SWAN SPECIAL RISKS COMPANY LIMITED

ANNUAL REPORT - YEAR ENDED

DECEMBER 31, 2025

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Swan Special Risks Company Limited (the 'Company'), for the year ended December 31, 2025, contents of which are listed below:

The Board of Directors of the Holding Company strives to apply principles of good corporate governance for the Company.

TABLE OF CONTENTS **PAGES**

Principal Activity and Other Statutory Disclosures	1(a) - 1(b)
Corporate Governance Report	2 - 2(r)
Statement of Compliance	3
Risk Management Report	4 - 4(f)
Secretary's Certificate	5
Independent Auditor's Report	6 - 6(e)
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 66

This report was approved by the Board of Directors on: 30 March 2026.

Louis Rivalland
Director

Michel Thomas
Director

SWAN SPECIAL RISKS COMPANY LIMITED

PRINCIPAL ACTIVITY AND OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2025

PRINCIPAL ACTIVITY

The principal activity of the Company is to underwrite short term insurance business.

BOARD OF DIRECTORS

The Directors of the Company holding office as at December 31, 2025 and at the date of this report were:

	Date of appointment
Mr. J.M.Louis Rivalland	February 21, 2014
Mr. T.K. (Phillippe) Lo Fan Hin	February 21, 2014
Mr. P. Gopallen Mooroogen	February 21, 2014
Mr. Victor C.Seeyave	February 21, 2014
Mr. A.Michel Thomas	February 21, 2014
Mrs. Karine Morel	February 20, 2019
Mr. Arif Currimjee	August 30, 2024

DIRECTORS' SERVICE CONTRACTS

There was no service contract between the Company and any of its Directors that needs to be disclosed under Section 221 of the Mauritian Companies Act 2001.

CONTRACTS OF SIGNIFICANCE

There was no contract of significance subsisting during the period to which the Company is a party and in which a Director is or was materially interested, either directly or indirectly.

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received, or due and receivable from the Company were as follows:

	2025	2024
	Rs.	Rs.
Executive directors		
Louis Rivalland	**-**	-
Phillippe Lo Fan Hin	**-**	-
Michel Thomas	**-**	-
Karine Morel	**-**	-
Non-executive directors		
Gopallen Mooroogen	**40,000**	40,000
Currimjee Arif Fakhruddin	**36,663**	23,329
Victor Seeyave	**40,000**	40,000
Pierre Dinan	**-**	20,000
	116,663	123,329

DONATION

There was no donation made by the Company during the year (2024: Nil).

SWAN SPECIAL RISKS COMPANY LIMITED

PRINCIPAL ACTIVITY AND OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2025

AUDITOR'S FEES

The fees payable to the Auditor, BDO & Co. for audit and other services were as follows:

	2025	2024
	Rs.	Rs.
Audit fees	**1,208,247**	1,394,950
Fees for other services	**105,053**	100,050
Total fees	**1,313,300**	1,495,000

The non-audit services relate to review of risk management framework and insurance return.

The Auditor, Messrs. BDO & Co., has expressed its willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual Meeting of Shareholder.

Swan Special Risks Company Limited (the 'Company') is a Public Interest Entity as defined by the Mauritian Financial Reporting Act 2004.

1. GOVERNANCE STRUCTURE

The Company 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 of Directors assumes responsibility for, inter alia, setting the strategic direction, overseeing the financial and investment affairs, corporate governance, risk management, internal control compliance issues and providing accurate information to shareholders, the public and the regulators. The Board also serves as a connection between the Company and its shareholders. It ensures that the Company adheres to all legal and regulatory requirements and applicable corporate governance practices.

The Company does not have a board charter as it considers that the legislation is 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 Company's and SWAN group'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, defined as Passion, People and Performance, serve as the foundation for the Code. The Code also contains provisions on whistleblowing and provides, inter alia, for anonymous reporting of unethical conducts.

The day-to-day operations are entrusted to the 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 report directly to the Group Chief Executive. The Risk Officer reports to the Board and to the Audit & Risk Committee. Currently the Company has no employees.

The Code of Ethics is available for consultation on SWAN GROUP's website: www.swanforlife.com

Company Structure
The Company is wholly owned by Swan General Ltd.

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Company is headed by a unitary Board comprising of seven Directors, including one female Director. There are three Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. Board Members have a diverse mix of skills, knowledge and experience and are distinguished by their professional ability, integrity and independence of opinion. Collectively, the Board of Directors is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the Company and it being part of a group where certain functions are established at group level.

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. Board considers the current mix of Executive and Independent Directors to be appropriate. All Directors of the Company ordinarily reside in Mauritius. The functions and responsibilities of the Chairperson and Group Chief Executive are separate.

The Directors of the Company were as follows:

Executive- Directors	***Non-executive Directors***
Tse Kwong (Philippe) Lo Fan Hin Louis Rivalland (Group Chief Executive) Michel Thomas	Karine Morel
Independent non-executive Directors	
Gopallen Mooroogen Victor Seeyave Arif Fakhruddin Currimjee (Chairperson)	

Director's Profile

Louis Rivalland

Louis Rivalland is born in 1971 and he 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 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.

List of other directorships:

Name of Company	**Particulars of directorship**
Aprica Investments Co Ltd	Director
Manufacturers' Distributing Station Limited	Director
Rogers Capital Finance Ltd	Director
Processure Compagnie Limitee	Director
Swan Corporate Affairs Ltd	Director
Swan Digital Ltd (Defunct on 15.04.2025)	Director
Swan Financial Solutions Ltd	Director
Swan Foundation	Director

Name of Company	Particulars of directorship
Swan Forex Ltd	Director
Swan General Ltd	Director
Swan International Co Ltd	Director
Swan Life Ltd	Director
Swan Pensions Ltd	Director
Swan Reinsurance PCC	Director
Swan Wealth International Ltd	Director
Swan Wealth Managers Ltd	Director
Swan Lending Solutions Ltd	Director

Michel Thomas

Born in 1959, Michel holds a Master of Laws (UK) and is a Fellow of the Chartered Insurance Institute (FCII), (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 the 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 to the modernisation of our insurance legislation, Michel 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.

Michel is a board member of Swan General Ltd since January 2008 and has also been a board member of C-Care (Mauritius) Limited (formally known as Medical and Surgical Centre Limited) from 2009 to 2025.

List of other directorships:

Name of Company	Particulars of directorship
Swan General Ltd	Director
Swan Reinsurance PCC	Director

Gopallen Mooroogen

Born in 1959, Gopallen Mooroogen 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.

List of other directorships:

Company Name	**Particulars of Directorship**
Swan Life Ltd	Director
Swan General Ltd	Director
Swan Reinsurance PCC	Director
Swan Wealth Managers Ltd	Director
Swan Pensions Ltd	Director

Victor Seeyave

Born in 1962, he holds a B.A Economics (UK) and an MBA (USA). He is currently the Managing Director of Altima Ltd and previously held several management positions in the food division of the Innodis Group.

List of other directorships:

Name of Company	**Particular of Directorship**
Albacora Ltd	Director
Albor Ltd	Director
Alter Domus (Mauritius) Ltd	Director
Fortius Investments Ltd	Director
Altima Ltd	Director
Altima (Operations) Ltd	Director
Altius Ltd	Director
Amplitius Ltd	Director
Caxton Consulting Limited	Director
Cheh Seeyave Limited	Director
Citius Ltd	Director
Citius P Ltd	Director
Foods Div Ltd	Director
Fortius Ltd	Director
Hamilton Enterprise Ltd	Director
Kenville Investments Limited	Director
Promotion Div Ltd	Director
Innodis Ltd	Director and Chairperson
Peninsula Rice Milling Ltd	Director
Redbridge Investments Ltd	Director
Challenge Hypermarkets Ltd	Director
HWFRL Investments Ltd	Director
Mocambique Farms, Limitada	Director
Poulet Arc –en – Ciel Ltee	Director
Supercash Ltd	Director
Innodis Poultry Ltd	Director
Innodis Property Ltd	Director

Name of Company	Particular of Directorship
Swan Reinsurance PCC	Director and Chairperson
Ocean Vast Investment Holdings Limited	Director
Pacific Port Iinvestment Holdings Limited	Director
South Port Investment Holdings Limited	Director

Tse Kwong (Philippe) Lo Fan Hin

Born in 1958, Philippe joined SWAN 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 47 years for the past 30 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.

List of other directorships:

Company Name	**Particular of Directorship**
Swan Reinsurance PCC	Director
Swan Insurance Management Services Ltd	Director

Karine Morel

Born in 1979, Karine Morel is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds a Bachelor of Commerce degree from the University of Cape Town. She joined Swan Life Ltd in September 2001 and has since contributed to the development and strengthening of the finance function. In August 2007, she was appointed Manager – Finance and Accounts.

Since January 2019, Karine has served as Senior Manager – Group Finance, overseeing the finance and accounting teams for both the Short-Term and Long-Term business segments of Swan. She is also involved in the financial management of local and foreign subsidiaries.

As from January 2026, her responsibilities include oversight of the Procurement, Filing, Archiving and Mailing Department, broadening her involvement across key support functions of the Group.

With over 20 years of service at Swan, Karine has developed strong institutional knowledge and remains committed to supporting the Group's financial stability and operational effectiveness.

List of other directorships:

Company Name	**Particular of Directorship**
Swan Global Funds Ltd	Non-Executive Director
Swan Securities Ltd	Non-Executive Director
Swan Wealth International Ltd	Non-Executive Director
Rogers Capital Finance Ltd	Non-Executive Director

Arif Currimjee
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

List of other directorships:

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

Role and Function of the Chairman
The Chairman is responsible for providing overall leadership and governance to the board and for ensuring its effectiveness.

Role and Function of the Chief Executive Officer
The Chief Executive Officer is responsible for guiding the implementation of the Board Strategy and policy with respect to the Company's business. The Chief Executive Officer reports to the Board of Directors.

Role and Function of the Non-Executive and Independent Director
The non-executive and independent directors make a significant contribution to the functioning of the Board, thereby ensuring that no one individual or group dominates the decision-making process.

Role and Function of the Company Secretary
Swan Corporate Affairs Ltd provides corporate secretarial services to Swan Special Risk Company Limited. All Directors have access to the advice and services of the Company Secretary namely Mr Jaiyansing (Shailen) Soobah which acts on behalf of Swan Corporate Affairs Ltd. The Company Secretary also provides guidance to the Board of Directors on their statutory responsibilities, ethics and good governance practices. The Company Secretary also ensures that the Board and committees' procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

Mr Jaiyansing Soobah is a director of Swan Corporate Affairs Ltd and represents the Company Secretary in all board meetings.
Born in 1974 and a resident of Mauritius, Shailen is a Fellow of the Association of Chartered Certified Accountants, holds a Master's 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 SWAN 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.

Board Meetings

Board Meetings are structured in such a way to facilitate open discussion, debates, and challenge. The Chairperson and the Company Secretary ensure that Directors receive the right information in a timely manner to enable them to make informed business decisions.

Board Committees

In order to facilitate efficient decision-making, the Board has established and delegated some of its powers to the Audit and Risks Committee ("ARC") and the Corporate Governance Committee ("CGC") which also acts as the Remuneration and Nomination Committee. The Corporate Governance Committee is established at the Group level. These Committees operate within defined terms of reference which are available for consultation on Swan's website: www.swanforlife.com.

Proceedings of the Committees are reported to the Board to allow other Directors to be informed and seek clarifications from the Committee members.

2.1 Audit and Risks Committee

The Audit and Risks Committee is composed of three independent non-executive directors namely:

a) Gopallen Mooroogen — *Independent Non-Executive Director*
b) Victor Seeyave — *Independent Non-Executive Director*
c) Arif Currimjee — *Independent Non-Executive Director* (Chairperson)

The Committee aims to meet at least two times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. 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 senior management, the external auditors and the internal auditors regularly attend meetings of the Audit & Risks Committee, as and when required. The Group Audit Committee meets regularly with the External Auditor (including once at the planning stage before the audit and once after the audit at the reporting stage). The Group Audit Committee has not met external auditor without management presence.

The functions of the Audit and Risks Committee are set out below:

Internal Audit

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

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 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 Company's internal audit function, in the context of 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 company's internal control, cases of employee fraud, misconduct or conflict of interest.

External Audit

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

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 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:
   1. A discussion of any major issues which arose during the audit;
   2. Key accounting and audit judgements;
   3. Levels of errors identified during the audit; and
   4. 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 of the Company, including its annual reports and any other formal announcement relating to the organization'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;
   1. The consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company;
   2. Compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
   3. The methods used to account for significant or unusual transactions where different approaches are possible;
   4. Significant adjustments resulting from the audit; Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;
   5. The clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
   6. 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;
   7. 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;
   8. The basis on which the Company's has been determined a going concern; Capital adequacy and internal controls;
   9. Compliance with the financial conditions of any loan covenants; and
   10. Reviewing special documents

Narrative reporting

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

Internal control and risks governance matters

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 Company's principal business risks. Specifically, the Committee's role is to report to the Board and provide appropriate advice and recommendations on risk issues, in order to facilitate decision-making by the Board and the setup of its risk appetite. In so doing, the Committee shall seek to safeguard the interests of the Company by:

a) Ensuring implementation of, and the continuous monitoring of compliance with the Mauritian Insurance (Risk Management) Rules 2016 by:
   - defining and, at least annually, reviewing the risk appetite statements and tolerance levels
   - reviewing the design, completeness and effectiveness of the risk management framework
   - defining and reviewing the risk management strategy
   - receiving and reviewing reports/dashboards from Management for risk monitoring
   - receiving the auditors' and actuary's report on the compliance and effectiveness of the risk management framework and to recommend necessary actions.

b) Ensuring that the Company's risk exposure is minimised;

c) Ensuring the economy, efficiency and effectiveness of the Company's operations and internal controls and the implementation of established policies and procedures; and

d) Maintaining a close relationship with management.

e) The Committee will discharge these duties by:
   1. Reviewing and assessing the integrity of the risk control systems and ensuring that risk policies and strategies are effectively managed;
   2. Setting out the nature, role, responsibility and authority of the risk management function within the Company and outlining the scope of risk management work;
   3. Keeping abreast of external developments relating to the practice of corporate accountability, i.e. the way those entrusted with the day-to-day management of the Company's affairs are held accountable to shareholders regarding the management of emerging and prospective risks, uncertainties and influences that could impact on the Company's future results;
   4. Reviewing and providing an independent and objective oversight on reports submitted by management on corporate accountability and specifically how associated risks are being mitigated.
   5. Regularly advise the Board on the total process of risk management and risk governance within the Company.
   6. To review the continuous management of risk by Management
   7. Keep under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems; and
   8. Review and approve the statements to be included in the annual report concerning internal controls and risk management.

Compliance, Whistleblowing and Fraud

The Committee shall:

a) Review the adequacy and security of 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 Company's procedures for detecting fraud;
c) Review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
d) Review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Company's compliance function;
e) Review significant transactions not directly related to the Company's normal business as the Committee might deem appropriate; and
f) Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company.

2.2 Corporate Governance Committee

The Corporate Governance Committee which consists of the following non-executive directors is established at group level and is composed of:

a) Arif Currimjee *Independent Non-Executive Director*
b) Nicolas Maigrot (Chairperson) Non-*Executive Director*
c) Gopallen Mooroogen; *Independent Non-Executive Director*
d) Grace Sarah Leung Shing *Independent Non-Executive Director*
e) Clairette Fy Thin Ah-Hen *Independent Non-Executive Director*

The Group Corporate Governance Committee's ("GCGC") 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.

There were no GCGC meeting held for the year ended 31 December 2025.

The Group Chief Executive attends the committee meetings and the Group Company Secretary, Mr Jaiyansing (Shailen) Soobah, acts as Secretary of the committee meetings.

Attendance of the directors at Board meetings are set out in the table below. Exceptionally no Audit and Risk Committee and Corporate Governance Committee was held during the year.

Directors	Board meetings
Number of meetings held	**2**
TSE KWONG LO FAN HIN	2
MICHEL THOMAS	2
VICTOR SEEYAVE	2
ARIF CURRIMJEE	2
GOPALLEN MOOROOGEN	1
LOUIS RIVALLAND	2

3. DIRECTOR APPOINTMENT PROCEDURES

The appointment of new directors follows a pre-determined process outlined in the Nomination and Appointment Process document, available on the Swan General Ltd website, which also applies to Swan Special Risks Co Ltd. Potential candidates are identified by the GCGC. The selection criteria used to assess prospective candidates related to their specific skills, business acumen, industry knowledge and experience, expertise. The GCGC also considers gender diversity, time commitment and independence of the candidates in their assessment. The GCGC then recommends to the Board of Directors and/or shareholders (as relevant). Director's appointment is also subject to the approval of the Financial Services Commission, under section 24 (1) of the Mauritian Financial Services Act and section 36 (1) of the Mauritian Insurance Act respectively. The law also provides that a Director (Officer) must be a fit and proper person. The Company does not provide for annual re-election of directors. All directors are appointed by ordinary resolution as provided by the Mauritian Companies Act.

Board Induction

All new directors, upon joining the Board, receives a comprehensive induction pack from the Company Secretary which contains essential Board and Company information, the vision, mission and values of the Company as well as the regulatory and compliance landscape. In additional they meet the Company's key executives. The Group Chief Executive and Group 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 the time commitment.

Professional Development and Training

Directors are encouraged to keep themselves abreast of changes and trends in the Company's business, environment, and markets. This is achieved through appropriate training programs so that Directors can continuously update their skills and knowledge. 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

The board assumes the responsibilities for the appointment and induction of new directors. Moreover, succession planning of key officeholders has been delegated by the Board to the Group Chief Executive. A brief write-up of directors and the Company Secretary, details of the nomination & appointment process can be accessed on SWAN website: www.swanforlife.com.

4. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

The Directors are aware of their legal duties which emanate mainly from the Mauritian Companies Act, and the Mauritian Insurance Act. During the discharge of their duties, they are entitled to seek independent professional advise at the Company's expense and have access to the records of the Company. Directors are also entitled to have access, at all reasonable times, to all relevant company information and to the Management, if useful to perform their duties.

Moreover, the Company has the Code, 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.

Board Evaluation

The board recognises that a continuous and constructive critical evaluation of their performance is powerful feedback for improving board effectiveness, maximise strengths and highlighting areas for further development. It has been agreed that the Company and the Group will conduct board evaluation every 3 years. It was noted that a board evaluation was conducted during the year 2024 through questionnaire and no independent evaluator was appointed. The evaluation results reflected a positive assessment of the board's performance and no significant issues were raised therefore no action was required.

Remuneration of Directors

The remuneration policy is considered at Group Level and duties are delegated to the Group Human Resource (HR) management team.

The Remuneration policy has the following aims:

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

Executive Directors' remuneration package consists of basic salary, annual performance bonus, pension provision, 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 highest calibre. This is essential for the successful leadership and effective management of the Group.

The remuneration policy for executive directors approaching retirement is determined by the Corporate Governance Committee on a case-to-case basis.

Non-Executive Directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance. Non-Executive Directors receive a fixed director fee. The remuneration is approved by the GCGC. The most recent GCGC meeting, held on 29 March 2023, approved an annual remuneration of Rs 40,000 per director.

There was no Director fee paid to the Executive Directors. The remuneration of the Non-Executive Directors for the period under review was as follows:

Name of Director	Director Fee (Rs)
Arif Currimjee	40,000

Gopallen Mooroogen	40,000
Victor Seeyave (Chairperson)	40,000

Directors' Interests, Dealings in Securities and Related Party Transaction

In accordance with the Mauritian Companies Act 2001, the Company Secretary maintains an interests register. Directors who are interested in a transaction or proposed transaction with the Company disclose their interest to the Board and cause same to be entered in the Interest Register. The interests register of directors is available for consultation to shareholders upon written request to the Company.

All new Directors/Officers are required to notify in writing to the Company Secretary their direct and indirect interests in the Company's shares. No Directors held shares in the Company for the period under review.

Conflict of Interest

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 Company does not have any conflict of interest and related party policies as the Board considers that these are adequately covered under current laws. Please refer to Note 20 of the Financial Statements.

Information, information technology and information security governance

The Board is responsible for information governance. The Company lays due importance on the confidentiality, availability and protection of information backed by an adapted management information system. It ensures that a robust framework is maintained to protect the group information asset and uphold the security and Information Technology systems. For fulfilling its obligations, the Board is supported by the Audit and Risk Committee and all the monitoring and evaluation of significant expenditure on Information Technology is taken by the Board.

Day-to-day IT governance and security issues are delegated to Senior Management of SWAN. IT expenses are monitored through the budgeting process. SWAN has in place a number of IT policies, the purposes of which are to:

a) clarify the requirements, prohibitions, and procedures applicable to the use of 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 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.

A brief of its IT policies can be accessed on the website of SWAN: www.swanforlife.com

5. RISK GOVERNANCE AND INTERNAL CONTROL

The Board has ultimate responsibility for the Company's risk management and internal control and remains ultimately responsible for:

a) Setting up a risk management framework
b) Overseeing the implementation and subsequent monitoring
c) Determining the risk culture
d) Providing Management with leadership and guidance
e) Ensuring that any person responsible for risk management has the appropriate skill, knowledge, independence and authority and
f) 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. The Senior Management assist the Board in implementing, operating and monitoring the internal control systems which manage the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatements or loss. 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 on pages 4 to 4(f).

Internal Control

The Board is responsible for the system of internal control and has a set of appropriate policies to provide reasonable assurance that the control objectives are attained. The system of internal controls has been designed to safeguard assets of the Company from unauthorised use. The Company maintains proper records to ensure effective operation of its 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 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) 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;
b) 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;
c) A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;
d) There is an ongoing effort to review, reassess and document the process and procedures for each operating unit.
e) 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;
f) 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 Company. The Board, through the Audit & Risks Committee and Senior Management of SWAN Group, 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 on an adhoc basis report to the Board of Directors.

6. REPORTING WITH INTEGRITY

The Board is responsible for the preparation of the annual report and accounts that fairly present the state of affairs of the organisation and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Mauritian Companies Act 2001. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements. The annual report comprises, inter alia, the structure the financial statements and the risk report of the Company. The annual report for the year ended 31 December 2025 will be published on the website of SWAN Group.

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

Dividend Policy

The Company does not follow a formal dividend policy. Dividends are declared subject to the profitability of the Company, cash flow, and the solvency requirements of the Mauritian Companies Act and the Mauritian Insurance Act 2005. The Company has not declared dividend for the financial year under review.

Shareholders' agreement affecting the governance of the Company by the Board

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

Environmental

The Company is committed to reducing its impact on the environment. It strives to improve its environment performance over time. 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

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

Social Issues

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each Director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

The Company respects each individual's human rights and will not discriminate on the basis of race, colour, 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 of Directors. It derives its authority from the Board of Directors delegated through the Audit and Risks Committee. Collectively, Audit Committee members have the necessary financial literacy and expertise. Internal auditors are appointed by the Board of Directors, following recommendation from the Audit and Risks Committee. The in-house Internal Auditors are responsible for providing assurance to the Board, regarding the implementation, operation and effectiveness of internal control and risks management. An internal audit charter for SWAN Group and its subsidiaries is in place. The structure and qualifications of the key members of the internal auditor's team are listed on SWAN Group website.

A risk based 3-year road map is prepared. The internal audit plan, which is approved by the Group Audit and 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 report directly to the members of the Audit & Risks Committee to maintain its independence and objectivity 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. They have unrestricted access to the records, management and employees.

They act as a source of constructive advice and best practice, assisting the Audit and Risks Committee in its responsibility to improve the processes by which risks areas are identified and managed.

During 2025, the internal audit covered the following areas:

- HR Operations
- Procurement and Vendor Management

The report on HR Operations has been finalised and duly presented to the Audit and Risk Committee. The report on Procurement and Vendor Management has also been finalised and is scheduled for presentation at the next Audit and Risk Committee meeting.

External Audit

The external auditors of the Company are appointed annually at the Annual Meeting of Shareholders of the Company. The auditors of the Company are BDO & Co. The Auditor's remuneration is fixed by the Board, following recommendation from the Audit & Risks Committee and approved by the shareholder.

External auditors have unrestricted access to the Audit & Risks Committee. The Company is satisfied with the external audit process. The Audit & Risks Committee has not met with external auditor without management presence.

The external auditors meet the members of the Audit and Risks Committee to present and approve the audited yearly financial statements. During the meeting, key audit matters and significant issues of the management letter are presented by the external auditors to the members. The Audit & Risk Committee has discussed critical policies, judgements and estimates with the external auditors.

The Committee assesses the effectiveness of the external audit mainly by evaluating the communication process between the external auditor and Management, the reasonableness of the fees, the auditors' independence and the calibre of the audit firm.

BDO & Co has been the auditor of the Company for more than 7 years. There has been a rotation of the engagement partner for 2021.

During 2025, the following fees excluding of VAT, apply to BDO & Co. :

For audit services	MUR 1,142,000

The non-audit services relate to the review of risk management framework and insurance returns which is part of the auditors' duties for insurance companies.

8. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors places great importance on open and transparent communication with its shareholder. Swan General Ltd is the sole shareholder holding, owning 100% of the Company.

The Company communicate with its shareholder through its Annual Report. Additionally, the Company is committed also to engage actively with its stakeholders to meet their expectations and interest in an effective and efficient manner. The Company communicates with its stakeholders through emails, social media and its annual report, the company's website through its news section, provided meaningful information on the Company's products & services and financials.

In compliance with Section 115 & 117 of the Mauritian Companies Act, the annual meeting of shareholders is conducted by way of written resolution to approve the annual report of the Company.

The website (www.swanforlife.com) provides timely information to stakeholders and audited financial statements and so forth are readily accessible from there.

Key events for the year under review are set out below:

June 2025	Annual Meeting of Shareholders (by way of written resolution)
October 2025	Special Meeting of Shareholders (by way of written resolution)

Company Secretary
Swan Corporate Affairs Ltd

Date: 30 March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

(i) maintenance of adequate accounting records and effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at December 31, 2025 and the results of its operations and cash flows for year ended December 31, 2025 and which comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"); and

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditor is responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) IFRS Accounting Standards have been adhered to. Any departure in the fair presentation has been disclosed, explained and quantified; and

(iv) the Code of Corporate Governance has been adhered to. Reasons have been provided in the Statement of Compliance and Corporate Governance Report in case of non-compliance with any requirement.

Signed on behalf of the Board of Directors on: 30 March 2026

…….

Louis Rivalland
Director

…….

Michel Thomas
Director

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Mauritian Financial Reporting Act 2004)

Name of PIE: Swan Special Risks Company Limited

Reporting Period: January 1, 2025 to December 31, 2025

We, the Directors of Swan Special Risks Company Limited, confirm that to the best of our knowledge the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance.

SIGNED BY:

Names: ……

Louis Rivalland
DIRECTOR

DATE: 30 March 2026

……

Michel Thomas
DIRECTOR

DATE: 30 March 2026

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's 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.

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 FSC.

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
Human resource	Scarcity of qualified and experience technicians
Strategic	Dependency on a few partners to provide business
Compliance	Increased regulatory obligations Non-compliance with laws and regulations IFRS 17 – risk of strained solvency
Information system	Cybersecurity

Appropriate mitigating measures for proper risk management exist for all the above risks, such that the residual risks remain withing 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's 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

SWAN SPECIAL RISK COMPANY LTD

4(e)

RISK MANAGEMENT REPORT – YEAR ENDED DECEMBER 31, 2025

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.

ORSA - OWN RISK & SOLVENCY ASSESSMENT

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.

LIQUIDITY

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 tested for different stresses.

INDEPENDENT REVIEWS

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.

REGULATORY

As required by the FSC Rules, we annually submit the following documents and reports to the FSC:

- 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

Date: 30 March 2026

SECRETARY'S CERTIFICATE - YEAR ENDED DECEMBER 31, 2025

We, **Swan Corporate Affairs Ltd**, the Company Secretary of Swan Special Risks Company Limited (the "Company"), hereby certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required of the Company under section S166(d) of the Mauritian Companies Act 2001.

J. Soobah
for Swan Corporate Affairs Ltd
Company Secretary

Date:30 March 2026

Tel : +230 202 3000
Fax: +230 202 9993
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Swan Special Risks Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swan Special Risks Company Limited (the "Company"), set out on pages 7 to 66 which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its 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 comply with the Mauritian Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

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

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of Swan Special Risks Company Limited (Cont'd)

Key Audit Matters (Cont'd)

1 Valuation of insurance contract liabilities and reinsurance contract assets measured using Premium Allocation Approach ("PAA") of IFRS 17 *Insurance Contracts* ("IFRS 17")

Key Audit Matter

As at December 31, 2025, the Company held the insurance contract liabilities of MUR 119m and reinsurance contract assets of MUR 115m.

Although PAA is a simplified approach, its application involves significant judgements and estimation, particularly in:

- The determination of the most appropriate measurement model to be used under the standard, given management's use of PAA measurement model for groups of contracts that are not automatically eligible;
- The remeasurement of the Liability for Remaining Coverage ("LRC") and Liability for Incurred Claims ("LIC") including Incurred But Not Reported ("IBNR");
- The recognition and measurement of Assets Remaining Coverage ("ARC") and Assets Incurred Claims ("AIC") and based on the underlying assumptions and inputs;
- The identification of onerous contracts; and
- The appropriateness of risk adjustment, discount rates and illiquidity premium applied.

Given the complexity of the models and accounting interpretations, and application of significant judgement, the matter has been considered as a key audit matter.

Related Disclosures

Refer to notes 10 (reinsurance contract assets), 11 (insurance contract liabilities), 2.4 (accounting policies), 4.1 (Significant accounting estimates and judgements), 3.1 (insurance risks) and 3.2 (financial risks) of the accompanying financial statements.

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of Swan Special Risks Company Limited (Cont'd)

Key Audit Matters (Cont'd)
Audit Response

Our audit procedures in respect of this key audit matter include:

- Evaluating the design and implementation of the relevant controls related to the Company's insurance and reinsurance contracts.
- Assessing the competence, independence and integrity of the Actuarial Specialists appointed by Management by reviewing their professional qualifications and performing the relevant background searches.
- Engaging independent Actuarial expert and:

    - verified that the reinsurance contracts in force provide appropriate coverage at the beginning of the period to cover a group of reinsurance contracts held, or at the initial recognition of any of the underlying contracts, whichever is later;
    - reviewed documentation supporting the classification of insurance and reinsurance contracts under PAA;
    - tested the accuracy of inputs used in the valuation of LRC, including premium receipts, acquisition costs, and coverage period;
    - assessed the amortisation of ARC over the coverage period and its consistency with expected revenue recognition;
    - verified the completeness and accuracy of claims data used in the valuation of LIC;
    - evaluated the recognition of AIC in cases of recoveries or adjustments to incurred claims and tested the accuracy of inputs and assumptions used in the measurement of AIC;
    - assessed whether management performed adequate testing for onerous contracts; and
    - assessed the appropriateness of the judgements, methodology and assumptions applied by management to determine:
        - the eligibility for PAA measurement model, including contract duration and variability in expected cash flows;
        - the accounting policies are in accordance with IFRS 17;
        - assumptions compared to prior year estimates and investigated significant variances; and
        - key assumptions (i.e., discount rates, risk adjustment and illiquidity premium) used in determining the loss components recognised including IBNR and their impact on remeasurement.

- Assessing the appropriateness of the split of expenses between attributable and non-attributable;
- Performing testing over key data flows within the IFRS 17 business processes;
- Verifying that the Company accounts for any promises to transfer distinct, non-insurance goods or services in accordance with IFRS 15 *Revenues from Contracts with Customers* ("IFRS 15"); and
- Reviewing and assessing the completeness of the disclosures in the financial statements for compliance with IFRS 17.

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of Swan Special Risks Company Limited (Cont'd)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of Swan Special Risks Company Limited (Cont'd)

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

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

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

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

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

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of Swan Special Risks Company Limited (Cont'd)

Report on Other Legal and Regulatory Requirements

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

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all 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.

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

Mauritian Insurance Act 2005
The financial statements have been prepared in the manner and meet the requirements specified by the Mauritian Financial Services Commission.

Other Matter

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

BDO & Co
BDO & Co
Chartered Accountants

Didier Dabydin, FCA
Licensed by FRC

Port Louis,
Mauritius

March 30, 2026

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

STATEMENT OF FINANCIAL POSITION - AS AT DECEMBER 31, 2025

	Notes	December 31, 2025	December 31, 2024
ASSETS		**Rs'000**	Rs'000
Non-current assets			
Financial assets at fair value through other comprehensive income	5	**65,234**	59,294
Financial assets at amortised cost	5	**2,958**	20,558
Deferred tax assets	9(d)	**7**	92
		68,199	79,944
Current assets			
Financial assets at amortised cost	5	**17,458**	13,783
Other receivables	6	**1,141**	169
Reinsurance contract assets	10	**114,576**	67,117
Cash and cash equivalents	18	**63,036**	49,741
Current tax assets	9(c)	**402**	-
		196,613	130,810
Total assets		**264,812**	210,754
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	7(a)	**50,000**	50,000
Fair value reserve	7(b)	**19,689**	18,397
Retained earnings		**64,432**	59,683
Total equity		**134,121**	128,080
Current liabilities			
Other payables	8	**11,777**	10,252
Insurance contract liabilities	11	**118,914**	71,059
Current tax liabilities	9(c)	**-**	1,363
		130,691	82,674
Total equity and liabilities		**264,812**	210,754

These financial statements have been approved for issue by the Board of Directors on 30 March 2026

Louis Rivalland
Director

Michel Thomas
Director

The notes on pages 11 to 66 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(e).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2025

	Notes	2025	2024
		Rs'000	Rs'000
Insurance revenue	12	**271,677**	289,177
Insurance service expenses from insurance contracts issued	13	**(405,426)**	(27,182)
Insurance service result before reinsurance		**(133,749)**	261,995
Net expenses from reinsurance contracts held	10	**(251,486)**	(270,769)
Reinsurance recoveries	10	**388,196**	15,129
Insurance service result		**2,961**	6,355
Net finance expenses from insurance contracts issued	14	**1,023**	200
Net finance income from reinsurance contracts held	14	**(1,023)**	(188)
Insurance finance result		**-**	12
Net insurance result		**2,961**	6,367
Investment income	15	**2,348**	2,556
Impairment loss on financial assets	5/18	**448**	1,124
Operating profit		**5,757**	10,047
Net other income	16	**(566)**	2,996
		5,191	13,043
Administrative expenses	17	**(190)**	(144)
Profit before income tax		**5,001**	12,899
Income tax expense	9(a)	**(635)**	(1,549)
Profit for the year		**4,366**	11,350
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income, net of tax	5	**1,675**	8,879
Other comprehensive income for the year		**1,675**	8,879
Total comprehensive income for the year		**6,041**	20,229

The notes on pages 11 to 66 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(e).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2025

	Notes	Stated Capital	Fair Value Reserve	Retained Earnings	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2025		50,000	18,397	59,683	128,080
Profit for the year		-	-	4,366	4,366
Transfer to retained earnings			(383)	383	-
Other comprehensive income for the year	5/7(b)	-	1,675	-	1,675
Balance at December 31, 2025		**50,000**	**19,689**	**64,432**	**134,121**
Balance at January 1, 2024		50,000	9,518	48,333	107,851
Profit for the year		-	-	11,350	11,350
Other comprehensive income for the year	5/7(b)	-	8,879	-	8,879
Balance at December 31, 2024		**50,000**	**18,397**	**59,683**	**128,080**

The notes on pages 11 to 66 form an integral part of these financial statements.

Independent auditor's report on pages 6 to 6(e).

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2025

	Notes	2025	2024
		Rs'000	Rs'000
Cash generated from operations			
Profit before income tax		**5,001**	12,899
Adjustments to reconcile profit before tax to net cash flows:			
Investment income	15	**(2,348)**	(2,556)
Foreign exchange differences	16	**690**	(2,899)
Impairment loss on financial assets	5/18	**(448)**	(1,124)
Working capital adjustments:			
(Increase)/decrease in other receivables		**(37)**	65
Increase/(decrease) in other payables		**1,525**	(2,210)
Change in reinsurance contract assets		**(47,459)**	(29,401)
Change in insurance contract liabilities		**47,855**	27,375
Cash generated from operations		**4,779**	2,149
Income tax paid	9(c)	**(2,315)**	-
Income tax refunded	9(c)	**-**	956
Net cash flows generated from operating activities		**2,464**	3,105
Investing activities			
Purchase of financial assets	5	**(5,200)**	(31,208)
Proceeds from maturity of financial assets at amortised cost	5	**13,542**	-
Investment income received		**2,287**	1,741
Net cash flows generated from/(used in) investing activities		**10,629**	(29,467)
Net increase/(decrease) in cash and cash equivalents		**13,093**	(26,362)
Cash and cash equivalents at January 1,		**49,741**	73,116
Loss allowance on cash and cash equivalents		**441**	1,137
Net foreign exchange differences		**(239)**	1,850
Cash and cash equivalents at December 31,	18(a)	**63,036**	49,741

1. GENERAL INFORMATION

Swan Special Risks Company Limited (the 'Company'), is a private limited company, incorporated on February 21, 2014 and domiciled in Mauritius. The address of the registered office is Swan Centre, 10 Intendance Street, Port-Louis.

The principal activity of the Company is to underwrite short term insurance business.

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

2. ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Swan Special Risks Company Limited comply with the Mauritian Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards). These financial statements are that of an individual entity. The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated. The financial statements are prepared under historical cost convention, except that financial assets at fair value through other comprehensive income are stated at their fair values.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IAS 21 *The Effects of Changes in Foreign Exchange Rates*

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments have no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2026 or later periods, but which the Company has not early adopted.

2. ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2026

IFRS 9 *Financial Instruments* & IFRS 7 *Financial Instruments: Disclosures*

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

Contracts Referencing Nature-dependent Electricity: The amendments clarify how IFRS 9 should be applied to power purchase agreements with specific characteristics. The amendments include clarification on the application of the 'own-use' requirements and permitting hedge accounting if these contracts are used as hedging instruments. New disclosure requirements have also been included to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Effective date January 1, 2027

IFRS 18 *Presentation and Disclosure in Financial Statements*

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

2. ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effective date of the following amendments have been deferred indefinitely until further notice

IFRS 10 *Consolidated Financial Statements*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 *Investments in Associates and Joint Ventures*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Where relevant, the Company is still evaluating the effect of these standards, Amendments to published Standards and Interpretations issued but not yet effective on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (Note 4).

2. ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets

(i) Recognition and initial measurement

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

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

(ii) Classification and subsequent measurement

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The Company determines the classification at initial recognition.

(a) Amortised cost

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

- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding; and

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.

Financial assets- Solely Payments of principal and interest (SPPI)

Under IFRS 9, the SPPI test requires that the contractual terms of the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding i.e. cash flows that are consistent with a basic lending arrangement.

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and 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 risks and administrative cost), as well as profit margin.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

(a) Amortised cost (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers 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 the contractual cash flows such that it would meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse arrangement); and
- features that modify consideration of the time value of money - e.g. periodical reset of interest rates.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to the expected credit loss requirements.

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortised cost. Similar to interest bearing financial assets previously classified as available-for-sale or held to maturity under IAS 39, interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument.

Financial assets- Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

2. ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

(a) Amortised cost (cont'd)

Financial assets- Business model assessment (cont'd)

- how the performance of the portfolio is evaluated and reported to management; and
- the risks that affect the performance of the business model, the financial assets held within that business model and its strategy for how those risks are managed.

The Company has determined that it has one business model which includes held to collect business model. This includes financial assets at amortised cost, other receivables and cash and cash equivalents. These assets are held to collect contractual cash flows.

Impairment

All of the entity's debt investments at amortised cost are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. The 12-month ECL is calculated as the portion of Lifetime ECL that represents the ECLs that result from default events on financial instruments that are possible within the 12 months after the reporting date. ECL is calculated as the product of EAD, LGD, PD. Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date. Loss given default ("LGD") is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss.

Other receivables are written off when there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due.

Credit impaired

The Group and the Company determine that trade receivables and other receivables are 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

(a) Amortised cost (cont'd)

Credit impaired (cont'd)

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 being past due the agreed credit term; or
- It is probable that the debtor will enter bankruptcy or other financial reorganisation.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate which are obtained from economic expert reports, external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

• An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
• Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
• An actual or expected significant deterioration in the operating results of the debtor.
• Significant increases in credit risk on other financial instruments of the same debtor.
• An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis. ECL on cash and cash equivalents is determined using the same methodology as financial assets at amortised cost. Cash and cash equivalents is considered to have low credit risk based on the external credit ratings of the counterparties.

(b) Fair value through other comprehensive income

The Company holds investment in strategic equity investments (Note 5). The Company has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss as the Company considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal any balance within fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

(b) Fair value through other comprehensive income (cont'd)

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value reserve.

(iii) *Derecognition of financial assets*

The Company derecognises a financial asset when:

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

Where the Company has transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor has transferred their control, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Any interest in transferred financial assets that qualifies for derecognition that is created or retained by the Company is recognised as a separate asset or liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(iv) *Offsetting*

Financial assets and liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, 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 IFRSs.

(v) *Modification of financial assets*

If the terms of a financial asset are modified, then the Company evaluates 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 (see (iii)) 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 asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria is not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment 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.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(v) *Modification of financial assets (cont'd)*

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 income calculated using the effective interest rate method.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the terms and conditions of the financial asset are not substantially different, the Company recalculates the new gross carrying amount of the financial asset by discounting the modified cash flows of the financial asset using the original effective interest rate (EIR). The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss in profit or loss.

2.3 Financial liabilities

(i) *Recognition and initial measurement*

Financial liabilities initially recognised at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issue, when the Company becomes a party to the contractual provisions of the instrument. Other financial liabilities are recognised on the date on which they are originated.

(ii) *Classification and subsequent measurement*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains are recognised in profit or loss.

The Company's financial liabilities include other payables which are measured at amortised cost.

(iii) *Derecognition*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises 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 term is recognised at fair value.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Financial liabilities (cont'd)

(iii) *Derecognition (cont'd)*

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

(iv) *Modifications of financial liabilities*

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, 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. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

2.4 Insurance and Reinsurance

The Company has accounted all of its insurance and reinsurance contracts using the Premium Allocation Approach ('PAA'). The majority of its contracts have a contract boundary of one year or less. For those contracts with a contract boundary of more than 1 year, the management has performed a PAA eligibility test and reasonably expects that measurement under PAA would not differ materially from the General Model Approach. ('GMM').

A. Insurance contracts

(i) Definitions and classifications

Products sold by 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 Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

A. Insurance contracts (cont'd)

(i) Definitions and classifications (cont'd)

The Company determines 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.

The Company holds 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 Company for claims arising from one or more insurance contracts issued by the Company.

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

(ii) Level of aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of the product lines. The Company determines 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 Company segregates 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 group, the Company measures a set of contracts together using reasonable and supportable information. The Company applies 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 Company assesses each contract individually.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

A. Insurance contracts (cont'd)

(ii) Level of aggregation (cont'd)

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 Company determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.

(iii) Recognition

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 Company determines that a group of contracts becomes onerous.

The Company recognises 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.

(iv) Contract boundaries

The Company includes 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 Company estimates 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 Company considers its substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations. The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or the Company has a substantive obligation to provide the policyholder with services.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

A. Insurance contracts (cont'd)

(iv) Contract boundaries (cont'd)

A substantive obligation to provide services ends when:

(i) 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 both need to be satisfied: the Company must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders' 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 Company considers all risks that policyholders would transfer had it issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Company concludes 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 Company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Company disregards restrictions that have no commercial substance. 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. A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

(v) Measurement of insurance contracts issued

The Company applies the PAA to the measurement of its short-term insurance contracts with a coverage period of each contract in the group of one year or less. For those insurance contracts, having a coverage period of more than one year, the Company initial recognition applies the criteria to determine whether the PAA is a reasonable approximation of the general model.

On initial recognition, the company measures the Liability For Remaining Coverage ('LRC') at the amount of premiums received in cash and also apply a policy of expensing insurance acquisition cash flows as they are incurred.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

A. Insurance contracts (cont'd)

(v) Measurement of insurance contracts issued (cont'd)

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:

(i) the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period; and

(ii) any adjustment to a financing component and any investment component paid or transferred to the liability for incurred claims.

The company has determined that there is no significant financing component in its short-term insurance contracts with a coverage period of one year or less. The company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Company also applies the PAA to the quota share General insurance reinsurance contracts held. The coverage period of such reinsurance contracts held is 12 months or less.

The carrying amount of the Liability for Incurred Claims ('LIC') comprises of the fulfilment cash flows for settling the claims and expenses related to claims reported and incurred but not yet reported at the reporting date. For those claims that the Company expects to be paid within one year or less from the date of incurring, the Company does 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.

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 Company applies judgement in determining the basis of allocation.

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

A. Insurance contracts (cont'd)

(vi) Subsequent measurement of insurance contracts issued

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

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

B. Reinsurance contracts held

Recognition

The Company uses 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.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

B. Reinsurance contracts held (cont'd)

Recognition (cont'd)

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.

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

(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 that Group and the Company of reinsurance contracts; or at the initial recognition of any of the underlying insurance contracts, whichever is later.

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

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 Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

The Company measures its quota share reinsurance contracts applying the PAA model as coverage period of such reinsurance contract is 12 months or less.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

B. Reinsurance contracts held (cont'd)

Recognition (cont'd)

Where the reinsurance contracts held cover a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognises 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.

Subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

C. Modification and derecognition

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

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

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

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

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

D. Presentation

The Company has presented separately in the 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 Company disaggregates the amounts recognised in the 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 Company does 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.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

E. Insurance Revenue

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

When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating 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 Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to change in the expected pattern of claim occurrence for new and existing groups.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

F. 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;
- 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.

G. Net income or expenses from reinsurance contacts held

The Company presents 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 Company presents 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.

H. 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 the other comprehensive income (OCI) option for groups of insurance contracts issued by the Company is not considered necessary to reduce accounting mismatch and as such no disaggregation of insurance finance income and expenses will occur. The Company has therefore elected to present all of the period’s insurance finance income or expense in profit or loss.

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

2. ACCOUNTING POLICIES (CONT'D)

2.4 Insurance and Reinsurance (cont'd)

I. Loss components

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles used for insurance contracts issued, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances mentioned above indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

2.5 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably 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.

2.6 Current and deferred income tax

Current tax

The tax expense for the period comprises of current tax which is recognised in the statement of profit or loss.

The current income tax charge is based on the taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Current and deferred income tax (cont'd)

Corporate Social Responsibility (CSR)
Every Mauritian Company 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.

Corporate Climate Responsibility (CCR)
In July 2024, the Finance (Miscellaneous Provisions) Act 2024 was promulgated into law and requires the company to pay a corporate climate responsibility ("CCR") levy equivalent to 2% of its chargeable income. The CCR levy is included in income tax expense and the net amount CCR fund payable is included in tax liabilities in the statement of financial position.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 nor loss;

• temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and

• taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Share capital

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

2.9 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional 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 such as financial assets classified as Financial assets at fair value through OCI are included in the fair value reserve in equity.

3. FINANCIAL RISK MANAGEMENT

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

3.1 Insurance risk

Short term insurance

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 overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and indemnity payments exceed the carrying amount of the insurance liabilities.

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

(a) Insurance contracts

(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 Company has 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 Company is adequately protected and would only suffer predetermined amounts. The Company reinsures 100% of all its insurance contracts.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(ii) Concentration of insurance risk

The following table discloses the concentration of claims (undiscounted) by class of business gross and net of reinsurance.

	2025			2024		
	Insurance	**Reinsurance**	**Net**	Insurance	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
Accident and Health	**2,455**	**(2,455)**	**-**	4,697	(4,697)	-
Engineering	**585**	**(585)**	**-**	561	(561)	-
Guarantee	**1**	**(1)**	**-**	1	(1)	-
Liability	**1,755**	**(1,755)**	**-**	2,304	(2,304)	-
Miscellaneous	**3,126**	**(3,126)**	**-**	3,175	(3,175)	-
Property	**65,320**	**(65,320)**	**-**	21,367	(21,367)	-
Transportation	**9,542**	**(9,542)**	**-**	9,697	(9,697)	-
	82,784	**(82,784)**	**-**	41,802	(41,802)	-

The Company manages insurance risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk and class of business.

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

Claims are payable on a claims-occurrence basis. The Company is 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. 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's 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 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.

The Company takes all reasonable steps to ensure that it has 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 Company has ensured that liabilities on the statement of financial position at reporting date for existing claims whether reported or not, are adequate.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Insurance risk (cont'd)

Sensitivities analysis

The liability for incurred claims is sensitive to the key assumptions in the table below. The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period. The 5% and 1% change in assumptions for expected loss rate and discount rate have been derived from historical observations in average change in observed rates.

	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	Rs'000
2025					
Expected loss rate	+ 5%	1,199	2,398	971	1,942
Expected loss rate	- 5%	(1,199)	(2,397)	(971)	(1,942)
Discount rate	+ 1%	762	1,524	617	1,234
Discount rate	- 1%	(795)	(1,590)	(644)	(1,288)
2024					
Expected loss rate	+ 5%	(1,234)	(1)	(1,049)	(1)
Expected loss rate	- 5%	1,234	1	1,049	1
Discount rate	+ 1%	307	1	261	1
Discount rate	- 1%	(317)	(1)	(269)	(1)

Note: The net impact after reinsurance are insignificant as the insurance contracts are fully reinsured.

(iv) Claims development table

The development of insurance liabilities 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 statement of financial position.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Insurance risk (cont'd)

(iv) Claims development table (cont'd)

	2019	2020	2021	2022	2023	2024	2025	**Total**
GROSS	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**
Estimate of ultimate claim costs:								
- At end of claim year	17,236	13,180	19,381	9,457	494	13,000	51,930	**124,678**
- One year later	-	340	-	2,026	311	3,500	-	**6,177**
- Two years later	920	-	3,042	1,207	1,696	-	-	**6,865**
- Three years later	-	246	2,260	1,210	-	-	-	**3,716**
- Four years later	793	239	736	-	-	-	-	**1,768**
- Five years later	2,338	37						**2,375**
- Six years later	477	-	-	-	-	-	-	**477**
Current estimate of cumulative claims	11,301	9,106	75,434	136,909	108,298	13,784	51,930	**406,762**
Less Cumulative payments to date	(10,823)	(9,069)	(74,698)	(135,699)	(106,602)	(10,284)	-	**(347,175)**
Gross claims outstanding as at year end	478	37	736	1,210	1,696	3,500	51,930	**59,587**
Add: Incurred but not Reported								**23,198**
Effect of the risk adjustment margin for non financial risk								**(2,120)**
Effect of discounting								**6,878**
Total Liability for Incurred Claims								**87,543**

(v) The Company reinsures 100% of all its insurance contracts.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Insurance risk (cont'd)

(vi)

	Estimates of PV of future cash flows	Risk adjustment	Total
	Rs'000	Rs'000	Rs'000
As at 31 December 2025			
Total gross liabilities for incurred claims	**80,665**	**6,878**	**87,543**
As at 31 December 2024			
Total gross liabilities for incurred claims	40,706	3,036	43,742

3.2 Financial Risk Factors

The Company's activities are exposed to financial risks through its 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; and
- Liquidity risk.

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 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 Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices. 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. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Financial Risk Factors (cont'd)

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 Company has 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 Company monitors adherence to this market risk policy through the Group Investment Committee. The Group Investment Committee is responsible for managing market risk at Company levels.

The financial impact from market risk is monitored at board level through investment reports which examine impact of changes in market risk on investment returns and asset values. The Group'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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.1 Market risk (cont'd)

(i) Currency risk

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

The Company has a number of investments in foreign currencies which are exposed to currency risk. The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged. The Company mitigates some of the foreign currency risk associated with insurance contracts by holding reinsurance contracts denominated in the same currencies as its insurance contract liabilities.

The financial assets and financial liabilities by currency are detailed below:

	Equivalent in Rs'000				
At December 31, 2025	MUR	USD	EURO	Others	Total
Assets:					
-Financial assets at amortised cost	**2,958**	**17,465**	**-**	**-**	**20,423**
-Financial assets at fair value through other comprehensive income	**20,080**	**45,154**	**-**	**-**	**65,234**
- Other receivables	**20**	**936**	**-**	**-**	**956**
- Reinsurance contract assets	**80,222**	**31,105**	**3,235**	**14**	**114,576**
- Cash and cash equivalents	**19,775**	**30,616**	**12,669**	**2**	**63,062**
	123,055	**125,276**	**15,904**	**16**	**264,251**
Less: loss allowances on financial assets					**(33)**
					264,218

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

At December 31, 2025	Equivalent in Rs'000				
	MUR	USD	EURO	Others	Total
Liabilities:					
- Other payables	**8,934**	**52**	**-**	**2,791**	**11,777**
- Insurance contract liabilities	**86,698**	**29,064**	**3,138**	**14**	**118,914**
	95,632	**29,116**	**3,138**	**2,805**	**130,691**
Net exposure	**27,423**	**96,160**	**12,766**	**(2,789)**	**133,560**

At December 31, 2024	Equivalent in Rs'000				
	MUR	USD	EURO	Others	Total
Assets:					
-Financial assets at amortised cost	4,788	29,568	-	-	34,356
-Financial assets at fair value through other comprehensive income	17,181	42,113	-	-	59,294
- Other receivables	22	-	-	-	22
- Reinsurance contract assets	36,247	26,065	4,791	14	67,117
- Cash and cash equivalents	23,708	16,257	10,240	3	50,208
	81,946	114,003	15,031	17	210,997
Less: loss allowances on financial assets					(481)
					210,516

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.1 Market risk(cont'd)

(i) Currency risk (cont'd)

At December 31, 2024

	Equivalent in Rs'000				
	MUR	USD	EURO	Others	Total
Liabilities:					
- Other payables	10,252	-	-	-	10,252
- Insurance contract liabilities	42,485	24,025	4,533	16	71,059
	52,737	24,025	4,533	16	81,311
Net exposure	29,209	89,978	10,498	1	129,686

Sensitivity

If the rupee had weakened/strengthened against the following currencies with all variables remaining constant, the impact on the results for the year would have been as shown below mainly as a result of foreign exchange gains/losses.

	USD		EURO	
	+3%	-3%	+2%	-2%
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on Results:				
At December 31, 2025				
- Financial assets at amortised cost	**524**	**(524)**	**-**	**-**
- Other receivables	**28**	**(28)**	**-**	**-**
- Reinsurance contract assets	**933**	**(933)**	**65**	**(65)**
- Cash and cash equivalents	**918**	**(918)**	**253**	**(253)**
	2,403	**(2,403)**	**318**	**(318)**
- Insurance contract liabilities	**2**	**(2)**	**-**	**-**
- Insurance contract liabilities	**872**	**(872)**	**63**	**(63)**
	874	**(874)**	**63**	**(63)**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.1 Market risk(cont'd)

(i) Currency risk (cont'd)

	USD		EURO	
	+5%	-5%	+5%	-5%
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on Results:				
At December 31, 2024				
- Financial assets at amortised cost	1,478	- 1,478	-	-
- Reinsurance contract assets	1,303	(1,303)	240	(240)
- Cash and cash equivalents	813	(813)	512	(512)
	3,594	(3,594)	752	(752)
- Insurance contract liabilities	1,201	(1,201)	227	(227)
	1,201	(1,201)	227	(227)

The 3% for USD and 2% for EUR change (2024: 5% for USD and 5% for EUR) in rates used above was derived from the average fluctuation in the respective foreign currencies for the last 5 years.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.1 Market risk(cont'd)

(ii) Interest rate risk

Interest rate risk arises from the Company's investments in long term debt securities and fixed income securities (Investment in financial assets at amortised cost) 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.

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 Company reviews its estimation in respect of these claims on a regular basis and ensures that adequate cash flow is available at all times.

Sensitivity

The impact on the results had interest rates varied by plus or minus 1% would have been as follows:

	Impact on results	
	+1%	-1%
	Rs'000	Rs'000
At December 31, 2025		
- Investment in financial assets at amortised cost	**204**	**(204)**
At December 31, 2024		
- Investment in financial assets at amortised cost	344	(344)

The percentage change in interest rates taken is 1% and this represents management assessment's of the likely change in interest rate based on historical observation.

(iii) Equity price risk

The Company is subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavorable 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 Investment Committee actively monitors equity assets owned directly by the Company as well as concentrations of specific equity holdings.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.1 Market risk(cont'd)

(iii) Equity price risk(cont'd)

Sensitivity

The impact on the Company's Shareholder's equity had the equity market values increased/decreased by 16% (2024: 11%) with other assumptions left unchanged would have been as follows:

	Impact on Shareholder's equity	
	+16%	-16%
	Rs'000	Rs'000
At December 31, 2025		
- Financial assets at fair value through OCI	**10,437**	**(10,437)**

	Impact on Shareholder's equity	
	+11%	-11%
	Rs'000	Rs'000
At December 31, 2024		
- Financial assets at fair value through OCI	6,522	(6,522)

The percentage change in equity market values taken is 16% (2024: 11%) and this represents management assessment's of the likely change in equity market values based on historical observation.

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instruments fail to meet all or part of their obligations. The Company's major credit risk is primarily attributable to its reinsurance contract, i.e:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy.

The Company has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers. The Company has policies in place to ensure that sales of services are made to clients, agents, and brokers with sound credit history.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.2 Credit risk (cont'd)

Management have assessed that the credit risk, in regard to cash and cash equivalents and financial assets at amortised cost, is low as they are held with reputable institutions duly licensed and rated investment grade by credit rating agencies.

The following table sets out the maximum credit risk exposure and the credit quality.

	2025 & 2024 Rating	**2025** **Rs'000**	2024 Rs'000
Cash and cash equivalents			
	S& P (BB- to AA)	**-**	50,208
	CARE RATINGS (A+)	**1,126**	-
	MOODY'S (Baa3)	**48,275**	-
	FITCH (AA)	**13,661**	-
Financial assets at amortised cost			
	S& P (A+ to AA)	**-**	34,356
	CARE RATINGS (AA-	**2,958**	-
	FITCH (AA)	**17,465**	-
Claims recoverable from reinsurers			
	S& P (Range BBB to A	**53,920**	2,065
	FITCH (AA-)	**51**	66
	AM BEST (B- to A+)	**5,435**	15,802
	UNRATED	**179**	179
		59,585	18,112

3.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the Company’s exposure to liquidity risk:

The Company’s liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company’s risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The Company has strong liquidity positions and liquidity risk is considered to be low. Through the application of the liquidity management policy, the Company seeks to maintain sufficient financial resources to meet its obligations as they fall due.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.3 Liquidity risk (cont'd)

Maturities of financial assets and liabilities:

At December 31, 2025	**< 1 year**	**1 to 5 years**	**> 5 years**	**On demand**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Assets:					
Non-current assets					
- Financial assets at fair value through	**-**	**-**	**-**	**65,234**	**65,234**
- Financial assets at amortised cost	**17,465**	**2,958**	**-**	**-**	**20,423**
Current assets					-
- Other receivables	**955**	**-**	**-**	**-**	**955**
- Reinsurance contract assets	**114,576**	**-**	**-**	**-**	**114,576**
- Cash and cash equivalents	**63,062**	**-**	**-**	**-**	**63,062**
	196,058	**2,958**	**-**	**65,234**	**264,250**
Less: allowances for credit impairment					**(33)**
					264,217
Liabilities					
Current liabilities					
- Other payables	**11,777**	**-**	**-**	**-**	**11,777**
- Insurance contract liabilities	**118,914**	**-**	**-**	**-**	**118,914**
	130,691	**-**	**-**	**-**	**130,691**

At December 31, 2024	< 1 year	1 to 5 years	> 5 years	On demand	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Assets:					
Non-current assets					
- Financial assets at fair value through	-	-	-	59,294	59,294
- Financial assets at amortised cost	13,777	17,621	2,957	-	34,356
Current assets					-
- Other receivables	22	-	-	-	22
- Reinsurance contract assets	67,117	-	-	-	67,117
- Cash and cash equivalents	50,208	-	-	-	50,208
	131,124	17,621	2,957	59,294	210,997
Less: allowances for credit impairment					(482)
					210,515
Liabilities					
Current liabilities					
- Other payables	10,252	-	-	-	10,252
- Insurance contract liabilities	71,059	-	-	-	71,059
	81,311	-	-	-	81,311

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.4 Capital Risks Management

The Company manages their capital to ensure that they will be able to continue as a going concern and also complies with applicable laws and regulations.

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- to ensure that the Minimum Capital Requirement ratio of 150% (with a minimum of Rs.25m) as required by the Mauritian Insurance Act 2005 be maintained at all times.

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, outstanding claims, unearned premium liability and assets above a certain concentration limit.

- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for Shareholders and benefits for other stakeholders;

- to provide an adequate return to Shareholders by pricing insurance contracts and other services commensurately with the level of risk; and

- to maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Mauritian Insurance Act 2005 specifies the amount of capital that must be held in proportion to the Company's liabilities, i.e. in respect of outstanding claim liability risk, unearned premium liability risk, investment risk, catastrophe risk and reinsurance ceded.

The Company is also subject to a solvency requirement under the Mauritian Insurance Act 2005 and Mauritian Insurance Rules 2024 and is required to maintain its solvency at 100% of the minimum capital required at all times. Under the Mauritian Insurance (General Insurance Business Solvency) Rules 2024, 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2.4 Capital Risks Management (cont'd)

The Company's capital requirement ratio and solvency margin are above the requirement of the Mauritian Insurance Act 2005 and proper internal controls are in place to ensure that they remain so.

The Company manages 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 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 2025 and 2024.

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 Company’s capital management policy for its insurance is to hold sufficient capital to cover the statutory requirements based on the FSC directives, including any additional amounts required by the regulator.

The Company does not have any debts and is fully financed by equity, the debt-to-adjusted capital ratios have not been disclosed. For the years ended 31 December 2025 and 31 December 2024, the Company has satisfied the minimum capital requirements.

Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that they consistently maximise returns to the Shareholder and policyholders.

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 Company in the light of changes in economic conditions and risk characteristics. An important aspect of 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 Company is focused on the creation of value for Shareholder.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

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 Company determines 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 Company measures 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 financial assets at fair value through other comprehensive income are measured at fair value in the financial statements (Refer to note 5).

3. FINANCIAL RISK MANAGEMENT (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.

	IFRS 9 classification	Fair Value Hierarchy	Notes	2025 Carrying Amount	2025 Fair Value	2024 Carrying Amount	2024 Fair Value
				Rs	**Rs**	Rs	Rs
Financial assets							
Financial assets at fair value through other comprehensive income							
-Investment in quoted securities	FVOCI	Level 1	Note 5	**50,093**	**50,093**	43,627	43,627
-Investment funds	FVOCI	Level 2	Note 5	**15,113**	**15,113**	14,764	14,764
-Investment in unquoted securities	FVOCI	Level 3	Note 5	**28**	**28**	903	903
Financial assets at amortised cost	Amortised cost	NA	Note 5	**20,423**	**20,500**	34,356	34,324
Other receivables	Amortised cost	NA	Note 6	**956**	**956**	22	22
Cash and cash equivalents	Amortised cost	NA	Note 18	**63,062**	**63,062**	50,208	50,208
Reinsurance contract assets	NA	NA	Note 10	**114,576**	**114,576**	67,117	67,117
				264,251		210,997	
Financial liabilities							
Other payables	Amortised cost	NA	Note 8	**11,777**	**11,777**	10,252	10,252
Insurance contract liabilities	NA	NA	Note 11	**118,914**	**118,914**	71,059	71,059
				130,691		81,311	

All of the above financial assets and liabilities disclosures exclude prepayments, deferred tax and current tax liabilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Critical accounting estimates and assumptions

The Company makes 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 Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on 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.

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 Company considers its substantive rights and obligations arising from the terms of the contract, and also from applicable law and regulation. 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 reassessment considers only the risks till that next reassessment date. The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. The Company considers contractual, legal and regulatory restrictions when making its assessment. In doing so, the Company disregards restrictions that have no commercial substance. The Company also applies judgement to decide whether commercial considerations are relevant.

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

4.1 Insurance contracts (cont'd)

Critical accounting estimates and assumptions (cont'd)

Level of aggregation:

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.

Disaggregation of changes in the risk adjustment for non-financial risk:

The Company does 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 Company presents changes in the risk adjustment for non-financial risk included in the 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.

Technique for estimation of fulfilment cash flows:

In estimating FCF included in the contract boundary, the Company considers 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 Company uses 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 Company maximizes the use of observable inputs for market variables and utilises internally generated group-specific data.

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

4.1 Insurance contracts (cont'd)

Liability for incurred claims

The ultimate cost of outstanding claims is estimated using the previous South African regulatory prescribed methodology, namely Board Notice 169 of 2011 ("BN169" or "Interim Measures"). The Incurred But Not Reported ("IBNR") reserves (both on a gross and reinsurance basis) are obtained by multiplying the earned premium by an appropriate prescribed percentage varying by class of business and development year. This produces a best estimate IBNR reserve which is combined with the best estimate Outstanding Claims Reserve ("OCR") to yield the ultimate outstanding claim cost. The use of other standard actuarial claim projection techniques such as Chain Ladder and Bornheutter-Ferguson methods, have not been used due to insufficient claims data. However, the reasonableness of the best estimate ultimate claim costs derived through Interim Measures are tested for sufficiency through benchmarking analysis based on other insurers in a similar environment. No explicit assumptions are made regarding future rates of claims inflation, instead these assumptions are implicitly allowed for through the earned premiums. Additional qualitative judgement is used to assess whether trends are reflected in the best estimate reserves (e.g., one-off occurrences, changes in external or market factors such as economic conditions, level of claims inflation, judicial decisions, and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures). This process produces an estimated ultimate cost of claims that presents the probability weighted expected value outcome from a range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delay in settlements and changes in foreign currency exchange rates.

The Provision for Adverse Deviation ("PAD") technique has been used to calculate the risk adjustment. For each portfolio, a PAD has been calculated at the 75th percentile and a normal distribution parameterized as follows:

- The mean is the sum of Swan Special Risk's IBNR reserve and OCR.
- The standard deviation is the standard deviation parameter specified under the Solvency Assessment and Management ("SAM") for the reserve risk per reserving class.

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

4.1 Insurance contracts (cont'd)

The South African risk-based capital regime, SAM, has been used given that Mauritius does not currently have a risk-based capital regime. SAM outlines how the Solvency Capital Requirement ("SCR") for insurers in South Africa should be calculated. The SCR, which is a risk-based capital metric, is calibrated at the 99.5% confidence level. The company's risk adjustment is calculated at the 75th percentile. Since the SAM framework uses a 99.5% confidence level and the company's confidence level is 75%, an adjustment has been made to the SAM factors to bring them in line with the 75th percentile.

Discounting:
The time value of money has been allowed for on the Liability for incurred claims and Assets for incurred claims only. A risk-free yield curve referencing yields published by the primary dealers on the secondary market has been used in computing the discount rates. The Nelson-Siegel-Svensson model has been adopted to produce a discount rate curve based on the available point in time Mauritius Government Bond yields.

	2025	2024
Discount rates	**2.25% to 6.51%**	2.00%-5.14%

4.2 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.3 Limitations of sensitivity analysis

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

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

5. INVESTMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) AND FINANCIAL ASSETS AT AMORTISED COST

		2025			2024		
		Financial assets at amortised cost	**FVOCI**	**Total**	Financial assets at amortised cost	FVOCI	Total
		Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
(a)	Local Securities						
	At January 1,	**4,788**	**32,958**	**37,746**	4,788	25,340	30,128
	Additions	**-**	**5,200**	**5,200**	-	3,504	3,504
	Movement in accrued interest	**(30)**	**-**	**(30)**	-	-	-
	Matured during the year	**(1,800)**	**-**	**(1,800)**	-	-	-
	Increase in fair value	**-**	**(1,980)**	**(1,980)**	-	4,114	4,114
	At December 31,	**2,958**	**36,178**	**39,136**	4,788	32,958	37,746
(b)	Foreign Securities						
	At January 1,	**29,568**	**26,336**	**55,904**	-	21,571	21,571
	Additions	**-**	**-**	**-**	28,283	-	28,283
	Movement in accrued interest	**91**	**-**	**91**	234	-	234
	Disposal during the year	**-**	**(935)**	**(935)**	-	-	-
	Matured during the year	**(11,742)**	**-**	**(11,742)**	-	-	-
	Exchange differences	**(452)**	**-**	**(452)**	1,051	-	1,051
	(Decrease)/Increase in fair value	**-**	**3,655**	**3,655**	-	4,765	4,765
	At December 31,	**17,465**	**29,056**	**46,521**	29,568	26,336	55,904
	Total	**20,423**	**65,234**	**85,657**	34,356	59,294	93,650
	Less: Loss allowance for debt instruments at amortised cost	**(7)**	-	**(7)**	(15)	-	(15)
		20,416	**65,234**	**85,650**	34,341	59,294	93,635

	2025	2024
Analysed as follows:	**Rs'000**	Rs'000
Non-current		
Financial assets at fair value through OCI	**65,234**	59,294
Financial assets at amortised cost	**2,958**	20,558
Current		
Financial assets at amortised cost	**17,458**	13,783
	85,650	93,635

5. **INVESTMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI AND DEBTS INSTRUMENTS AT AMORTISED COST (CONT'D)**

	Level 1	Level 2	Level 3	Total
	Rs'000	**Rs'000**	**Rs'000**	Rs'000
At December 31, 2025				
Financial assets at fair value through OCI	**21,037**	**44,169**	**28**	**65,234**
At December 31, 2024				
Financial assets at fair value through OCI	17,291	41,100	903	59,294

Financial assets at fair value through other comprehensive income comprise of:

	2025	2024
	Rs'000	Rs'000
Local securities		
Alteo Ltd	**127**	137
Ascencia Ltd	**191**	199
Ciel Ltd	**999**	1,072
Cim Financial Services Ltd	**556**	466
Constance Hotels Services Ltd	**70**	93
ER Group	**1,293**	510
Gamma Civic Ltd	**697**	719
EUDCOS	**133**	139
IBL Ltd	**957**	1,267
Livestock feed	**196**	204
Lux Island Resorts Ltd	**931**	1,002
MCB Group Ltd	**10,447**	5,761
Medine Ltd (ordinary shares)	**214**	242
New mauritius hotels (Ordinary shares)	**459**	460
New mauritius hotels (Preference shares)	**1**	1
Lavastone Ltd	**42**	49
Promotion and Development Ltd (PAD)	**612**	670
Rogers and Company Ltd	**-**	1,266
SBM Bank Ltd	**1,069**	829
The United Basalt Products Ltd	**67**	104
Semaris Ltd	**26**	28
Sun Limited	**526**	493
Almarys Limited	**187**	-
AfrAsia Bank Limited	**-**	1,245
The Lux Collective Ltd	**28**	-
Riveo Limited	**253**	225
Miwa Sugar Limited	**68**	110
African Export- Import Bank	**916**	903
Swan Global Funds	**15,113**	14,764
Total	**36,178**	32,958

5. INVESTMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI AND DEBTS INSTRUMENTS AT AMORTISED COST (CONT'D)

	2025	2024
	Rs'000	Rs'000
Foreign Securities		
SISF European Large Cap USD A Acc & SISF Euro Sus Equity USD A Acc	**1,066**	859
SISF Asian Smaller Companies A Acc	**-**	906
SISF Glob Sus Growth A ACC	**3,603**	3,208
SISF Global Equity Alpha A Acc	**2,111**	1,775
SISF Global Equity A Acc	**3,949**	3,387
SISF Global Cities A Acc	**417**	392
SISF QEP Global Quality A Acc	**3,929**	3,313
SISF Global Smaller Cos A Acc	**1,158**	1,112
SISF US Small & Mid-Cap Eq A Acc	**3,679**	3,607
SISF US Large Cap A Acc	**5,630**	4,860
SISF Japanese Equity USD Hdg A Acc	**1,442**	1,164
SISF QEP Global ESG A Acc	**2,072**	1,753
Total	**29,056**	26,336

(c) Financial assets at amortised cost comprise of notes with interest rates ranging from 3.01% to 5.21%.

(d) Financial assets at FVOCI comprise of quoted and unquoted financial assets.

(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.

(h) Non-cash transactions during the year are additions: nil (2024: Rs 579K).

(i) Local and foreign securities comprise of securities listed on the stock markets and other companies.

(j) Unquoted level 2 securities include investments in entities which hold shares in quoted securities. The fair value of the level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying observable securities.

(k) Fair value of financial assets at amortised cost is as follows:

	2025	2024
Financial assets at amortised cost	**Rs'000**	Rs'000
Local Securities	**2,993**	4,825
Foreign Securities	**17,507**	29,499
	20,500	34,324

(l) Financial assets measured at fair value through other comprehensive income include the Company's strategic equity investments not held for trading. The Company has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

Fair value was determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy).

6. OTHER RECEIVABLES

	2025	2024
	Rs'000	Rs'000
Other receivables	**956**	22
Prepayment	**185**	147
	1,141	169

(a) The carrying amounts of other receivables approximate their fair values.
(b) Currency analysis of financial assets is disclosed in note 3.2.1.(i)
(c) The maturity of financial assets is disclosed in note 3.2.3.
(d) The Company does not hold any collateral as security for other receivables.

7(a). STATED CAPITAL

	Number of Shares	Ordinary Shares
		Rs' 000
At January 1 and December 31, 2025	**50,000**	**50,000**

Ordinary shares

The total authorised number of ordinary shares is 50,000 shares at no par value. All issued shares are fully paid. The fully paid ordinary shares carry one vote per share and carry a right to dividends.

7(b). 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.

8. OTHER PAYABLES

	2025	2024
	Rs'000	Rs'000
Other payables (note (d))	**4,335**	4,154
Amount payable to related entities (note 20)	**7,442**	6,098
	11,777	10,252

(a) The carrying amounts of other payables approximate their fair values.
(b) Currency analysis of financial liabilities is disclosed in note 3.2.1(i).
(c) The maturity of financial liabilities is disclosed in note 3.2.3.
(d) It relates mainly to payables for fees such as professional and management fees.

9.	**INCOME TAX**	**2025**	2024
		Rs'000	Rs'000
(a)	Current tax at 15%	**434**	1,080
	Deferred tax movement (Note 9(e))	**85**	181
	Corporate climate responsibility levy	**58**	144
	Corporate social responsibility tax	**58**	144
		635	1,549
(b)	Profit/(loss) before tax	**5,001**	12,899
	Tax calculated at rate of 15% (2024:15%)	**750**	1,935
	Income not subject to tax	**(471)**	(901)
	Expenses not deductible for tax purposes	**240**	227
	Corporate climate responsibility levy	**58**	144
	Corporate social responsibility tax	**58**	144
	Tax charge/(credit) for the year	**635**	1,549
(c)	Current tax liabilities/(assets)		
	At January 1,	**1,363**	(961)
	Charged for the year	**434**	1,080
	Corporate tax paid during the year	**(1,298)**	-
	Tax refunded during the year	**-**	956
	Corporate social responsibility contributions during the year	**(72)**	-
	Corporate climate responsibility levy	**58**	144
	Corporate social responsibility tax	**58**	144
	Payment under Advance Payment System (APS)	**(945)**	-
	At December 31,	**(402)**	1,363

(d) **Net deferred income tax**

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

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. The following amounts are shown in the separate statement of financial position:

	2025	2024
	Rs.	Rs.
Net deferred tax assets	**7**	92

9. **INCOME TAX (CONT'D)**

(d) **Net deferred income tax (cont'd))**	**2025**	2024
	Rs.	Rs.
(e) The movement on deferred income tax account is as follows:		
At January 1,	**92**	273
Charged to the separate statement of profit or loss (note 9(a))	**(85)**	(181)
At December 31,	**7**	92

(f) The movement on the deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

Deferred tax assets:	Expected credit losses	Total
	Rs	Rs
At January 1, 2025	**92**	-
Debited to the separate statement of profit or loss (note 9(a))	**(85)**	(85)
At December 31, 2025	**7**	(85)
At January 1, 2024	273	-
Debited to the separate statement of profit or loss (note 9(a))	(181)	(181)
At December 31, 2024	92	(181)

10. REINSURANCE CONTRACT ASSETS

The breakdown of groups of reinsurance contracts held that are in an asset position and those in a liability position is set out in the table below:

	2025			2024		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
Reinsurance contracts held	**114,576**	**-**	**114,576**	67,117	-	67,117

The Company disaggregates information to provide disclosure in respect of insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the Company is managed.

(i) Analysis by remaining coverage and incurred claims

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:

	2025					2024				
	Assets for Remaining Coverage		**Assets for Incurred Claims**			Assets for Remaining Coverage		Assets for Incurred Claims		
	Excluding Loss Component Recovery	**Loss component Recovery**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	Excluding Loss Component Recovery	Loss component Recovery	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening net reinsurance contract assets/ (contract liabilities)	**23,472**	**-**	**40,620**	**3,025**	**67,117**	6,790	-	28,650	2,276	37,716
Changes in the statement of profit or loss and OCI										
(i) Allocation of Reinsurance Premium	**(255,335)**	-	-	-	**(255,335)**	(271,518)	-	-	-	(271,518)
(ii) Amounts recoverable from reinsurers					**-**					-
Recoveries for incurred claims and other expenses (includes commissions contingent on claims)	**-**	**-**	**388,155**	**3,849**	**392,004**	-	-	15,216	749	15,965
(Expense)/ income before effect of changes in non-performance of insurers	-	-	**388,155**	**3,849**	**392,004**	-	-	15,216	749	15,965
Change in risk of non-performance by issuer of reinsurance contracts held	**-**	**-**	**41**	-	**41**	-	-	(87)	-	(87)
Net expenses from reinsurance contracts	**(255,335)**	**-**	**388,196**	**3,849**	**136,710**	(271,518)	-	15,129	749	(255,640)
Reinsurance finance income through profit and loss (note 14)	-	-	**(1,023)**	-	**(1,023)**	-	-	(188)	-	(188)
Effects of movements in foreign exchange rates	**(11)**	-	-	-	**(11)**	123	-	-	-	123
Total changes in the statement of profit or loss and OCI	**(255,346)**	**-**	**387,173**	**3,849**	**135,676**	(271,395)	-	14,941	749	(255,705)
Cash flows										
Premiums paid for reinsurance contracts held	**258,955**	-	-	-	**258,955**	288,077	-	-	-	288,077
Claims recovered and received from Reinsurers	**-**	-	**(347,172)**	-	**(347,172)**	-	-	(2,971)	-	(2,971)
Total cash flows	**258,955**	**-**	**(347,172)**	**-**	**(88,217)**	288,077	-	(2,971)	-	285,106
Closing net insurance contract assets/ (contract liabilities)	**27,081**	**-**	**80,621**	**6,874**	**114,576**	23,472	-	40,620	3,025	67,117

11 INSURANCE CONTRACT LIABILITIES

The breakdown of groups of insurance contracts issued that are in an asset position and those in a liability position is set out in the table below:

	2025			2024		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
Insurance contracts issued	**-**	**118,914**	**118,914**	-	71,059	71,059

The Company disaggregates information to provide disclosure in respect of insurance contracts issued and reinsurance contracts issued separately. This is disaggregation has been determined based on how the Company is managed.

(i) Analysis by remaining coverage and incurred claims

Contracts measured under the PAA

The roll-forward of the net asset or liability for insurance contracts issued, measured under PAA , showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below:

	2025						2024					
	Liabilities for Remaining Coverage		**Liability for Incurred Claims**				Liabilities for Remaining Coverage		Liability for Incurred Claims			
	Excluding Loss Component	**Loss component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Insurance acquisition cash flows**	**Total**	Excluding Loss Component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Insurance acquisition cash flows	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Opening net insurance contract liabilities	**27,317**	**-**	**40,706**	**3,036**	**-**	**71,059**	12,746	-	28,660	2,278	-	43,684
Changes in the statement of profit or loss and OCI												
Insurance revenue (Note 12)	**(271,677)**	**-**	**-**	**-**	**-**	**(271,677)**	(289,177)	-	-	-	-	(289,177)
	(244,360)	**-**	**40,706**	**3,036**	**-**	**(200,618)**	(276,431)	-	28,660	2,278	-	(245,493)
Insurance service expenses (Note 13)												
Claims and benefits incurred	**-**	**-**	**388,155**	**-**	**-**	**388,155**	-	-	15,216	-	-	15,216
Losses on onerous contracts	-	-	-	-	-	-	-	-	-	-	-	-
Risk adjustment incurred claims	-	-	-	**3,842**	-	**3,842**	-	-	-	758	-	758
Other incurred insurance service expenses	-	-	**10,923**	-	-	**10,923**	-	-	7,779	-	-	7,779
Insurance acquisition expense	-	-	-	-	**2,506**	**2,506**	-	-	-	-	3,429	3,429
	-	-	**399,078**	**3,842**	**2,506**	**405,426**	-	-	22,995	758	3,429	27,182
Insurance service result	**(271,677)**	**-**	**399,078**	**3,842**	**2,506**	**133,749**	(289,177)	-	22,995	758	3,429	(261,995)
Insurance finance expenses through profit and loss (note 14)	-	-	**(1,023)**	-	-	**(1,023)**	-	-	(200)	-	-	(200)
Movements in foreign exchange rates	**(11)**	-	-	-	-	**(11)**	99	-	-	-	-	99
Total changes in the statement of profit or loss and OCI	**(271,688)**	**-**	**398,055**	**3,842**	**2,506**	**132,715**	(289,078)	-	22,795	758	3,429	(262,096)
Cash flows												
Premiums received for insurance contracts issued	**275,742**	**-**	**-**	**-**	**-**	**275,742**	303,649	-	-	-	-	303,649
Claims and other insurance service expenses paid, including investment components	-	-	**(358,096)**	-	-	**(358,096)**	-	-	(10,749)	-	-	(10,749)
Insurance acquisition expense paid	-	-	-	-	**(2,506)**	**(2,506)**	-	-	-	-	(3,429)	(3,429)
Total cash flows	**275,742**	**-**	**(358,096)**	**-**	**(2,506)**	**(84,860)**	303,649	-	(10,749)	-	(3,429)	289,471
Closing net insurance contract liabilities	**31,371**	**-**	**80,665**	**6,878**	**-**	**118,914**	27,317	-	40,706	3,036	-	71,059

12. INSURANCE REVENUE

The table below presents an analysis of the total insurance revenue recognised in the period:

	2025	2024
	Rs'000	Rs'000
Contracts measured under the PAA	**271,677**	289,177

13. INSURANCE SERVICE EXPENSES

The table below presents an analysis of the total insurance service expense incurred in the period:

	2025	2024
	Rs'000	Rs'000
Claims and benefits incurred	**388,155**	15,216
Risk adjustment incurred claims	**3,842**	758
Insurance acquisition expense	**2,506**	3,429
Other incurred insurance service expenses (note 17)	**10,923**	7,779
Total Insurance service expenses - PAA	**405,426**	27,182

14. NET FINANCE RESULTS FROM INSURANCE AND REINSURANCE CONTRACTS

	2025	2024
	Rs'000	Rs'000
Net finance expenses from insurance contracts		
Interest accrued	**(1,746)**	(1,134)
Effect of changes in interest rates and other financial assumptions	**1,750**	1,061
Effect of measuring changes in estimates at current rates	**1,019**	273
Total net finance expenses from insurance contracts in the statement of profit or loss	**1,023**	200
Net finance income from reinsurance contracts		
Interest accreted	**1,746**	1,134
Other net finance income from reinsurance contracts	**(2,769)**	(1,322)
Net finance income from reinsurance contracts	**(1,023)**	(188)

15. INVESTMENT INCOME

	2025	2024
	Rs'000	Rs'000
Interest income	**1,152**	1,435
Dividend income	**1,196**	1,121
	2,348	2,556

16. **NET OTHER INCOME**

	2025	2024
	Rs'000	Rs'000
Policy fees	**124**	97
Exchange (Loss)/gain	**(690)**	2,899
	(566)	2,996

17. **ADMINISTRATIVE EXPENSES**

	2025	2024
	Rs'000	Rs'000
Audit fees	**2,490**	834
Taxation fees	**29**	28
Actuarial fees	**895**	744
License fees	**200**	200
Rebilling cost	**6,404**	5,205
Others	**1,096**	913
	11,114	7,924
Attributable to:		
Non-insurance activities	**190**	144
Insurance service expenses (note 13)	**10,924**	7,780
	11,114	7,924

18. **CASH AND CASH EQUIVALENTS**

	2025	2024
	Rs'000	Rs'000
(a) **Cash and cash equivalents**		
Cash at bank	**63,062**	50,208
Loss allowance on cash and cash equivalents	**(26)**	(467)
	63,036	49,741

Cash and cash equivalents are held with bank and financial institution counterparties having low credit risk. The institutions are categorised under investment grades since the assigned credit ratings are CARE RATINGS (A+), MOODY'S (Baa3) and FITCH (AA).

(b) The closing loss allowances for cash and cash equivalents as at December 31, reconcile to the opening loss allowances as follows:

	2025	2024
	Rs'000	Rs'000
At January 1,	**467**	1,603
Loss allowance recognised in profit or loss during the year	**(441)**	(1,136)
At December 31,	**26**	467

19. ULTIMATE HOLDING COMPANY

Swan General Ltd owns 100% of the Company's share capital and is the ultimate holding company. The Company is incorporated in Mauritius and its registered address is situated at Swan Group Centre, 10 Intendance Street, Port Louis.

20. RELATED PARTY TRANSACTIONS

(a)

	Purchase of goods and services	**Amount owed to related parties**
	Rs'000	**Rs'000**
2025		
Holding company- Swan General Ltd	**100**	**992**
Fellow subsidiaries - Swan life Ltd	**6,404**	**6,404**
Entities under common control	**23,330**	**46**
	29,834	**7,442**
2024		
Holding company- Swan General Ltd	-	891
Fellow subsidiaries - Swan life Ltd	5,206	5,206
Entities under common control	241	1
	5,447	6,098

Entities under common control include:

Entities

- Swan Securities Ltd
- Swan Corporate Affairs Ltd
- Swan Forex Ltd
- Swan Wealth Managers Ltd

(b) Outstanding balances at year end are unsecured and settlement occurs in cash. They are interest free and repayable on demand.

(c) There has been no guarantees provided for any related party payables.

(d) Key management personnel compensation	**2025**	2024
	Rs'000	Rs'000
Salaries & short term employee benefits	**662**	399
Post employment benefits	**23**	12
	685	411