038	80,522	1,949,087
Net Closing balance	722,815	5,364	1,137,038	80,522	1,945,739

*The above reconciliation includes insurance contract assets of Rs.000's 132 for the Group (2022: Nil)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

	THE GROUP				
	2022				
	Liabilities for remaining coverage		Liabilities for Incurred Claims		Total
Excluding loss component	Loss component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening assets	(2,046)	-	-	-	(2,046)
Opening liabilities	569,180	341	859,169	38,318	1,467,008
Net opening balance	567,134	341	859,169	38,318	1,464,962
Changes in the statement of profit or loss and OCI					
Insurance revenue (Note 23)	(4,198,499)	-	-	-	(4,198,499)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	3,159,930	-	3,159,930
Adjustments to liabilities for incurred claims	-	-	-	10,589	10,589
Amortisation of insurance acquisition costs	60,878	-	-	-	60,878
Insurance acquisition cash flows recognised when incurred	397,742	-	-	-	397,742
Losses and reversals of losses on onerous contracts	-	31,871	-	-	31,871
	458,620	31,871	3,159,930	10,589	3,661,010
Insurance service result	(3,739,879)	31,871	3,159,930	10,589	(537,489)
Net finance (income)/expenses from insurance contracts	-	-	(17,835)	-	(17,835)
Movements in foreign exchange rates	1,925	(363)	(10,847)	(697)	(9,982)
Total changes in the statement of profit or loss and OCI	(3,737,954)	31,508	3,131,248	9,892	(565,306)
Cash flows					
Premiums received for insurance contracts issued	4,168,869	-	-	-	4,168,869
Net cash received from policy loan assets	-	-	-	-	-
Insurance acquisition cash flows	(397,742)	-	-	-	(397,742)
Claims and other insurance service expenses paid, including investment	(62,937)	-	(2,981,552)	-	(3,044,489)
Total cash flows	3,708,190	-	(2,981,552)	-	726,638
Net closing balance	537,370	31,849	1,008,865	48,210	1,626,294
Closing assets	(958)	-	-	-	(958)
Closing liabilities	538,328	31,849	1,008,865	48,210	1,627,252
Net Closing balance	537,370	31,849	1,008,865	48,210	1,626,294

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(A). INSURANCE CONTRACTS (CONT'D)

(i) Analysis by remaining coverage and incurred claims (cont'd)

General insurance

	THE COMPANY				
	2023				
	Liabilities for Remaining Coverage		Liabilities for Incurred Claims		Total
Excluding loss component	Loss component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening liabilities	502,431	11,082	780,788	31,688	1,325,989
Changes in the statement of profit or loss and OCI	-	-	-	-	-
Insurance revenue	(4,178,295)	-	-	-	(4,178,295)
	(3,675,864)	11,082	780,788	31,688	(2,852,306)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	3,254,561	39,566	3,294,127
Future service: losses and reversals of losses on onerous contracts	-	(5,719)	-	-	(5,719)
	-	(5,719)	3,254,561	39,566	3,288,408
Insurance service result	(3,675,864)	5,363	4,035,349	71,254	436,102
Investment components					
Insurance finance expenses through profit and loss	-	-	(3,979)	-	(3,979)
Total changes in the statement of profit or loss and OCI	-	-	(3,979)	-	(3,979)
Cash flows					
Premiums received for insurance contracts issued	4,276,773	-	-	-	4,276,773
Claims and other insurance service expenses paid	-	-	(3,134,968)	-	(3,134,968)
Total cash flows	4,276,773	-	(3,134,968)	-	1,141,805
Closing liabilities	600,909	5,363	896,402	71,254	1,573,928

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

	THE COMPANY				
	2022				
	Liabilities for Remaining Coverage		Liabilities for Incurred Claims		Total
Excluding loss component	Loss component	Estimates of PV of future cash flows	Risk adjustment for non-financial risk		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	417,783	341	745,280	30,281	1,193,685
	-	-	-	-	-
	(3,631,705)	-	-	-	(3,631,705)
	(3,213,922)	341	745,280	30,281	(2,438,020)
	-	-	2,763,640	1,407	2,765,047
	-	10,741	-	-	10,741
	-	10,741	2,763,640	1,407	2,775,788
	(3,213,922)	11,082	3,508,920	31,688	337,768
	-	-	(17,284)	-	(17,284)
	-	-	(17,284)	-	(17,284)
	3,716,353	-	-	-	3,716,353
	-	-	(2,710,848)	-	(2,710,848)
	3,716,353	-	(2,710,848)	-	1,005,505
	502,431	11,082	780,788	31,688	1,325,989

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(A). INSURANCE CONTRACTS (CONT'D)

(ii) Analysis by measurement component – Contracts not measured under the PAA

The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios.

Life Insurance

	THE GROUP			
	2023			
	Estimates of the PV of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Opening liabilities	37,275,909	124,572	2,971,354	40,371,835
Changes in the statement of profit or loss and OCI				
Changes related to future services				
Changes in estimates that adjust the CSM	69,513	4,470	(73,983)	-
Changes in estimates: losses and reversal of losses on onerous contracts	(144)	57	-	(87)
Contracts initially recognised in the period	(310,991)	14,095	327,038	30,142
Changes that relate to current services				
CSM recognised for transfer of services	-	-	(313,964)	(313,964)
Change in risk adjustment for non-financial risk for risk expired	-	(23,921)	-	(23,921)
Experience adjustments	(184,860)	-	(20,112)	(204,972)
Insurance service result	(426,482)	(5,299)	(81,021)	(512,802)
Net finance (income) expenses from insurance contracts	2,696,259	9,586	40,543	2,746,388
Total changes in the statement of profit or loss and OCI	2,269,777	4,287	(40,478)	2,233,586
Cash flows				
Premiums received for insurance contracts issued	3,959,606	-	-	3,959,606
Net cash received from policy loan assets	6,316	-	-	6,316
Insurance acquisition cash flows	(229,611)	-	-	(229,611)
Claims and other insurance service expenses paid	(3,608,716)	-	-	(3,608,716)
Total cash flows	127,595	-	-	127,595
Closing liabilities	39,673,281	128,859	2,930,876	42,733,016

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

	THE GROUP			
	2022			
	Estimates of the PV of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Opening liabilities	38,815,337	136,525	3,217,965	42,169,827
Changes in the statement of profit or loss and OCI				
Changes related to future services				
Changes in estimates that adjust the CSM	213,549	1,660	(215,209)	-
Changes in estimates: losses and reversal of losses on onerous contracts	(25,201)	(425)	-	(25,626)
Contracts initially recognised in the period	(238,302)	16,141	246,289	24,128
Changes that relate to current services				
CSM recognised for transfer of services	-	-	(313,578)	(313,578)
Change in risk adjustment for non-financial risk for risk expired	-	(24,099)	-	(24,099)
Experience adjustments	82,007	-	(7,930)	74,077
Insurance service result	32,053	(6,723)	(290,428)	(265,098)
Net finance (income) expenses from insurance contracts	(1,752,764)	(5,230)	43,817	(1,714,177)
Total changes in the statement of profit or loss and OCI	(1,720,711)	(11,953)	(246,611)	(1,979,275)
Cash flows				
Premiums received for insurance contracts issued	4,129,779	-	-	4,129,779
Net cash received from policy loan assets	7,661	-	-	7,661
Insurance acquisition cash flows	(235,085)	-	-	(235,085)
Claims and other insurance service expenses paid	(3,721,072)	-	-	(3,721,072)
Total cash flows	181,283	-	-	181,283
Closing liabilities	37,275,909	124,572	2,971,354	40,371,835

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(B). REINSURANCE CONTRACTS

(i) Analysis by remaining coverage and incurred claims

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers is disclosed in the table below:

Life insurance

	THE GROUP			
	2023			
	Assets for Remaining Coverage			
	Excluding loss-recovery component	Loss-recovery component	Assets for Incurred claims	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Opening assets	-	-	13,099	13,099
Opening liabilities	(110,291)	-	-	(110,291)
Net opening balance	(110,291)	-	13,099	(97,192)
Changes in the statement of profit or loss and OCI:				
(i) Allocation of Reinsurance Premium Paid	(51,435)	-	-	(51,435)
(ii) Amounts recoverable from reinsurers	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	58,821	58,821
Net (expenses)/income from reinsurance contracts	(51,435)	-	58,821	7,386
Net finance (expenses)/income from reinsurance contracts	(16,488)	-	-	(16,488)
Total changes in the statement of profit or loss and OCI	(67,923)	-	58,821	(9,102)
Cash flows				
Premiums paid to reinsurers net of commission received	54,630	-	-	54,630
Reinsurance recoveries	-	-	(34,133)	(34,133)
Total cash flows	54,630	-	(34,133)	20,497
Net closing balance	(123,584)	-	37,787	(85,797)
Closing assets	-	-	37,787	37,787
Closing liabilities	(123,584)	-	-	(123,584)
Net Closing balance	(123,584)	-	37,787	(85,797)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

	THE GROUP			
	2022			
	Assets for Remaining Coverage			
	Excluding loss-recovery component	Loss-recovery component	Assets for Incurred claims	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Opening assets	-	-	8,633	8,633
Opening liabilities	(157,470)	-	-	(157,470)
Net opening balance	(157,470)	-	8,633	(148,837)
Changes in the statement of profit or loss and OCI:				
(i) Allocation of Reinsurance Premium Paid	(34,988)	-	-	(34,988)
(ii) Amounts recoverable from reinsurers	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	-	27,347	27,347
Net (expenses)/income from reinsurance contracts	(34,988)	-	27,347	(7,641)
Net finance (expenses)/income from reinsurance contracts	10,710	-	-	10,710
Total changes in the statement of profit or loss and OCI	(24,278)	-	27,347	3,069
Cash flows				
Premiums paid to reinsurers net of commission received	71,457	-	-	71,457
Reinsurance recoveries	-	-	(22,881)	(22,881)
Total cash flows	71,457	-	(22,881)	48,576
Net closing balance	(110,291)	-	13,099	(97,192)
Closing assets	-	-	13,099	13,099
Closing liabilities	(110,291)	-	-	(110,291)
Net Closing balance	(110,291)	-	13,099	(97,192)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(B). REINSURANCE CONTRACTS

(i) Analysis by remaining coverage and incurred claims

General insurance

	THE GROUP				
	2023				
	Assets for Remaining Coverage		Assets for Incurred claims		
Excluding loss-recovery component	Loss-recovery component	Assets for Incurred Claims PVFCF	Risk adjustment for non-financial risk	Total	
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Opening assets	253,481	28,286	568,151	40,684	890,602
Opening liabilities	(16,269)	-	-	-	(16,269)
Net opening balance	237,212	28,286	568,151	40,684	874,333
Changes in the statement of profit or loss and OCI:					
(i) Allocation of Reinsurance Premium Paid					
	(1,242,168)	-	-	-	(1,242,168)
(ii) Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	454,995	-	454,995
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(22,237)	-	-	(22,237)
Adjustments to assets for incurred claims	-	-	-	28,750	28,750
(iii) Effect of changes in non-performance risk of reinsurers					
	-	-	(8,443)	-	(8,443)
Net expenses from reinsurance contracts	(1,242,168)	(22,237)	446,552	28,750	(789,103)
Net finance income from reinsurance contracts	-	-	7,026	-	7,026
Effects of movements in foreign exchange rates	(16,936)	(1,097)	(26,417)	(2,097)	(46,547)
Total changes in the statement of profit or loss and OCI	(1,259,104)	(23,334)	427,161	26,653	(828,624)
Cash flows					
Premiums paid to reinsurers net of commission received	1,416,985	-	-	-	1,416,985
Reinsurance recoveries	-	-	(465,914)	-	(465,914)
Total cash flows	1,416,985	-	(465,914)	-	951,071
Net closing balance	395,093	4,952	529,398	67,337	996,780
Closing assets	395,093	4,952	529,398	67,337	996,780
Closing liabilities	-	-	-	-	-
Net Closing balance	395,093	4,952	529,398	67,337	996,780

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

	THE GROUP				
	2022				
	Assets for Remaining Coverage		Assets for Incurred claims		
Excluding loss-recovery component	Loss-recovery component	Assets for Incurred Claims PVFCF	Risk adjustment for non-financial risk	Total	
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Opening assets	260,754	-	380,033	26,544	667,331
Opening liabilities	-	-	-	-	-
	260,754	-	380,033	26,544	667,331
(i) Allocation of Reinsurance Premium Paid					
	(1,014,138)	-	-	-	(1,014,138)
(ii) Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	739,773	-	739,773
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	28,595	-	-	28,595
Adjustments to assets for incurred claims	-	-	-	14,596	14,596
(iii) Effect of changes in non-performance risk of reinsurers					
	-	-	(1,287)	-	(1,287)
Net expenses from reinsurance contracts	(1,014,138)	28,595	738,486	14,596	(232,461)
Net finance income from reinsurance contracts	-	-	(9,231)	-	(9,231)
Effects of movements in foreign exchange rates	1,327	(309)	(5,452)	(456)	(4,890)
Total changes in the statement of profit or loss and OCI	(1,012,811)	28,286	723,803	14,140	(246,582)
Cash flows					
Premiums paid to reinsurers net of commission received	989,269	-	-	-	989,269
Reinsurance recoveries	-	-	(535,685)	-	(535,685)
Total cash flows	989,269	-	(535,685)	-	453,584
Net closing balance	237,212	28,286	568,151	40,684	874,333
Closing assets	253,481	28,286	568,151	40,684	890,602
Closing liabilities	(16,269)	-	-	-	(16,269)
Net Closing balance	237,212	28,286	568,151	40,684	874,333

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(B). REINSURANCE CONTRACTS (CONT'D)

Contracts measured under the PAA

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers is disclosed in the table below:

General insurance

	THE COMPANY				
	2023				
	Assets for Remaining Coverage		Assets for Incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Assets for Incurred Claims PVFCF	Risk adjustment for non-financial risk	Total
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Opening assets	253,482	9,783	425,688	27,883	716,836
Changes in the statement of profit or loss and OCI					
(i) Allocation of Reinsurance Premium Paid	(758,217)	-	-	-	(758,217)
(ii) Amounts recoverable from reinsurers					
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)	-	-	458,920	-	458,920
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(4,831)	-	-	(4,831)
Adjustments to assets for incurred claims	-	-	-	33,966	33,966
(iii) Effect of changes in non-performance risk of reinsurers					
	-	-	(8,440)	-	(8,440)
Net expenses from reinsurance contracts	(758,217)	(4,831)	450,480	33,966	(278,602)
Reinsurance finance expenses through profit and loss	-	-	7,068	-	7,068
Total changes in the statement of profit or loss and OCI	(758,217)	(4,831)	457,548	33,966	(271,534)
Cash flows					
Premiums paid for reinsurance contracts held	822,227	-	-	-	822,227
Reinsurance recoveries	-	-	(428,248)	-	(428,248)
Total cash flows	822,227	-	(428,248)	-	393,979
Closing assets	317,492	4,952	454,988	61,849	839,281

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

	THE COMPANY				
	2022				
	Assets for Remaining Coverage		Assets for Incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Assets for Incurred Claims PVFCF	Risk adjustment for non-financial risk	Total
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
	138,477	-	314,833	20,432	473,742
(i) Allocation of Reinsurance Premium Paid	(679,109)	-	-	-	(679,109)
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)	-	-	513,526	-	513,526
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	9,783	-	-	9,783
Adjustments to assets for incurred claims	-	-	-	7,451	7,451
	-	-	(1,281)	-	(1,281)
	(679,109)	9,783	512,245	7,451	(149,630)
	-	-	(8,727)	-	(8,727)
	(679,109)	9,783	503,518	7,451	(158,357)
	794,114	-	-	-	794,114
	-	-	(392,663)	-	(392,663)
	794,114	-	(392,663)	-	401,451
	253,482	9,783	425,688	27,883	716,836

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

15(B). REINSURANCE CONTRACTS (CONT'D)

(ii) Analysis by measurement component – Contracts not measured under the PAA

The table below presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM for reinsurance held portfolios.

Life Insurance

	THE GROUP				THE GROUP			
	2023				2022			
	Estimates of the PV of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Estimates of the PV of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening assets	-	9,968	189,120	199,088	-	7,807	73,018	80,825
Opening liabilities	(296,280)	-	-	(296,280)	(229,662)	-	-	(229,662)
Net opening balance	(296,280)	9,968	189,120	(97,192)	(229,662)	7,807	73,018	(148,837)
Changes in the statement of profit or loss and OCI								
Changes related to future services								
Changes in estimates that adjust the CSM	11,610	(2,799)	(8,811)	-	(74,461)	2,686	71,775	-
Contracts initially recognised in the period	(67,293)	4,552	62,741	-	(40,138)	1,808	38,330	-
Changes that relate to current services								
CSM recognised for transfer of services	-	-	(29,936)	(29,936)	-	-	(27,272)	(27,272)
Change in risk adjustment for non-financial risk for risk expired	-	(1,702)	-	(1,702)	-	(2,057)	-	(2,057)
Experience adjustments	59,028	-	(20,004)	39,024	(9,136)	-	30,824	21,688
Net expenses from reinsurance contracts	3,345	51	3,990	7,386	(123,735)	2,437	113,657	(7,641)
Net finance income from reinsurance contracts	(22,513)	519	5,506	(16,488)	8,541	(276)	2,445	10,710
Total changes in the statement of profit or loss and OCI	(19,168)	570	9,496	(9,102)	(115,194)	2,161	116,102	3,069
Cash flows								
Premiums paid to reinsurers net of commission received	54,630	-	-	54,630	71,457	-	-	71,457
Reinsurance recoveries	(34,133)	-	-	(34,133)	(22,881)	-	-	(22,881)
Total cash flows	20,497	-	-	20,497	48,576	-	-	48,576
Net closing balance	(294,951)	10,538	198,616	(85,797)	(296,280)	9,968	189,120	(97,192)
Closing assets	-	10,538	198,616	209,154	-	9,968	189,120	199,088
Closing liabilities	(294,951)	-	-	(294,951)	(296,280)	-	-	(296,280)
Net Closing balance	(294,951)	10,538	198,616	(85,797)	(296,280)	9,968	189,120	(97,192)

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YEAR ENDED DECEMBER 31, 2023

15(C). EFFECT OF CONTRACTS INITIALLY RECOGNISED IN THE YEAR - INSURANCE CONTRACTS

The components of new business for insurance contracts issued included in the life insurance unit is disclosed in the table below:

Life Insurance	THE GROUP			THE GROUP		
	2023			2022		
	Onerous contracts issued	Remaining contracts issued	Total	Onerous contracts issued	Remaining contracts issued	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimates of present value of future cash outflows excluding Insurance acquisition cash flows	(33,051)	(203,620)	(236,671)	(13,235)	(58,974)	(72,209)
Insurance acquisition cash flows	(22,180)	(44,537)	(66,717)	(38,328)	(237,545)	(275,873)
	(55,231)	(248,157)	(303,388)	(51,563)	(296,519)	(348,082)
Estimates of present value of future cash inflows	25,636	588,744	614,380	28,484	557,901	586,385
Risk adjustment for non-financial risk	(547)	(13,549)	(14,096)	(1,049)	(15,092)	(16,141)
Contractual service margin	-	(327,038)	(327,038)	-	(246,290)	(246,290)
	25,089	248,157	273,246	27,435	296,519	323,954
Losses recognised on initial recognition	(30,142)	-	(30,142)	(24,128)	-	(24,128)

15(D). EFFECT OF CONTRACTS INITIALLY RECOGNISED IN THE YEAR - REINSURANCE CONTRACTS

The components of new business for reinsurance contracts held portfolios included in the life insurance unit is disclosed in the table below:

Life Insurance	THE GROUP			
	Contracts initiated without loss recovery component		Contracts initiated with loss recovery component	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Estimates of present value of future cash outflows	-	30,704	-	-
Estimates of present value of future cash inflows	(86,017)	(117,055)	-	-
Risk adjustment for non-financial risk	4,552	1,808	-	-
Income recognised on initial recognition	-	-	-	-
CSM	(81,465)	(84,543)	-	-

15(E). CONTRACTUAL SERVICE MARGIN RECOGNITION IN PROFIT OR LOSS

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA:

Life Insurance	THE GROUP						
	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023							
Insurance contracts	213,174	190,868	178,100	166,637	155,522	2,026,575	2,930,876
Reinsurance contracts	(42,960)	(34,300)	(26,507)	(19,745)	(14,030)	(61,074)	(198,616)
2022							
Insurance contracts	213,641	188,517	172,177	160,561	150,396	2,086,062	2,971,354
Reinsurance contracts	(26,442)	(22,982)	(19,753)	(17,068)	(14,742)	(88,133)	(189,120)

The Group expects to recognise the CSM in profit or loss for existing contracts within 30+ years, which represents the longest coverage period for the contracts in force issued by the Group. The expected timeline for the CSM recognition for reinsurance contracts held is in line with insurance contracts issued.

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15(F) CSM BY TRANSITION APPROACH

The impact on the current period of the transition approaches adopted to establishing CSMs for insurance contracts included in the life insurance unit is disclosed in the table below:

(i) INSURANCE CONTRACTS

Life Insurance

	THE GROUP				
	2023				
	Contracts under:				
	Full Retrospective	Modified Retrospective	Fair Value	Not transitioned	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening CSM	488,558	1,045,727	1,261,915	175,154	2,971,354
Changes that relate to current service					
CSM recognised in profit and loss for services provided	(43,250)	(62,925)	(101,543)	(106,246)	(313,964)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(4,562)	(22,703)	(69,323)	22,605	(73,983)
Contracts initially recognised in the period	-	-	-	327,038	327,038
Experience adjustments	(3,760)	(18,627)	(5,859)	8,134	(20,112)
Insurance finance expenses	4,062	14,990	14,498	6,993	40,543
Closing CSM	441,048	956,462	1,099,688	433,678	2,930,876
Insurance revenue	287,923	586,677	816,389	374,471	2,065,460
	THE GROUP				
	2022				
	Contracts under:				
	Full Retrospective	Modified Retrospective	Fair Value	Not transitioned	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening CSM	553,610	1,188,458	1,475,897	-	3,217,965
Changes that relate to current service					
CSM recognised in profit and loss for services provided	(60,755)	(71,515)	(108,784)	(72,524)	(313,578)
Changes that relate to future service					
Changes in estimates that adjust the CSM	(9,098)	(85,413)	(120,769)	71	(215,209)
Contracts initially recognised in the period	-	-	-	246,289	246,289
Experience adjustments	449	(4,551)	(1,028)	(2,800)	(7,930)
Insurance finance expenses	4,352	18,748	16,599	4,118	43,817
Closing CSM	488,558	1,045,727	1,261,915	175,154	2,971,354
Insurance revenue	291,490	622,683	832,837	233,632	1,980,642

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15(F) CSM BY TRANSITION APPROACH (CONT'D)

(ii) REINSURANCE CONTRACTS

Life Insurance	THE GROUP							
	2023				2022			
	Contracts under:				Contracts under:			
	Full Retrospective	Fair Value	Not transitioned	TOTAL	Full Retrospective	Fair Value	Not transitioned	TOTAL
Opening CSM	47,051	95,147	46,922	189,120	35,186	37,832	-	73,018
Changes that relate to current service								
CSM recognised in profit and loss for services provided	(6,281)	(6,698)	(16,957)	(29,936)	(7,533)	(13,240)	(6,499)	(27,272)
Experience adjustments	532	(17,797)	(2,739)	(20,004)	8,650	23,867	(1,693)	30,824
Changes that relate to future service								
Changes in estimates that adjust the CSM	(5,767)	(32,874)	29,830	(8,811)	9,481	45,510	16,784	71,775
Contracts initially recognised in the period	-	-	62,741	62,741	-	-	38,330	38,330
Finance expenses from reinsurance contracts held	1,924	3,582	-	5,506	1,267	1,178	-	2,445
Closing CSM	37,459	41,360	119,797	198,616	47,051	95,147	46,922	189,120
Allocation of Reinsurance Premium Paid	5,123	13,530	32,782	51,435	2,227	4,272	28,489	34,988

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16. INVESTMENT CONTRACT LIABILITIES

	2023	2022
	Rs'000	Rs'000
At beginning of year	9,407,722	9,276,860
Investment return from underlying assets	768,575	(250,311)
Recurring investment management fees deducted * (Note 27 (D))	(94,376)	(84,513)
Contributions received	1,686,274	1,146,298
Benefits paid	(1,063,770)	(680,612)
At end of year	10,704,425	9,407,722
Non-current	10,704,425	9,407,722
Current**	309,892	26,784

* Recurring fees are fees charged based on a percentage of the value of assets under management. (pertaining to investment contracts)

**The current portion relate to outstanding benefit payable to investment contract holder which have been reclassified to other payables (Note 19).

17. SHARE CAPITAL AND RESERVES

(a) SHARE CAPITAL

THE GROUP AND THE COMPANY	
2023	2022
Rs'000	Rs'000
At January 1 & December 31,	41,379
41,379	41,379

The total authorised number of ordinary shares is 9,600,000 (2022: 9,600,000 shares) with a par value of Rs.5 per share (2022: Rs.5 per share). The number of shares issued is 8,275,769 (2022: 8,275,769 shares) which are fully paid.

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

(b) RESERVES

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of financial assets at fair value through other comprehensive income that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of the defined benefit obligation recognised.

Amalgamation reserve

The amalgamation reserves relates to the amalgamation of Cim Insurance Ltd (CIL) with and into the Company on June 30, 2012 whereby the Company issued 908,087 new ordinary shares of Rs. 5 each to Rogers and Company Limited (RCL) in consideration for the net assets of CIL.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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17. SHARE CAPITAL AND RESERVES (CONT'D)

(b) RESERVES (CONT'D)

Other reserves

Other reserves comprise of all the movements arising in the reserves of associates and any translation reserves from translating the financial statements of foreign operations. The Group's share of its associates' post acquisition other comprehensive income movements are recognised in other reserves.

Non-distributable reserves (NDR)

As part of the adoption of IFRS 17, a Non - distributable Reserve (NDR) has been created to capture the equity impact arising from the derecognition of prudential margins historically embedded under IFRS 4. This reserve is not available for immediate dividend distribution and will be managed in accordance with the subsidiary, Swan Life Ltd's prudential reserve policy.

Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in other comprehensive income.

18. NON-CONTROLLING INTERESTS

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At January 1,	849,870	800,271
Acquisition of new subsidiary	180,794	-
Share of profit	159,680	134,495
Share of dividend	(43,187)	(43,723)
Movement in other comprehensive income	9,831	(41,173)
Effect of reduction of minority interest in subsidiary	(649)	-
At December 31,	1,156,339	849,870

19. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Other payables and accruals	1,207,531	747,468	215,015	328,491
Benefits payable to investment contract holders (note 16)	309,892	26,784	-	-
Amount payable to related parties (note 34)	114,524	-	89,296	102,271
	1,631,947	774,252	304,311	430,762
Analysed as follows:				
Non-current	-	159,401	-	106,471
Current	1,631,947	614,851	304,311	324,291
	1,631,947	774,252	304,311	430,762

(a) Currency analysis of other payables is disclosed in note 3.2.1.(i).

(b) The carrying amounts of other payables which are payable within one year approximate their fair values.

(c) The other payables and accruals are principally amounts due to suppliers, professional service providers and consultants. They are unsecured and interest free.

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20. BORROWINGS

Borrowings can be split as follows:

Bank loans - secured
Bank loans - unsecured
Loan from related parties

THE GROUP		THE COMPANY	
2023	2022	2023	2022
Rs'000	Rs'000	Rs'000	Rs'000
1,063,283	-	-	-
76,238	1,428	-	-
140,042	-	213,736	-
1,279,563	1,428	213,736	-
Represented by:			
Non current			
639,421	1,428	-	-
Current			
640,142	-	213,736	-
1,279,563	1,428	213,736	-

- (a) The interest on bank borrowings ranges from 5.00% to 7.05% p.a.
(b) The loans from related parties are unsecured and bear interest rate of 2.90% to 14% p.a.
(c) The carrying value of current borrowings approximate their fair value.

21. RETIREMENT BENEFIT OBLIGATIONS

Amounts recognised in the statements of financial position

- Defined pension benefits (a)(ii)
- Other post retirement benefits (b)(i)

THE GROUP		THE COMPANY	
2023	2022	2023	2022
Rs'000	Rs'000	Rs'000	Rs'000
279,027	339,953	154,284	193,046
127,073	185,339	73,910	112,124
406,100	525,292	228,194	305,170
Analysed as follows:			
Non-current liabilities			
406,100	525,292	228,194	305,170

Amounts recognised in the statements of profit or loss:

- Defined pension benefits (a)(v)
- Other post retirement benefits (b)(iii)

44,758	33,832	17,670	13,275
(42,472)	81,922	(25,196)	48,970
2,286	115,754	(7,526)	62,245

Amounts recognised in the statements of other comprehensive income:

- Defined pension benefits (a)(vi)
- Other post retirement benefits (b)(iv)

(31,479)	99,931	(13,974)	57,539
(11,803)	(5,486)	(9,148)	(4,903)
(43,282)	94,445	(23,122)	52,636

(a) Defined pension benefits

- (i) The plan is a defined benefit arrangement, with benefits based on final salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The assets of the fund are held and administered by Swan Life Ltd. The plan is a defined benefit top-up arrangement, whereby ex-CIM employees who are members of the Rogers Pension Fund receive a top-up to their defined contribution benefit at normal retirement age to ensure that the pension they will receive is at least as much as the pension they would have received under the previous defined benefit plan rules.

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

- (i) The Group and the Company have historically paid discretionary bonuses to their pensioners which are also taken into account in the actuarial valuation of the pension fund for funding purposes.

The Group and the Company also operate a final salary defined benefit pension plan for some employees. The assets are held separately from the Group under the control of the Management Committee of Rogers Money Purchase Retirement Fund (RMPRF). The Group contributes to the pension plan in respect of some employees who have a No Worse Off Guarantee (NWOG) so that their benefits would not be worse than what they would have earned under a previous defined benefit plan.

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

THE GROUP		THE COMPANY	
2023	2022	2023	2022
Rs'000	Rs'000	Rs'000	Rs'000
978,739	972,890	438,024	459,071
(699,712)	(632,935)	(283,740)	(266,025)
279,027	339,955	154,284	193,046

Present value of funded obligations

Fair value of plan assets

Liability in the statements of financial position

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

THE GROUP		THE COMPANY	
2023	2022	2023	2022
Rs'000	Rs'000	Rs'000	Rs'000
339,955	305,835	193,046	170,911
44,758	33,832	17,670	13,275
(31,479)	99,931	(13,974)	57,539
(74,207)	(99,643)	(42,458)	(48,679)
279,027	339,955	154,284	193,046

At January 1,

Charged to profit or loss

Charged/(credited) to other comprehensive income

Contributions paid

Net defined obligation at

At December 31,

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

THE GROUP		THE COMPANY	
2023	2022	2023	2022
Rs'000	Rs'000	Rs'000	Rs'000
972,890	812,722	459,071	406,153
26,629	24,401	8,039	8,437
52,258	30,057	23,289	12,985
(21,980)	131,011	(13,069)	56,797
(51,058)	(25,301)	(39,306)	(25,301)
978,739	972,890	438,024	459,071

At January 1,

Current service cost

Net interest cost

Actuarial gains/(losses)

Benefits paid

Present value of defined obligation at December 31,

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	632,935	506,887	266,025	235,241
Expected return on plan assets	35,666	20,626	14,173	8,148
Actuarial gains/(losses)	9,499	31,080	905	(742)
Cost of insuring risk benefits	(874)	-	(164)	-
Contributions by employer	74,207	99,643	42,458	48,679
Benefits paid	(51,058)	(25,301)	(39,306)	(25,301)
Scheme expenses	(663)	-	(351)	-
Fair value of plan assets at December 31,	699,712	632,935	283,740	266,025
Actual return on plan assets	45,165	51,706	15,078	7,406

(v) The amounts recognised in the statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	26,629	24,401	8,039	8,437
Net interest cost	16,592	9,431	9,116	4,838
Scheme expenses	663	-	351	-
Cost of insuring risk benefits	874	-	164	-
Total included in staff costs	44,758	33,832	17,670	13,275

(vi) The amounts recognised in the statements of other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
<u>Actuarial (gains)/losses recognised during the year</u>				
(Gains)/losses on pension scheme assets	(9,499)	(31,080)	(905)	742
Liability experience losses/(gains)	21,526	41,482	6,971	21,299
Liability losses/(gains) due to change in financial assumptions	(43,506)	89,529	(20,040)	35,498
	(31,479)	99,931	(13,974)	57,539

The assets of the Group plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment Policy which aims to provide a smooth progression of return from one year to the next without the regular fluctuations associated with asset-linked investments such as Equity funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4.0% p.a.

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

(vi) The assets backing the Deposit Administration Policy form part of the Life Fund of Swan Life Ltd so that the breakdown of the assets above corresponds to a notional allocation of the underlying investments based on long term strategic asset allocation of the policy.

(vii) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	%	%	%	%
Discount rate	4.70 - 5.90	5.30-5.90	4.70	5.30
Future salary increases	3.50-4.00	4.00	3.50	4.00
Future guarantee pension increases	0 - 3.00	3.00	3.00	3.00
NPS ceiling increase	4.00	4.00	4.00	4.00
Post retirement annuity rates				
Swan rates/ RPF Rates 2023	Swan rates/ RMPRF Rates 2022	Swan rates/ RPF Rates 2023	Swan rates/ RMPRF Rates 2022	

(viii) Sensitivity analysis on defined benefit obligations to changes in the weighted principal assumptions is:

December 31, 2023

	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Future salary growth rate (1% increase)	56,299	51,066	17,618	15,930
Discount rate (1% increase)	59,355	57,152	18,835	20,907

December 31, 2022

	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Future salary growth rate (1% increase)	58,576	53,568	19,347	17,480
Discount rate (1% increase)	56,982	63,895	20,408	22,757

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

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

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

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

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

- (ix) The defined benefit pension plan exposes the Group and the Company to actual risks, such as investment, interest, longevity and salary risks.

(i) 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.

(ii) 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.

(iii) Longevity risk

The plan liability is calculated by reference to the best estimates 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.

(iv) 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.

- (x) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.
- (xi) The Group and the Company expect to pay Rs.52.8m and Rs 21.2m contributions respectively to its post-employment benefit plans for the year ending December 31, 2023.
- (xii) The weighted average duration of the defined benefit obligation is 4-15 years for the Group at end of the reporting period (2022: 5 - 15 years) and 4 - 11 years for the Company (2022: 5 - 9 years).

(b) Other post retirement benefits

Other post retirement benefits comprise of residual retirement gratuities. Under the Workers Rights' Act, employees are entitled to a retirement gratuity from which a portion of equivalent amount of the pension from the define benefit and define contribution can be offset. It is possible to have a residual liability from the retirement gratuity and any residual liabilities have been recognised in the Retirement Benefit Obligations at December 31, 2023.

- (i) The reconciliation of the opening balances to the closing balances for the post retirement benefits is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	185,339	112,784	112,124	71,846
Acquired through business combination (note 35)	218	354	-	-
Charged to profit or loss	(42,472)	81,922	(25,196)	48,971
Amount recognised in other comprehensive income	(11,803)	(5,486)	(9,148)	(4,903)
Benefits paid	(339)	(445)	-	-
Employer contributions	(3,870)	(3,790)	(3,870)	(3,790)
At December 31,	127,073	185,339	73,910	112,124

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	185,339	112,784	112,124	71,846
Acquired through business combination (note 35)	218	354	-	-
Current service cost	12,254	15,702	6,950	9,662
Interest expense	10,045	4,056	5,840	2,308
Past service cost	(64,771)	62,164	(37,986)	37,001
Benefits paid	(339)	(445)	-	-
Employer contributions	(3,870)	(3,790)	(3,870)	(3,790)
Actuarial (gains)/losses	(11,803)	(5,486)	(9,148)	(4,903)
At December 31,	127,073	185,339	73,910	112,124

- (iii) The amounts recognised in the statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	12,254	15,702	6,950	9,662
Past service cost	(64,771)	62,164	(37,986)	37,001
Interest on net defined benefit liability	10,045	4,056	5,840	2,308
Total included in staff costs	(42,472)	81,922	(25,196)	48,971

- (iv) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Liability experience losses/(gains) due to change in financial assumptions	(2,463)	(15,813)	290	(10,969)
Liability experience (gains)/losses	(9,340)	10,327	(9,438)	6,066
	(11,803)	(5,486)	(9,148)	(4,903)

- (v) The principal actuarial assumptions used for actuarial purposes were:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate	4.70-5.80	5.30-5.90	4.70 %	5.30 %
Rate of salary increases	3.00-3.50	4.00-5.10	3.50 %	4.00 %
Average retirement age	60-65years	60-65years	60 years	60 years
Post retirement annuity rates	Swan Rates	Swan Rates	Swan Rates	Swan Rates
	2023 or	2022 or	2023 or	2022 or
	RPF Rates	RPF Rates	RPF Rates	RPF Rates
	2023	2022	2023	2022

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) **Other post retirement benefits (cont'd)**

(vi) Sensitivity analysis on defined benefit obligation at end of period:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	20,700	21,517	10,589	12,060
Decrease due to 1% increase in discount rate	16,393	21,434	8,706	10,043

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

(vii) The weighted average duration of the defined benefit obligation is 4 - 21 years for the Company (2022 : 5 - 9 years) and 4-21 years for the Group at end of the reporting period (2022: 5 - 19 years).

(viii) The defined benefit pension plan exposes the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (premium) risk.

22. INCOME TAX

(a) **Net current tax liabilities**

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	33,866	49,458	384	1,063
Amount paid during the year	(34,294)	(45,737)	(903)	(2,080)
Current tax on the adjusted profit for the year at 15% (2022: 15%)	65,738	57,372	-	10,227
Payment under Advance Payment System (APS)	(22,139)	(21,883)	(7,608)	(9,409)
Tax deducted at source on rental income	(1,714)	(46)	(77)	(46)
(Over)/under provision in prior year	(970)	(5,883)	-	1,110
Foreign tax credit	(477)	(239)	(477)	(239)
Corporate Social Responsibility tax expense	2,989	3,872	-	1,363
Corporate Social Responsibility tax paid	(1,291)	(2,985)	(1,279)	(1,605)
Exchange differences	(260)	(63)	-	-
Balance at December 31,	41,448	33,866	(9,960)	384
Current tax assets	(9,960)	(289)	(9,960)	-
Current tax liabilities	51,408	34,155	-	384

(b) **Income tax expense**

Current tax on the adjusted profit for the year at 15% (2022: 15%)	65,738	57,372	-	10,227
Deferred tax (note 14)	(48,087)	7,953	(23,095)	(3,857)
(Over)/under provision in prior year	(970)	(5,883)	-	1,110
Corporate Social Responsibility tax at 2% (2022: 2%)	2,989	3,872	-	1,363
	19,670	63,314	(23,095)	8,843

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

22. INCOME TAX (CONT'D)

(b)

Tax rates applicable in:
Mauritius (The Company and Subsidiaries)
Mauritius (Long term insurance companies)
Comores (Subsidiary)
Madagascar (Subsidiary)
Rwanda (Subsidiary)
South Africa (Subsidiaries)
Zambia (Subsidiary)

THE GROUP AND THE COMPANY	
2023	2022
15%	15%
Refer to note (d)	
35%	35%
20%	20%
30%	30%
28%	28%
35%	35%

(c) The tax on the Group's and Company's profit before tax differs from the theoretical amount that arises using the basic tax rate of the Group and the Company as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Tax calculated at rate of 15% (2022: 15%)	106,073	159,895	5,419	45,623
Effect of different tax rates in other countries	(20,848)	2,285	-	-
Income not subject to tax (e)	(113,721)	(134,778)	(45,276)	(48,013)
Expenses not deductible for tax purposes (e)	40,775	37,481	16,762	8,760
Capital Gains tax effects	(43)	(166)	-	-
Tax losses for which no deferred income tax asset was recognised	5,415	152	-	-
Utilisation of previously recognised tax losses	-	456	-	-
(Over)/under provision in prior year	(970)	(5,883)	-	1,110
Corporate Social Responsibility tax at 2% (2022: 2%)	2,989	3,872	-	1,363
Tax charge/(credit) for the year	19,670	63,314	(23,095)	8,843

(d) The subsidiary, Swan Life Ltd:

Up to June 30, 2021, Swan life Ltd, the subsidiary, was liable to income tax at a rate of 15% on its taxable income.

Following a change in legislation effective in 2021, a company carrying out life insurance business is liable to a tax at the rate of 10% of its relevant profit or 15% of its taxable income, whichever is the higher.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

22. INCOME TAX (CONT'D)

(d) The subsidiary, Swan Life Ltd: (cont'd)

Relevant profit relates to profit attributable to shareholders in respect of an income year:

(i) as reduced by capital gain attributable to shareholders where such gain has been credited to the separate statement of profit and loss; and

(ii) as increased by any capital loss attributable to shareholders where such loss has been debited to the separate statement of profit and loss.

No deferred tax asset will arise as relevant profit which is attributable to the shareholders cannot be offset against the unused tax losses, attributable to the insurance business. Refer to note 22(f).

(e) Non deductible expenses comprise mostly of depreciation of property and equipment, amortisation of intangible assets and loss on foreign exchange and surplus not taxable which mainly includes dividends received and interest income.

(f) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom.

	THE GROUP			
	2023		2022	
	Gross amount	Tax effect	Gross amount	Tax effect
	Rs'000	Rs'000	Rs'000	Rs'000
Deductible temporary differences	301,191	51,202	261,578	44,468
Tax losses	6,985,229	1,187,489	4,200,058	714,010
	7,286,420	1,238,691	4,461,636	758,478

(g) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Year 1	1,625,204	-
Year 2	-	1,610,756
Year 3	2,589,302	-
Year 4	-	2,589,302
Year 5	-	-
Lapsed during the year	2,770,723	-
	6,985,229	4,200,058

* The tax losses expire on a rolling basis over 5 years.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

23. INSURANCE REVENUE

The table below presents an analysis of the total insurance revenue recognised in the year:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Contracts measured under the PAA	4,935,145	4,198,499	4,178,295	3,631,705
Contracts not measured under the PAA				
<i>Amounts relating to changes in liabilities for remaining coverage</i>				
Expected incurred claims and other insurance service expenses (net of investment components)	1,641,611	1,569,656	-	-
Change in risk adjustment for non-financial risk for risk expired	23,921	24,099	-	-
CSM recognised for transfer of services	313,964	313,578	-	-
Recovery of insurance acquisition cash flows	110,083	112,050	-	-
Experience adjustments	(10,879)	(26,529)	-	-
Allocation of loss component	(13,240)	(12,213)	-	-
	2,065,460	1,980,641	-	-
Total insurance revenue	7,000,605	6,179,140	4,178,295	3,631,705

24. INSURANCE SERVICE EXPENSE

The table below presents an analysis of the total insurance service expense incurred in the year:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Incurring claims and other incurred insurance service expenses	7,138,814	6,904,643	3,254,561	2,763,640
Adjustments to liabilities for incurred claims	35,702	10,589	39,566	1,407
Amortisation of acquisition cash flows	227,960	172,928	-	-
Insurance acquisition cash flows recognised when incurred	442,703	397,742	437,930	388,122
Losses and reversal of losses on onerous contracts - future service	4,860	30,376	(5,719)	10,741
Experience adjustment related to insurance acquisition cashflows	61	945	-	-
Investment component	(2,193,722)	(2,140,669)	-	-
Total Insurance service expenses	5,656,378	5,376,554	3,726,338	3,163,910

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

25. NET INSURANCE FINANCIAL RESULTS

The following table analyses the Group's and the Company's net financial result in profit or loss and OCI:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Net finance expenses from insurance contracts				
Interest accreted to insurance contracts	(42,825)	(30,259)	(35,380)	(6,843)
Interest accreted to insurance contracts using locked-in rate	49,240	28,200	-	-
Interest on policy loan	3,662	3,156	-	-
Due to changes in interest rates and other financial assumptions	(117,562)	(50,014)	11,394	6,534
Changes in fair value of underlying items of direct participating contracts	(2,634,854)	1,780,929	27,965	17,593
	(2,742,339)	1,732,012	3,979	17,284

Represented by:

Amounts recognised in profit or loss	(2,711,146)	1,820,564	3,979	17,284
Amounts recognised in OCI	(31,193)	(88,552)	-	-
	(2,742,339)	1,732,012	3,979	17,284

26. NET REINSURANCE FINANCIAL RESULTS

Net finance income/(expenses) from reinsurance contracts

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Interest accreted to reinsurance contracts using locked-in rate	31,387	30,507	19,290	2,887
Due to changes in interest rates and other financial assumptions	(40,849)	(29,028)	(12,222)	(11,614)
	(9,462)	1,479	7,068	(8,727)

Represented by:

Amounts recognised in profit or loss	(4,128)	(17,634)	7,068	(8,727)
Amounts recognised in OCI	(5,334)	19,113	-	-
	(9,462)	1,479	7,068	(8,727)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

27. INVESTMENT INCOME AND OTHER INCOME

A. INTEREST INCOME CALCULATED USING EFFECTIVE INTEREST METHOD:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Interest income on loans and receivables	1,582,115	1,238,139	33,043	17,577
Interest income on loans and advances towards finance leases	86,159	-	-	-
	1,668,274	1,238,139	33,043	17,577

B. OTHER INVESTMENT INCOME

Dividend income	622,297	496,490	190,733	178,978
Net change in fair value of financial assets at FVTPL (Note 11)	1,507,147	(3,415,497)	-	-
	2,129,444	(2,919,007)	190,733	178,978

C. OTHER INCOME

Fee and commission income	381,965	361,474	9,587	-
Rental income	49,343	29,458	1,100	1,124
Insurance consulting service fee	18,900	26,068	-	-
Gain/(Loss on exchange)	(4,312)	(8,240)	(17,093)	(19,348)
Miscellaneous income *	51,510	11,527	12,994	7,838
Gains from money changer trading activities	33,433	18,025	-	-
Profit on disposal of financial instruments at amortised cost	28,946	-	-	-
Profit on disposal of investment properties	6,414	11,311	-	-
Profit on disposal of property and equipment	260	72	153	9
	566,459	449,695	6,741	(10,377)

Total investment income and other income

	4,364,177	(1,231,173)	230,517	186,178
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D. REVENUE FROM INVESTMENT MANAGEMENT SERVICES

Investment management fees relating to investment contracts (Refer to note 16)	94,376	84,513	-	-
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TOTAL

	4,458,553	(1,146,660)	230,517	186,178
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*Miscellaneous income consists of operating cost recharged to a related entity of the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

28. EXPENSES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Employee benefits expenses (refer to note (a))	840,091	838,005	451,603	473,220
Depreciation and amortisation	95,312	92,492	34,068	41,200
Fees payable	111,328	114,217	39,946	42,738
Finance cost (Refer to note (c))	48,869	1,825	3,243	1,287
Impairment and allowances for credit impairment (b)	65,795	19,368	9,563	776
Maintenance expenses	16,870	24,603	-	-
Management expenses	70,288	72,243	-	-
Marketing expense	62,789	60,593	22,861	29,196
Administrative and general expenses	345,082	309,986	184,964	171,723
Telecommunication expenses	12,358	12,516	-	-
	1,668,782	1,545,848	746,248	760,140
Represented by:				
Non-insurance activities	963,476	857,617	378,791	395,634
Insurance service expenses	705,306	688,231	367,457	364,506
	1,668,782	1,545,848	746,248	760,140

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Analysis of employee benefits and expenses:				
Salaries and wages	652,883	550,987	394,659	345,981
Retirement benefit obligations:				
- defined benefit plans (Note 21)	2,286	115,754	(7,526)	62,245
- defined contribution plans	24,830	24,927	11,149	9,845
Other costs	160,092	146,337	53,321	55,149
	840,091	838,005	451,603	473,220

	Notes	THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
(b) Impairment and allowances for credit impairment					
(i) Impairment:					
- Loans and receivables	12	7,595	6,270	-	-
- Other receivables	13	8,273	878	8,281	790
- Loans and advances towards finance leases	12B(c)	105	-	-	-
		15,973	7,148	8,281	790
(ii) Movement in allowances for credit impairment:					
- Debt instruments at amortised cost	11	29,246	18,058	858	214
- Loans and receivables	12	17,409	(7,948)	123	(210)
- Other receivables	13	(1,304)	(768)	-	-
- Loans and advances towards finance leases	12B(c)	1,219	-	-	-
- Cash held at banks and short term deposits	31(b)(i)	3,252	2,878	301	(18)
		49,822	12,220	1,282	(14)
Total Impairment and allowances for credit impairment		65,795	19,368	9,563	776

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

28. EXPENSES (CONT'D)

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
(c) Finance cost				
Interest expense:				
- Lease (note 5B)	2,090	899	171	349
- Interest on borrowings and bank overdraft	46,779	926	3,072	938
	48,869	1,825	3,243	1,287

29. DIVIDENDS

Declared and payable

Final dividend of Rs. 17.50 payable per ordinary share (2022: Rs 15.12 per share)

THE COMPANY	
2023	2022
Rs'000	Rs'000
144,826	125,130

During the year, total dividend of Rs. 144,825,958 has been declared (2022: Rs. 125,129,627).

30. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
<u>Earnings per share</u>		Restated		Restated
Profit attributable to equity holders of the Company (Rs'000)	442,519	454,445	59,223	108,423
Weighted average number of ordinary shares	8,275,769	8,275,769	8,275,769	8,275,769
Basic and diluted earnings per share (Rs/cs)	53.47	54.91	7.16	13.10

The calculation of basic earnings per share has been based on the basic profit attributable to equity holders of the Company and weighted average number of ordinary shares outstanding.

There are no dilutive instruments and therefore basic and diluted earnings per share are the same.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

31. NOTES TO THE STATEMENTS OF CASH FLOWS

Notes	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
(a) Cash generated from operations				
Profit before taxation	621,869	652,254	36,128	117,266
Adjustments for:				
Depreciation on investment property	6	9,117	-	-
Depreciation on property and equipment	5	37,442	10,713	11,062
Depreciation of right-of-use assets	5A	7,775	2,997	2,997
Amortisation of intangible assets	7	38,717	20,359	27,141
Net gains on exchange		8,240	8,812	18,558
Profit on sale of property and equipment	27	(72)	(153)	(9)
Profit on disposal of investment properties	27	(11,311)	-	-
Movement in fair value of financial assets at FVPTL	27	3,415,497	-	-
Interest income	27	(1,238,139)	(33,043)	(17,577)
Dividend income	27	(496,490)	(190,733)	(178,978)
Finance costs		2,212	3,243	1,287
Impairment of loan and receivables	28(b)	6,270	-	-
Impairment of other receivables	28(b)	878	8,281	790
Impairment of loans and advances towards finance leases	28(b)	-	-	-
Movement in ECL allowances on loans and receivables	12A	(7,948)	123	(210)
Movement in ECL allowances on loans and advances towards finance leases	12B	-	-	-
Movement in ECL allowances on debt instruments at amortised cost	11	18,058	858	214
Movement in ECL allowances on cash and cash equivalents	31(b)	2,878	301	(18)
Movement in ECL allowances on other receivables	13	(768)	-	-
Changes in working capital:				
Retirement benefit obligations	21	11,874	(53,854)	9,777
Share of profit of associated companies and joint venture	9/10	(40,805)	-	-
Movement in net reinsurance contract assets	15	(239,534)	(122,446)	(243,093)
Movement in net insurance contract liabilities	15	(1,725,212)	247,939	132,303
Movement in investment contract liabilities	16	130,862	-	-
Movement in other receivables		246,244	(4,092)	117,681
Movement in other payables		(93,834)	(126,617)	36,559
Cash generated from/ (used in) operating activities		734,205	(191,184)	35,750

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

31. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Short term deposits	3,552,722	2,144,590	145,552	38,683
Cash held at banks	1,908,541	2,575,711	259,123	207,496
Bank overdraft	(77,833)	-	-	-
	5,383,430	4,720,301	404,675	246,179
Less expected credit allowances on:				
(i) Short term deposits	(5,227)	(3,154)	(425)	(124)
(ii) Cash held at banks	(3,983)	(2,928)	-	-
	(9,210)	(6,082)	(425)	(124)
	5,374,220	4,714,219	404,250	246,055

Short term deposits comprise of foreign deposits, money-at-call and savings accounts. The rates of interest vary between 0% to 5.70% p.a (2022: 1.90% to 3.10% p.a).

(i) Loss allowance

The following tables show reconciliations from the opening balance to the closing balance of the loss allowance on cash and cash equivalents.

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
		Restated		Restated
Balance at 1 January	6,082	3,214	124	142
Net remeasurement of loss allowance	3,252	2,878	301	(18)
Effects of movements in exchange rates	(124)	(10)	-	-
Balance at 31 December	9,210	6,082	425	124

(c) Non cash transactions

- For the financial year ended December 31, 2023, non-cash transactions relates to dividend received in species amounting to Rs 135.8m and Rs 0.5m for the Group and the Company respectively.

- For the financial year ended December 31, 2022, non-cash transactions relates to dividend received in species amounting to Rs 195.6m and Rs 12.7m for the Group and the Company respectively.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

31. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(d) Reconciliation of liabilities arising from financing activities

		THE GROUP						
		2023						
	Opening balance	Acquisition of new subsidiary	New leases	Interest expense	Interest paid	Net(repayment)/receipt of capital	Foreign exchange movement	Closing balance
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	22,258	32,817	17,300	2,090	(1,965)	(12,852)	(113)	59,535
Borrowings	1,428	1,768,689	-	43,997	(43,747)	(490,804)	-	1,279,563
Non-current payables	159,401	-	-	166	-	(159,567)	-	-
	183,087	1,801,506	17,300	46,253	(45,712)	(663,223)	(113)	1,339,098

		THE GROUP						
		2022						
	Opening balance	Acquisition of new subsidiary	New leases	Interest expense	Interest paid	Net(repayment)/receipt of capital	Foreign exchange movement	Closing balance
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	14,376	-	15,843	899	(899)	(8,072)	111	22,258
Borrowings	-	1,645	-	-	-	(217)	-	1,428
Non-current payables	160,233	-	-	(832)	-	-	-	159,401
	174,609	1,645	15,843	67	(899)	(8,289)	111	183,087

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

31. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(d) Reconciliation of liabilities arising from financing activities (cont'd)

		THE COMPANY				
		As at 1 January 2023	Interest expense	Interest paid	Net(repayment)/receipt of capital	As at December 31, 2023
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities		4,907	171	(171)	(3,278)	1,629
Borrowings		-	2,906	-	210,830	213,736
Non-current payables		106,471	166	-	(106,637)	-
		111,378	3,243	(171)	100,915	215,365

		THE COMPANY				
		As at 1 January 2022	Interest expense	Interest paid	Net(repayment)/receipt of capital	As at December 31, 2022
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities		7,898	349	(349)	(2,991)	4,907
Borrowings		50,000	1,526	(1,526)	(50,000)	-
Non-current payables		107,058	(587)	-	-	106,471
		164,956	1,288	(1,875)	(52,991)	111,378

32. COMMITMENTS AND CONTINGENCIES

(a) Financial Commitments
Outstanding commitments for the following:-
Loans to be granted

		THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
Loans to be granted		80,491	118,648	-	-

The amounts above represents the Group and the Company's maximum exposure to credit risk.

		THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
Bank guarantees		8,000	8,000	8,000	8,000
		8,000	8,000	8,000	8,000

The amounts above represents the Group and the Company's maximum exposure to credit risk.

Bank guarantees

At December 31, 2023, the Group and the Company had contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business, from which it is anticipated that no material liabilities would arise.

The guarantee has not materialised during the year and accordingly is not material.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

33. SEGMENT INFORMATION - THE GROUP

(a) Operating segments	2023				
	Life Rs'000	General Rs'000	Others Rs'000	Group Adjustments Rs'000	Total Rs'000
Insurance revenue	2,065,460	4,963,849	-	(28,704)	7,000,605
Interest revenue calculated under EIR	1,531,405	47,254	89,615	-	1,668,274
Other investment income	2,148,433	195,031	(49,757)	(164,263)	2,129,444
Revenue from investment management services	94,376	-	-	-	94,376
Profit before taxation	463,630	(21,010)	412,580	(233,331)	621,869
Share of results of associated companies and joint ventures	14,830	32,035	1,265	-	48,130
Insurance service expense	(1,552,658)	(4,103,720)	-	-	(5,656,378)
Insurance service result	512,802	860,129	-	(28,704)	1,344,227
Insurance and reinsurance finance income and expenses	(2,726,350)	11,076	-	-	(2,715,274)
Interest expenses	(1,017)	(3,243)	(59,997)	15,388	(48,869)
Depreciation/ amortisation	(36,257)	(38,306)	(21,368)	2,138	(93,793)
Impairment loss	(49,557)	(13,473)	(2,765)	-	(65,795)
Total assets	58,240,912	5,905,462	5,074,014	(3,121,426)	66,098,962
Total liabilities	55,020,107	2,907,883	2,563,505	(1,371,174)	59,120,321
Capital expenditure	158,014	77,087	17,819	-	252,920

	2022				
	Life Rs'000	General Rs'000	Others Rs'000	Group Adjustments Rs'000	Total Rs'000
Insurance revenue	1,980,642	4,221,577	-	(23,079)	6,179,140
Interest revenue calculated under EIR	1,200,475	23,703	13,961	-	1,238,139
Other investment income	(2,894,439)	184,509	99,862	(308,939)	(2,919,007)
Revenue from investment management services	84,513	-	-	-	84,513
Profit before taxation	361,582	159,026	397,805	(266,159)	652,254
Share of results of associated companies and joint ventures	5,798	34,425	582	-	40,805
Insurance service expense	(1,715,544)	(3,661,010)	-	-	(5,376,554)
Insurance service result	257,457	328,107	-	(23,079)	562,485
Insurance and reinsurance finance income and expenses	1,794,325	8,605	-	-	1,802,930
Interest expenses	(465)	(1,287)	(185)	112	(1,825)
Depreciation/ amortisation	(38,042)	(45,190)	(14,549)	4,728	(93,053)
Impairment loss	(17,459)	(2,463)	(1,434)	1,988	(19,368)
Total assets	53,631,423	5,407,755	1,949,586	(1,868,880)	59,119,884
Total liabilities	50,421,807	2,567,385	179,082	(153,748)	53,014,526
Capital expenditure	6,929	43,817	10,428	16,705	77,879

- (i) Directors have reassessed the relevant segments to be Life, General and Others as these are consistent with internal reporting provided to management.
- (ii) The operating segments are strategic business units offering services under:
- Life: relating to long term insurance business
 - General: relating to short term insurance business.
 - Others: relating to mainly investment holdings, foreign exchange currency dealing, investment management services and actuarial consultancy services.
- (iii) The types of products and services from which each reportable segment generates revenue are disclosed in note 8(b).
- (iv) Unallocated includes retirement benefit obligations, deferred tax liabilities, current tax liabilities and dividend payable.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

34. RELATED PARTY TRANSACTIONS

(a) THE GROUP	Sale of services Rs'000	Sale/ (Purchase) of foreign currencies Rs'000	Purchase of services Rs'000	Investment income Rs'000	Claims paid Rs'000	Financial assets Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000	Short term loan payable Rs'000	Loans receivable Rs'000	Insurance liabilities Rs'000
Shareholders with significant influence	340,622	-	-	324,599	83,926	5,764,508	-	-	-	3,530,001	91,750
Enterprises on which the Group exerts significant influence	1,661,686	-	-	7,849	-	104,489	-	-	-	-	286,886
Directors and Key Management Personnel	2,414	-	-	6,093	1,438	-	-	-	-	85,106	840
Other related entities	23,806	259,179	15,893	-	-	108,832	172,567	114,524	-	140,042	-
	2,028,528	259,179	15,893	338,541	85,364	5,977,829	172,567	114,524	-	3,755,149	379,476

	2022											
	Shareholders with significant influence	Enterprises on which the Group exerts significant influence	Directors and Key Management Personnel	Other related entities	Shareholders with significant influence	Enterprises on which the Group exerts significant influence	Directors and Key Management Personnel	Other related entities	Shareholders with significant influence	Enterprises on which the Group exerts significant influence	Directors and Key Management Personnel	Other related entities
Shareholders with significant influence	313,920	-	-	230,281	77,977	5,956,265	-	-	-	2,783,718	124,534	
Enterprises on which the Group exerts significant influence	1,411,310	-	-	2,708	-	104,489	-	-	-	-	370,664	
Directors and Key Management Personnel	2,493	-	-	3,522	1,999	-	-	-	-	110,067	776	
Other related entities	22,974	311,601	-	-	-	-	9,788	-	160,004	-	-	
	1,750,697	311,601	-	236,511	79,976	6,060,754	9,788	-	160,004	2,893,785	495,974	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

34. RELATED PARTY TRANSACTIONS (CONT'D)

	Sale of services	Investment income	Management fees paid	Claims paid	Financial assets	Loans receivables	Loans payables	Insurance Liabilities	Amount receivable from related parties	Amount owed to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b) THE COMPANY 2023										
Subsidiary companies	42,072	150,239	8,901	30,619	643,575	-	213,736	49,761	15,728	89,296
Shareholders with significant influence	193,698	2,778	-	83,926	82,826	-	-	29,056	-	-
Enterprises on which the Company exerts significant influence	-	7,849	-	-	104,489	-	-	540	-	-
Directors and Key Management Personnel	1,907	-	-	1,438	-	5,276	-	840	-	-
Other related entities	-	-	-	-	-	-	-	-	-	-
	237,677	160,866	8,901	115,983	830,890	5,276	213,736	80,197	15,728	89,296
2022										
Subsidiary companies	35,246	142,270	9,283	26,295	643,575	-	-	17,834	19,442	102,271
Shareholders with significant influence	158,479	1,792	-	77,977	80,154	-	-	89,502	-	-
Enterprises on which the Company exerts significant influence	-	2,708	-	-	104,489	-	-	540	-	-
Directors and Key Management Personnel	1,880	-	-	1,999	-	5,237	-	776	-	-
Other related entities	-	-	-	-	-	-	106,471	-	-	-
	195,605	146,770	9,283	106,271	828,218	5,237	106,471	108,652	19,442	102,271

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	146,582	132,449	80,219	68,337
Post-employment benefits	8,835	10,025	4,181	3,894
	155,417	142,474	84,400	72,231

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. For the year ended December 31, 2023, the Group and the Company have not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil) as the Group and the Company considers that the amount receivable from related parties have low credit risk based on the fact the amounts are due from companies within the group. There have been no guarantees provided for any related party receivables or payables.

	Settlement terms	Security	Interest
Amount receivable from related parties	Within one year	Unsecured	Interest free
Amount payable to related parties	Within one year	Unsecured	Interest free
Loans/ deposit	1 to more than 5 years	Secured	1.25% to 6.6% p.a.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

35. BUSINESS COMBINATION

During the financial year, an investment holding company, Swan Wealth Investment holding Ltd, was incorporated by Swan Wealth Ltd (an existing subsidiary of the Group). On April 19, 2023, Swan Wealth Investment holding Ltd acquired 51% of share capital of Rogers Capital Finance Ltd ('RCFL') for a consideration of Rs 160.5m. The following table summarises the consideration paid for RCFL and the fair value of the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	2023
	Rs'000
Consideration paid	
Cash and cash equivalents	160,532
Total consideration paid	160,532
Recognition amounts of identifiable assets acquired and liabilities assumed	2023
	Rs'000
Trade and other receivables	507,946
Cash in hand and at bank	60,898
Loans and advances towards finance leases	1,920,830
Property and equipment	67,478
Intangible assets	18,934
Rights of use assets	26,799
Deferred tax assets	44,113
Borrowings	(2,072,164)
Bank overdraft	(31,793)
Lease liabilities	(32,817)
Retirement benefit obligations	(218)
Trade and other payables	(195,238)
Total identifiable net assets	314,768
Goodwill	-
Net cash outflow on acquisition of subsidiary	2023
	Rs'000
Consideration paid in cash	160,532
Less: cash and cash equivalents acquired	(29,105)
Total consideration net of cash	131,427

Based on a Purchase price allocation (PPA) assessment performed by management, it was concluded that the price consideration paid to acquire Rogers Capital Finance Ltd is a reflection of its fair value of existing assets and liabilities and as such, there is neither a goodwill nor a value of identifiable intangible assets arising upon this acquisition.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

36. THREE YEAR SUMMARY

	THE GROUP			THE COMPANY		
	2023 Rs'000	2022 Rs'000	2021 Rs'000	2023 Rs'000	2022 Rs'000	2021 Rs'000
Statement of profit or loss and other comprehensive income						
Profit before taxation	621,869	652,254	979,762	36,128	117,266	313,003
Income tax expense	(19,670)	(63,314)	(63,644)	23,095	(8,843)	(18,834)
Profit for the year	602,199	588,940	916,118	59,223	108,423	294,169
Other comprehensive income for the year	304,861	(783,913)	(705,992)	246,764	(518,445)	442,578
Total comprehensive income	907,060	(194,973)	210,126	305,987	(410,022)	736,747
Profit Attributable to:						
Owners of the parent	442,519	454,445	764,122	59,223	108,423	294,169
Non-controlling interest	159,680	134,495	151,996	-	-	-
	602,199	588,940	916,118	59,223	108,423	294,169
Total comprehensive income for the year Attributable to:						
Owners of the parent	737,549	(288,295)	59,666	305,987	(410,022)	736,747
Non-controlling interests	169,511	93,322	150,460	-	-	-
	907,060	(194,973)	210,126	305,987	(410,022)	736,747
Dividends	144,826	125,130	(119,171)	144,826	125,130	(119,171)
Earnings attributable to shareholders	442,519	454,445	764,122	59,223	108,423	294,169
Statement of Financial Position						
Non-current assets	52,429,233	50,953,776	54,164,899	3,474,607	3,372,983	3,892,743
Current assets	13,684,238	8,164,477	6,850,024	1,492,029	1,158,719	991,644
	66,113,471	59,118,253	61,014,923	4,966,636	4,531,702	4,884,387
Owners' interest	5,822,302	5,255,488	5,668,913	2,499,792	2,338,631	2,873,783
Non-controlling interest	1,156,339	849,870	800,271	-	-	-
Non-current liabilities	53,419,439	49,450,432	51,206,563	228,787	414,892	355,852
Current liabilities	5,715,391	3,562,463	3,339,176	2,238,057	1,778,179	1,654,752
	66,113,471	59,118,253	61,014,923	4,966,636	4,531,702	4,884,387

*The figures of the Statement of profit or loss and other comprehensive income for 2021 for both the Group and the Company is under IFRS 4.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

37. GOING CONCERN

The directors have made an assessment of the Group's and the Company's ability to continue as a going concern and are satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, directors and management are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern.

38. EVENTS AFTER REPORTING PERIOD

There have been no material events after reporting date which would require disclosure and adjustment to the financial statements for the year ended 31 December 2023, except for the following:

The income tax definition has been amended to include Corporate Climate Responsibility "CCR" levy. Every company shall in every year be liable to pay an equivalent of 2% of its chargeable income. The CCR levy shall be paid in respect of the year of assessment commencing on July 01, 2024 and in respect of every subsequent year of assessment. The CCR levy is payable by a company with respect to a year of assessment where the turnover exceeds 50 million Rupees (USD 1.1 Million approximately).

39. PRIOR PERIOD ERROR

During the current year under audit, management identified an error in the calculation of the reinsurance premium ceded for the financial year ended December 31, 2019. The premium ceded had been incorrectly calculated based on gross premiums written, instead of the earned portion of the gross premiums.

The reinsurance contract was terminated end of December 2019. Following the termination, there were several negotiations between the Company and the reinsurer regarding the treaty profit for the 2019 financial year. It was subsequently agreed that an amount of Rs 44,300,000 would be settled to the reinsurer in 2020.

The correction of this error has resulted in a restatement of prior period figures. The impact of the restatement affects the opening retained earnings and other payables of both the Group and the Company.

The following table summarises the effect of restatements on the financial statements:

	As previously reported Rs'000	Prior period error adjustment Rs'000	As restated Rs'000
THE GROUP			
At December 31, 2021			
Statement of financial position			
Retained earnings	4,025,587	(44,300)	3,981,287
Reinsurance settlement amount	-	44,300	44,300
THE COMPANY			
At December 31, 2021			
Statement of financial position			
Retained earnings	2,374,961	(44,300)	2,330,661
Reinsurance settlement amount	-	44,300	44,300

OTHER STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2023

(pursuant to Section 221 of the Companies Act)

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the Subsidiary Companies have service contracts that need to be disclosed under Section 221 of the Companies Act.

DIRECTORS' REMUNERATION AND BENEFITS

The total remuneration and benefits received, due and receivable:

(i) by each Director of Swan General Ltd from the Company and its subsidiaries are as follows:

	FROM THE COMPANY		FROM THE SUBSIDIARIES	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Executive Directors				
Louis Rivalland	4,561	4,344	18,121	17,215
Michel Thomas	15,027	14,455	304	600
Non-executive Directors				
Nicolas Maigrot	241	175	241	175
Sebastien Mamet	124	90	124	90
Arif Fakhrudin Currimjee	193	140	193	140
Henri Harel	165	120	165	120
Gopallen Moorooogen	220	160	380	240
Victor Seevaye	-	-	80	40
Philippe Espitalier Noel	124	90	124	90
Grace Leung Shing	193	90	193	90
Eric Espitalier Noel	124	90	124	90
	20,972	19,754	20,049	18,890

(ii) by the Directors of Subsidiaries who are not Directors of the Company are provided below:

	FROM THE SUBSIDIARIES	
	2023 Rs'000	2022 Rs'000
Swan International Ltd		
Directors fees - Non Executive Director		
Jaiyansing Soobah	40	20
Swan Corporate Affairs Ltd		
Directors fees - Non Executive Director		
Jaiyansing Soobah	40	20

OTHER STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2023

(pursuant to Section 221 of the Companies Act)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

Swan Special Risks Ltd

Directors fees - Non Executive Director

Pierre Dinan

Swan Reinsurance PCC

Directors fees - Non Executive Director

Pierre Dinan

Swan Pensions Ltd

Directors fees - Executive Director

Alan Goder

Swan Wealth Managers Ltd

Directors fees - Executive Director

Gianduth Jeeawock

Swan Securities Ltd

Directors fees - Non Executive Directors

Karine Morel

Jaiyansing Soobah

Directors fees - Non Executive Director

Ashley Coomar Ruhee

Alan Goder

Swan Forex Ltd

Directors fees - Non Executive Director

Jean Pierre Montocchio

Manufacturer's Distributing Station Limited

Directors fees - Non Executive Director

Jaiyansing Soobah

FROM THE SUBSIDIARIES

2023
Rs'000

2022
Rs'000

40

20

40

20

40

20

40

20

40

20

40

40

80

40

10

10

10

10

20

20

200

-

200

-

40

20

OTHER STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2023

(pursuant to Section 221 of the Companies Act)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

Swan Actuarial Services Ltd

Directors fees - Executive Director

Richard Li Ting Chung

Directors fees - Non Executive Director

Jaiyansing Soobah

DONATIONS

Political donations
Charitable donations

AUDITORS' FEES AND FEES FOR OTHER SERVICES

Audit fees paid to:

- KPMG
- BDO & Co
- Other firms

Fees paid for other services provided by*:

- KPMG
- BDO & Co

* The breakdown of other services provided are as follows:

Statutory services:

-Review of insurance return
-Review of risk management framework

Other services:

-Preparation of Financial statements

CONTRACT OF SIGNIFICANCE

During the year under review, there was no contract of significance to which the Company or one of its subsidiaries was a party and in which a Director of the Company was materially interested either directly or indirectly.

OTHER STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2023

(pursuant to Section 221 of the Companies Act)

DIRECTORS OF THE COMPANY

Mr. M.E. Nicolas MAIGROT - Chairperson
Mr. J.M. Louis RIVALLAND - Group Chief Executive
Mr. A. Michel THOMAS - Chief Operations Officer
Mr. M. D. Henri HAREL
Mr. J. Sébastien MAMET
Mr. M.A. Eric ESPITALIER-NOËL
Mr. M.H. Philippe ESPITALIER-NOËL
Mr. Peroomal Gopallen MOOROGEN
Mr. Arif CURRIMJEE
Ms. Grace S. LEUNG SHING
Mrs. Clairette F.T. AH-HEN (As from 25 April 2024)

DIRECTORS OF SUBSIDIARY COMPANIES

Swan Life Ltd

Mr. M.E. Nicolas MAIGROT - Chairperson
Mr. J.M. Louis RIVALLAND - Group Chief Executive
Mr. M. D. Henri HAREL
Mr. J. Sébastien MAMET
Mr. M.A. Eric ESPITALIER-NOËL
Mr. M.H. Philippe ESPITALIER-NOËL
Mr. Peroomal Gopallen MOOROGEN
Mr. Arif CURRIMJEE
Ms. Grace S. LEUNG SHING
Mrs. Clairette F.T. AH-HEN (As from 25 April 2024)

Swan International Co Ltd

Mr. J.M. Louis RIVALLAND
Mr. Jaiyansing SOOBAH

Manufacturers' Distributing Station Limited

Mr. J.M. Louis RIVALLAND
Mr. Jaiyansing SOOBAH

Swan Pensions Ltd

Mr. J.M. Louis RIVALLAND
Mr. Peroomal Gopallen MOOROGEN
Mr. J.M. Alan GODER

Processure Compagnie Ltée

Mr. Olivier JOLLAND
Mr. Olivier Jean Albert DEVIN
Mr. J.M. Louis RIVALLAND
Mr. J.M. Alan GODER

Swan Reinsurance PCC

Mr. J.M. Louis RIVALLAND
Mr. A. Michel THOMAS
Mr. Peroomal Gopallen MOOROGEN
Mr. M.D. Pierre Dinan, G.O.S.K. (Up to 27 June 2024)
Mr. Victor C. SEEYAVE
Mr. T.K. Philippe LO FAN HIN
Mr. Neelkamal RAGOO
Mr. Arif CURRIMJEE (As from 30 August 2024)

Swan Corporate Affairs Ltd

Mr. J.M. Louis RIVALLAND
Mr. Jaiyansing SOOBAH

Swan Foundation

Mr. J. M. Louis RIVALLAND
Mr. Jaiyansing SOOBAH

OTHER STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2023

(pursuant to Section 221 of the Companies Act)

Swan Wealth Managers Ltd

Mr. J.M. Louis RIVALLAND
Mr. Peroomal Gopallen MOOROGEN
Mr. Gianduth JEEAWOCK

Swan Securities Ltd

Mr Jaiyansing SOOBAH
Mrs Karine Morel

Swan Financial Solutions Ltd

Mr. J. M. Louis RIVALLAND
Mr Ashley Coomar RUHEE
Mr. Alan GODER

Dolberg Rental (Pty) Ltd

Mr. Gianduth JEEAWOCK

Aprica Investment Co Ltd

Mr. J.M. Louis RIVALLAND
Mr. M.G.M Patrice BASTIDE
Mr. Andrew S. LEE
Mr M.H Philippe ESPITALIER-NOËL
Mr. J.M. René LECLÉZIO
Mr. M.E. Nicolas MAIGROT

Swan Special Risks Company Limited

Mr. J.M. Louis RIVALLAND
Mr. T.K. Philippe LO FAN HIN
Mr. Peroomal Gopallen MOOROGEN
Mr. M.D. Pierre DINAN, G.O.S.K *(Up to 27 June 2024)*
Mr. Victor C. SEEYAVE
Mr. A. Michel THOMAS
Mrs. Karine MOREL
Mr. Arif CURRIMJEE *(As from 30 August 2024)*

Swan Lending Solutions Ltd

(Previously Swan Wealth Structured Products Ltd)

Mr. J.M. Louis RIVALLAND
Mr. Gianduth JEEAWOCK

Swan Digital Ltd

(Removed from Register on 15.04.2025)

Mr. J.M. Louis RIVALLAND
Mr. J.M. Alan GODER

Swan Corporate Advisors Ltd

Mr. Jaiyansing SOOBAH
Mr. Gianduth JEEAWOCK

Swan Wealth International Ltd

Mr. J.M. Louis RIVALLAND
Mrs Karine MOREL
Mr. Gianduth JEEAWOCK

Swan Actuarial Services Ltd

Mr Richard LI TING CHUNG
Mr Jaiyansing SOOBAH

Swan Pensions Rwanda (SPR) Ltd

Mr. J.M. Alan GODER
Mr. Jean Pierre Mubiigi KANAMUGIRE
Mr. J.M. Louis RIVALLAND
Mrs. Charisma.D. ROOPUN

OTHER STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2023

(pursuant to Section 221 of the Companies Act)

Swan General Insurance Company Zambia Limited

Mr. Larry Feston KALALA
Mr. William Paul SAUNDERS
Mr. Ewan WHEELER
Mr. Andrew LEE
Mr. Patrice BASTIDE

Swan Bonds Ltd

(Previously Swan Smart Achiever Notes Ltd)

Mr. Jaiyansing SOOBAH
Mr. Gianduth JEEAWOCK

BK General Insurance Company Ltd

Mr. Patrice BASTIDE
Mr. Yves GATSIMBANYI
Mr. Shehzad NOORDALLY
Mr. Jean Enock HABİYAMBERE
Mrs. Chantal HABİYAKARE
Mr. Achumille MAJJA
Mr. Athanase RUTABINGWA

Swan Comoros SA

Mr. Patrice BASTIDE
Mr. Bernard KISHTOO
Mr. Gaël ALIPHON

Afresure Reinsurance Brokers Pte Ltd

(Removed from Register on 20.02.2025)

Mr. Neelkamal RAGOO
Mr. T.K. Philippe LO FAN HIN
Ms. Sharon YAM KWAI YING

Swan Insurance Management Services Ltd

Mr. T.K. Philippe LO FAN HIN
Mr. Neelkamal RAGOO

Swan Forex Ltd

Mr. Lim Tat Voon LIONG KEE
Mr. Marie Joseph Jean-Pierre MONTOCCHIO
Mr. Gianduth JEEAWOCK
Ms. Grace Sarah LEUNG SHING
Mr. J.M. Louis RIVALLAND

Swan Wealth Investment Holdings Ltd

Mr. Jaiyansing SOOBAH
Mr. Gianduth JEEAWOCK

Rogers Capital Finance Ltd

Mr. Cheong Shaow Woo AH CHING
Mr. Ashley Coomar RUHEE
Mr. Marie Hector Philippe ESPITALIER-NOËL
Mr. Sanjay GOPAUL
Mr. Javed Akhtar BUROKUR
Mrs. Karine MOREL
Mr. Gianduth JEEAWOCK
Mr. J.M. Louis RIVALLAND

Swan General Ltd

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