EAGLE INSURANCE

TRANSFORMING TOGETHER

ANNUAL REPORT 2022

ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder,

The Board of Directors of Eagle Insurance Limited ('EIL') are pleased to present the Annual Report for the year ended 30th June 2022. The Notice of Meeting and the Proxy Form are included in the Annual Report 2022.

The Annual Meeting of Shareholders of the Company shall be held as follows:

Date: Wednesday, 28th December 2022
Time: 09:30 hours
Venue: Eagle House, Hyvec Business Park,
15 A5 Wall Street, Ebene Cybercity,
Mauritius

We remain at your disposal should you need any additional information.

Yours faithfully,

Laurent de la Hogue
| CHAIRMAN |

ANNUAL REPORT 2022

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ANNUAL REPORT 2022

NOTICE OF ANNUAL MEETING OF THE COMPANY

Notice is hereby given that the forty-seventh Annual Meeting of the Shareholders of Eagle Insurance Limited ('the Company') will be held at the offices of the Company, Eagle House, Hyvec Business Park, 15 A5 Wall Street, Ebene Cybercity, Mauritius on **Wednesday 28th December 2022 at 09:30 hours** to transact the following business:

ORDINARY RESOLUTIONS

1. To adopt the minutes of proceedings of the annual meeting held on 22nd December 2021.

2. To receive, consider and adopt the Group's and Company's audited financial statements for the year ended 30th June 2022, including the Annual Report and the Auditor's Report thereon.

3. To appoint Mr Yannick ULCOQ[1] as Director.

4. To re-elect Mr Jean Paul CHASTEAU DE BALYON[2] as Director of the Company until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001.

5. To re-elect as Directors to hold office until the next Annual Meeting by way of separate ordinary resolutions the following persons:

   5.1. Ms Shahannah ABDOOLAKHAN[3]
   5.2. Mr Jacob Pieter (JP) BLIGNAUT[3]
   5.3. Mr Winson CHAN CHIN WAH[3]
   5.4. Mr Dipak CHUMMUN[3]
   5.5. Mr Laurent DE LA HOGUE[3]
   5.6. Mrs Natacha EMILIEN[3]
   5.7. Mr John Edward O'NEILL[3]
   5.8. Ms Cynthia PARRISH[3]
   5.9. Mr Derek WONG WAN PO[3]

6. To fix the remuneration of the Directors for the year to 30th June 2023 and to ratify the emoluments paid to the Directors for the year ended 30th June 2022.

7. To re-appoint RSM (Mauritius) LLP as auditors for the financial year ending 30th June 2023.

8. To ratify the remuneration paid to the auditors for the financial year ended 30th June 2022.

By Order of the Board
IBL Management Ltd
Secretary
Port Louis, Mauritius

23rd September 2022

[1] See Page 29 for his profile
[2] See Page 27 for his profile
[3] The Directors' profiles are set out on pages 26 to 29

NOTES

a. A shareholder entitled to attend and vote at the meeting may appoint any person, whether a shareholder or not, to attend and vote in his/her stead. Proxy forms must be lodged at the Registry of the Company not less than twenty-four hours before the meeting. A proxy form is also available at the Registered Office of the Company.

b. The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Limited, 9th Floor, MCB Centre, Sir William Newton Street, Port Louis, by Tuesday 27th December 2022 at 09:30 hours and in default, the instrument of proxy shall not be treated as valid.

c. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at 30th November 2022.

d. The Minutes of the Annual Meeting are available for consultation by the shareholders during office hours at the registered office of the Company, IBL House, Caudan Waterfront, Port Louis.

e. The Minutes of the Annual Meeting to be held on 28th December 2022 will be available for consultation and comments during office hours at the Registered Office of the Company, IBL House, Caudan Waterfront, Port Louis from 16th January to 31st January 2023.

STATEMENT OF COMPLIANCE

The Board of Directors, in assuming its responsibility for leading and controlling the Company, considers good governance to be a major milestone for the success and prosperity of the Company as well as its future. In this way, the Board assumes the responsibility to ensure that all legal and regulatory requirements are met in the prescribed delays.

We, the Directors of Eagle Insurance Limited, confirm that throughout the year ended 30th June 2022, to the best of the Board's knowledge, the Organisation has complied with the Corporate Governance Code for Mauritius (2016). The Organisation has applied all of the principles set out in the Code and explained how these principles have been applied.

Laurent DE LA HOGUE
| CHAIRMAN |

Shahannah ABDOOLAKHAN
| DIRECTOR |

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND ACCOUNTABILITIES

The Directors acknowledge their responsibility for the preparation of financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company to comply with the Companies Act 2001 as well as International Financial Reporting Standards.

They are responsible for maintaining adequate accounting records and effective internal control systems. Hence, they are responsible for taking reasonable steps for the early detection and prevention of fraud and other irregularities. They are responsible for safeguarding the assets of the Company and maintaining an effective system of internal control and risk management.

Approved by the Board of Directors on 23rd September 2022 and signed on behalf of the Board by:

Laurent DE LA HOGUE
| CHAIRMAN |

Shahannah ABDOOLAKHAN
| DIRECTOR |

PEOPLE

Putting our staff and customers at the centre of our transformation, with care and empathy, and a strong commitment to create value to all our stakeholders.

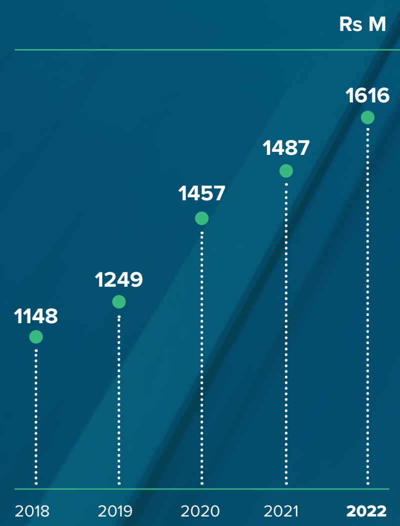
"Culture does not change because we just wish so. Culture changes when the whole organisation goes through a transformation journey – transformation of people's mindsets and ways of doing. The culture then reflects the new realities of teams working together everyday."

Vishal RADHA
Human Capital Manager

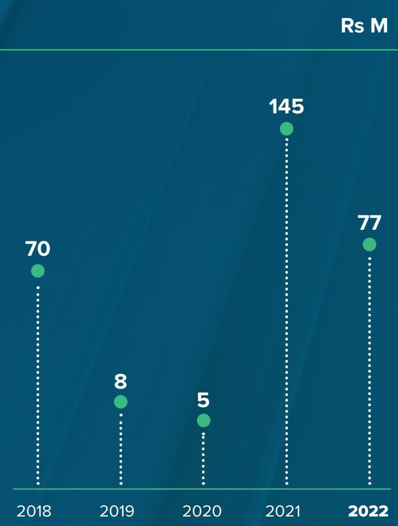
EIL AT A GLANCE

FINANCIAL HIGHLIGHTS

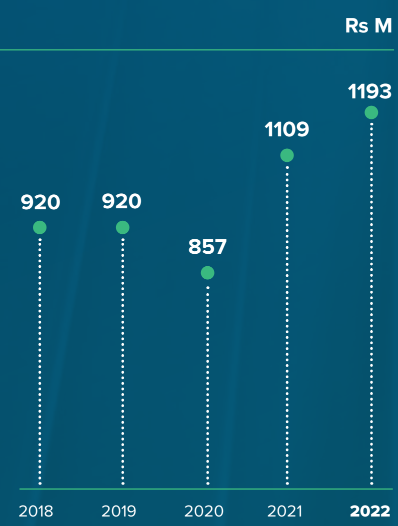
GROUP TURNOVER



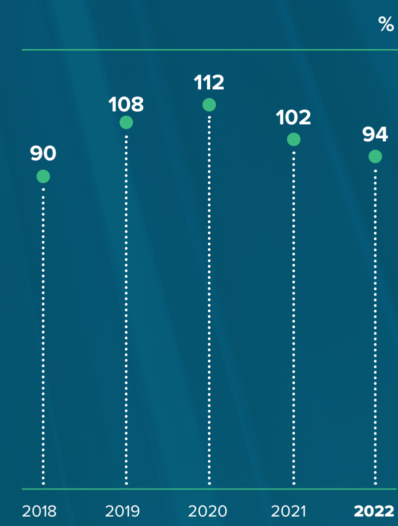
GROUP PBT



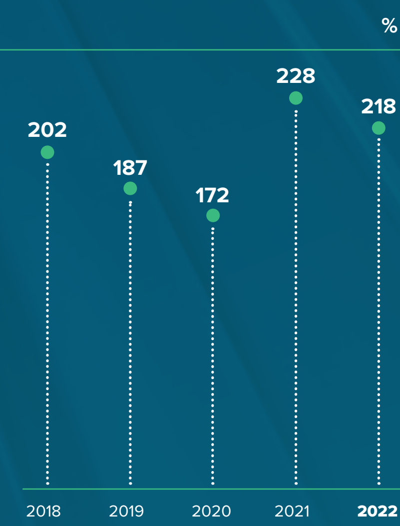
GROUP CAPITAL RESERVE



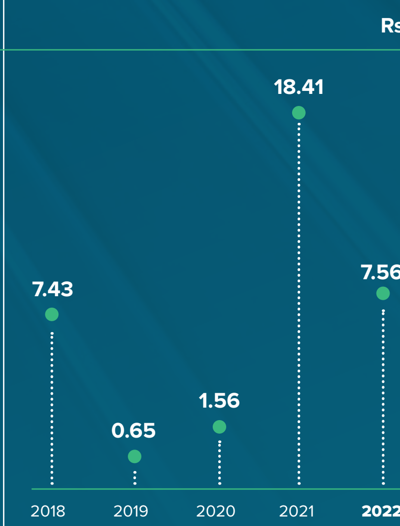
COMBINED RATIO



SOLVENCY



EARNINGS PER SHARE MUR



EIL AT A GLANCE

FINANCIAL HIGHLIGHTS

EIL AT A GLANCE

NON-FINANCIAL HIGHLIGHTS

Our Human Capital

For the year ended 30th June 2022, our Human Capital was as follows:

60.8% MILLENNIALS

133 TOTAL HEAD COUNT

84 STAFF WORKING FROM HOME (on a rotation basis)

52 MEN

81 WOMEN

6.79yrs AVERAGE LENGTH OF SERVICE

35.5yrs AVERAGE AGE OF OUR STAFF

INFORMATION & HISTORY

Eagle Insurance Limited ('EIL') was incorporated in 1973 and operates since 1974 on both the individual and corporate markets; it is engaged in short-term insurance business comprising of Accident, Health, Engineering, Property, Motor and Transportation insurance.

After 27 years of being listed on the Official Market of the Stock Exchange of Mauritius (SEM), EIL requested for its withdrawal from SEM's official listing in July 2020 after the public shares of EIL fell below the prescribed limit of 25% as per SEM's Listing Rules. As at 30th June 2022, the shareholding profile of EIL was as follows: IBL Ltd owns 60% of the shares and the remaining 40% are currently held by HWIC Asia Fund (39.12%) and the public (0.88%), respectively.

This report which forms part of the Annual Report of 2022 can be found on the website of the Company on **https://www.eagle.mu/annual-reports**

Head Office

Eagle Insurance Limited
Eagle House, Hyvec Business Park, 15 A5 Wall Street,
Ebene Cybercity, Mauritius
Tel: +230 460 9200
Website: **www.eagle.mu**

Registered Office

4th Floor, IBL House,
Caudan Waterfront
Port Louis

Branches

Head Office / Ebene Branch
Eagle House, Hyvec Business Park, 15 A5 Wall Street,
Ebene Cybercity, Mauritius
Tel: +230 460 9200

Flacq Branch

Unit No. 22, La Source Commercial Centre, La Source,
Centre de Flacq
Tel: +230 413 0041

Port Louis Branch

Dr Ferrière Street, Port-Louis
Tel: +230 260 1980

Auditor

RSM (Mauritius) LLP

Actuary

QED Actuaries & Consultants (Pty) Ltd

Bankers

ABSA Banking Corporation Limited
AfrAsia Bank Limited
BCP Bank (Mauritius) Ltd
The Hongkong & Shanghai Banking Corporation Limited
The Mauritius Commercial Bank Limited

Legal Advisor

BLC Robert & Associates

Reinsurance broker

EllGeo Re Ltd
Tysers Insurance Brokers Limited

Principal Reinsurers

Africa Re
Swiss Re

Investment Manager

EKADA CAPITAL LTD

Company Secretary

IBL Management ltd
4th Floor, IBL House,
Caudan Waterfront
Port Louis

Share Registry and Transfer Office

As a shareholder, if you have any queries regarding your account, or wish to change your personal details or have any questions about lost share certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

MCB Registry & Securities Limited
Tel: +230 202 5000
9th Floor, MCB Centre,
Sir William Newton Street,
Port Louis

COMPANY'S LANDMARK EVENT

1974
Start of Operations

1993
Listing on the Stock Exchange of Mauritius (SEM)

1996
Acquisition of a 15% stake in H.Savy Insurance Company Limited

1998
Relocation to new premises at Caudan

2001
Establishment of a Leasing Company

2002
- Launch of its corporate website
- Opening of first branch in Flacq

2005
Increase in stake in H.Savy Insurance Company Limited to 20%

2013
- Opening of second branch in Trianon
- ICT Excellence Award 2013 for Website of the Year

2015
Change in shareholding to 13% in Mauritian Eagle Leasing Co Ltd (MELCO)

2016
Listing on Stock Exchange of Mauritius Sustainability Index (SEMSI)

2018
Disposal of remaining 13% shares in MELCO

2019
- Celebration of 45th anniversary
- Rebranding - Change of name to Eagle Insurance Limited
- Relocation to new premises in Ebene

2020
- Acquisition of 30% shares in Medscheme (Mtius) Limited
- Delisting from the SEM since 15 July 2020

VISION & MISSION STATEMENTS

OUR VISION

“To be the preferred insurance specialist that goes beyond boundaries to create value”

OUR MISSION

“We passionately provide comprehensive, customised and state of the art insurance solutions through innovation and operational excellence.”

VALUES

Being part of the IBL group of companies, the Directors and the employees of Eagle Insurance adhere to the Values, Mission and Vision (‘VMV’) of IBL Ltd (‘IBL’) which are as follows:

People 1st

Respect, Talent Development, Collaboration, Recognition and Empathy

Passion

Positive Energy, Engagement, Driven and Inspired

Excellence

“Above and Beyond”, Customer Focus, Expertise and Continuous Improvement

Responsibility

Citizenship, Accountability, Sustainability and Humility

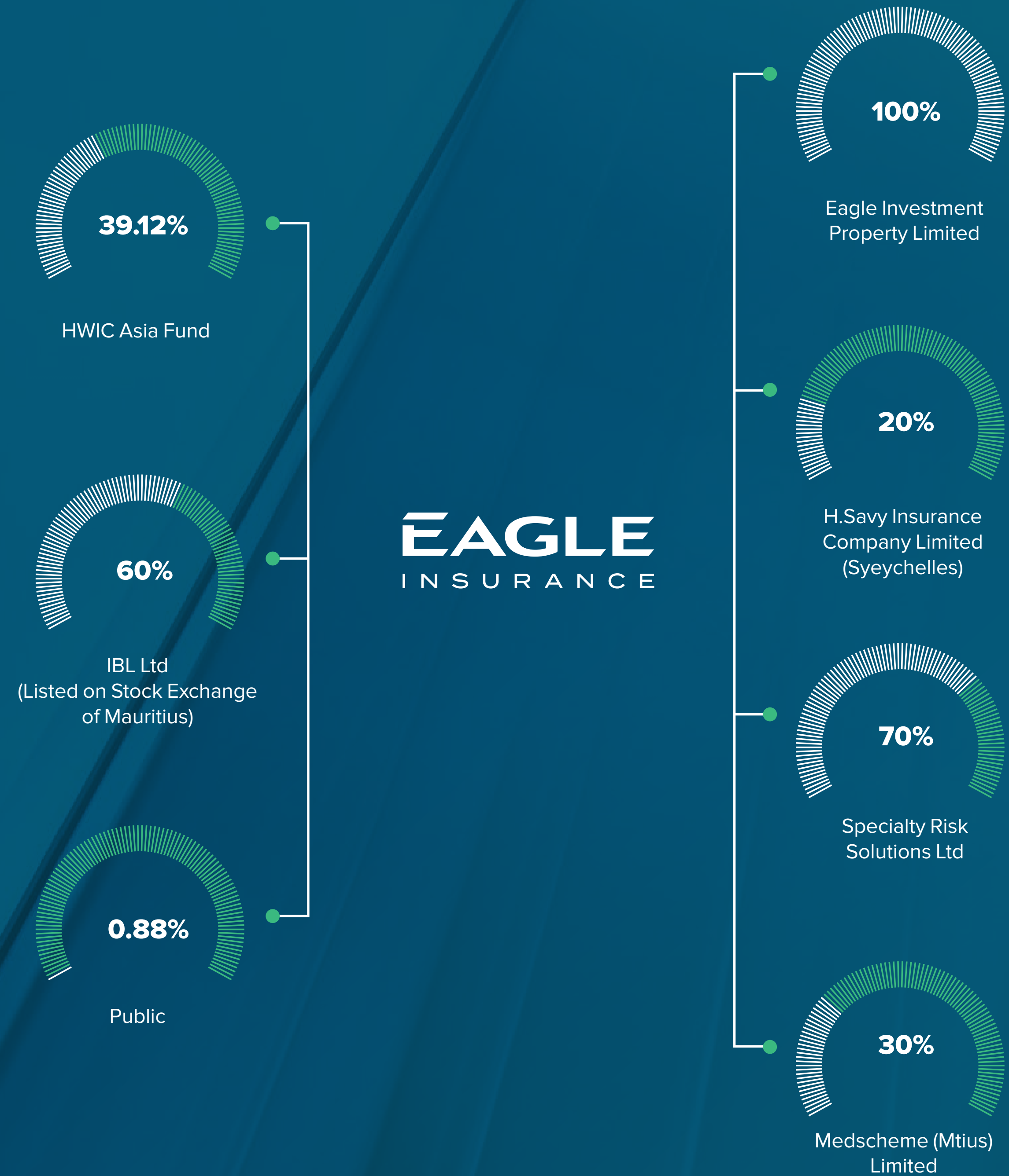
Integrity

Ethical, “Walk the Talk”, Honest and Real, Loyal

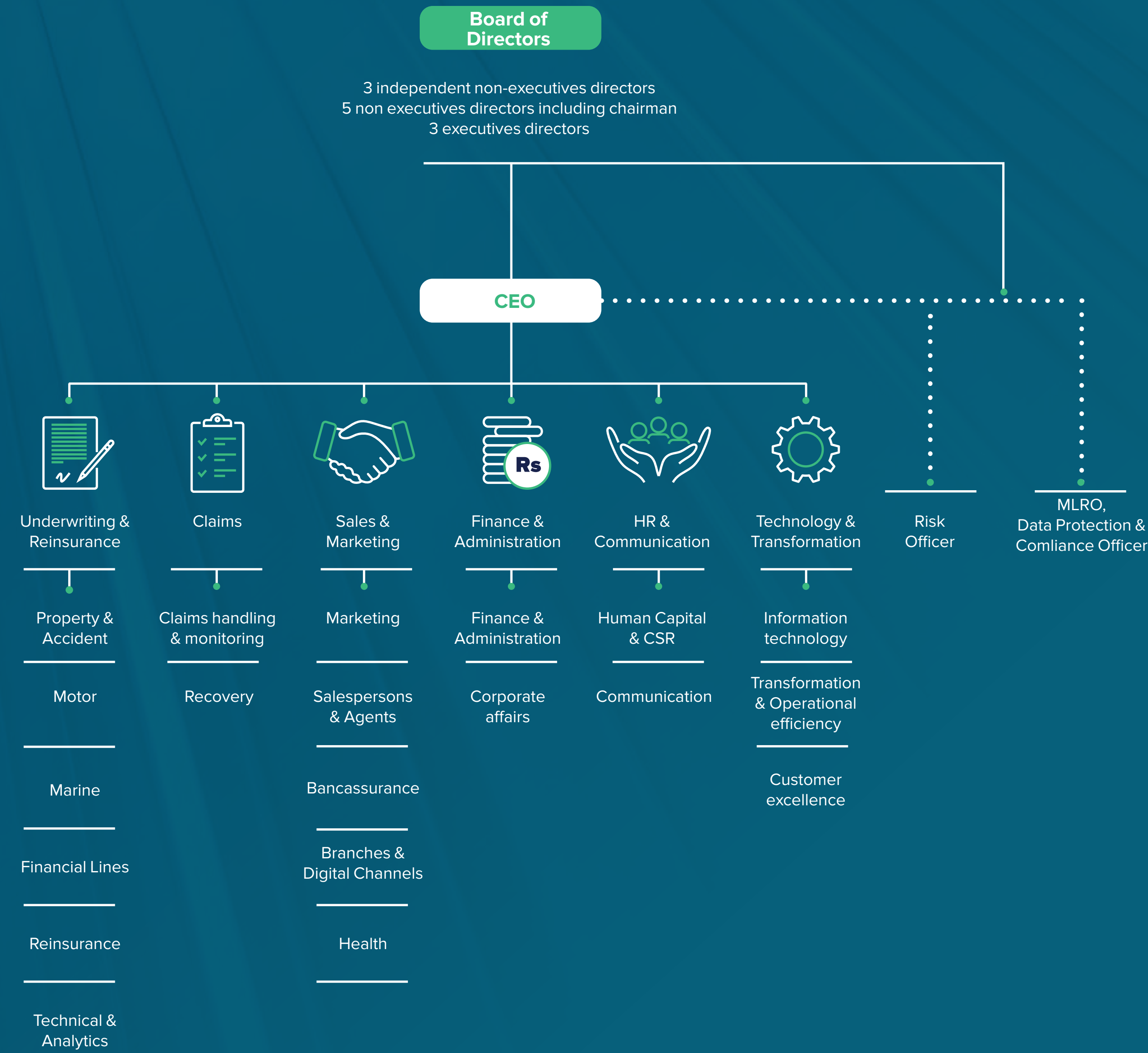
Creativity

Innovation, “Think outside the Box”, Open-minded, Daringly Enterprising

GROUP STRUCTURE



Organigram



The Board has 3 sub-committees, namely The Audit and Risk Committee, The Corporate Governance Committee and The Investment Committee. More details can be found on page 46 of the annual report.

PROCESS

Re-engineering our processes towards more simplicity and effectiveness in everything that we do.

"While rethinking our processes and ways of doing, Customer Experience remains our main focus. We believe that, by putting our customers at the heart of our process transformation, with empathy and care, we will reach service excellence."

Christabelle MONTEZUMA - EUTROPE
Transformation Lead

LEADERSHIP

CHAIRMAN'S MESSAGE

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to introduce the Annual Report of Eagle Insurance Limited for the year ending 30 June 2022.

2022 has been a pivotal year for the world marked by significant headwinds of the after-effects of the COVID-19 pandemic and evolving market dynamics impacting negatively the industry where resilience and change management have been more important than ever to thrive. Despite the challenging market conditions, Eagle Insurance pursued its development strategy, maintained its performance and service excellence development program and achieved profitable growth in all business segments.

Consolidating our Strategy

This year was satisfactory for Eagle Insurance. The main focus has been the consolidation of the Mauritian business while staying on the lookout for regional expansion.

During the year, Eagle Insurance has strengthened its management team and achieved growth in all business segments while managing reinsurance costs closely. The company has also accomplished a number of positive outcomes within the regulatory space by scaling up its compliance culture and data protection governance.

Eagle Insurance pursued its strategy of market diversification into the retail segment while consolidating its corporate business through the broker delivery channel. Despite the disruption caused by the pandemic, the team maintained its level of service for all customers and stakeholders and produced a resilient financial performance.

The company's transformation journey has also started and is expected to gather momentum in the coming year. Our strategy evolves around the customer needs and customer experience coupled with digitally enabled strategic distribution channels.

Our Financial Strength

Eagle Insurance recorded growth in all its business segments, and overall, Gross Premium grew by 8.7% compared to the previous year.

The investment portfolio was significantly impacted by the downturn in the foreign equity market, particularly during the last quarter of 2021-22.

Group profit after tax decreased from Rs 147 million to Rs 61 million, driving down Earnings Per Share (EPS) from Rs 18.41 to Rs 7.56. Net assets Per Share stood at Rs 149.06 compared to Rs 138.66 last year.

The company's capital base remained strong and healthy; the capital requirement ratio (solvency) was 218% (Last year: 228%), well above the minimum regulatory requirement of 150%.

Board Composition

A few changes have been made in the composition of the Board of Directors to align with and support the strategic direction of Eagle Insurance.

First of all, I would like to extend my warmest thanks to my predecessor Mr Jean-Claude Béga for his valuable contributions over the past five years in steering Eagle Insurance toward stability, growth and momentum that carries us in the future to continue executing our vision.

I am pleased to welcome Ms Shahannah Abdoolakhan and Mr Jean-Paul Chasteau de Balyon as Independent Non-Executive Directors. They bring considerable expertise in the areas of compliance and good governance. I am also delighted to have Mrs Natacha Emilien as Executive Director and Chief Transformation & Support Services Officer, who is well versed in operational excellence and digital transformation. Mr Yannick Ulcoq is also a key addition to our team as Non-Executive Director with extensive knowledge of the financial services sector. These nominations provide us with a valuable diversified skillset and experience essential for Eagle Insurance to continue to develop, grow and deliver.

Future Outlook

With the solid foundation built up over the years together with all initiatives launched, I am confident that Eagle Insurance is well prepared to face the future with optimism. To ensure technology meets human interaction, we are putting together the building blocks to transform Eagle Insurance into a customer-centric, digitally enabled and purpose-driven organisation.

Acknowledgements

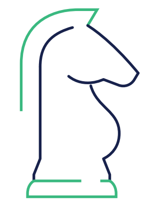
I wish to thank my fellow Board members for their strong contribution to the organisation's performance over the past year. We look forward to working closely together to further achieve sustainable growth for the Group as a whole.

I would also like to extend my appreciation to the CEO, management and all other employees for their continued dedication and hard work as well as all our business partners for their support.

Finally, my thanks and gratitude go to all our shareholders for their continued trust, support and motivation to be part of our journey.

Laurent DE LA HOGUE

| CHAIRMAN |



Strategy

Diversify into the retail segment, consolidate our corporate business and embark on our digital transformation journey

Expertise

Recruitment of board members with diverse skills in areas of digital transformation, operational excellence, compliance, and financial services to meet challenges and diversify the team

Technology

Replace our core system currently in progress, apply design thinking principles and establish a differentiated customer service experience

People

Focus on retention and recruitment of resources, work-life balance, employee well-being and engagement

CEO'S MESSAGE

Dear Privileged Partner,

Eagle Insurance entered 2021-22 focused on two major areas as priorities: optimise the operational and financial performance while delivering for our customers in the midst of a challenging environment and pursue the transformation journey to create a value-driven and sustainable business model. I am proud of the results we have delivered and the achievements and success that motivate us to keep on actioning on the vision we have for Eagle Insurance.

The macroeconomic environment

Through another year of unprecedented challenges, we experienced business growth, which proved the resilience of our team and our commitment to thrive. Cut-throat competition, pressure on purchasing power and the rising cost of claims have rendered the business landscape increasingly challenging. Agility has become more important than ever in an ever-changing and highly volatile business environment.

Review of activities

Our solid performance demonstrates that our focus on the implementation of our strategic plan is to deliver sustainable growth and increase operating profitability despite an uncertain macroeconomic and geopolitical context.

- Gross Premium posted an overall growth of 8.7% compared to last year, increasing from Rs 1.49 billion to Rs 1.62 billion.
- Underwriting results improved significantly due to the remediation measures to improve claims ratio, especially within the Motor segment, and to strict adherence to our underwriting guidelines. We remained focused by ensuring the customer's needs were understood, and risks were adequately priced.
- The combined ratio improved from 102% to 94%.
- The investment portfolio experienced significant losses on its foreign investments in the last quarter of 2021-22 due to growing fears of decelerating global economic growth and looming recession. The fair value loss of the portfolio was Rs 41 million compared to a gain of Rs 67 million last year.
- H. Savy Insurance Company Limited (based in Seychelles) and Medscheme (Mtius) Limited, our Associated Companies, posted strong performances and our share of profit increased from Rs 8 million to Rs 26 million.
- Overall Group Profit before Tax was lower than last year by 47%, dropping from Rs 145 million to Rs 77 million.

Our project to replace our core insurance system is well underway. The new technology will be the lynchpin of our digital transformation and will definitely create value, improve delivery and address the needs of our customers. Our internal processes and workflows will be revamped and re-engineered with the aim to support and speed up our transformation agenda.

In line with our strategy to accelerate innovation and deepen customer interaction, we have established a Transformation team which is engaged in the process of redesigning and optimising the way customers interact with the organisation. The team has also been entrusted with capacity building around areas of innovation and creative problem-solving.

The new accounting standard applicable to the insurance industry, IFRS17 – Insurance Contracts, will be effective for reporting periods beginning on or after 1 January 2023. In the case of Eagle Insurance, this will be applicable as from our Financial Year starting 1 July 2023. We are being assisted by a team of external specialists for the implementation of this new standard.

Through active participation at the Insurers' Association of Mauritius, we have been very supportive of the National Insurance Claims Database initiative which is driven and sponsored by the Financial Services Commission. The platform is expected to be launched during the course of 2023 for the benefit of the industry and the public at large.

Investing in our People

Our performance has been made possible by the remarkable work of our people, and I would like to thank them for their unrelenting dedication. In the last Financial Year, we continued to adopt initiatives to ensure the well-being of our people in the face of the disruption caused by the pandemic.

We continue to encourage a hybrid workplace to combine the best of both remote and on-site work environments. This provides our employees with the flexibility they need and a better work-life balance. Retention and recruitment of resources are critical to the successful implementation of our strategy, and therefore, employee engagement is a priority on our agenda. The right balance needs to be established to overcome cultural and technological barriers in the future of work.

We also consolidated our executive team with the onboarding of Natacha Emilien, Olivier Chellen and Rishi Imrit as Chief Transformation and Support Services Officer, Senior Manager - Finance and Senior Manager - Business Development, respectively.

A Promising Future

It is time to transform the way we do insurance. In a technology-dominated era, the differentiating value proposition will more than ever rest on user experience to satisfy the needs of a new generation of customers. We are therefore embarking on a human-centred transformation journey, which we believe is going to unlock new capabilities and mindsets within our teams to better serve our customers and our communities at large.

As we move forward together, I appreciate the support of our Board of Directors, and I am grateful for the strong leadership shown by my Management Team. Most importantly, I acknowledge the hard work of all the employees and the commitment to excellence they demonstrate every day to create value for all our stakeholders.

Derek WONG WAN PO

| CHIEF EXECUTIVE OFFICER |

Increase by **4.7%** GROSS PREMIUM

Rs **149.06** NET ASSET PER SHARE

Rs **7.56** EARNINGS PER SHARE

DIRECTORS' PROFILES

Shahannah ABDOOLAKHAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: *22nd October 2021*

Shahannah is a Senior Business Leader, Independent Director / Non-Executive Director and AML-CFT Compliance Specialist, expert in guiding the implementation of governance, risk and compliance (GRC) structures for Financial Services and DNFBP sectors. She has over 18 years' experience in the banking and financial services sector, locally and internationally having worked for the Regulator and Banks. She set up her own company, Abler Consulting in 2017 in Mauritius and Abler Compliance in Mainland Dubai in 2022.

Shahannah holds an MBA from Oxford Brookes University, UK. She is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Fellow of the International Compliance Association (FICA). She is a member of the GCC Board of Directors Institute and the Dubai Business Women Council (DBWC).

Jacob Pieter (JP) BLIGNAUT

NON - EXECUTIVE DIRECTOR

Appointed: *4th December 2019*

JP is the Chief Executive Officer at Bryte Insurance Company. Bryte is a P&C insurer with specific focus on commercial and corporate insurance in South Africa.

JP has more than 25 years' insurance experience across Africa, Europe, Asia and India. JP joined Zurich South Africa as Chief Underwriting Officer in 2012 as part of the leadership team that delivered the business turnaround, where after Fairfax Financial Holdings acquired the business in December 2016. Prior to joining Zurich Insurance, he was the Chief Actuary for RSA Insurance Group plc in its Middle East, India & Asia region where – apart from the various statutory duties – he was responsible for building actuarial and pricing capabilities across eight countries. JP started his career at the Sanlam Group in various roles across South Africa and London.

JP graduated with a BCom (Hons) Cum Laude degree from the University of Stellenbosch and was a Fellow of the Faculty of Actuaries UK (2002-2017).

Winson CHAN CHIN WAH

EXECUTIVE DIRECTOR & CHIEF UNDERWRITING OFFICER

Appointed: *3rd December 2019*

With more than 25 years of experience in the general insurance industry, Winson is currently the Chief Underwriting Officer of Eagle Insurance and is responsible for the Property, Casualty, Marine, Motor and Reinsurance Departments. He started his career with the Mauritius Union Assurance and joined Eagle Insurance in 2004 where he successively occupied the post of Underwriting Manager, Motor Manager, Marine Manager and Head of Corporate and Marine. He is an ACII, Chartered Insurer and a member of the Insurance Institute of Mauritius.

Jean Paul CHASTEAU DE BALYON

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: *22nd October 2021*

Jean Paul joined Swan Insurance Company Limited in 1969 as underwriter, general insurance. He has subsequently occupied the posts of Group Company Secretary and Deputy Executive Manager (Administration). At the time of his retirement in June 2012, he was also Director of LUX* Island Resort Ltd (Member of its Audit and Risk and Corporate Governance committees), Council member of the Mauritius Chamber of Commerce and Industry (member of its Nomination and Remuneration Committee), member of the Stock Exchange of Mauritius Consultative Committee, as well as the Chairperson of the sub-committee of the Insurer's Association on issues linked to the World Trade Organisation (WTO). He still acts as Director of companies in the hospitality and tertiary education sectors. Jean Paul is a Fellow member of the Mauritius Institute of Directors (MIoD).

Directorships in Listed Companies: Tropical Paradise Co. Ltd.

Dipak CHUMMUN

NON-EXECUTIVE DIRECTOR

Appointed: *19th March 2015*

Dipak joined Ireland Blyth Limited's Board as Group Chief Finance Officer in January 2015. He was subsequently made Group Chief Finance Officer of IBL Ltd in July 2017. During this time, he has been a director of several public interest, listed and regulated companies, including Alteo, DTOS, Eagle Insurance, AfrAsia Bank, Bloomage, Manser Saxon, Seafood Hub and Winners.

Prior to IBL, Dipak spent over 25 years in the financial services industry mainly in Europe, Asia and the Middle East. After 6 years in audit and management consultancy, he pursued a career in banking, finance and strategy. His roles have included regional and group head roles with Standard Chartered, Barclays, Emirates NBD and Deutsche Bank in London, Hongkong, Dubai, Singapore, and Frankfurt.

He is currently the Chairman of the Stock Exchange of Mauritius and is a director of the Economic Development Board. Dipak has also been an International Advisory Board Member of the ICAEW, based in the UK.

Laurent DE LA HOGUE

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Appointed: *25th May 2016*
Chairman: *6th May 2022*

Laurent holds a Masters' degree in Management and Finance from the 'Ecole Supérieure de Gestion et Finance' of Paris, France. He completed a Risk Management Programme from INSEAD, Singapore and a General Management Programme from ESSEC Business School. He started his career with an international bank before joining GML Management Ltée in 2001 as Treasurer where he was involved in the setting up of the group central treasury management and in development of projects. He is the Head of Financial Services of IBL Ltd since July 2016. He served as Director on a number of organisations operating in the industrial, commercial, financial (regulated entities) and investment sectors. He is also the Non-Executive Chairman of Ekada Capital Ltd, IBL Treasury Ltd, LCF Holdings Ltd and LCF Securities Ltd.

Directorships in companies listed on the Stock Exchange of Mauritius: Lux Island Resorts Ltd

LEADERSHIP

DIRECTORS' PROFILES

Natacha EMILIEN

EXECUTIVE DIRECTOR & CHIEF TRANSFORMATION AND SUPPORT SERVICES OFFICER

Appointed: *22nd October 2021*

Natacha has joined the team of Eagle Insurance as Chief Transformation and Support Services Officer in February 2022. Before co-founding Red Dot, an innovation consultancy firm, in 2018, she was the COO of Apave Indian Ocean Ltd, the Mauritian subsidiary of the engineering group Apave International, from 2005 to 2013, then she was appointed as Deputy CEO of Safyr Utilis Ltd, a Management Company regulated by the FSC, from 2014 to 2018. She is a director and investor at The Care Collective Ltd, a platform operating in the home care services sector under the brand "KazaCare". She is also an independent director on the Board of Attitude Property Ltd, the property arm of the Attitude hotel group, of La Trobe Ltd, an FMCG importer, manufacturer and distributor, and of the NGO TIPA. She is the founder of the Board of Good, a collective of 300 women leaders publicly candidates to directorship positions on the board of profit making or non-profit organisations in Mauritius. Natacha holds a Masters Degree in Microelectronics and Automation Engineering from Polytech Montpellier (France) and an MBA from the Institut d'Administration des Entreprises of Toulouse (France).

John Edward O'NEILL

NON-EXECUTIVE DIRECTOR

Appointed: *17th February 2020*

Serving at the helm as CEO of Bryte, John Edward has been instrumental in the growth of the insurance business in Southern Africa, achieving various milestones since joining in 2012. Over the years, John Edward initiated a range of operational efficiencies to enhance business resilience, augment relevant innovation and accelerate business growth – all while differentiating the Bryte business and embedding its partnership approach.

Under his leadership, the emphasis on empowered and happy employees, customer service excellence at every touchpoint, and committed partnerships across the business value chain have remained nonnegotiables.While people development is John Edward's greatest passion, secondary to this is his passion for financial services. He is a qualified chartered accountant with extensive auditing experience across retail and stockbroking, treasury, corporate and investment banking, and securities trading. Combined with his in-depth short-term insurance expertise, his career spans almost three decades, half of this time spent in executive positions.

John Edward also actively serves on the boards of Bryte Africa Group, Bryte Insurance, Bryte Risk Services Botswana, AFGRI Group Holdings, Access Bank South Africa and the South African Insurance Association.

Cynthia PARRISH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: *9th March 2020*

Cynthia is an attorney and a director at Levene Energy, Ltd, a Mauritius-based Oil & Gas Company operating primarily in Nigeria and New Faces New Voices, the Graca Machel Trust, a non-profit company. She was formerly the Managing Director of Musa Group Mauritius Limited, a private equity fund management company, and the Chief Legal Counsel at Musa Group (Pty) Limited, an investment holding company, investment banking and fund management firm, based in Johannesburg, South Africa. Cynthia is a selfemployed consultant with over 25 years of experience in the financial services industry, specializing in the investment banking, private equity and asset management sectors.

Yannick ULCOQ

NON-EXECUTIVE DIRECTOR

Appointed: *24th August 2022*

Yannick holds a Master's Degree in Finance from the University of Montpellier I and joined GML in 2008 after having spent a couple of years in the corporate and banking treasury fields.

From 2013 to June 2016, he worked as Treasurer at GML Trésorerie Ltée (now IBL Treasury Ltd) where he was responsible for the cash management and forex dealing operations of subsidiaries and associate companies within the Group. Since July 2016, Yannick is the Head of Treasury for IBL Ltd.

He is a member of the Board of Directors of a number of companies within the IBL Group, including IBL Treasury Ltd, CMH, Scomat, Servequip and Plat-form Laser

Derek WONG WAN PO

EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER

Appointed: 5th February 2013
CEO: 1st July 2017

Derek was appointed Managing Director of Eagle Insurance Limited on 1st July 2014 and since 1st July 2017 he is serving as Chief Executive Officer. He holds a BSc in Computer Science and is a Fellow member of the Association of Chartered Certified Accountant and an Associate member of the Association of Corporate Treasurers. He joined the Corporate Office of Ireland Blyth Limited in 1998 as Head Office Accountant and has been successively Group Accountant from 2001 to 2006 and Group Finance Manager from 2007 to 2014.

Derek serves on the Boards of H.Savy Insurance Company (Seychelles) and Medscheme (Mtius).

LEADERSHIP

MANAGEMENT TEAM

1. **Pierre AH SOON | FCCA**
Senior Manager, Claims Department

Joined in 2004. With more than 17 years of experience in the Insurance industry, Pierre is currently responsible for steering the activities of the Claims Department. He manages the day-to-day operations of the Department, which processes Motor, Property and Accident claims. He is a fellow member of the Association of Chartered Certified Accountants.

2. **Tanya ALLY | BBusCom, ACII**
Manager, Reinsurance Department

Joined in 2019. With more than 10 years of experience in the Reinsurance industry, Tanya has been appointed as Manager in July 2022 and is responsible for the Facultative Reinsurance business and Financial Lines Underwriting. She is an Associate Member of the Chartered Insurance Institute of UK and Insurance Institute of Mauritius.

3. **José ARSENIUS | FBCS CITP**
Senior Manager, IT Department

Joined in 1994. With more than 30 years of experience in the IT sector, José currently manages the IT Services department. He is both a Chartered IT and a Certified Information Security Professional.

4. **Winson CHAN CHIN WAH | ACII**
Chief Underwriting Officer

Refer to Director's Profile

5. **Bruno CHAN SIP SIONG | BSC (HONS)**
Manager, IT Department

Joined in 1995. With more than 25 years of experience in the IT field, Bruno is responsible for the day-to-day operations of the IT Services Department and end-user support. His other areas of responsibility include the maintenance of insurance core systems.

6. **Olivier CHELLEN | BSc (Hons), ACCA**
Senior Manager, Finance Department

Joined in 2022. With over 15 years of work experience in Audit and Finance, Olivier is responsible for overseeing all finance operations within the Company. Prior to joining Eagle Insurance in 2022, he worked for PricewaterhouseCoopers Mauritius in the audit department. He was then seconded to Pricewaterhouse-Coopers Zambia in 2011 on a long-term secondment. He left PwC Zambia as an Audit Manager and joined Swan General Insurance in 2019 as Senior Manager Finance and was still based in Zambia. He relocated back to Mauritius in 2020 where he joined Jubilee Insurance as Head of Finance. He holds a Bachelor of Science in Applied Accounting with Oxford Brookes University and is a member of the Association of Chartered Certified Accountants UK.

7. **Michael CHOW-AH-HU | BSC (HONS), MBA**
Manager, Motor Department

Joined in 2019. With over 15 years of experience in the Insurance industry, Michael currently manages the day-to-day operations of the Motor Department. He holds a BSc (Hons) degree in Business Administration and an MBA. He is also a member of the Insurance Institute of Mauritius.

MANAGEMENT TEAM

8. NATACHA EMILIEN | MSc, Meng, MBA
Chief Transformation and Support Services Officer

Refer to Directors' Profile.

9. Rayushi GAYA | LLM
Compliance Officer, Data Protection Officer & MLRO

Joined in 2021, with more than 7 years of experience across Regulatory Compliance and Risk Management. Rayushi heads the company's compliance function and is equipped to handle compliance risks in line with the changing laws, anti-fraud & corruption, business ethics and data protection. She is specialised in corporate law and holds an LLM in International Commercial Law.

10. Dharvish GHUMONDEE | BSC (HONS)
Manager, Technical, Analytics and Performance Management Department

Joined in 2020. With over 7 years of experience in the Actuarial and Finance fields, both in Mauritius and the UK, Dharvish currently manages the Technical, Analytics and Performance Management Department. In addition, he oversees the Reinsurance (Treaty) department and is very involved in the technical side of Health department as from the financial year 2021. Dharvish holds a BSc (Hons) degree in Actuarial Science from Cass Business School (also known as City, University of London) and is a member of the Institute and Faculty of Actuaries (UK).

11. Mila HEMRAZ
Health Specialist

Joined in 2019. With more than 25 years of experience in the Insurance Industry, Mila has specialised in the Health Insurance sector for the last 15 years. She is currently responsible for driving the development of health products and coordinating with all stakeholders to ensure the smooth running of operations

12. Rishi IMRIT | MCIM, CRP, CertCII
Senior Manager, Business Development Department

Joined in 2022. With more than 13 years of experience in the Insurance industry, Rishi is responsible of EIL's business related to Health Insurance as well as the 'Bancassurance' and 'SME and Retail' Distribution Channels. He is a Member of The Chartered Institute of Marketing (MCIM), holds a Certificate from the Chartered Insurance Institute (Cert CII) and is a Certified Risk Professional (Federation of European Risk Management Associations).

13. Allen LEUNG YOON SIUNG | CERT CII
Underwriting Manager, Corporate Property and Accident Department

Joined in 2012. With over 30 years of experience in the Insurance industry, Allen is responsible for the underwriting of the Fire, Accident, Liability and Engineering classes of insurance. He is a former Council Member of the Insurance Institute of Mauritius.

LEADERSHIP

MANAGEMENT TEAM

14. Patrice LIM | PgD, CertCII, ANZIIF (SNR ASSOC) CIP
Manager, Marine Department

Joined in 2007 after his foundation studies in Perth, Australia, Patrice is in charge of the Marine Department comprising of Underwriting, Claims and Reinsurance. He is currently a Senior Associate and a Certified Insurance Professional at the Australian and New Zealand Institute of Insurance and Finance. He is also a member of the Chartered Insurance Institute of UK.

15. Alain MALLIATE | FCII, ACIS
Risk Officer

Joined in 1985. With more than 42 years of experience in the Insurance industry, Alain currently oversees the company's Risk Management Function and Corporate Affairs. Alain was previously an Executive Director at Eagle Insurance, and he retired in November 2019. He is a Fellow of the Chartered Insurance Institute (UK) (FCII) and an Associate Member of the Chartered Institute of Secretaries and Administrators (ACIS).

16. Karen NG CHEONG SANG | DIP CII, BSC
Assistant Manager, Corporate Property and Accident Department

Joined in 2015. With over 10 years of experience in the Insurance industry both in Mauritius and in Australia, Karen is responsible of the day-to-day operations of the Corporate Department. She holds a BSc degree in Actuarial Science from the University of Melbourne and is a member of the Insurance Institute of Mauritius.

17. Vishal RADHA | MBA
Human Capital Manager

Joined in February 2017. With more than 15 years of experience in HR Management, Vishal is responsible for all HR strategies and initiatives of the company. His responsibilities include Talent Management, Welfare and CSR, Counselling and Coaching, as well as Performance Management. He also oversees the Communication Department.

18. Girish SENTOHUL | CERT CII, BA (HONS) LAW & MANAGEMENT
Assistant Manager, Non-Motor Claims Department

Joined in 2015. With more than 15 years of experience in the insurance industry, Girish Sentohul is jointly responsible for the daily operation of the Non-Motor Claims Department and is also a member of the Insurance Institute of Mauritius.

19. Derek WONG WAN PO | BSC, FCCA
Chief Executive Officer

Refer to Director's Profile

TECHNOLOGY

Leveraging on technology and data to empower our teams and ecosystem of partners to better service our customers.

"We are investing now, for a brighter future. We are actively working at empowering our teams and partners with new technologies and tools that will propel the organisation at the forefront of innovation."

Jose ARSENIUS
Senior Manager, IT Department

Transformation and digital initiatives

In May 2022, we launched our strategic plan to kick-start our transformation journey over the next 5 years.

Designed around our people, customers and partners, this transformation journey will enable Eagle Insurance to become a customer-centric, digitally enabled and purpose driven insurance company by 2027.

- **Customer centricity**: One of our main transfomation objectives is to find more effective ways to know our customers, connect with them, understand their needs, and deliver what they want, how and when they want it.
- **Digital enablement**: We aim at drastically enhancing our customer experience by leveraging on both innovation and technology to empower our teams and ecosystem of partners and intermediaries to better service our customers.
- **Purpose**: We plan to articulate and adopt a compelling purpose, that will speak to all our employees, driving and motivating them to better serve our customers.

We are using Human-Centered Design and Agile methodologies to implement transformation initiatives across our 3 pillars of transformation as defined below:

- **Processes & Governance**: Taking into account the customer perspective, we are rethinking and re-designing our policies, procedures and processes, to optimise our ways of working as well as to simplify and enhance our customers and partners journeys. The implementation of our new core insurance system, which will start in the first quarter of FY 2022-23, represents a major opportunity for all the business divisions to engage actively into this processes and governance re-engineering initiative. It is also an opportunity for the team to reassess internal capabilities and reinforce cyber-security, AML/CFT compliance, data governance and protection.
- **Technology & Digital Capabilities**: We have initiated the process of designing, integrating and/or building new digital tools, functionalities (e.g. digital payment ecosystem, e-signature) and products (on top of existing ones such as our online Brokers and Agents platform) to provide a seamless omnichannel experience to our customers. While implementing those new digital solutions we are also starting to build our internal capabilities in terms of data strategy and governance, design thinking and agile product building, through trainings and innovation workshops.
- **People & Culture**: A main pillar of our transformation journey is the culture transformation. At Eagle Insurance, we understand that our people are the biggest enablers of our transformation and are determined to provide the right level of communication, support and accompaniment for our people to embrace the journey as a team.

Safety and Health

Commitment to safe and Healthy workplace

During the last financial year, several initiatives have been undertaken to improve the safety and health management system at Eagle Insurance.

The Company has registered zero occupational accidents during the year, and this may be attributed to the reinforcement of safety and health practices as well as the conduct of different wellness activities for the well-being of all team members.

Some of the initiatives include:

- Application of COSO Risk Management for the identification, assessment and management of S&H risks, including compliance risks.
- Conducting wellness activities such as
  - Eye screening
  - Breast cancer screening
  - Road safety campaign
  - Mindfulness session and Zumba
- Review of Health and Safety procedures

Moreover, following the end of the lockdown and the gradual return to the office, team members were provided with the appropriate support to ensure that the safety and health of both internal and external stakeholders is ensured with continuous practice of sanitary protocols.

Eagle Insurance remains committed to ensure the safety and health of both its team members and the public. The company has registered zero occupational accidents during the year and continues to put into practice safety and health practice for the well-being of all stakeholders.

The Work Remotely practice is still on going to ensure we safeguard the well-being of the team members. Proper safety and health protocols such as temperature check, hand hygiene, wearing of masks and physical distancing have been observed strictly to welcome our partners back to our outlets.

Eagle Insurance has the following objectives for this year:

- To align with the Group Safety and Health Policy
- To review risk assessment as per COSO Enterprise Risk Management Framework
- To create awareness to all team members on Fire Safety
- To conduct wellness activities.

Human Capital

For the year ended 30th June 2022, an amount of Rs 1,064,625 (LY: Rs 587,178) was invested in Employee Training Programs, thereby cumulating 1672 hours of training (LY: 1428) for the whole staff, bringing an average rate of 12.57 hours (LY: 9.54) of training per staff for the year.

The practical reinvention of training and development requires a culture that supports continuous learning through incentives that motivate employees to take advantage of learning opportunities and help them identify and develop new required skill sets. Moreover, we have implemented a reward mechanism to encourage skills development and lifelong learning at EIL with our revamped Reward and Recognition program.

Eagle Insurance

CORPORATE GOVERNANCE

ANNUAL REPORT 2022

CORPORATE GOVERNANCE REPORT

EIL is committed to effective corporate governance for the benefit of its shareholders, customers, employees, and other stakeholders based on the principles of fairness, transparency and accountability. Structures, rules and processes are designed to provide for the proper organisation and conduct of business within the Company and to define the powers and responsibilities of its corporate body and employees. The Company operates within a well-defined and continuously improving governance framework, recognising the need to adapt to changes in its environment. Consequently, the Board, together with the Management of the Company, is constantly working towards the setting up of the relevant structures and implementing new measures to succeed in the adoption of, and compliance with, the provisions of the Code of Corporate Governance for Mauritius (2016) (the 'code'), which is based on an "apply and explain basis".

At EIL, we strive to ensure that all the activities of the Company are conducted in such a way as to satisfy the characteristics and apply the essence of the eight principles of Corporate Governance, namely:

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

The Company has established a corporate governance practice involving the Board of Directors, Board Committees, Management, Internal and External Auditors, Industry Best Practices as well as established policies and procedures across all operations. This ensures that the business and affairs of the Group are managed according to the highest standards of corporate governance and in the best interest of all its stakeholders.

PRINCIPLE 1 : GOVERNANCE STRUCTURE

Board of Directors

EIL is headed by a one-tier unitary Board consisting of 11 Directors, of whom 9 are residents in Mauritius and 2 residents in South Africa. The ethics of the Board of EIL is such that it has a balanced number of Directors from various backgrounds and having diverse skills, qualifications, and resources for better effectiveness of the Board and by extension of the Company.

The Board bears the responsibility of organising and directing the affairs of the Group in a manner that is in the best interest of shareholders and other stakeholders. It is primarily responsible for, amongst other things, the review and adoption of strategic plans, the overview of business performance, adoption of appropriate risk management systems and the establishment of proper internal control systems.

It is also responsible for continually reviewing the activities, practices and trends of the Group so that these are in conformity with legal and regulatory requirements in the Insurance industry. The Board retains full and effective control over EIL, delegating the day-to-day running and operational issues to the management.

The Board of Directors – Accountability Statement and Organisation Chart

The following principles shape the accountabilities and duties of members of the Board of Directors of EIL. The Board's predominant duty is to supervise the management of the Company's affairs and businesses. The Board is committed to establishing, maintaining, and developing well-structured and adapted governance processes involving the Board, Board

Committees and Management. The Board Charter of the Company together with the Terms of Reference for the Board Committees, the position descriptions for the Board Chairperson and Committee Chairpersons, and this Accountability Statement for Directors, form the foundations of the Board's governance system. The Terms of Reference of the Audit and Risk Committee also includes, amongst other things, essential procedures such as whistleblowing and fraud detection. The Directors are expected to work with their fellow directors to fulfil the mandates of the Board and its Committees to ensure best efficiency. The organisation chart for EIL, including the key senior positions and reporting lines within the Company, is set out on page 19 of the Annual Report.

Board Charter

The Board of Directors of EIL has adopted and approved a Board Charter for the Company. The Board Charter is a written policy document which clearly defines the respective roles, responsibilities, and authorities of the Board of Directors (both individually and collectively), and Management in setting the direction and the control of the organisation. The Company's Code of Ethics broadly expresses the requirements for all employees to adhere to ethical standards. A revised Board Charter was adopted on 29th June 2021. The Board intends to review and update the Board Charter as and when necessary but at least every five years. The Board Charter is also available on the Company's website.

Code of Ethics and Business Conduct

As per the requirements of the Code, the Board has also approved the Organisation's Code of Ethics and Business Conduct, which governs the conduct of the Directors, Management, and employees of the Company. The Code of Ethics and Business Conduct provides clear direction on conduct of business and general workplace behaviour. It includes guidance on health and safety, disclosure of conflicts of interest, maintaining confidentiality and disclosing gift and business courtesies, amongst others.

The Company communicates its Code of Ethics and Conduct to all Directors, Management and employees who are always expected to behave ethically and professionally and to protect the reputation of the Company. The Management intends to review the Code of Ethics and Business Conduct as and when needed, but at least once every five years. The same principle applies to the terms of reference for the Board Committees.

Company Secretary

The Company Secretary, namely IBL Management Ltd, comprises a team of experienced company secretaries providing support and services to the companies of the IBL Group. As governance professionals, the company secretaries guide the Boards on corporate governance principles and on their statutory duties and responsibilities.

IBL Management Ltd ensures compliance with EIL's Constitution as well as all relevant statutory and regulatory requirements, codes of conduct and rules established by the Board. The Company Secretary provides guidance to the Board as a whole and to Directors individually. The Company Secretary also advises the Board on matters of ethics and good governance and serves as a focal point of contact within the Company for shareholders. The Company Secretary is also the primary communication channel between the Company and the regulatory authorities. The Company Secretary also maintains an updated Directors' Interest Register.

In its advisory role, the Company Secretary provides support and advice to companies of the Group on corporate transactions and projects.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 2 : THE STRUCTURE OF THE BOARD AND ITS COMMITTEE

Composition

The Board of EIL is a unitary one-tier balanced Board composed of 3 executive Directors, 3 Independent Non-Executive Directors, and 5 Non-Executive Directors, 3 of whom are women. The Board is of opinion that the current membership of the Board of EIL is appropriate in terms of membership and skills. The independent Directors conform to all the criteria set out in the Code. The Board of Directors also has enough diversity in terms of age, educational background, and professional qualifications for better decision-making. The roles of the Chairperson and the Chief Executive Officer have been clearly defined and their respective roles and functions in leading the organisation are distinct.

The Board, under the recommendation of the Corporate Governance Committee, is responsible for the appointment of directors who are selected based on their integrity, skill, business acumen, and experience to make sound judgements relevant to the business of the Company.

Since the publication of the last Annual Report of EIL, the following changes have occurred in the composition of the Board:

- Ms Shahannah ABDOOLAKHAN was appointed as Independent Non-Executive Director of the Company on 22nd October 2021;
- Mr Jean Paul CHASTEAU DE BALYON was appointed as Independent Non-Executive Director of the Company on 22nd October 2021;
- Mrs Natacha EMILIEN was appointed as Independent Non-Executive Director of the Company on 22nd October 2021;
- Mr Robert IP MIN WAN resigned as Non-Executive Director of the Company on 11th November 2021;
- Me Gilbert ITHIER resigned as Non-Executive Director of the Company on 11th November 2021;
- The status of Mrs Natacha EMILIEN was changed from Independent Non-Executive Director to Executive Director on 9th February 2022;
- Mr Jean-Claude BÉGA resigned as Director and Chairman of the Company on 6th May 2022;
- Mr Laurent DE LA HOGUE was appointed as Chairman of the Company on 6th May 2022;
- Mr Yannick ULCOQ was appointed as Non-Executive Director of the Company on 24th August 2022.

CORPORATE GOVERNANCE REPORT

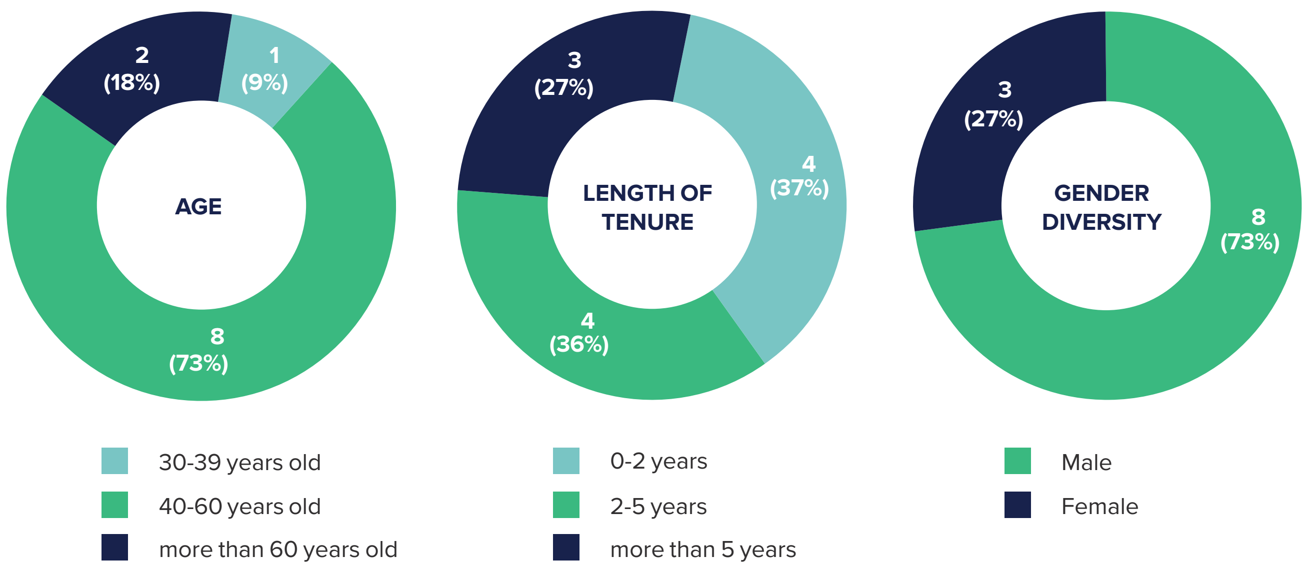
The composition of the Board and the Directors' attendance at Board Meetings as well as Board's sub-committees were as follows for meetings held for the period 1st July 2021 to 30th June 2022.

Name of Directors	Category	Board Meeting	Audit and Risk Committee	Corporate Governance Committee	Investment Committee
Laurent DE LA HOGUE*	Chairman and Non-Executive Director	4 out of 4	4 out of 4	-	-
Shahannah ABDOOLAKHAN	Independent Non-Executive Director (Appointed on 22nd October 2021)	3 out of 3	2 out of 2	-	-
Jean-Claude BÉGA*	Former Non-Executive Chairman (Resigned on 6th May 2022)	4 out of 4	-	2 out of 2	-
Jacob Pieter (JP) BLIGNAUT**	Non-Executive Director	4 out of 4	-	-	-
Winson CHAN CHIN WAH	Executive Director	4 out of 4	-	-	-
Jean Paul CHASTEAU DE BALYON	Independent Non-Executive Director (Appointed on 22nd October 2021)	3 out of 3	2 out of 2	1 out of 1	1 out of 1
Dipak CHUMMUN*	Non-Executive Director	4 out of 4	-	-	-
Natacha EMILIEN	Executive Director (Appointed on 22nd October 2021)	3 out of 3	-	-	-
Robert IP MIN WAN	Former Non-Executive Director (Resigned on 11th November 2021)	2 out of 2	2 out of 2	-	-
Gilbert ITHIER	Former Non-Executive Director (Resigned on 11th November 2021)	2 out of 2	2 out of 2	1 out of 2	-
John EDWARD O'NEILL **	Non-Executive Director	3 out of 4	-	-	1 out of 1
Cynthia PARRISH	Independent Non-Executive Director	3 out of 4	-	1 out of 2	1 out of 1
Yannick ULCOQ	Non-Executive Director (Appointed on 24th August 2022)	0 out of 0	0 out of 0	-	-
Derek WONG WAN PO	Executive Director Chief Executive Officer	4 out of 4	-	-	-

*Appointed by IBL Ltd. | **Appointed by HWIC (Fairfax).

CORPORATE GOVERNANCE REPORT

Balance and diversity



Job Descriptions of key Senior Governance positions

The Board of Directors assumes the responsibility to review and approve job descriptions of key senior governance positions.

Committees of the Board

The Board has three sub-committees namely an Audit and Risk Committee, a Corporate Governance Committee and an Investment Committee as described above. These Committees have been set up to assist the Board in accomplishing their duties through a rigorous evaluation of specific duties.

The Committees may have recourse to independent external professional advisors at the expense of the Company, if deemed necessary to help them to perform their duties. The Chairpersons of the sub-committees are invited to make regular reports to the Board of Directors during Board Meetings

CORPORATE GOVERNANCE REPORT

Committee	Main Responsibilities
Audit and Risk Committee	To assist the Board in fulfilling its oversight responsibilities, to ensure that adequate checks and balances are in place, and risks are properly identified and managed. The Audit and Risk Committee's terms of reference include inter alia: • considering and reviewing the reliability and accuracy of financial information and appropriateness of accounting policies and disclosure practices; • examining and reviewing the quarterly financial results, annual financial statements or any other documentation to be published in compliance with the Company's accounting standards; • reviewing compliance with applicable laws and best corporate governance practices and regulatory requirements; • reviewing the adequacy of accounting records and internal control systems; • monitoring and supervising the functioning and performance of internal audit; • direct interaction with the external auditors at least once a year without the presence of senior management; • direct interaction with the Internal Audit Manager at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out; and • considering the independence of the external auditors and actuary and making recommendations to the Board on the appointment or dismissal of the external auditors /actuary; • Discussing and agreeing on accounting principles with the external auditor and assessing the effectiveness of the external audit process; • Reviewing the effectiveness of the risk management process; and • To assist the Board in its duties in evaluating the risks associated with all new projects on an ongoing basis, assessing the probability and impact of foreseeable events on the Company's situation.
Corporate Governance Committee	To advise and make recommendations to the Board on all aspects of Corporate Governance that should be followed by the Company, so that the Board remains effective while complying with sound corporate practices and principles. The Committee advises the Board on key appointments at Board and top Management level and reviews the remuneration structure of the senior management and the Board.
Investment Committee	To advise and assist the Board of Directors on matters relating to the investment activities of the Company. The main duties of the Committee are to define, review and evaluate the investment strategy (including mergers and acquisitions) for recommendation to the Board. The Committee must perform all the functions as is necessary to fulfil its role as stated above and including, but not limited to the following: • Review and amend as and when required, the investment policy and strategy; • Set structures and processes for carrying out its role; • Select Investment Managers to manage a defined portfolio, on the basis of relevant competencies and compliance standards; • Select and monitor the planned asset allocation; • Make ongoing decisions relevant to the operational principles of the investment strategy; • Supervise and ensure the proper implementation of the investment projects approved by the Board; • Handle any other tasks which the Board may at any time delegate to the Committee; and • Optimising the returns of the investment portfolio and engaging with the fund manager.

CORPORATE GOVERNANCE REPORT

Audit and Risk Committee

The membership of the Audit and Risk Committee as at 30th June 2022 was as follows:

- Mr Shahannah ABDOOLAKHAN (Chairperson), in replacement of Mr Robert IP MIN WAN, who resigned;
- Mr Jean Paul CHASTEAU DE BALYON, in replacement of Me Gilbert ITHIER, who resigned; and
- Mr Laurent DE LA HOGUE, who was subsequently replaced by Mr Yannick ULCOQ.

The Committee met four times during the year under review. The Committee confirmed that they have discharged their responsibilities to the best of their capabilities for the year under review.

Corporate Governance Committee

The membership of the Corporate Governance Committee as at 30th June 2022 was as follows:

- Ms Cynthia PARRISH (Chairperson);
- Mr Jean Paul CHASTEAU DE BALYON, in replacement of Me Gilbert ITHIER, who resigned; and
- Mr Laurent DE LA HOGUE, in replacement of Mr Jean-Claude BÉGA, who resigned.

The Committee met twice during the year under review.

Investment Committee

The membership of the Investment Committee as at 30th June 2022 was as follows:

- Ms Cynthia PARRISH (Chairperson);
- Mr Jean Paul CHASTEAU DE BALYON, in replacement of Mr Robert IP MIN WAN, who resigned; and
- Mr John Edward O'NEILL.

The Committee met once during the year under review.

PRINCIPLE 3 : DIRECTOR APPOINTMENT PROCEDURE

Directors' appointment procedure

The Board acknowledges responsibility for the appointment of Directors and ensures that a formal and transparent procedure is followed and adhered to for the choice and appointment of new Directors. The process of considering, vetting and recommending new Directors to the Board is undertaken by the Corporate Governance Committee.

In accordance with the Company's Constitution, the Board may fill vacancies or appoint new Directors on the Board at any point in time during the year. After the approval of the Company's Board of Directors and the Financial Services Commission, the said appointments will then be ratified at the subsequent Annual Meeting of Shareholders. This flexibility of the Board is, however, limited by the maximum number of Directors as fixed by the Constitution of the Company.

Board Induction

The Board of Directors is responsible for ensuring that all newly appointed Directors to the Board receive proper induction to the Company and the Board practices. The Board normally delegates this responsibility to the Company Secretary. The Company Secretary, in turn, prepares an induction pack for newly appointed Directors. The induction pack normally contains the following documents:

- The Company's Constitution and Board Charter;
- Salient features of the Listing Rules and Securities Act;
- Extract of Companies Act 2001 listing the duties and responsibilities of Directors;
- Latest Annual Report of the Company;
- Calendar of meetings for the year;
- Statutory information about the Company;
- The Code of Ethics and Business Pack; and
- A presentation from Management.

The newly appointed Director/s may also request a meeting with the CEO or any other executives of the Company where and when necessary.

During the year, an induction meeting was organised for all the newly appointed directors.

Succession Planning

The Board assumes full responsibility for succession planning. The Corporate Governance Committee oversees and reviews succession plans from time to time for the CEO which is then recommended to the Board.

The Committee reviews the succession requirements for the CEO and the Board. It carries out a due diligence process to determine the suitability of every person who is being considered for appointment or reappointment as a Director of the Board based on his or her educational qualification, experience, and track record.

The succession plan for the Senior Management Team is based on recommendations from the CEO. The Committee reviews any vacancy or probable vacancy in positions at Senior Management level which may arise. The Committee shall evaluate the suitability of any such person based on factors such as experience, age, health and leadership skills, and recommend his or her candidature to the Board.

Training and Development

The Board encourages all its members to keep abreast of the latest updates within the insurance sector and in the professional field. In this context, Directors are invited to attend relevant workshops or courses.

The Directors of the Board, being all professionals, do engage in continuous professional development programs on an individual basis.

PRINCIPLE 4 : DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' Duties

The Directors of the Board of EIL are aware of their legal duties and responsibilities. Upon appointment, the Director receives an induction pack as described under Principle 3, which contains the list of their duties. Directors are also informed of relevant amendments to the laws and regulations.

Interests Register, Conflicts of Interest and Related Party Transactions Policy

The Directors' Code of Conduct contains provisions to prevent insider dealing as well as any potential conflict of interest. An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

Information, Information Technology and Information Security Governance

The Board is responsible for information governance and the management of information technology, and information security governance is managed by EIL's IT function, with the support of IBL's Technology & Digital Transformation function. The budget for capital expenditure is approved by the Board and current capital expenditure is monitored within the approved budget.

Information Security Policy

The purpose of this policy is to establish a management forum that manages the implementation of information security within the organisation, to maintain the security of EIL's information processing facilities and information assets. It applies to all employees, contractors, and consultants of EIL. It encompasses several topics such as Management commitment to information security, Information security coordination, allocation of information security responsibilities, authorisation process for information processing facilities and security requirements in third party agreements.

Code of Ethics and Business Conduct

A Code of Ethics and Business Conduct has been drafted, reviewed and adopted by the Board in September 2017. The Board of EIL has recommended that this Code be adhered to by all the employees of the Company.

Board Evaluation

Under the leadership of the Chairperson of the Corporate Governance Committee, the Company Secretary conducted a board self-evaluation exercise in August 2021. The Corporate Governance Committee has worked on an action plan for submission and for further analysis by the Board.

Remuneration policy

The remuneration philosophy of EIL is based on transparency, merit and performance.

The Board has entrusted the Corporate Governance Committee the responsibility for the nomination and remuneration of Directors and members of board sub-committees by taking into consideration the market conditions, benchmarking in the industry and the Company's results.

The Committee reviews the Company's succession plan and communicates any areas of concern to the Board. The Company is presently not at risk in any senior executive position. The development of the plan is ongoing and gets formally reviewed annually.

The Company strongly believes that the achievements and merits of high-performing employees should be recognised and rewarded. The Human Resources department is delegated with the responsibility of determining managers' and employees' remuneration and benefits. This is reviewed annually after taking into consideration market conditions and practices as well as the performances and responsibilities of the employees.

The Company shares the risks of a defined benefit plan which is independently managed by IBL Pension Fund and was closed to new members as from July 1999. Membership to a state pension plan and IBL Pension Fund's defined contribution plan are compulsory for all executive management and permanent staff.

Directors' fees consist of a fixed fee. Any changes to Directors' remuneration are submitted for recommendation by the Corporate Governance Committee. This Committee ensures that the appropriate fees be given to the Board Members as well as to the Committee Members. This is approved by shareholders of the Company at the annual meeting.

The remuneration of directors for the year under review is found on page 75. To be noted that the Executive Directors, being Mr Winson CHAN CHIN WAH, Mrs Natacha EMILIEN, and Mr Derek WONG WAN PO receive no directors' fees.

Remuneration and benefits paid to the Executive Directors for the year ended 30th June 2022 are set out on page 76 of the annual report.

PRINCIPLE 5 : RISK GOVERNANCE AND INTERNAL CONTROL

The Board and management recognise that an effective system of risk management plays a critical role in the setting and achievement of strategic objectives, where risk is defined as any threat or opportunity to the achievement of these objectives.

Managing risk is a key contributor to EIL's long-term success. The approach to operational risk management is governed by prudence, the nature of the regulatory environment, best practice and the competitive situation within which EIL operates.

EIL is committed to continuously improve operational efficiency to increase shareholder value and to find innovative ways of delivering our services, without compromising quality or increasing risks beyond a level that we are willing to accept, and thus, effective risk management is a central part of the financial and operational management of the Company. As part of this framework, we use a set of principles that describe the risk management culture we wish to sustain:

- **Balancing risk and return**: risk is taken in support of the requirements of our stakeholders, in line with our strategy and within our risk appetite;
- **Responsibility**: it is the responsibility of all employees to ensure that risk taking is disciplined and focused. We take account of our social responsibilities and our commitments to customers in taking risk to produce a return;
- **Accountability**: risk is taken only within agreed limits and where there is appropriate infrastructure and resource. All risk taking must be transparent, controlled and reported;
- **Anticipation**: we seek to anticipate future risks and opportunities and ensure awareness thereof; and
- **Competitive advantage**: we seek to achieve competitive advantage through efficient and effective risk management and control.

Internal Controls

Internal controls encompass all the policies and procedures that management uses to achieve the following goals:

- **Safeguard assets** - well-designed internal controls protect assets from accidental loss or loss from fraud.
- **Ensure the reliability and integrity of financial information** - Internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations.
- **Ensure compliance** - Internal controls help to ensure EIL complies with the laws and regulations affecting the operations of our business.
- **Promote efficient and effective operations** - Internal controls provide an environment in which managers and staff can maximise the efficiency and effectiveness of their operations.
- **Accomplishment of goals and objectives** - Internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

Responsibility

Management Responsibility: Management is responsible for maintaining an adequate system of internal control and for communicating the expectations and duties of staff as part of a control environment. They are also responsible ensuring all major areas of the internal control framework are addressed.

Staff Responsibility: Staff are responsible for carrying out the internal control activities set forth by management.

Framework for Internal Control

The framework of EIL's internal control system includes:

- **Control environment:** A sound control environment is created by management through communication, attitude, and example. This includes a focus on integrity, a commitment to investigating discrepancies, diligence in designing systems and assigning responsibilities.
- **Risk Assessment:** This involves identifying the areas in which the greatest threat or risk of inaccuracies or loss exist. To be most efficient, the greatest risks receive the greatest amount of effort and level of control.
- **Monitoring and Reviewing:** The system of internal control is periodically reviewed by management. By performing a periodic assessment, management assures that internal control activities have not become obsolete or lost due to turnover or other factors.
- **Information and communication:** The availability of information and a clear and evident plan for communicating responsibilities and expectations is paramount to a good internal control system.
- **Control activities:** These are the activities that occur within an internal control system. These are mainly, authorisation, documentation, reconciliation, security and separation of duties.
- **Combined Assurance** - EIL's combined assurance model is aligned to the roles and responsibilities as articulated in the three lines of defence risk governance model. There is regular communication between business unit management, heads of control functions as well as independent assurance providers, including internal and external audit. Combined assurance provides the board with comfort that the enterprise risk management and risk governance model are operating efficiently and effectively to manage risk within EIL.

Risk Management Philosophy and Objectives

EIL places particular emphasis on the effective monitoring and management of its risks with a view of maintaining stability, financial soundness, and continuity of operations, as well as achieving its strategic goals as set out in its business and restructuring plans, fully aligned with the budget, capital and liquidity planning and policy.

In this context, EIL has put in place a Risk Management Framework which constitutes EIL's fundamental attitude towards risk management. A risk management framework aims to foster sound corporate governance principles and risk culture, clear strategy and adequate policies, procedures and methodologies. This framework is supported by infrastructure and resources, in compliance with the regulatory framework and supervisory requirements.

EIL and its Board of Directors oversee that a full and consistent application of the risk management arrangements in place, would adequately address the risks inherent in the risk profile and strategy of the Company and acknowledge that a robust risk culture should remain a key focus area for continuous improvement.

The framework:

- links risk appetite to strategic business and capital plans;
- supports a risk-awareness culture;
- sets out accountabilities and governance arrangements for the management of risk within the 'three lines of defence' model; and
- enhances business risk-based decision-making.

Risk Management Culture

The Board recognises that an effective risk management framework requires the existence of a positive risk culture within the business, with clear ownership and accountability for risk. As a leading provider of financial services in Mauritius, it is essential that EIL employees understand their accountabilities and expected standards of conduct.

From its formation, the overarching objective of the Risk function has been to focus on promoting a positive risk culture and building the necessary risk infrastructure commensurate with EIL's size and market position.

EIL's risk culture is enforced through the Code of Ethics and Code of Conduct, ISO 27000, and the leadership framework, as well as through remuneration policies which look to recognise and reward behaviours that reflect the desired risk culture and have appropriate consequences for undesirable behaviour.

EIL's risk culture is also enhanced through:

- Clarity of roles and accountability;
- Transparency and open dialogue in an environment where people feel safe to raise issues or concerns;
- Ensuring alignment with the desired risk culture when engaging with our people, including recruitment, induction, training, reward and recognition; and
- Regularly checking on the health of the risk culture through feedback mechanisms, such as customer surveys, performance appraisals and one to one talk.

How we share our risk management responsibilities:

Who is responsible for what	
The Board	• Approves strategic objectives and validates our risk appetite • Reviews the Company's risks and mitigating measures • Reviews the Company's risk management and internal control systems • Assesses these systems effectiveness through its Audit Committee
Senior Management	• Is responsible for the "tone at the top" • Oversees design and implementation of Risk Management and Internal • Control Systems • Defines and allocate risk appetite • Makes decisions when substantial risk is at stake • Evaluates the adequacy of risk mitigation plans • Ensure regular reporting to the Board and the Audit Committee

BOARD OF DIRECTORS AND BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

Business Management	Risk Management and Compliance	Internal Audit
1st line	2nd line	3rd line
Business management is responsible for the processes, systems, products and people of the organisation and the management of the risks arising from them. • Business management is responsible to take risks (e.g., developing a product, underwriting an account or settling a claim). • Business management is also responsible to manage the risks its business activities create (e.g., procedures and controls to contain the probability or severity of an undesirable outcome within the organisation's risk tolerance). • The CEO of the entity is the ultimate risk owner that is responsible for the taking and managing of risk within the legal entity – even if certain services to the entity are outsourced or provided through a shared service. The entity's board provides oversight of entity management	Risk Management provides: • A framework and tools to help the first line identify, evaluate, control and report on risks • Specialised advice to help the first line understand risks and develop controls • Independent challenge, observation and analysis of first line risk decisions and controls • Advice and challenge through the Enterprise Risk Management framework • Conducts independent analysis of certain risks • Highlights and escalates risks potentially exceeding the agreed risk tolerance • Control design and operation monitoring • Assurance to key stakeholders (e.g., Board Risk committees, regulators, and rating agencies) Compliance provides assistance to risk owners with regard to specific regulatory risks through: • Policies and risk evaluations • Process and control analysis and advice • Training and awareness	Audit provides an independent evaluation of the effectiveness of the design and operation of: • The risk management framework • The controls in place to manage risk within the organisation's risk tolerance

CORPORATE GOVERNANCE REPORT

Risk Management Process

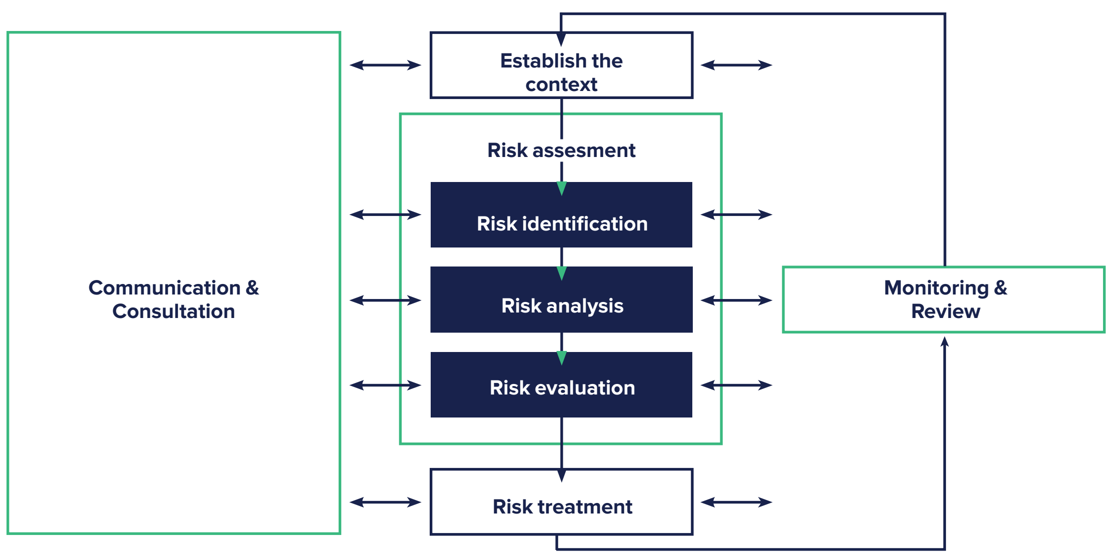
EIL aims to conduct its business in compliance with all relevant laws, rules, regulations, industry standards and codes, internal policies and procedures, and having regard to accepted community and ethical standards. It also acts promptly to correct incidents of non-compliance no matter how identified, including determining whether a compliance failure is a breach that is reportable to a regulator.

As part of the Risk Management Framework, internal controls have been implemented across EIL to ensure appropriate risk identification, assessment, control, management, monitoring and reporting. These controls support the proactive management of risk, including the regular maintenance of risk profiles which provide the Board and management with clear oversight of risk.

In accordance with Financial Services Commission's ("FSC") Prudential Standards, regulated entities must submit a risk management declaration to FSC, signed by the Board annually, confirming the adequacy of the regulated entity's risk management systems. The risk management declarations are based on reports considered and reviews conducted by the Audit and Risk Committee during the year and on the representations, management provides to the Board and Chief Executive Officer in regard to the adequacy of EIL's risk management systems.

Policies and procedures are being developed to ensure open communication with regulators occur in a timely manner including the referral of any material correspondence between EIL and the Regulators to the Board or relevant Board committee.

The diagram below summarises the Risk Management Process.



CORPORATE GOVERNANCE REPORT

The main elements of the Risk Management Process shown, are as follows:

(a) Communicate and consult

Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process.

(b) Establish the context

Establish the external, internal and risk management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis defined.

(c) Identify risks

Identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of the objectives.

(d) Analyse risks

Identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis considers the range of potential consequences and how these could occur.

(e) Evaluate risks

Compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.

(f) Treat risks

Develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.

(g) Monitor and review

Monitor the effectiveness of all steps of the risk management process. This is important for continuous improvement.

Risks and the effectiveness of treatment measures need to be monitored to ensure changing circumstances do not alter priorities.

Objectives for Risk Management

This Risk Management Framework (RMF) and Risk Management Strategy (RMS) aim to document the:

- actual risks that have been identified by Management and the Board as material;
- methods adopted to minimise/mitigate these risks; and
- way these risks are monitored on an ongoing basis.

The RMF and RMS do not:

- address every possible risk to EIL; or
- necessarily set out the full detail of the procedures and processes adopted to manage the risk.

CORPORATE GOVERNANCE REPORT

How we provide independent assurance

Audit and Risk Committee

The Audit and Risk Committee met four times during the year under review. The Committee confirmed that they have discharged their responsibilities to the best of their capabilities for the year under review.

In principal, the function of this committee is to oversee the financial reporting process and IT governance. The activities of the Audit and Risk Committee include regular reviews and monitoring of the effectiveness of EIL's financial reporting and internal control policies and risk management systems, the effectiveness of the internal audit function, the independence of the internal and external audit process and assessment of the external auditors' performance, the remuneration of external auditors, and to ensure compliance with laws and regulations relevant to financial reporting and with the internal code of business conduct. The Committee meets as frequently as it deems necessary prior to the Board's review of the quarterly results and annual financial statements.

Internal Audit

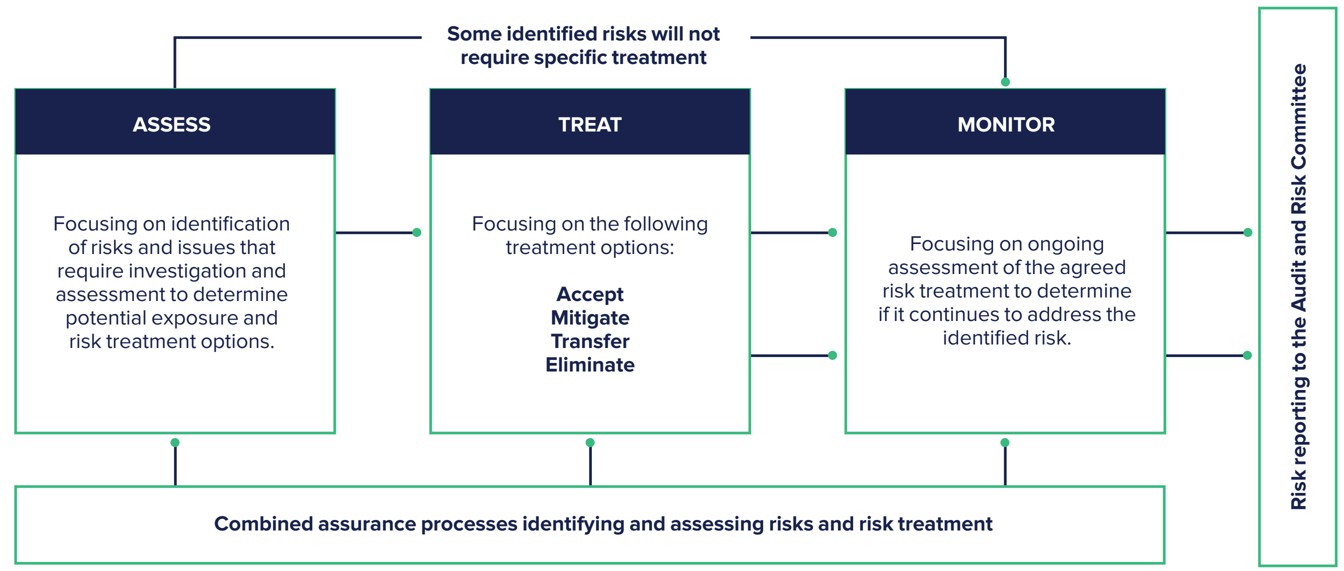
The Internal Audit function is outsourced to KPMG who have unrestricted access to the records, management, and employees of the Company. They have an independent line of communication with the Audit & Risk Committee. The Board confirms that there have been no significant issues that have affected the proper functioning of the internal control systems during the year under review which could have impacted on the financial statements.

External Audit

RSM (Mauritius) LLP have been appointed as the External Auditors on 22nd December 2021. They have unrestricted access to the records, management, and employees of the Company. The independent external auditor provides an independent opinion on the financial results of the Company. The Auditor communicates regularly with the Audit and Risk Committee.

CORPORATE GOVERNANCE REPORT

Risk Management Framework ("RMF")



Key Framework Components

EIL is engaged in the short-term insurance business comprising Accident, Health, Engineering, Motor, Property and Transportation insurance. This diversity of activity creates an equally diverse and complex range of risks as well as a wealth of opportunities for EIL. Understanding and managing the risks associated with these activities and environments, and making the most of new opportunities, is challenging and critical to preserving EIL's reputation, resources and standing in the personal and commercial markets.

EIL recognises that risk management is an integral part of good governance and best management practice for an organisation in the insurance industry.

The RMF affirms EIL's strategic commitment to building a risk management culture in which risks and opportunities are identified and managed effectively.

Environment

The Board and management recognise that an effective system of risk management plays a critical role in the setting and achievement of EIL strategic objectives, where risk is defined as any threat or opportunity to achieve these objectives.

EIL's approach to operational risk management is governed by prudence, the nature of the regulatory environment, best practices, and the competitive situation within which it operates.

The RMF is guided by EIL's Board.

The recognition that an effective system of risk management plays a critical role in the setting and achievement of EIL strategic objectives has led to the development of:

- a risk management framework where the business owns risk decisions;
- an independent risk management function that advises and challenges the business in its risk taking; and
- a robust risk appetite that clearly sets out the nature and degree of risk the Board is willing to accept in pursuit of EIL's business objectives.

Scope

EIL places particular emphasis on the effective monitoring and management of its undertaken risks with a view of maintaining stability, financial soundness and continuity of operations, as well as achieving its strategic goals as these are set out in its business and restructuring plans, fully aligned with the budget, capital and liquidity planning and policy.

The Risk Management Framework aims to foster sound corporate governance principles and risk culture, clear strategy and adequate policies, procedures and methodologies. This framework is supported by infrastructure and resources, in compliance with the regulatory framework and supervisory requirements.

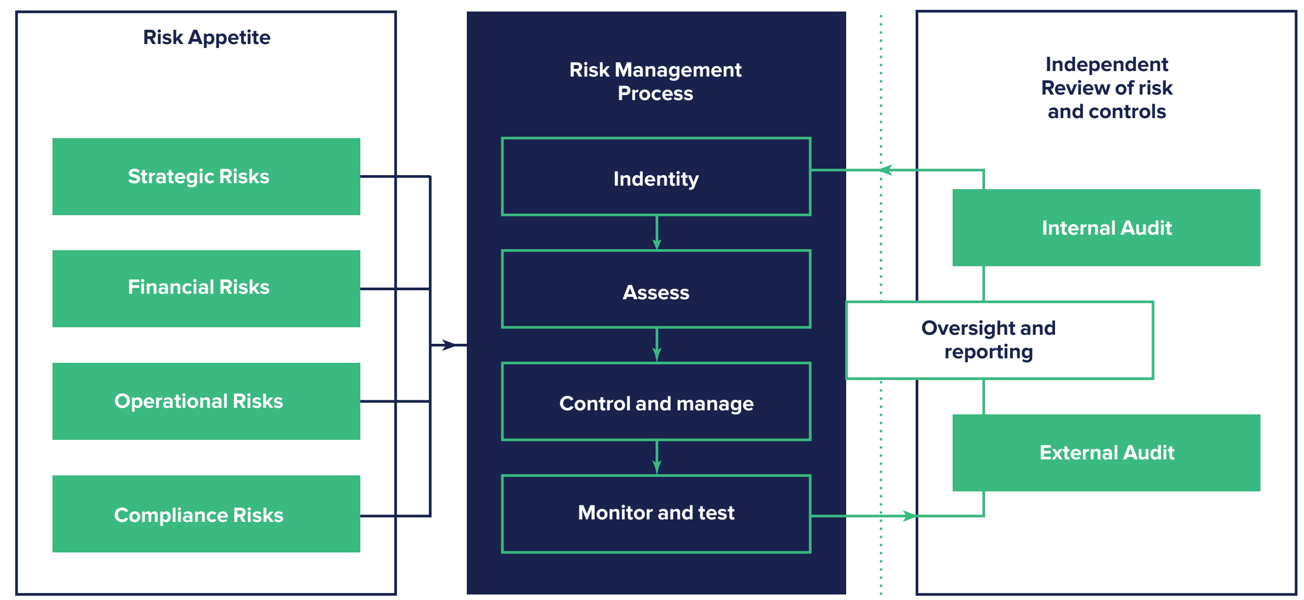
EIL and its Board of Directors consider that if a full and consistent application of the risk management arrangements is in place, this would adequately address the risks in the risk profile and strategy of EIL and acknowledge that a robust risk culture should remain a key focus area for continuous improvement.

The framework:

- links risk appetite to strategic business and capital plans;
- supports a risk-aware culture;
- sets out accountabilities and governance arrangements for the management of risk within the 'three lines of defence' model; and
- enhances business risk-based decision-making.

The RMF is regularly reviewed by the external and internal audit teams to provide assurance to the Board that it continues to be adequate and relevant. Internal Audit independently tests and verifies the efficacy of risk standards and compliance, validates the overall risk framework, and provides assurance that it is functioning as designed. Internal Audit provides written reports to the Audit and Risk Committee. The Committee conducts an annual review and endorses the framework for Board approval.

The RMF is summarised in the following diagram:



EIL's organisation's structure shapes how risk is managed, and is based on three principles:

- Individuals are responsible for their actions and decisions;
- Structures and processes are simplified, to make it easier to manage risks; and
- Each line of business has 'end-to-end' accountability for all aspects of the business, including those risks managed by service providers.

Risk categorisation and policy-setting

The risks EIL manages include strategic, counterparty, market, asset and liability, liquidity, insurance, operational, and compliance risks.

Board and management-approved policies, delegations, authorities and limits are influenced by EIL's risk appetite. Policies, procedures, limits and other controls are in place for EIL's legal entity or business unit level to manage these risks and align to the Board's risk appetite.

Risk Strategy

EIL has undertaken extensive research into the market and our business model is based on understanding customer needs, remaining disciplined and creating a sustainable business.

Our goal is to differentiate ourselves by focusing mainly on groups (corporates) developing customised solutions for our partner brokers and their respective clients. A key part of this strategy is developing our ability to integrate our processes with those of our partners to create an effective and efficient value chain for each program.

Risk identification

Key Risks

The range and materiality of risks for EIL can be split into Core Risks and Ancillary Risks.

Core Risks are those risks that are intrinsic to EIL's business- there is a favourable risk/return trade off, thus EIL actively pursues core risks, seeking due reward for assuming these and the attendant ancillary risks.

Core Risks

- **Insurance Risk**

  It consists of:

  - Underwriting Risk - Non-Catastrophe: the possibility that future insurance exposures (both from business in force and future business) will be loss making.
  - Underwriting Risk - Catastrophe Risk: natural or man-made events that produce insurance losses from many insureds at the same time.
  - Reserving Risk: the possibility that the provisions for outstanding claims will be inadequate to meet the ultimate costs as the business runs off.

- **Market and Investment Risk**

  - Includes movements in the market value of assets, duration and/or currency mismatch risk and typically includes credit risk on investment assets.
  - Risks relating to inflation will typically be picked up within Insurance Risk to the extent that they impact insurance liabilities and Market Risk to the extent that they impact assets.

- **Credit Risk**

  - Default of counterparties to settle their contractual obligation (premiums).
  - Materiality of this risk will depend strongly on the terms of credit afforded by the Company as well as the creditworthiness of customers.

- **Liquidity Risk**

  - Generally not material for general insurers.
  - Liquidity concerns could arise, if not managed, from the difference between paying claims and recovery under reinsurance contracts.
  - The main cashflow stress for an insurer would relate to catastrophe risk and corporate actions initiatives (share buybacks, dividend payments and acquisitions).

- **Strategic Risk**

  - All financial institutions by definition are subject to strategic risk

- **Reinsurance Risk**

  - Consists primarily of risk related to non-receipt of reinsurance recoveries (for example as a result of reinsurer's impairment).
  - Materiality depends strongly on the reinsurance arrangements (both past and current) and the creditworthiness and spread of reinsurance counterparties.

Ancillary Risks

Ancillary risks, generally do not have favourable standalone risk-return trade-offs, arise incidentally to EIL's core business.

- **Operational Risk**

  - All financial institutions by definition are subject to operational risk.
  - Many operational risks in insurers are to an extent boundary risks, i.e. they could also be classified as other risk types. External claims fraud and claims handling errors, for example, may be considered insurance risk and captured there rather than operational risk.
  - Loss of Skilled Labour.

- **Regulatory Risk**

  - The risk that the organisation might be exposed to, should it not comply with applicable regulatory requirements or excludes provisions of relevant regulatory requirements from its operational procedures.

- **Reputational Risk**

  - The threat to the profitability or sustainability of a business or other entity that is caused by unfavorable public perception of the organisation or its products or services, as a result of any internal or external factors including the contravention of applicable regulatory requirements by the organisation itself or by its staff members during the conduct of business.

Top and Emerging Risks

EIL undertakes a review of top and emerging risks annually. The review is an important part of the risk identification aspect of the RMF and includes horizon scanning of the internal and external risk environment to identify potential new or developing risks to EIL. These risks can then be included in the risk register and managed appropriately as required.

Artificial Intelligence (AI)

Potential risks and challenges identified for the insurance industry include:

- systemic malfunction of any AI that controls critical infrastructure and that could generate large claims
- widespread use of AI increasing cyber-criminality
- increasing complexity of the chain of responsibility with significant liability, legal and regulatory implications
- generation of new types of accumulations arising from potential exposure to risks beyond a company's risk appetite.

CORPORATE GOVERNANCE REPORT

Autonomous vehicles

A dysfunction, such as a programming mistake or an inadequate software update could cause simultaneous traffic accidents. The development of autonomous cars using the 5G network will create some opportunities, but will also probably result in a reduction of traditional motor premium volumes.

Extreme social unrest

An extreme social unrest event taking place across the country could have a significant impact on P&C business lines, depending on the coverage triggered (terrorism/ orchestrated uprising or riot/ civil commotion).

Geopolitical Impact

Concern over state conflicts remains high with trade impacts, physical losses, and cyber risk following sanctions looming large; the Russian invasion of Ukraine has brought into sharp focus the wide ranging and fast-moving impact of these events.

Inflation

Higher than expected inflation means higher claim costs than what was priced into the policies. That's because policies are priced today but claims against those policies can emerge well into the future when costs are higher than what was anticipated at the time of policy writing.

Large Cyber Attack

The development of cyber risk has mainly arisen from the spread of information technologies, the rapid growth in the number of connected entities, the multiplication and interdependence of access means, and the increased use of the cloud for data storage. The risk is evolving rapidly given the "commercialisation" of cyber-crime, which is driving a greater frequency and severity of cyber incidents, including encryption and data breaches. For the insurance industry, Cyber risks present both strategic business opportunities and pose a critical operational risk.

Skills shortages

The insurance industry is reliant on highly skilled workers in all industries to safeguard people and premises and contain claim costs. As workers retire and technology advances, skills shortages could increase, and Covid-19 impacts are also evident. Inflated or more frequent claims may only be noticed with some latency and limit the possibility to directly attribute costs to a particular skills gap

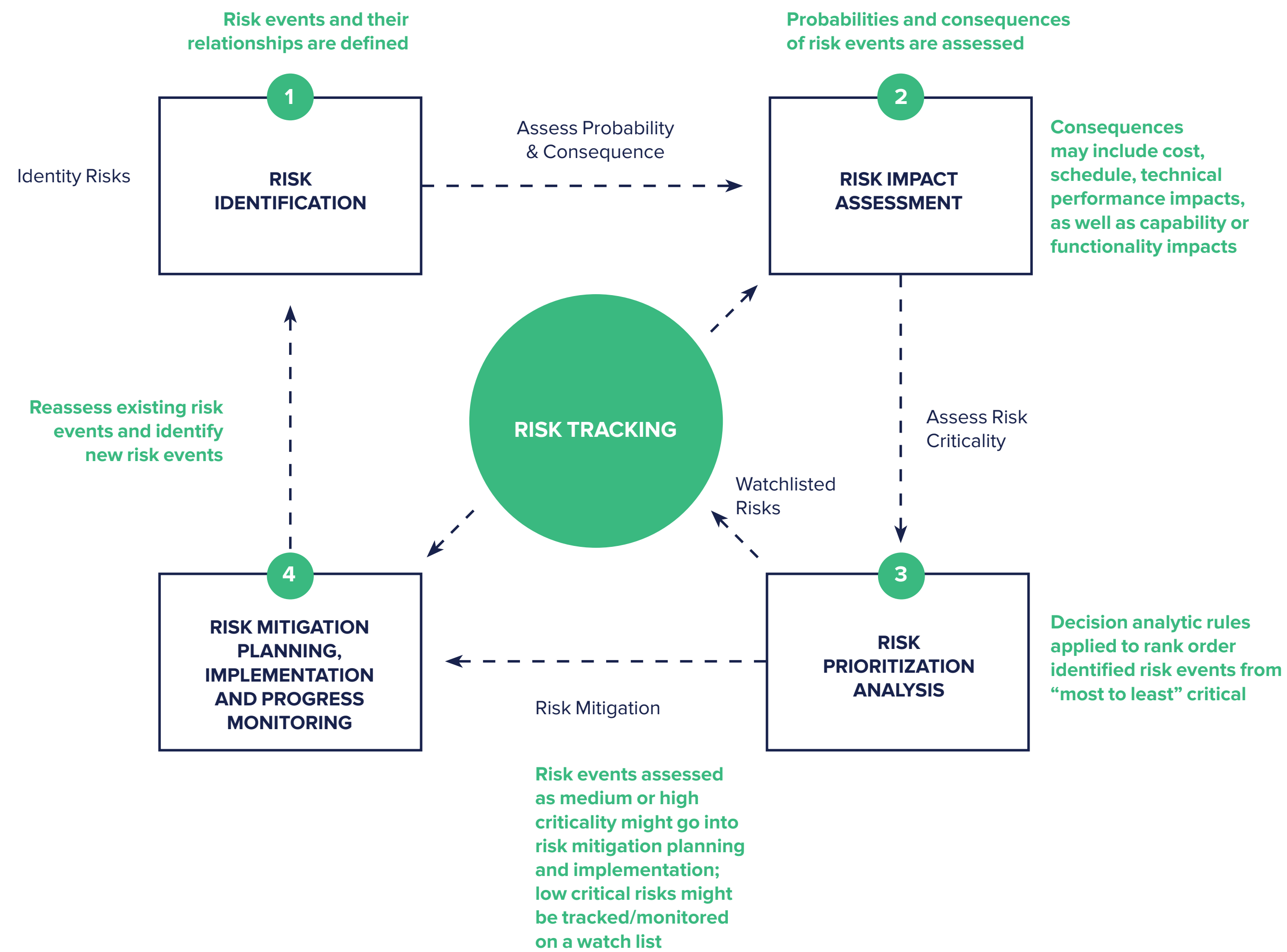
CORPORATE GOVERNANCE REPORT

Principal Risks facing EIL		
Principal Risks	**Description**	**Mitigation Tools**
Insurance Risk - Underwriting Pricing	Inadequate pricing could have a material adverse effect on our results for underwriting operations and financial condition. Accepting risks below their technical price is detrimental to the industry. It can drive market rates down to a point where underwriting losses increase, insurers' capital is reduced, and some businesses fail. Customers may receive poor service and the industry could suffer negative publicity.	Strategic focus on underwriting performance rather than on top line growth. Pricing discipline is maintained through strict underwriting guidelines, monitoring of the delegated authorities and enforcement of the technical pricing framework. Efficient use of the outwards reinsurance programme. We adapt our desire to write certain lines of business according to market conditions and the Company's overall risk appetite. We reject business unlikely to generate underwriting profits, or accept it on certain terms, and regularly monitor how pricing and exposures are developing, so we quickly identify and control any problems created by deteriorating market conditions.
Insurance Risk - Underwriting - natural catastrophe	We insure corporate and individual clients for damage caused by a range of catastrophes, both natural (e.g Cyclone and Flood) and man-made (i.e Fire, Riots), which can cause heavy underwriting losses with material impacts on the Company's earnings and financial condition	With the support of our Reinsurers, we underwrite catastrophe risk in a carefully managed controlled manner. EIL's strategy of creating and maintaining a well-diversified portfolio, helps limit its catastrophe exposure. We have a clearly defined appetite for underwriting risk, which dictates the Company's business plan, and we closely monitor the Company's risk exposure to maximise the expected risk return profile of our whole portfolio. An aggregate catastrophe excess of loss cover is in place to protect the Company against combined property claims from multiple policies resulting from catastrophe events.
Insurance Risk - Reserving	We make financial provisions for unpaid claims, defence costs and related expenses to cover our ultimate liability both from reported claims and from incurred but not reported (IBNR) claims. There is the possibility that we do not put enough money aside for our exposures, which could affect the Company's earnings, capital and future.	Actuarial team recommend reserves independently from underwriting division using established actuarial techniques.Reserves are held at a conservative best estimate, and we also carry an explicit margin.

Principal Risks facing EIL		
Principal Risks	**Description**	**Mitigation Tools**
Investment risk	The investment of EIL's assets generates an investment return. Our investment portfolio is exposed to a number of risks related to changes in interest rates and equity prices among others.	Regular monitoring against investment risk appetite which includes defined limits for solvency, earnings risk and liquidity risk. To reduce foreign exchange risk, these are usually maintained in the currency of the original premium for which they were set aside. The Company has outsourced its investment to fund managers who operate within clear guidelines as to the type and nature of shares in which they can invest. The investment committee advises and assists the Board of Directors on matters relating to the investment activities of the Company. The main duties of the Committee are to define, review and evaluate the investment strategy (including M&As) for recommendation to the Board.
Credit Risk	We face credit risk from all our sources of business, customers, agents and brokers, reinsurers where we transfer money to and receive money from these counterparties.	The Company deals with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. We buy reinsurance only from companies that we believe to be strong. The Company has adopted a policy on credit risk management to control level of exposure and mitigate the risk.
Information Security	We operate in a world where the volume of sensitive data and the number of connected devices and applications have increased exponentially. Also, cyber-attacks are increasingly frequent and sophisticated. Our business depends on the integrity and timeliness of the information and data we maintain, own and use.	We have an information security policy and cyber security risk strategy. We have dedicated IT security resources which provide advice on information security design and standards.

CORPORATE GOVERNANCE REPORT

Risk Appetite Framework (RAF)

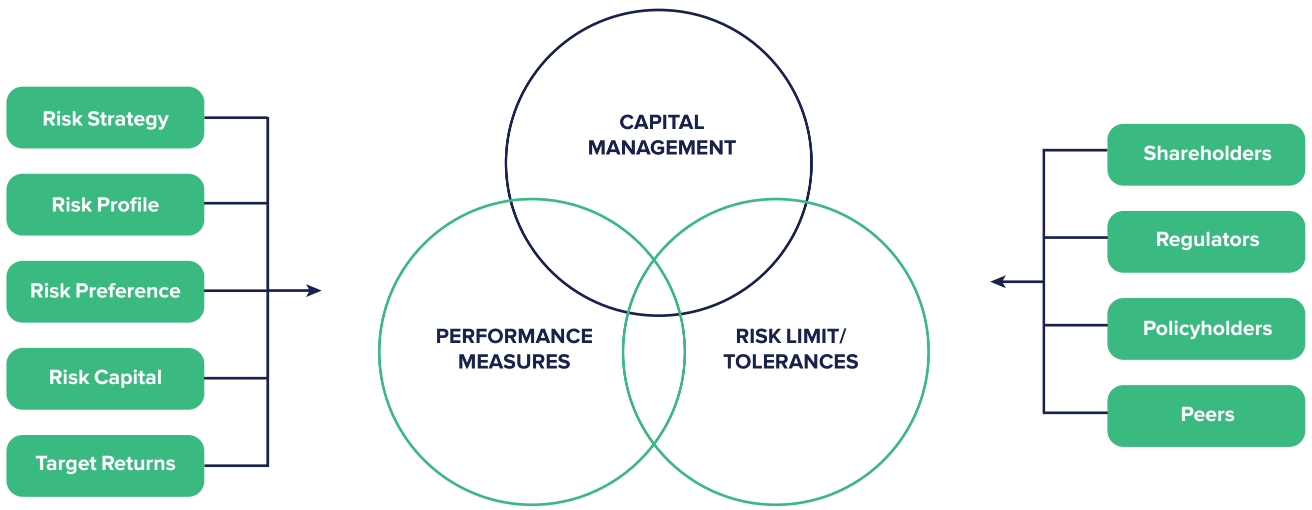


The guiding principles on which basis the framework was developed so that it is appropriate and effective are:

- Risk appetite was built on an understanding of EIL's risk capacity and strategic direction.
- Risk appetite is integrated with the development of EIL's strategy and business plans.
- Risk appetite must be able to be communicated easily and effectively to all layers of EIL and externally.
- Risk appetite is integrated with the risk culture of EIL.
- Risk appetite explicitly defines the boundaries for risk taking in pursuit of strategy at institutional, individual business and risk type levels.
- The RAF is an integral part of the Risk Management Framework.
- Risk appetite considers all material risks both in normal and stressed conditions.

Risk appetite framework overview

Risk Appetite Framework includes both Capital Management and appropriate performance measures to ensure risk limits set as part of the risk strategy can be monitored, reviewed and reported for continual improvements.



The RAF describes the overall approach, including policies, processes, controls and systems through which risk appetite is established, communicated, and monitored.

The RAF incorporates the following elements:

- A Risk Appetite Statement;
- Tolerances and/or limits on the activities of EIL designed to ensure that it operates within the Risk Appetite approved by the Board;
- A process for ensuring that the tolerances and limits are set at an appropriate level given the appetite for risk set out in the Risk Appetite Statement;
- A reporting structure against the limits and tolerances;
- An outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF;
- A method of cascading the limits and tolerances, where appropriate, down to business units while ensuring that they remain appropriate in aggregate; and
- A governance framework to ensure the ongoing integrity of the framework.

Risk appetite statement

The Risk Appetite Statement (RAS) is the key document that articulates the Board's appetite for risk and which influences EIL's approach to taking on and managing risk.

Risk Appetite Statement Definition

"The articulation in written form of the aggregate level and types of risk that an institution is willing to accept, or to avoid, in order to achieve its business objectives. It includes qualitative statements as well as quantitative measures expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate. It should also address more difficult to quantify risks such as reputation and money laundering as well as business ethics and conduct."

The Risk Appetite Statement articulates in writing the Board's willingness to accept risk in the pursuit of its strategic objectives.

EIL's risk strategy cannot sit in isolation separate from operations. Effective risk strategy implementation requires us to consider how our strategy can be translated to a target risk profile and how it can be measured. Implementation of the risk strategy is an iterative process and has required asking some tough questions such as: What do we actually do and is that the right business for us and why?

The Board's strategic and business decisions need to be consistent with the approved Risk Appetite. Therefore the Risk Appetite Statement is directly linked to EIL's strategy.

Regulatory Developments

The Insurance (Risk Management) Rules 2016 were published by the Financial Services Commission (FSC) and became effective on 1st July 2017.

The Rules were amended in October 2020 and require the Insurer to submit all documentation relating to its Risk Management Framework (RMF) not later than 6 months after the company's financial year end.

As per the above Rules, the RMF needs to be approved by the Board and includes:

- A Risk Appetite Statement
- A Risk Management Strategy
- A 3-year Business Plan
- Own Risk Solvency Assessment (ORSA)
- Liquidity Policy
- A Designated Risk Management Function
- Description of the Responsibilities, roles and reporting lines within the Insurer for the management of material risks.

At EIL, we have put all resources and procedures in place to ensure we abide by the Rules.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 6: REPORTING WITH INTEGRITY

Scope of reporting, governance framework and statement of Compliance

The present Annual Report for EIL covers the period 1st July 2021 to 30th June 2022. Any material events after the above-mentioned date and up to the Board approval of this report have also been included. The Company is qualified as a Public Interest Entity ('PIE') as defined by the Financial Reporting Act 2004, and has endeavoured to apply all the essence and spirit of the principles of the Code of Corporate Governance.

PRINCIPLE 7: AUDIT

Internal Audit

The Company does not have an in-house internal audit function. It outsources this function to KPMG who is not the External Auditor of the Company. Internal Audit reports are made available to the Audit and Risk Committee. Members of the Audit and Risk Committee are of appropriate qualifications and calibre to analyse and process the reports made available to them. The Audit and Risk Committee has the delegated responsibility from the Board to review, follow up and take actions when applicable on all reports. The Audit and Risk Committee also reports to the Board all important issues arising from the reports and may, if necessary, send to Board members the internal audit reports. The full reports or part of the reports can be made available to Management where it is justified that it may help Management to improve or take necessary actions on issues raised in the Internal Auditors report. However, the Chairman of the Audit and Risk Committee may also request that the reports are not made available to the Management.

External Audit

The external audit function is performed by RSM (Mauritius) LLP. The auditors are present at the Audit and Risk Committee when the final audited financial statements are presented to ensure that appropriate discussions are carried out on the financial statements' audit and key findings of the auditors. The Audit and Risk Committee has the authority to meet with the external auditors without Management being present. The external auditors of the Company do not carry out non-audit services to ensure that they keep their independence while carrying out their main task of external auditors.

PRINCIPLE 8: RELATIONS WITH SHAREHOLERS AND OTHER KEY STAKEHOLDERS

Shareholding Profile

The stated capital of the Company is made up of 7,999,998 ordinary shares.

Below is the list of major shareholders (holding more than 5% of the shares) of the Company as at 30th June 2022:

IBL Ltd	60.00%
HWIC Asia Fund	39.12%
Public	0.88%

CORPORATE GOVERNANCE REPORT

Breakdown of share ownership as at 30th June 2022	Number of Shareholders	Number of Shares held	Holding
1 - 500 shares	141	12,248	0.1531%
501 - 1,000 shares	30	21,016	0.2627%
1,001 - 5000 shares	16	31,490	0.3936%
5,001 - 10,000 shares	1	6,000	0.0750%
10,001 - 500,000 shares	-	-	0.0000%
>= 500001 shares	2	7,929,244	99.1156%
Total	**190**	**7,999,998**	**100.0000%**

Note: The above number of shareholders is indicative, due to the consolidation of multi-portfolios for reporting purposes. The total number of active ordinary shareholders as at 30th June 2022 was 190.

Share dealings

Members of the Board have been informed that they should not deal in the shares of the Company during the 30 calendar days preceding the publication of results, and prior to the dividend declaration, or any major event affecting the Company that might influence its share price. Members have also been advised to declare to the Company all transactions conducted by them outside the mentioned period.

Meeting of shareholders

In conformity with Section 115 of the Companies Act 2001, an Annual Meeting of the Shareholders was held on 22nd December 2021 for the approval of the financial statements for the year ended 30th June 2021.

Relationship with shareholders

The Board is committed to properly understand the information needs of all shareholders and other stakeholders of EIL. It ensures that lines of communication are kept open to communicate all matters affecting EIL to its shareholders

Directors' Service Contracts

There are no service contracts between EIL and its directors.

CORPORATE GOVERNANCE REPORT

Directors' Share Interests

None of the Directors have a direct or indirect share in the equity of EIL.

Contracts of significance

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

Related party transactions and conflict of interests

Related party transactions are disclosed in Note 29 of the Accounts.

CORPORATE GOVERNANCE REPORT

Certificate from the Company Secretary

We, as Company Secretary, in accordance with Section 166(d) of the Companies Act 2001, certify that, to the best of our knowledge, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritian Companies Act 2001.

Deborah NICOLIN

Per IBL Management Ltd
Company Secretary

23 September 2022

CORPORATE GOVERNANCE REPORT

OTHER STATUTORY DISCLOSURES (Pursuant to Section 221 of the Companies Act 2001) to 30th June 2022

Directors Profile

Included in the individual Directors' profile on pages 26 to 29.

Common Directorship

Directors	EIL	IBL
Laurent DE LA HOGUE	✓	-
Shahannah ABDOOLAKHAN (Appointed on 22nd October 2021)	✓	-
Jean-Claude BÉGA (Resigned on 6th May 2022)	✓	✓
Jacob Pieter (JP) BLIGNAUT	✓	-
Winson CHAN CHIN WAH	✓	-
Jean Paul CHASTEAU DE BALYON (Appointed on 22nd October 2021)	✓	-
Dipak CHUMMUN	✓	-
Natacha EMILIEN (Appointed on 22nd October 2021)	✓	-
Robert IP MIN WAN (Resigned on 11th November 2021)	✓	-
Gilbert ITHIER (Resigned on 11th November 2021)	✓	-
John Edward O'NEILL	✓	-
Cynthia PARRISH	✓	-
Yannick ULCOQ (Appointed on 24th August 2022)	✓	-
Derek WONG WAN PO	✓	-

CORPORATE GOVERNANCE REPORT

Non-Executive Directors' Fees:

Name of Directors	Category	2022	2021
		Rs	Rs
Laurent DE LA HOGUE*	Chairman and Non-Executive Director	**153,959**	150,000
Shahannah ABDOOLAKHAN	Independent Non-Executive Director	**121,371**	-
Jean-Claude BÉGA	Chairman and Non-Executive Director (Resigned on 6th May 2022)	**155,856**	185,000
Jacob Pieter (JP) BLIGNAUT**	Non-Executive Director	**100,000**	100,000
Jean Paul CHASTEAU DE BALYON	Independent Non-Executive Director (Appointed on 22nd October 2021)	**141,827**	-
Dipak CHUMMUN*	Non-Executive Director	**100,000**	100,000
Natacha EMILIEN	Independent Non-Executive Director from date of appointment on 22nd October 2021 until her change in status to Executive Director on 9th February 2022	**37,965**	-
Robert IP MIN WAN	Non-Executive Director (Resigned on 11th November 2021)	**76,416**	210,000
Gilbert ITHIER	Non-Executive Director (Resigned on 11th November 2021)	**67,320**	185,000
John Edward O'NEILL**	Non-Executive Director	**135,000**	135,000
Cynthia PARRISH	Independent Non-Executive Director	**200,000**	200,000
Yannick ULCOQ*	Non-Executive Director Appointed on 24th October 2022)	**-**	-
		1,289,714	1,265,000

* Fees paid directly to IBL Ltd
** Fees paid directly to Bryte Insurance

CORPORATE GOVERNANCE REPORT

Executive Directors' Remuneration:

During the year, remuneration and benefits were paid to the Executive Directors – namely Mr Derek WONG WAN PO, Chief Executive Officer, Mr Winson CHAN CHIN WAH, Chief Underwriting Officer and Mrs Natacha EMILIEN, Chief Transformation and Support Services Officer. The total remuneration paid were Rs 14,770,654 (2021: Rs 9,589,166) comprising of basic salary, performance bonus, pension contributions and other benefits and representing a split of 72%, 20% and 8% respectively between the executive directors. To note that the status of Mrs Emilien who was initially appointed as an independent non-executive director was changed to executive director on 9th February 2022.

The directors' fees and remuneration have been disclosed individually, in compliance with Section 221 of the Companies Act 2001. The directors' remuneration has also been disclosed under note 29 for related party transactions.

Constitution

The constitution of EIL does not provide any ownership restriction or pre-emption rights. It is in conformity with the Companies Act 2001.

Dividend Policy

The payment of dividends is subject to the profitability of the Company, to its cash flow and to its capital expenditure requirements.

Auditor's remuneration

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Audit fees for the year		
-RSM (Mauritius) LLP	**1,200**	-
-Ernst & Young	**-**	1,826
Fees for other services provided by:		
-Ernst & Young	**-**	-
-KPMG	**1,663**	2,288

Donations

	The Group		The Company	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Charitable Donations	-	-	-	-
Political Donations	-	-	-	-
Corporate Social Responsibility Contribution	15	1	10	1
	15	1	10	1

Related party transactions

Related party transactions are disclosed under note 29 of the financial statements.

Anti-Money Laundering

In line with the requirements of the Financial Intelligence and Anti-Money Laundering Act 2002 and the Regulations 2003, control procedures and internal policies are regularly reviewed, and staff training is done at least twice a year.

Integrated Sustainability Reporting

In view of a more complete reporting, the following gives a brief of the main undertakings of the year in various fields.

SHAREHOLDER CORNER

Communication with Shareholders

The Board of Directors of EIL acknowledges that clear and transparent communication with all its Shareholders is of utmost importance. The Board of the Company reports as and when needed through announcements as well as disclosures in the Annual Report and enhanced at the Annual Meeting of its Shareholders, which all Board Members and Shareholders, are encouraged to attend.

The Annual Meeting of the Company is a focal opportunity to discuss matters with the Board of Directors related to the Company's performance. The Chief Executive Officer, who also serves as Director to the Board is present at the Annual Meeting to answer any questions. The Auditors of the Company are also present at the Annual Meeting of the Shareholders.

CORPORATE GOVERNANCE REPORT

Timetable of important upcoming events

September 2022	Publication of last quarter financial statements
November 2022	Publication of first quarter financial statements
December 2022	Annual Meeting of Shareholders
February 2023	Publication of second quarter abridged financial statements
May 2023	Publication of third quarter abridged financial statements
December 2023	Annual Meeting of shareholders

- The Shareholders of the Company can make a request to the Company Secretary prior to the Annual Meeting to obtain a copy of the minutes of proceedings of the last Annual Meeting of the Company.
- The proxies must be received by the Company's Registry and Transfer office, MCB Registry & Securities Limited, 9th Floor, MCB Centre, Sir William Newton Street, Port Louis, not later than Tuesday 27th December 2022 at 09:30 hours.

Eagle Insurance

FINANCIAL STATEMENTS

ANNUAL REPORT 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Eagle Insurance Limited

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

Opinion

We have audited the financial statements Eagle Insurance Limited (the "Company") and its subsidiaries (together referred to as the "Group") as set out on pages 6 to 72 under Section B, which comprise of the consolidated and separate statement of financial position as at 30 June 2022, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, the consolidated separate statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 30 June 2022, and of their consolidated and separate financial performances and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and the Insurance Act 2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How the matters were addressed in the audit
Valuation of gross outstanding claims Rs 1.82bn and reinsurance assets Rs1.16bn (Note 14) The valuation of gross outstanding claims and reinsurance assets involve a high degree of subjectivity and complexity. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses at a given date. The Group uses actuarial methodologies to estimate these provisions. General insurance loss reserves require significant judgement relating to factors and assumptions such as inflation, claims development patterns and regulatory changes. Claims that are more complex and carry a long settlement period, often have low frequency and are of high severity are generally more difficult to project and subject to greater uncertainties than claims that are settled quickly and have a high frequency. Claims resulting from catastrophic events, require a greater degree of professional judgement in estimating the general insurance loss reserves. Therefore, given its complexity and significance, the valuation of gross outstanding claims and reinsurance assets has been considered as a key audit matter	Our procedures in respect of this key audit matter included: • We obtained an understanding, evaluated the design and tested the operating effectiveness of selected key controls over the claims estimation process including the Incurred but not Reported ("IBNR"); • We reviewed the documentation around outstanding claims which are high in value and involving longer settlement periods; • We tested the completeness and accuracy of underlying claims data that are sent to the actuary in estimating general insurance loss reserves. This includes the testing of information sent to the actuary for the determination of IBNR; • We evaluated the actuarial assumptions used by management based on the analysis of the experience to date, industry practice and the financial and regulatory requirements; • We evaluated whether the actuary has the relevant expertise and experience in this field; • We reviewed the adequacy of the disclosures made into the financial statements; and • We used professional judgement to assess the reasonableness of the determination of the claims reserve based on the available information at the time of the incident and this also enabled us to assess the reinsurance asset that was created based on the claim reserve.

Other Information

The directors are responsible for the other information. The other information comprises the Annual Report from the Directors, the Corporate Governance Report, the Secretary's Certificate and Other Statutory Disclosures. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs and the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and the Insurance Act 2005, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

INDEPENDENT AUDITORS' REPORT
To the Members of Eagle Insurance Limited

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 the directors;

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Report on other legal and regulatory requirements

The Mauritius Companies Act 2001

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of Eagle Insurance Limited

- We have obtained all information and explanations we have required; and

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

Financial Reporting Act 2004

- Our responsibility under the Financial Reporting Act is to report on the compliance of the Code of Corporate Governance (the "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 Financial Reporting Act, complied with the requirements of the Code.

Insurance Act 2005

- The consolidated and separate financial statements have been prepared in accordance with the requirements specified by the Financial Services Commission (FSC).

RSM
Chartered Accountants
Moka, Mauritius

Ravi KOWLESSUR, FCCA
Licensed by FRC

26 September 2022

STATEMENTS OF FINANCIAL POSITION

at 30 June 2022

		The Group		The Company	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**129,486**	144,841	**129,268**	144,539
Intangible assets	5	**3,040**	7,122	**2,047**	6,128
Investment properties	6	**66,779**	68,200	**16,058**	16,400
Right of use asset	7(a)	**2,159**	3,154	**2,159**	3,154
Deferred tax assets	17	**25,080**	23,797	**28,482**	27,155
Investment in subsidiaries	8	**-**	-	**1,100**	1,100
Amounts due from group companies	13	**-**	-	**37,710**	38,085
Investment in associates	9	**140,399**	103,220	**21,313**	21,313
Statutory deposits	10	**8,000**	8,000	**8,000**	8,000
Financial investments	11	**826,242**	843,136	**826,242**	843,136
		1,201,185	1,201,470	**1,072,379**	1,109,010
Current assets					
Financial investments	11	**116,922**	72,112	**116,922**	72,112
Insurance and other receivables	12	**418,425**	421,841	**419,055**	421,208
Amounts due from group companies	13	**-**	-	**661**	639
Reinsurance assets - Gross outstanding claim	14	**1,164,645**	838,134	**1,164,645**	838,134
Reinsurance assets - General insurance fund	16	**316,870**	266,451	**316,870**	266,451
Current tax receivables	19(i)	**-**	133	**-**	-
Cash and cash equivalents	25	**575,377**	565,129	**571,526**	558,101
		2,592,239	2,163,800	**2,589,679**	2,156,645
Total assets		**3,793,424**	3,365,270	**3,662,058**	3,265,655

STATEMENTS OF FINANCIAL POSITION
at 30 June 2022

		The Group		The Company	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	15	**80,000**	80,000	**80,000**	80,000
Other reserves		**1,112,475**	1,029,312	**976,136**	930,566
Equity attributable to equity holders of the parent		**1,192,475**	1,109,312	**1,056,136**	1,010,566
Non-controlling interests		**404**	394	**-**	-
Total equity		**1,192,879**	1,109,706	**1,056,136**	1,010,566
Non-current liabilities					
Long term incentive scheme	34	**4,575**	4,803	**4,575**	4,803
Amounts due to group companies	13	**-**	-	**5,400**	-
Employee benefit and related liabilities	26(a)/(d)	**36,697**	33,664	**36,697**	33,664
Lease liabilities	7(b)	**1,365**	2,433	**1,365**	2,433
		42,637	40,900	**48,037**	40,900
Current liabilities					
Trade and other payables	18	**213,679**	278,598	**213,551**	278,198
Gross outstanding claims	14	**1,819,756**	1,456,836	**1,819,756**	1,456,836
General insurance fund	16	**504,554**	477,988	**504,554**	477,988
Current tax liabilities	19(i)	**18,849**	252	**18,954**	177
Lease liabilities	7(b)	**1,070**	990	**1,070**	990
		2,557,908	2,214,664	**2,557,885**	2,214,189
Total liabilities		**2,600,545**	2,255,564	**2,605,922**	2,255,089
Total equity and liabilities		**3,793,424**	3,365,270	**3,662,058**	3,265,655

Approved by the Board of Directors and authorised for issue on **23 September 2022** and approved on its behalf by:

Laurent DE LA HOGUE
| CHAIRMAN |

Shahannah ABDOOLAKHAN
| DIRECTOR |

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2022

		The Group		The Company	
		2022	2021	**2022**	2021
Continuing operations	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Revenue					
Gross insurance premiums		**1,615,563**	1,486,833	**1,615,563**	1,486,833
Reinsurance premiums ceded		**(1,120,325)**	(966,958)	**(1,120,325)**	(966,958)
		495,238	519,875	**495,238**	519,875
Charge from general insurance fund - Gross	16	**(26,566)**	(22,607)	**(26,566)**	(22,607)
Release to general insurance fund - Reinsurance	16	**50,419**	71,782	**50,419**	71,782
Net earned premium		**519,091**	569,050	**519,091**	569,050
Investment income	20	**14,993**	11,228	**27,446**	21,305
Finance income	21	**20,355**	13,516	**21,643**	14,891
Commission income		**165,185**	116,672	**165,185**	116,672
Other income	22(a)	**20,531**	37,992	**16,780**	17,650
Other gains/(losses) – net	22(b)	**(32,725)**	88,374	**(32,725)**	88,374
		707,430	836,832	**717,420**	827,942
Expenses					
Gross claims paid	14	**(737,538)**	(806,716)	**(737,538)**	(806,716)
Gross change in contract liabilities	14	**(362,920)**	102,003	**(362,920)**	102,003
Claims ceded to reinsurer	14	**429,541**	392,424	**429,541**	392,424
Change in contract liabilities ceded to reinsurers	14	**326,511**	(78,348)	**326,511**	(78,348)
Change in claims recovered from third party insurers		**(15,029)**	(25,936)	**(15,029)**	(25,936)
Recoveries from third party insurers		**57,835**	56,407	**57,835**	56,407
Net claims incurred		**(301,600)**	(360,166)	**(301,600)**	(360,166)
Commission expense		**(168,176)**	(145,387)	**(168,176)**	(145,387)
Administrative expenses	23	**(186,674)**	(193,755)	**(184,906)**	(193,251)
		(656,450)	(732,216)	**(654,682)**	(698,804)
Profit from operations		**50,980**	137,524	**62,738**	129,138
Finance costs	7(b)	**(139)**	(185)	**(139)**	(185)
Share of profit of associates	9	**26,031**	7,810	**-**	-
Profit before tax		**76,872**	145,149	**62,599**	128,953
Income tax (expense)/credit	19(ii)	**(16,297)**	2,263	**(16,217)**	5,505
Profit for the year		**60,575**	147,412	**46,382**	134,458

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	The Group 2022 Rs'000	The Group 2021 Rs'000	The Company 2022 Rs'000	The Company 2021 Rs'000
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange difference arising from translation of investment in associate	9	**23,234**	14,108	**-**	-
Net loss on debt instruments at fair value through other comprehensive income	11(a)	**(196)**	(34)	**(196)**	(34)
Items that may not be reclassified subsequently to profit or loss					
Remeasurement of other post retirement benefits	26(d)(ii)	**(2,010)**	2,636	**(2,010)**	2,636
Remeasurement of retirement employee benefit liabilities recharge by holding company	26(a)(ii)	**(1,038)**	18,690	**(1,038)**	18,690
Remeasurement of retirement employee benefit employer contribution recharge by holding company		**(3,917)**	-	**(3,917)**	-
Deferred tax on remeasurement of employe benefit liabilities	17	**518**	(3,625)	**518**	(3,625)
Share of other comprehensive income/(loss) of associate	9	**233**	(1,541)	**-**	-
Revaluation of property		**-**	26,051	**-**	26,051
Deferred tax on revaluation of property	17	**-**	(4,429)	**-**	(4,429)
Net gain on equity instruments designated at fair value through other comprehensive income	11(a)	**25,831**	52,985	**25,831**	52,985
Other comprehensive income for the year, net of tax		**42,655**	104,841	**19,188**	92,274
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**103,230**	252,253	**65,570**	226,732
Profit attributable to:					
Equity holders of the parent		**60,508**	147,298	**46,382**	134,458
Non-controlling interests		**67**	114	**-**	-
		60,575	147,412	**46,382**	134,458
Total comprehensive income attributable to:					
Equity holders of the parent		**103,163**	252,139	**65,570**	226,732
Non-controlling interests		**67**	114	**-**	-
		103,230	252,253	**65,570**	226,732
EARNINGS PER SHARE	24	**7.56**	18.41		

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Notes	Stated Capital Rs'000	Property revaluation reserve Rs'000	Investments revaluation reserve Rs'000	Foreign currency translation reserve Rs'000	Actuarial reserve Rs'000	Retained earnings Rs'000	Attributable to equity holders the parent Rs'000	Non controlling interest Rs'000	Total equity Rs'000
THE GROUP										
At 1 July 2020		80,000	-	10,471	(6,860)	(17,514)	791,076	857,173	340	857,513
Dividend paid to non-controlling interests									(60)	(60)
Profit for the year		-	-	-	-	-	147,298	147,298	114	147,412
Other comprehensive income for the year		-	21,622	52,951	14,108	16,160	-	104,841	-	104,841
Total comprehensive income for the year		-	21,622	52,951	14,108	16,160	147,298	252,139	114	252,253
At 30 June 2021		**80,000**	**21,622**	**63,422**	**7,248**	**(1,354)**	**938,374**	**1,109,312**	**394**	**1,109,706**
Dividend paid							**(20,000)**	**(20,000)**	-	**(20,000)**
Dividend paid to non-controlling interests									**(57)**	**(57)**
Profit for the year		-	-	-	-	-	**60,508**	**60,508**	**67**	**60,575**
Other comprehensive income/(loss) for the year		-	-	**25,635**	**23,234**	**(6,214)**	-	**42,655**	-	**42,655**
Total comprehensive income/(loss) for the year		-	-	**25,635**	**23,234**	**(6,214)**	**60,508**	**103,163**	**67**	**103,230**
At 30 June 2022		**80,000**	**21,622**	**89,057**	**30,482**	**(7,568)**	**978,882**	**1,192,475**	**404**	**1,192,879**

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Notes	Stated Capital	Property revaluation reserve	Invesments revaluation reserve	Actuarial reserve	Retained earnings	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY							
At 1 July 2020		**80,000**	**-**	**10,471**	**(17,514)**	**710,877**	**783,834**
Profit for the year		-	-	-	-	134,458	134,458
Other comprehensive income for the year		-	21,622	52,951	17,701	-	92,274
Total comprehensive income for the year		-	21,622	52,951	17,701	134,458	226,732
At 30 June 2021		**80,000**	**21,622**	**63,422**	**187**	**845,335**	**1,010,566**
At 1 July 2021		**80,000**	**21,622**	**63,422**	**187**	**845,335**	**1,010,566**
Dividends						(20,000)	(20,000)
Profit for the year		-	-	-	-	46,382	46,382
Other comprehensive income/(loss) for the year		-	-	25,635	(6,447)	-	19,188
Total comprehensive income/(loss) for the year		-	-	25,635	(6,447)	46,382	65,570
At 30 June 2022		**80,000**	**21,622**	**89,057**	**(6,260)**	**871,717**	**1,056,136**

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2022

	Notes	The Group 2022 Rs'000	The Group 2021 Rs'000	The Company 2022 Rs'000	The Company 2021 Rs'000
Cash flows from operating activities					
Profit before taxation		**76,872**	145,149	**62,599**	128,953
Adjustments for:					
Depreciation and amortisation	4/5/6/7	**22,928**	24,013	**21,765**	23,930
Profit on sale of property, plant and equipment	22	**(6)**	(12)	**(6)**	(12)
Covid relief- IFRS 16	7(c)	**-**	(106)	**-**	(106)
Expected credit losses on financial assets	11	**(4,092)**	(730)	**(4,092)**	(730)
Expected credit loss on subsidary loan	13	**-**	-	**-**	103
Dividend income	20	**(14,993)**	(11,228)	**(27,446)**	(21,305)
Interest income	21	**(20,355)**	(13,516)	**(21,643)**	(14,891)
Interest expense on lease liabilities	7(b)	**139**	185	**139**	185
Gain/(loss) on revaluation of financial investments	11(b)	**31,883**	(67,405)	**31,883**	(67,405)
Foreign exchange (gain)/loss		**(19,470)**	(18,718)	**(19,092)**	(18,809)
Share of profits of associates	9	**(26,031)**	(7,810)	**-**	-
Provision for employee benefit obligations	26	**(3,033)**	(2,448)	**(3,033)**	(2,448)
Release from general insurance fund - Gross	16	**26,565**	22,607	**26,565**	22,607
Release to general insurance fund - Reinsurance	16	**(50,419)**	(71,782)	**(50,419)**	(71,782)
Gain on revaluation of investment properties	22	**-**	(18,754)	**-**	(2,093)
Operating profit/(loss) before working capital changes		**19,988**	(20,555)	**17,220**	(23,803)
Decrease/(increase) in insurance and other receivables		**3,416**	277,219	**2,153**	269,708
Decrease in reinsurance assets - Gross outstanding claims	14	**(326,512)**	78,348	**(326,511)**	78,348
Decrease in Gross outstanding claims	14	**362,920**	(104,309)	**362,920**	(104,309)
Increase in long term incentive scheme	34	**(228)**	41	**(228)**	41
(Decrease)/increase in trade and other payables		**(64,917)**	(121,132)	**(64,645)**	(121,381)
		(25,321)	130,167	**(26,311)**	122,407

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2022

		The Group		The Company	
		2022	2021	**2022**	2021
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Cash generated from operations		**(5,333)**	109,612	**(9,091)**	98,604
Interest received		**20,355**	12,394	**21,643**	13,769
Dividends received		**11,093**	8,628	**23,546**	18,705
Taxation paid	19(i)	**(507)**	(185)	**(292)**	-
Taxation refund	19(i)	**2197**	9,835	**2,061**	9,705
Interest paid		**(139)**	(199)	**(139)**	(199)
Net cash generated from operating activities		**27,666**	140,086	**37,728**	140,584
Cash flows from investing activities					
Decrease/(increase) in amounts due from group companies		**-**	446	**(22)**	1,061
Purchase of financial investments	11	**(348,331)**	(369,176)	**(348,331)**	(369,176)
Dividend received from associates	9(a)	**12,320**	7,336	**-**	-
Proceeds from sale of financial investments	11	**318,382**	173,787	**318,382**	173,787
Purchase of property, plant and equipment	4	**(760)**	(1,033)	**(760)**	(1,033)
Purchase of intangible assets	5	**(365)**	(768)	**(365)**	(768)
Proceeds from sale of property, plant and equipment		**56**	12	**56**	12
Net cash (used in)/generated from investing activities		**(18,698)**	(189,396)	**(31,040)**	(196,117)
Cash flows from financing activities					
Dividend paid to non-controlling interests		**(57)**	(60)	**-**	-
Loan from Group Companies		**-**	-	**5,400**	-
Repayment of principal portion- lease liabilities	7	**(933)**	(956)	**(933)**	(956)
Net cash used in financing activities		**(990)**	1,016)	**4,467**	(956)
Increase/(decrease) in cash and cash equivalents		**7,978**	(50,326)	**11,155**	(56,489)
Cash and cash equivalents at beginning of the year		**565,129**	605,364	**558,101**	604,416
Exchange gains on cash and cash equivalents		**2,270**	10,091	**2,270**	10,174
Cash and cash equivalents at end of the year	25	**575,377**	565,129	**571,526**	558,101

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. GENERAL INFORMATION

Eagle Insurance Limited (the "Company") is a limited liability company incorporated and domiciled in Mauritius. The Company's registered office is situated at Eagle House, Hyvec Business Park, 15 A5 Wall street, Ebene, Cybercity, Mauritius. The Company, its subsidiaries and its associates are collectively referred to as the "Group".

The Company carries out short term insurance comprising of general insurances and covers the following:

- Accident and Health
- Engineering
- Fire and allied perils
- Motor
- Transportation

The activities of the subsidiary companies are disclosed in note 8(b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention except for freehold building and certain available-for-sale investments that are measured at revalued amounts or fair values, as explained in the accounting policies, and in accordance with IFRSs.

2.3 Basis of consolidation

The financial statements include the results of the Company and of its subsidiaries. The results of the subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date of acquisition or up to the date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's shareholding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current-ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Non-controlling interests in the net assets of the subsidiary are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests of changes in equity since the date of the combination. Losses applicable to the minority in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

When the Group loses control of a subsidiary, the profit or loss on disposal is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes for accounting standards and interpretations relevant to the Company's operations are disclosed below. Although these new standards and amendments applied for the first time during the financial year, they did not have a material impact on the financial statements of the Company.

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amendments to IFRS as from 1 July 2021:

Standards and Amendments	Effective for accounting period beginning on or after
Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2021
Covid-19-Related Rent Concessions- Amendment to IFRS 16	1 April 2021

The adoption of the above amended standards did not have a material impact on the Company's financial statements.

2.5 Accounting Standards and Interpretations issued but not yet effective

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Group has not early adopted them. The Group intends to adopt these standards, amendments and interpretation when they become effective.

New or revised standards	Effective for accounting period beginning on or after
IAS 41 Agriculture – Taxation in fair value measurements	1 January 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards –Subsidiary as a first-time adopter	1 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

Where the adoption of the new and amended IFRSs have an impact on the financial statements of the Group, the effect of the changes is described below:

The Conceptual Framework for Financial Reporting

The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards.

The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short - duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, Re-measured every reporting period (the fulfilment cash flows)
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period).
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Group plans to adopt the new standard on the required effective date.

The Group expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Group and is likely to have a significant impact on profit and total equity together with presentation and disclosure.The Group is currently assessing the impact of IFRS 17 on its financial statements

Definition of a Business-Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendment is applied prospectively and the entity is not expecting an impact.

Definition of Material-Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Impact

Although the amendments to the definition of material is not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

2.6 Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the revalued property does not differ materially from its carrying amount at the reporting date.

Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

An annual transfer from the property revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Other plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

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

2.7 Depreciation

Depreciation on revalued property is recognised in profit or loss and the surplus on the revalued property is transferred annually from property revaluation reserve to retained earnings. The amount transferred is computed on the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset's original cost.

No depreciation is provided on furniture and equipment under renovation work-in-progress, until the project has been completed or intended for use. Depreciation on property, plant and equipment is recognised so as to write off the cost or revalued amount of the assets less their residual values over their useful lives, using the straight-line method as follows:

Building	2.00%
Furniture and equipment	20.00%
Computer equipment	33.33%
Motor vehicles	16.67%

2.8 Intangible asset and amortisation

(a) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses if any.

Goodwill is tested annually for impairment and is allocated to cash-generating units for the purpose of impairment testing.

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

(b) Computer software

Computer software is stated at cost less accumulated amortisation. Amortisation of computer software is calculated to write off its cost on a straight-line basis over its estimated useful life of 3 to 6 years.

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

2.9 Leases

Right-of-use assets

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

Short-term leases and low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lease liabilities

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

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

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.10 Investment in subsidiary

In the Company's financial statements, investment in subsidiary was stated at cost. The carrying amount is reduced if there is any indication of impairment in value.

2.11 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control over these policies.

Investments in associates are accounted for at cost in the company's account and under the equity method in the Group accounts. The Group's share of the associates' profit or loss and other comprehensive income for the year is recognised in the statement of profit or loss and other comprehensive income and the Group's interest in the associates are carried in the statement of financial position at an amount that reflects its share of the net assets of the associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associates recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of profit or loss and other comprehensive income.

Where the Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

2.12 Financial assets

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in the Statement of profit or loss.

Initial recognition and measurement

Financial assets are classified at initial recognition as measured at amortised cost, fair value through profit or loss ("FVTPL"), and fair value through other comprehensive income ("FVOCI").

This classification depends on whether the financial asset is a debt or equity investment. The following table shows the classification of the different types of financial assets:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

Classification	Type of financial assets included
Fair value through profit or loss	Quoted and unquoted securities
Fair value through other comprehensive income	Quoted and unquoted securities
Amortised cost	Deposits, corporate bonds, government bonds, treasury bills, and treasury notes, amount due from group companies.

Financial assets at amortised cost

The Group only measures debts investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

If either of the two criteria above is not met, the debt instrument is classified as 'fair value through profit or loss. The Group has not designated any debt investment measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

A gain or loss on a debt investment that is subsequently measured at amortized cost is recognised in profit or loss when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method. Interest revenue shall be calculated by using the effective interest method.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has not reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Financial assets through other comprehensive income

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Impairment gains and losses and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

For all other equity investments not classified as fair value through profit or loss, the Group can make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss.

Where the Group's management has elected to present unrealized and realised fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

Financial assets through profit or loss

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in profit or loss and presented as part of 'realised gains/losses- net' in the period in which they arise

Interest and dividend income or expense is recorded in profit or loss according to the terms of the contract, or when the right to payment has been established.

Derecognition

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

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;
- The Company has transferred its rights to receive cash flows from the asset and either (a) 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.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Financial assets carried at amortised cost

Overview of the ECL principles

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

The ECL allowance is based on the credit loss expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

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

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

The Group has established a policy to perform an assessment at the end of each reporting period of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 3.2.

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

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

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

The calculation of ECLs

The Group calculates ECLs based on a four probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.
- These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2.13 Financial liabilities

Financial liabilities are classified as 'other financial liabilities.'

Other financial liabilities (including trade and other payables, loans, deposits from customers and gross outstanding claims) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate "EIR" method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

2.14 Equity instruments

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

2.15 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is charged to the statement of profit or loss. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or groups of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses related to goodwill cannot be reversed in future periods.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amounts. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years.

Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

2.16 Provision for unearned premiums

The provision for unearned premiums represents that part of the written premiums on short-term insurance contracts, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. Unearned premiums are computed on 1/24th method. The change in the provision is recorded in the statement of profit or loss and other comprehensive income to recognise revenue over the period of the risk. The provision is released to or from the General Insurance Fund. The provision is derecognised when the contract expires, is discharged or cancelled.

2.17 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods but it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

2.18 Employee benefits and related liabilities

Defined benefit plan that share risks between entities under common control

The Company's holding company, IBL Ltd, operates a group defined benefit plan which is wholly funded and covers some current and former employees of the company. Effective 01 July 2019, the Company has entered into an agreement with its holding company to recharge pension costs and liabilities relating to current and former employees under the IBL group plan. The accounting for the transfer of liability on 01 July 2019 is recorded in the statement of profit or loss.

Subsequently, remeasurement comprising actuarial gains and losses, the effect of the changes on the return on plan assets is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in actuarial reserve and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expenses or income and remeasurement

An actuarial valuation is carried out every year.

Gratuity on retirement/other post-retirement benefits

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 is calculated by Swan Life Ltd and provided for. The obligations arising under this item are not funded.

2.19 Outstanding claims

Outstanding claims represent the estimated liability for claims reported plus losses incurred but not yet reported and the related loss adjustment expenses. Claims and loss adjustment expenses are charged to the statement of profit or loss and other comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The liability for losses and loss adjustment expenses is determined using "case basis" evaluations and statistical analysis and represents an estimate of the ultimate cost of all losses incurred but not paid at the end of the reporting period. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid losses and loss adjustment expenses is adequate. These estimates are continually reviewed and adjusted as necessary, such adjustments are reflected in current operations.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

2.20 Salvage and subrogation reimbursements

Some insurance contracts permit the company to sell property acquired in settling a claim (i.e., Salvage). The Company may also have the right to sue third parties for payment of some or all the costs incurred (i.e., subrogation). Estimate of salvage recoveries are included as allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled.

2.21 Liability adequacy

At the end of each reporting period the Company performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flows (including claims handling and related costs), taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense to the statement of profit or loss and other comprehensive income by recognising an additional liability for claims provisions or recognising a provision for unexpired risks.

2.22 Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.23 General insurance fund

The general insurance fund represents the portion of premiums written on short-term insurance contracts relating to periods of insurance risks subsequent to the reporting date. Unearned premiums are computed on 1/24th method. The movement on the provision is taken to profit or loss. The provision is derecognized when the contract expires, is discharged or cancelled.

2.24 Revenue recognition

General business

Gross premiums on general business are earned on a pro-rata basis over the term of the policy coverage. The movement on the provision for unearned premiums is transferred to the general insurance fund based on the 1/24th method. Premiums are shown gross of commission.

Other revenues

Other revenues earned by the Group are recognised on the following bases:

- Dividend income is recognised when the shareholder's right to receive payment is established.
- Commission income from reinsurers is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Profit commission from reinsurers is recognised on an accrual basis.
- Interest income on deposits is recognised on a time basis using effective interest method

2.25 Reinsurance

The Group enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance or investment contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take into account of reinsurance.

Reinsurance assets are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is recognised in the statement of profit or loss and other comprehensive income. The asset is impaired if objective evidence is available to suggest that it is probable that the Group will not be able to collect the amounts due from reinsurers.

Gains and losses on buying reinsurance are recognised in income at the date of purchase and are not amortised.

2.26 Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.27 Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits with the immediate holding company. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.28 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing at the end of each reporting period.

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FINANCIAL STATEMENTS
For the year ended 30 June 2022

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in the statement of profit or loss and other comprehensive income. For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Mauritian rupees using exchange rates prevailing at the end of each reporting period. Their results for the period are translated into Mauritian rupees at average exchange rates for the period. The exchange differences arising from translation of the foreign operations are taken to the Group's translation reserve.

2.29 Related Parties

Parties are considered to be related if they have the ability, directly or indirectly, to control or exercise significant influence over the Group or the Company in making financial and operating decisions, or vice versa, or where the Group or the Company is subject to common significant influence. Related parties may be individuals or other entities.

2.30 Expenses

Expenses are recognised on accruals basis in the statement of profit or loss and other comprehensive income.

2.31 Investment property

Properties held to earn rentals or capital appreciation or both and not occupied by the Group are classified as investment properties. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment properties at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss under other income (Note 22). Fair values are determined based on the valuation performed by an accredited external, independent valuer.

Investment properties are derecognized when either these have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss other income (Note 22) in the year of retirement or disposal. Transfers made to or from investment properties are only made when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

Estimates and judgements are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant under the circumstances.

The Group 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:

Estimates

3.1 Insurance contracts

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

These estimates are described below.

The estimation of ultimate liability arising from the claims made under insurance contracts is one of the Group's most critical accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Group will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the reporting date. The Group uses a range of actuarial methodologies to estimate these provisions. Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Group and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

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

The Group adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved. Refer to Note 14 Gross outstanding claims.

3.2 Provision for expected credit losses

As disclosed in the accounting policies, the ECL calculation requires the use of significant estimates to calculate the probability of default, the exposure at default and the loss given default. These require estimation of the likelihood of default over a certain time horizon, the estimate of exposure of future default dates and estimates of the loss arising in the case where a default occurs at a given time. In its ECL models, the Company relies on a broad range of information, such GDP growth and unemployment rates.

3.3 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 38 Fair Value Measurements.

3.4 Useful lives, residual values and revaluation of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment. Refer to Note 4 Property, plant and equipment.

3.5 Revaluation of land and buildings

The buildings are measured at fair value based on periodic valuations by external independent valuers and as estimated by the directors and management based on reference to their knowledge on the current market evidence of transaction prices for similar properties. In arriving at the valuation, assumptions and economic estimates have to be made. The actual results could differ from their estimates and the directors and management consider they have used their best estimates to arrive at fair value of the properties. Refer to Note 4 Property, plant and equipment.

3.6 Recoverable amount on insurance and other receivables

In preparing those consolidated financial statements, the directors have made estimates of the recoverable amounts of insurance and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involves an assessment of the financial condition of the debtors concerned and estimate of the timing and the extent of cash flows likely to be received by the Group. Refer to Note 12 Insurance and other receivables.

3.7 Employee benefits liabilities

The cost of defined benefit pension plans and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The directors believe that the future salary increase is appropriate in the current economic situation. Also, the actuarial specialists believe that the bonds issued on the primary market and the secondary market is appropriate to determine the discount rates for the Group's defined benefits pension plan

3.8 Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Judgements

3.9 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 38 Fair Value Measurements.

3.10 Leases Determining the lease term of contracts with renewal and termination options

Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group included the renewal period as part of the lease term with shorter non-cancellable period (12 months). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold building	Furniture and equipment	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP					
Cost or valuation					
At 1 July 2021	110,100	48,815	34,134	638	193,687
Additions	-	-	760	-	760
Reversal adjustments	-	(1,331)	-	-	(1,331)
Disposal	-	(78)	-	-	(78)
At 30 June 2022	110,100	47,406	34,894	638	193,038
Accumulated depreciation					
At 1 July 2021	-	19,099	29,151	596	48,846
Charge for the year	2,293	8,502	3,946	(7)	14,734
Disposal	-	(28)	-	-	(28)
At 30 June 2022	2,293	27,573	33,097	589	63,552
Net book value					
At 30 June 2022	107,807	19,833	1,797	49	129,486
At 30 June 2021	110,100	29,716	4,983	42	144,841

Note relating to both the Group and the Company:

(i) None of the property, plant and equipment were pledged.

(ii) For the year under review, the freehold building was not revalued.

The Company's policy is to revalue its property every 3 years unless there is evidence that the fair value of the asset differ materially from the carrying amount. The last valuation took place on 11th August 2021 by Elevante Property Services Ltd

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

	Freehold building	Furniture and equipment	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY					
Cost or valuation					
At 1 July 2021	110,100	48,393	34,134	638	193,265
Additions	-	-	760	-	760
Reversal adjustments	-	(1,331)	-	-	(1,331)
Disposal	-	(78)	-	-	(78)
At 30 June 2022	110,100	46,984	34,894	638	192,616
Accumulated depreciation					
At 01 July 2021	-	18,979	29,151	596	48,726
Charge for the year	2,293	8,418	3,946	(7)	14,650
Disposal	-	(28)	-	-	(28)
At 30 June 2022	2,293	27,369	33,097	589	63,348
Net book value					
At 30 June 2022	107,807	19,615	1,797	49	129,268
At 30 June 2021	110,100	29,414	4,983	42	144,539

If freehold building had been stated at historical cost, the amounts would be as follows:

	The Group and the Company	
	2022	2021
	Rs'000	Rs'000
Cost	**87,551**	87,551
Accumulated depreciation	**(5,253)**	(3,502)
Net	**82,298**	84,049

5. INTANGIBLE ASSETS

	The Group			The Company	
	Goodwill	Computer Software	Total	Computer Software	Total
Cost	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At 1 July 2020	993	57,496	58,489	57,496	57,496
Additions	-	768	768	768	768
At 30 June 2021	993	58,264	59,257	58,264	58,264
Additions	-	365	365	365	365
At 30 June 2022	**993**	**58,629**	**59,622**	**58,629**	**58,629**
Accumulated amortisation					
At 1 July 2020	-	45,376	45,376	45,376	45,376
Charge for the year	-	6,759	6,759	6,759	6,759
At 30 June 2021-	-	52,135	52,135	52,135	52,135
Charge for the year	-	4,447	4,447	4,447	4,447
At 30 June 2021	**-**	**56,582**	**56,582**	**56,582**	**56,582**
Net book value					
At 30 June 2022	**993**	**2,047**	**3,040**	**2,047**	**2,047**
At 30 June 2021	993	6,128	7,121	6,128	6,128

The estimated remaining useful life of computer software ranges from 1 to 6 years for 2022 (2021: 1 to 6 years).

"Goodwill has been allocated to the general business segment for impairment testing purposes of cash generating units (CGU's). The directors have reviewed the carrying amount of the goodwill allocated to the CGU and they are of the opinion that the goodwill is not impaired at reporting date.''

6. INVESTMENT PROPERTY

	The Group		The Company	
(i) Fair Value	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**68,200**	35,139	**16,400**	-
Reclassified from property, plant and equipment*	**-**	14,307	**-**	14,307
Other movements	**(1,421)**	-	**(342)**	-
Gain on revaluation of investment properties (Note 22)	**-**	18,754	**-**	2,093
At 30 June	**66,779**	68,200	**16,058**	16,400

	The Group		The Company	
(ii) Maturity Analysis of the rental payments	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within 1 year	**4,284**	4,687	**1,350**	1,511
Between 1 to 5 years	**12,425**	12,035	**6,109**	5,683
Total undiscounted value of the rental payments	**16,709**	16,722	**7,459**	7,194

Group as lessor

The Group has entered into operating leases on its investment property consisting of freehold building. The leases have terms of five years. The leases include a clause to enable upward revision of the rental charge on an annual basis.

Rental income generated from the investment property amounted to Rs.5,066,141 (2021: Rs3,806,221). Direct operating expenses amounted to Rs. 2,379,484 (2021: Rs 564,260). For the year under review,the freehold building was not revalued.

*During the year ended 30 June 2021, part of the freehold building located on the first floor, was used to generate rental income. As a result, there was a reclassification from property, plant and equipment to investment properties. The fair value of the reclassified investment property as at 30 June 2022 was Rs 16,058,333 (2021: Rs 16,400,000).

7. LEASES

(a) Right of use asset

	The Group and The Company	
	2022	2021
	Building	Building
	Total	Total
	Rs'000	Rs'000
At 1 July	**3,154**	4,251
Covid relief	**-**	(102)
Depreciation	**(995)**	(995)
At 30 June	**2,159**	3,154

The table below describes the nature of the Group's leasing activities by type of right-of-use asset on the statement of financial position:

Right-of-use asset	No. of ROU asset leased	Range of remaining term-years	No. of leases with extension options	No. of leases with termination options
Office building	2	2-2.8	2	2

(b) Lease liabilities

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

	The Group and The Company	
	2022	2021
	Building	Building
Charge for the year	**4,229**	4,229
	Building	Building
	Total	Total
	Rs'000	Rs'000
At 1 July	**3,423**	4,601
Accretion of interest	**139**	185
Covid relief	**-**	(208)
Payments	**(1,127)**	(1,154)
At 30 June	**2,435**	3,423
Analysed as:		
Current	**1,070**	990
Non-current	**1,365**	2,433
	2,435	3,423

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

The following are the amounts recognised in profit or loss:

	2022	2021
	Total	Total
	Rs'000	Rs'000
Depreciation expense of right-of-use assets	**995**	995
Covid relief	**-**	106
Interest expense on lease liabilities	**139**	185
Total amount recognised in profit or loss	**1,134**	1,286

The total cash outflow for leases in 2022 was Rs 1,127,555.

(d) Lease maturity analysis of the lease liabilities

`

	The Group and The Company	
	2022	2021
	Total	Total
	Rs'000	Rs'000
Contractual undiscounted cash flows		
Within 1 year	**692**	980
Between 1 to 5 years	**1,871**	2,712
Total undiscounted lease liabilities at 30 June 2022	**2,563**	3,692

The effective interest rates at the end of reporting date were 4.79% - 4.98%.

8. INVESTMENT IN SUBSIDIARIES

	The Company	
	2022	2021
	Rs'000	Rs'000
(a) Unquoted investment at cost, less impairment		
At 1 July and 30 June	**1,100**	1,100

(b) Details of subsidiaries at end of reporting period

Name of subsidiaries	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by The Group	
			2022	2021
Speciality Risk Solutions Ltd*	Provision of anxilliary insurance services	Mauritius	**70%**	70%
Eagle Investment Property Ltd	Rental of property	Mauritius	**100%**	100%

*Proportion of ownership of non-controlling interest is 30%

(c) There was no non-wholly owned subsidiary that have material non-controlling interest.

9. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Unquoted investment				
At 1 July	**103,221**	92,780	**21,313**	21,313
Share of post tax profit (net)	**26,031**	7,810	**-**	-
Share of other comprehensive loss	**233**	(1,541)	**-**	-
Dividend*	**(12,320)**	(9,936)	**-**	-
Translation difference	**23,234**	14,108	**-**	-
At 30 June	**140,399**	103,220	**21,313**	21,313

Dividend includes dividend receivable of Rs 6.5 M (2021: Rs 2.6 M)

(b) Details of the associates at end of report

Name of associate	Year end	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by The Group	
				2022	2021
H Savy Insurance Company Ltd	30 June	General and life insurance business	Seychelles	**20%**	20%
Medscheme (Mtius) Ltd	30 June	Medical insurance and provident fund administrator	Mauritius	**30%**	30%

The activities of the above associates are strategic to the Group's activities and are accounted for using the equity method.

(c) Summarised financial information in respect of the associates is set out below:-

	Medsheme (Mtius) Ltd		H Savy Insurance Company Ltd	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current assets	**28,289**	40,940	**577,429**	522,322
Non-current assets	**38,821**	11,104	**700,872**	450,794
Current liabilities	**(7,404)**	(10,178)	**(182,733)**	(184,172)
Non-current liabilities	**(14,301)**	(12,141)	**(490,848)**	(346,590)
Equity attributable to owners of the Company	**45,405**	29,725	**604,720**	442,354

	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue	**72,609**	67,776	**734,73**	575,040
Profit from operations	**14,097**	4,822	**107,796**	25,387
Other comprehensive loss for the year arising on remeasurement of employee benefit liabilities	**775**	-	**-**	-
Total comprehensive income for the year	**14,872**	4,822	**107,796**	25,387
Dividend from associates	**-**	-	**12,320**	9,936

Reconciliation of summarised information from management accounts to the carrying amount of the interest in associate recognised in the consolidated financial statements.

(c) Summarised financial information in respect of the associates is set out below: (Contd)

	Medsheme (Mtius) Ltd		H Savy Insurance Company Ltd	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net assets of the associate	**45,405**	29,725	**604,720**	442,354
Proportion of the ownership interest in the associates	**30%**	30%	**20%**	20%
Carrying amount of the interest in the associates	**13,622**	8,918	**120,944**	88,471
Reconciliation:				
Goodwill on acquisition	**5,833**	5,833		
Carrying amount of the interest in the associates	**19,455**	14,751		

10. STATUTORY DEPOSITS

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July and June 30,	**8,000**	8,000
Analysed as:		
Non-current	**8,000**	8,000

The statutory deposits are pledged in favour of the Financial Services Commission.

The statutory and other deposits have earned interest varying from 2.68% to 2.5% per annum.

11. FINANCIAL INVESTMENTS

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July	**915,248**	547,482
Additions	**348,331**	411,502
Interest	**(127)**	1,123
Disposals	**(318,382)**	(173,787)
Change in fair value	**(15,750)**	120,356
Expected credit losses	**4,092**	730
Exchange difference	**9,752**	7,841
At 30 June	**943,164**	915,248
Analysed as:		
Non-current	**826,242**	843,136
Current	**116,922**	72,112
	943,164	915,248

The breakdown of fair value measurements is shown in Note 36.

Analysed as follows:	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income (Note 11(a))	**244,563**	244,017
Financial assets at fair value through profit or loss (Note 11(b))	**234,740**	314,524
Debt at amortised cost (Note 11(c))	**463,861**	356,707
	943,164	915,248
Quoted	**439,973**	172,632
Unquoted	**503,191**	742,616
	943,164	915,248

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

(a) Financial assets at fair value through other comprehensive income

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Analysed as follows;		
At 1 July	**244,017**	211,974
Additions	**23,255**	21,563
Disposals	**(49,079)**	(42,485)
Change in fair value	**25,635**	52,951
Exchange difference	**784**	-
Expected credit loss	**3**	14
Interest	**(52)**	-
At 30 June	**244,563**	244,017

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Equity instruments:		
Quoted equity securities	**112,405**	107,332
Unquoted equity securities	**132,158**	126,468
	244,563	233,800
Debt instruments:		
Unquoted debt instruments (Refer to 11 (a)(i) below)	**-**	10,217
	-	10,217
Total financial assets at fair value through other comprehensive income	**244,563**	244,017
Fair value movement		
Equity instrument	**25,831**	52,985
Debt instrument	**(196)**	(34)
	25,635	52,951

(i) Debt instruments at fair value through other comprehensive income

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Government debt securities	-	10,220
Less: Allowance for credit loss	-	(3)
	-	10,217

The table below shows the credit quality and the maximum exposure to credit risk based on external credit rating for the instruments and year-end stage classification. The amounts presented are gross of impairment allowances. The Company uses external grading system and policies on whether ECL allowances are calculated on an individual or collective basis. The Company uses external rating agencies grading such as S&P and Moody's, ranging from BBB- to BB+ as indication for classification of the debt instruments into stages and to calculate the expected credit losses on those instruments.

	The Group and The Company			
	2022			
External rating grade Performing	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
High grade	-	-	-	-
Standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	-	-	-	-

	The Group and The Company			
	2021			
External rating grade Performing	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
High grade	10,220	-	-	10,220
Standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	10,220	-	-	10,220

(ii) Impairment losses on financial investments subject to impairment assessment

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

	The Group and The Company			
	2022			
	Stage 1 Collective	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
Gross carrying amount as at 1 July	**10,220**	**-**	**-**	**10,220**
New asset purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	**(10,220)**	-	-	**(10,220)**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-			
Transfer to Stage 3	-	-	-	-
Amortisation adjustments	-	-	-	-
At June 30,	-	-	-	-

	The Group and The Company			
	2022			
	Stage 1 Collective	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
ECL allowance as at 1 July,	**(3)**	-	-	**(3)**
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	**3**	-	-	**3**
Impact of net- remeasurement of year end ECL	-	-	-	-
At June 30,	-	-	-	-

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

	The Group and The Company			
	2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at 1 July	21,686	-	-	21,686
New asset purchased	7,006	-	-	7,006
Assets derecognised or matured (excluding write-offs)	(18,438)	-	-	(18,438)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amortisation adjustments	(34)	-	-	(34)
At June 30,	10,220	-	-	10,220

	The Group and The Company			
	2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at 1 July,	(17)	-	-	(17)
New assets purchased	(1)	-	-	(1)
Assets derecognised or matured (excluding write offs)	-	-	-	-
Impact of net- remeasurement of year end ECL	(15)	-	-	15
At June 30,	(3)	-	-	(3)

(b) Financial assets at fair value through profit or loss

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July	**314,524**	227,691
Additions	**161,522**	111,253
Disposals	**(209,423)**	(91,825)
Fair value adjustments	**(31,883)**	67,405
At 30 June	**234,740**	314,524
	2022	2021
Analysed as follows:	**Rs'000**	Rs'000
Local - Listed	**12,405**	9,171
Others	**222,335**	305,353
Total financial assets at fair value through profit or loss	**234,740**	314,524
Analysed as follows:		
Non-current	**234,740**	314,524
	234,740	314,524
Quoted	**12,405**	9,171
Unquoted	**222,335**	305,353
	234,740	314,524

(c) Debt at amortised cost

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July	**356,707**	107,816
Additions	**163,553**	278,686
Disposals	**(59,881)**	(39,476)
Expected credit losses	**4,089**	716
Exchange Losses	**(532)**	7,841
Interests	**(75)**	1,123
At 30 June	**463,861**	356,707

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Government debt securities	**21,664**	8,180
Corporate bonds and fixed deposits	**451,830**	360,249
	473,494	368,429
Less: Allowances for credit loss	**(9,633)**	(11,722)
Total debt instruments at amortised costs	**463,861**	356,707
Analysed as follows:		
Quoted	**315,163**	68,163
Unquoted	**148,698**	288,544
	463,861	356,707

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

The table below shows the credit quality and the maximum exposure to credit risk based on external credit rating for the instruments and year-end stage classification. The amounts presented are gross of impairment allowances. The Company uses external grading system and policies on whether ECL allowances are calculated on an individual or collective basis. The Company uses external rating agencies grading such as S&P and Moody's, ranging from BBB- to BB+ as indication for classification of the debt instruments into stages and to calculate the expected credit losses on those instruments. The Company is using an external grading for its debt instruments.

	The Group and The Company			
	2022			
External rating grade Performing	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
High grade	**315,163**	-	-	**315,163**
Standard grade	**148,689**	-	-	**148,698**
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	**463,861**	-	-	**463,861**

	The Group and The Company			
	2021			
External rating grade Performing	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
High grade	8,180	-	-	8,180
Standard grade	360,249	-	-	360,249
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	368,429	-	-	368,429

Impairment losses on financial investments subject to impairment assessment

Debt instrument measured at amortised cost

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

	The Group and The Company			
	2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at 1 July	**368,430**	-	-	**368,430**
New asset purchased	**163,553**	-	-	**163,553**
Assets derecognised or matured (excluding write-offs)	**(58,488)**	-	-	**(58,488)**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amortisation adjustments	-	-	-	-
At June 30,	**473,495**	-	-	**473,495**

	The Group and The Company			
	2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at 1 July	120,255	-	-	120,255
New asset purchased	278,686	-	-	278,686
Assets derecognised or matured (excluding write-offs)	(39,476)	-	-	(39,476)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amortisation adjustments	8,956	-	-	8,956
At June 30,	368,430	-	-	368,430

	The Group and The Company			
	2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at 1 July,	**(11,722)**	-	-	**(11,722)**
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	**4,089**	-	-	**4,089**
Impact of net- remeasurement of year end ECL	-	-	-	-
At June 30,	**(7,633)**	-	-	**(7,633)**

	The Group and The Company			
	2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at 1 July,	(12,439)	-	-	(12,439)
New assets purchased	(753)	-	-	(753)
Assets derecognised or matured (excluding write offs)	2,205	-	-	2,205
Impact of net- remeasurement of year end ECL	(735)	-	-	(735)
At June 30,	(11,722)	-	-	(11,722)

There were no transfers between stages during the year as there was no observed deterioration in credit risks on any of the instruments in the portfolio.

12. INSURANCE AND OTHER RECEIVABLES

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Premium receivables	**242,277**	258,378	**242,277**	258,378
Amounts due from reinsurers	**44,992**	49,039	**44,992**	49,039
Recoverables from third party insurers	**51,094**	72,220	**51,094**	72,220
Other receivables	**80,062**	42,204	**80,692**	41,571
	418,425	421,841	**419,055**	421,208

The average collection period on sales of insurance premiums of the Company is 55 days (2021: 63 days) and the average credit period on sales of insurance premiums is 90 days (2021: 90 days). No interest is charged on the trade receivables from the date the debit note is issued. Credit terms allowed to insurance brokers range between 90 days and 365 days.

The amounts due from reinsurance companies are recoverable on a period ranging from a monthly to a quarterly basis. The amount due by third party insurers are recoverable following final settlement of claims negotiations.

Before accepting any new customer, the Company's credit control department assesses the potential customer's credit quality and defines terms and credit limits for the customer.Of the trade receivables balance at the end of the year, Rs.3.1m (2021: Rs.5.3m) is due by the ultimate holding company, IBL Ltd the Company's largest customer and there are no customers who represent more than 10% of the total balance of the trade receivables.

Other receivables include the current account with Medscheme amounting to Rs. 40.1m (2021: Rs31.2m). The amount is receivable within one year and does not carry interest. No ECL has been recorded against the balance as it is immaterial.

	The Group and The Company	
	2022	2021
Ageing of past due but not impaired:	**Rs'000**	Rs'000
30-90 days	**75,870**	38,181
91-180 days	**69,150**	69,964
181-270 days	**39,434**	34,388
Over 270 days	**6,082**	69,507
	190,536	212,040

Movement in the allowance for doubtful debt on premium receivable

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July	**74,106**	73,684
Provision for impairment losses recognised on premium receivables (Note 23)	**521**	422
At 30 June	**74,627**	74,106

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk relating to trade receivable is limited due to the customer base being large and unrelated. The impairment losses recognised on specific trade receivables is the difference between the carrying amount and the present value of expected proceeds. The Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Other receivables comprise mainly deposits and prepayments.

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Carrying amount-Over 1 year	**74,627**	74,106	**74,627**	74,106

13 AMOUNTS DUE TO/FROM GROUP COMPANIES

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loan to subsidiary company (i)	**-**	-	**38,371**	38,724
Amount due from ultimate holding company	**-**	-	**-**	-
Amount due to subsidiary	**-**	-	**(5,400)**	-
	-	-	**32,971**	38,724

(i) During the year the Company has received instalments for the loan from its subsidiary Eagle Investment Property Limited amounting to Rs1,991,320 (2021: Rs1,991,320), principal amount Rs567,292 (2021: Rs616,682) and interest Rs1,352,704 (2021: Rs1,374,638). The loan bears a fixed interest rate of 3.5% for a period of 35 years. The balance includes an expected credit loss of Rs.212,181 (2021: Rs 212,181).

The deposit is granted for the purpose of meeting working capital requirements.

	The Group		The Company	
Analysed as:	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current	**-**	-	**661**	639
Non-current assets	**-**	-	**37,710**	38,085
Non-current liabilities	-	-	**(5,400)**	-
	-	-	**32,971**	38,724

14. GROSS OUTSTANDING CLAIMS

	2022			2021		
The Group and the Company	**Gross**	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
Claims notified	**1,315,428**	**(774,944)**	**540,484**	1,327,430	(781,448)	545,982
Claims incurred but not reported	**141,408**	**(63,190)**	**78,218**	231,409	(135,034)	96,375
At 1 July	**1,456,836**	**(838,134)**	**618,702**	1,558,839	(916,482)	642,357
Claims incurred	**1,100,458**	**(756,052)**	**344,406**	704,713	(314,076)	390,637
Cash (paid)/received for claims settled in the year	**(737,538)**	**429,541**	**(307,997)**	(806,716)	392,424	(414,292)
At 30 June	**1,819,756**	**(1,164,645)**	**655,111**	1,456,836	(838,134)	618,702
Analysed as:						
Claims notified	**1,662,158**	**(1,084,186)**	**577,972**	1,315,428	(774,944)	540,484
Claims incurred but not reported	**157,598**	**(80,459)**	**77,139**	141,408	(63,190)	78,218
	1,819,756	**(1,164,645)**	**655,111**	1,456,836	(838,134)	618,702
Movement during the year recognised in profit and loss	**(362,920)**	**326,511**	**(36,409)**	102,003	(78,348)	23,655

15 STATED CAPITAL

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Authorised, issued and fully paid		
7,999,998 ordinary shares of Rs10 each	**80,000**	80,000

The issued and fully paid shares carry one vote per share and a right to dividend.

16. GENERAL INSURANCE FUND

		The Group and The Company		
		Gross	Reinsurance	Net
		Rs'000	**Rs'000**	**Rs'000**
At 1 July 2020		455,381	(194,669)	260,712
Increase/(decrease) during the year	3	22,607	(71,782)	(49,175)
At 30 June 2021		477,988	(266,451)	211,537
Increase/(decrease) during the year		26,566	(50,419)	(23,853)
At 30 June 2022		**504,554**	**(316,870)**	**187,684**

(a) The general insurance fund will be released over a period of 12 months after the reporting date.

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17. DEFERRED TAX ASSETS

Deferred taxation is calculated on all temporary differences under the liability method at the rate of 17% (2021: 17%). The movement on deferred tax account is as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**(23,797)**	(29,328)	**(27,155)**	(29,528)
Recognised in other comprehensive income	**(518)**	8,054	**(518)**	8,054
Recognised in profit or loss (Note 19 (iii))	**(765)**	(2,523)	**(809)**	(5,681)
At 30 June	**(25,080)**	(23,797)	**(28,482)**	(27,155)

The Group

2022	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Revaluation of property	**7,615**	**-**	**-**	**7,615**
Retirement benefit obligations	**(6,170)**	**3**	**(518)**	**(6,685)**
Provision on recoverable from third party	**(16,761)**	**300**	**-**	**(16,461)**
Provision for bad debts	**(12,598)**	**(89)**	**-**	**(12,687)**
Right of use asset	**537**	**(169)**	**-**	**368**
Lease liability	**(582)**	**168**	**-**	**(414)**
Accelerated capital allowances	**4,240**	**(912)**	**-**	**3,328**
Tax losses	**(77)**	**(67)**	**-**	**(144)**
Net deferred tax liabilities/(assets)	**(23,797)**	**(765)**	**(518)**	**(25,080)**

2021	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Revaluation of property	-	3,186	4,429	7,615
Retirement benefit obligations	(10,211)	416	3,625	(6,170)
Provision on recoverable from third party	(19,783)	3,021	-	(16,761)
Provision for bad debts	(11,980)	(618)	-	(12,598)
Right of use asset	723	(186)	-	537
Lease liability	(782)	200	-	(582)
Accelerated capital allowances	4,930	(691)	-	4,240
Tax losses	7,775	(7,852)	-	(77)
Net deferred tax liabilities/(assets)	(29,328)	(2,523)	8,054	(23,797)

The Company

2022	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000
Revaluation of property	**4,783**	**-**	**-**	**4,783**
Retirement benefit obligations	**(6,170)**	**3**	**(518)**	**(6,685)**
Provision on recoverable from third party	**(16,761)**	**300**	**-**	**(16,461)**
Provision for bad debts	**(12,598)**	**(89)**	**-**	**(12,687)**
Right of use asset	**537**	**(169)**	**-**	**368**
Lease liability	**(582)**	**168**	**-**	**(414)**
Accelerated capital allowances	**3,637**	**(1,022)**	**-**	**2,615**
Tax losses	**-**	**-**	**-**	**-**
Net deferred tax liabilities/(assets)	**(27,155)**	**(809)**	**(518)**	**(28,482)**

2021	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000
Revaluation of property	-	354	4,429	4,783
Retirement benefit obligations	(10,211)	416	3,625	(6,170)
Provision on recoverable from third party	(19,783)	3,021	-	(16,761)
Provision for bad debts	(11,980)	(618)	-	(12,598)
Right of use asset	723	(186)	-	537
Lease liability	(782)	200	-	(582)
Accelerated capital allowances	4,623	(986)	-	3,637
Tax losses	7,882	(7,882)	-	-
Net deferred tax liabilities/(assets)	(29,528)	(5,681)	8,054	(27,155)

18. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts due to reinsurers	**78,211**	177,185	**78,211**	177,185
Payable to garages and other suppliers	**13,009**	7,857	**13,009**	7,857
Commission payables	**5,095**	5,494	**5,095**	5,494
Other payables	**117,364**	88,062	**117,236**	87,662
	213,679	278,598	**213,551**	278,198

(i) The Group has financial risk management policies in place to ensure that all payables are paid with the credit time-frame.

(ii) The carrying amounts of trade and other payables approximate their fair values.

(iii) No interest is charged on trade and other payables.

(iv) Other payables includes Rs. 9.1m of investment that have been purchased at year end but cash disbursed in July 2022 (2021: Rs. 42.3m) and a balance payable to Medscheme amounting to Rs. 39.3m (2021: Rs. 11.7m) in respect to Medscheme Careplus current account. In addition, other payables includes a provision balance of Rs 29m (2021: Rs21m)

19. TAXATION

Income tax is calculated at the rate of 17% (2021:17%) on the profit for the year as adjusted for income tax purposes.

(i) Current tax (receivable) / liabilities

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**119**	(9,791)	**177**	(9,705)
Charge for the year	**15,067**	252	**15,022**	173
Over provision in previous year	**(8)**	4	**-**	-
Corporate social responsibility	**1,980**	4	**1,986**	4
Tax deductible at source	**(241)**	(165)	**(97)**	-
Refund received during the year	**2,197**	9,835	**2,061**	9,705
Amount paid during the year	**(265)**	(20)	**(195)**	-
At 30 June	**18,849**	120	**18,954**	177
Made up of:				
Current tax receivables	**(144)**	(133)	**-**	-
Current tax liabilities	**18,993**	252	**18,954**	177
	18,849	119	**18,954**	177

(ii) Charge to statement of profit or loss and other comprehensive income

	The Group		**The Company**	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax charge	**15,067**	252	**15,022**	173
Over provision in previous year	**(8)**	4	**-**	-
Corporate social responsibility	**2,004**	4	**2,004**	4
Deferred tax movement (Note 17)	**(765)**	(2,523)	**(809)**	(5,681)
	16,297	(2,263)	**16,217**	(5,505)

(iii) Tax reconciliation

The tax on the Group's and the Company's profit before tax differs from the theoretical amount that arises using the basic tax rate of the Group and the Company as follows:

	The Group		The Company	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(loss) before taxation	**77,005**	145,149	**62,599**	128,953
Tax calculated at 17%	**13,091**	24,675	**10,642**	21,922
Tax effect of:				
Income not subject to tax	**(2,353)**	(153)	**(23)**	(153)
Over provision of current tax in previous year	**(8)**	4	**-**	-
(Over)/under provision of deferred tax in previous year	**(35)**	(16,414)	**-**	(16,481)
Adjustments in respect of current income tax of previous year	**-**	3,181	**-**	3,181
Expenses not deductible for tax purposes	**5,838**	(13,557)	**5,834**	(13,974)
Foreign tax credit	**(236)**	-	**(236)**	-
	16,297	(2,263)	**16,217**	(5,505)

(iv) At 30 June 2022, the Group had no tax losses (2021: 451,188) which were available for set off against future taxable profits for the next 5 years.

20. INVESTMENT INCOME

	The Group		**The Company**	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend from financial assets	14,993	11,228	14,993	11,228
Dividend from subsidiary	-	-	133	141
Dividend from associate	-	-	12,320	9,936
	14,993	11,228	27,446	21,305

21. FINANCE INCOME

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Finance income				
Bank deposits	**1,046**	1,392	**1,046**	1,392
Financial assets	**19,309**	12,124	**20,597**	13,499
	20,355	13,516	**21,643**	14,891

22. (a) OTHER INCOME

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit on disposal of property, plant and equipment	**6**	12	**6**	12
Gain on revaluation of investment property (Note 6)	**-**	18,754	**-**	2,093
Expected credit losses on financial investment	**4,092**	730	**4,092**	730
Proceeeds from disposal of shares	**-**	8,152	**-**	8,152
Policy fees	**8,227**	4,125	**8,227**	4,125
Endorsement fees	**2,750**	2,394	**2,750**	2,394
Rental Income	**5,066**	3,176	**1,705**	-
Others	**390**	649	**-**	144
	20,531	37,992	**16,780**	17,650

22. (b) OTHER GAINS (LOSSES)

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net fair value (losses)/gains on financial assets at fair value through profit or loss	**(41,320)**	67,405	**(41,320)**	67,405
Net foreign exchange gains	**8,595**	20,969	**8,595**	20,969
	(32,725)	88,374	**(32,725)**	88,374

23. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Administrative expenses include:				
Staff costs	**93,221**	88,280	**93,221**	88,280
Depreciation and amortisation	**20,575**	24,015	**19,411**	23,930
Net provision for impairment losses recognised on receivables (Note 12)	**521**	422	**521**	422
Bad debt written off	**4,882**	4,882	**1,456**	4,882
Donations	**45**	-	**40**	-
Legal and professional fee	**10,415**	34,122	**10,075**	33,830
Others	**57,015**	42,034	**60,182**	41,906
	186,674	193,755	**184,906**	193,251

24. EARNING PER SHARE

Earnings per share is based on profit after taxation attributable to owners of the Company of Rs. 60,508,000 (2021: Rs.147,298,000) for the Group and on 7,999,998 shares in issue for the year ended 30 June 2022.

25. CASH AND EQUIVALENTS

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand	**4**	3	**4**	3
Balances with banks	**575,373**	565,127	**571,522**	558,098
Bank and cash balances	**575,377**	565,129	**571,526**	558,101
Cash and cash equivalents	**575,377**	565,129	**571,526**	558,101

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES

	The Group and The Company	
	2022	2021
Made up of;	**Rs'000**	Rs'000
- Defined benefit plan that shares risks between entities under common Control (see (a) below)	**26,075**	25,888
- Other post retirement benefits (see (d))	**10,622**	7,776
	36,697	33,664

(a) Defined benefit plan that shares risks between entities under common control

The Company's parent company, IBL Ltd, operates a group defined benefit plan which covers some current and former employees of the Company and the plan is wholly funded. The benefits are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement.

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The assets of the funded plan are held independently and administered by Swan Life Ltd. Pension Consultants and Administrators Ltd is responsible for the management of this fund.

The pension plan typically expose the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.
Interest risk	If the Bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.
Longevity risk	The liabilities disclosed are based on the mortality tables A 67/70 and PA(92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.
Salary risk	If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

(a) Defined benefit plan that shares risks between entities under common control (Contd)

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Amount payable to the holding company	**26,075**	25,888
Analysed as follows:		
Recharge through Profit and loss:		
Amount payable to the holding company for defined benefit liabilities recognised as at 1 July	**25,888**	47,962
Service and interest costs for the year net of employer contribution	**2,138**	2,342
Contribution and direct benefit paid	**(2,989)**	(5,726)
Recharge through Other Comprehensive Income:		
Actuarial (gain)/loss from changes in financial assumptions	**1,038**	(18,690)
(i) The recharge of the defined benefit liabilities are analysed in the actuarial report as follows:		
Present value of funded obligation	**73,650**	69,708
Fair value of plan assets	**(47,575)**	(43,820)
Liability recognised in the statements of financial position	**26,075**	25,888

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
(ii) Movement in liabilities recognised in the statements of financial position		
Amount payable to the holding company for defined benefit liabilities recognised as at 1 July	**25,888**	47,962
Amount recognised in profit or loss	**2,138**	2,342
Employer contributions	**(2,989)**	(5,726)
Amount recognised in profit or loss as at 30 June	**25,037**	44,578
Amount recognised in other comprehensive income	**1,038**	(18,690)
Amount payable to the holding company for defined benefit liabilities recognised as at 30 June	**26,075**	25,888

(a) Defined benefit plan that shares risks between entities under common control (Contd)

(iii) The amounts recognised in the statement of profit or loss

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Current service cost	**898**	1,010
Scheme expenses	**198**	(14)
Cost of insuring risk benefits	**80**	82
Service cost	**1,176**	1,078
Net interest cost	**962**	1,264
Components of amount recognised in profit or loss	**2,138**	2,342

(iv) The net amounts recognised in the statement of other comprehensive income

Return on plan assets (excluding amounts included in net interest expense)	**(1,291)**	(4,175)
Actuarial (gain)/loss arising from experience adjustments	**1,030**	(4,075)
Actuarial (gain)/loss arising from changes in financial assumptions	**1,299**	(10,440)
Actuarial (gain)/loss recognised in OCI	**1,038**	(18,690)

(v) Movement in the present value of underlying defined benefit obligation

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Present value of as at 1 July	**69,708**	84,686
Current service cost	**898**	1,010
Interest cost	**2,849**	2,319
Actuarial (gain)/losses	**3,978**	(14,515)
Benefits paid	**(3,783)**	(3,791)
Present value of as at 30 June	**73,650**	69,708

(vi) Movement in the fair value of underlying plan asset

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Fair value as at 1 July	**43,820**	36,724
Interest income	**1,888**	1,054
Employer's contribution	**2,989**	5,726
Scheme expenses	**(199)**	14
Cost of insuring risk benefits	**(80)**	(82)
Actuarial gain/(losses)	**2,940**	4,175
Benefits paid	**(3,783)**	(3,791)
Fair value as at 30 June	**47,575**	43,820

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

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Cash and cash equivalents	**5,915**	9,005
Equity investments categorised by industry type:		
- Local	**15,996**	9,921
- Foreign	**16,647**	12,936
Fixed interest instruments	**9,017**	11,959
Properties	**-**	-
Total market value of assets	**47,575**	43,820

(viii) The principal actuarial assumptions used for accounting purposes are:-

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Discount rate	**4.1%**	4.2%
Future long term salary increase	**1%**	2%
Future pension increase	**0%**	0%
Average retirement age (ARA)	**60 years**	60 years

(ix) Future cash flows:

The funding policy is to pay contributions to the holding company. The expected contribution at IBL Group level is Rs 81m for the year ending 30 June 2023. The average duration of the defined benefit obligation at 30 June 2022 is 8 years.

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

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**8,677**	10,167
Decrease in defined benefit obligation due to 1% increase in discount rate	**(7,276)**	(8,426)
Increase in defined benefit obligation due to 1% increase in salary	**1,216**	1,674
Decrease in defined benefit obligation due to 1% decrease in salary	**(1,166)**	(1,591)

(b) Contribution to defined contribution pension plan

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Contribution expensed	**4,505**	5,636

(c) State pension plan

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
National Pension Scheme/CSG contributions expensed	**2,119**	1,226

(d) Other post retirement benefits

Other post retirement benefits consist of retirement gratuity obligation payable under the Workers' Rights Act 2019.

The latter provides for a lump sum on withdrawal, at retirement or death, whichever occurs earlier, based on final salary and years of service.

Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), these benefits are unfunded as at 31 December 2019. Moreover, employees who resign as from 2020, are eligible for a portable gratuity benefit based on service with the employer as from 1 January 2020 and remuneration at exit (same benefit formula as for retirement/death gratuity).

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The Company is exposed to the following actuarial risks:

Investment risk	Lower returns on IBLPF's asset will reduce the expected DC pension which in turn will reduce the allowable gratuity offset. The net result will be an increase in the residual liability.
Interest rate risk	This is the risk that bond yields reduce, leading to an increase in the provision required to be set aside for the benefits.
Salary/Remuneration increase	The risk is that actual salary increases are higher than assumed, thereby leading to a shortfall in benefit provisions already set aside.
Mortality risk	Higher than expected death will expose the company to having to effect payouts that were not expected from its cash flow.
Longevity risk	Employees living longer than expected will expose the employer to the risk that more employees make it to retirement to claim their benefits while the provisions assume that fewer employees will live till retirement
Withdrawal risk	Lower than expected withdrawal will have the same impact as longevity risk.
Liquidity risk	This risk arises if the employer's actual net cash flows are not sufficient to pay for the gratuity benefit when it becomes due.

(i) Movement in the liability recognised in the statement of financial position:

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July	**7,776**	9,476
Total expense recognised to profit or loss	**933**	936
Actuarial gains recognised in other comprehensive income	**2,010**	(2,636)
Employer Contributions and benefits payments from company's cashflow	**(97)**	-
At 30 June	**10,622**	7,776

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

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July	**7,776**	9,476
Current service cost	**553**	651
Interest cost	**381**	284
Actuarial gains	**2,010**	(2,636)
At 30 June	**10,720**	7,776

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(iii) The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Current service cost	**553**	651
Interest cost	**381**	284
Components of defined benefit costs recognised in profit or loss	**934**	936
Remeasurement of retirement benefit obligations:		
Actuarial gains recognised during the year	**2,010**	(2,636)
Components of defined benefit costs recognised in other comprehensive income	**2,010**	(2,636)
Analysis of amount recognised in other comprehensive income:		
Gains/(losses) on plan assets	**1**	-
Experience losses on liabilities	**174**	(1,577)
Change in assumptions underlying the present value of the scheme	**1,835**	(1,059)
	2,010	(2,636)

(iv) Movement in actuarial gains recognised

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
At 1 July	**(1,184)**	(3,820)
Actuarial gains recognised during the year	**(2,010)**	2,636
At 30 June	**(3,194)**	(1,184)

(v) The principal actuarial assumptions used for accounting purposes were:

	The Group and The Company	
	2022	2021
	%	%
Discount rate	**5.0**	4.9
Future long-term salary increase	**1.0/3.0**	2.0

The weighted average duration of the liabilities is 13 years at the end of the reporting period (2021: 13 years).

The Group is expected to contribute Rs 0.1m to the PRGF for the year ending 30 June 2022.

(vi) Sensitivity analysis

	The Group and The Company	
	2022	2021
	Rs'000	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**2,285**	2,153
Decrease in defined benefit obligation due to 1% increase in discount rate	**(1,941)**	(1,818)
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**2,332**	2,171
Decrease in defined benefit obligation due to 1% decrease in future long-term salary assumption	**(2,006)**	(1,857)

The sensitivity analysis above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

27. FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the group will be able to continue as a going concern and also comply with applicable laws and regulations while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and bank balances and equity attributable to owners of the Group (comprising stated capital, reserves, retained earnings and non-controlling interests as detailed in statement of changes in equity).

The Group is required to maintain a minimum capital requirement under the Insurance Act 2005 and rules made by the Financial Services Commission.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for statement of financial position assets 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.

For the year ended 30 June 2022, the Group has satisfied the minimum capital requirements under Insurance (General Insurance Business Solvency) Rules 2007.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 2 and 3 to the financial statements.

Categories of financial instrum ents	The Group		The Company	
	2022	2021	2022	2021
Financial assets	Rs'000	Rs'000	Rs'000	Rs'000
Financial investments at fair value through other comprehensive income	**244,563**	244,017	**244,563**	244,017
Financial investments at fair value through profit and loss	**234,740**	314,524	**234,740**	314,524
Financial assets other than amortised cost	**479,303**	558,541	**479,303**	558,541
Financial investments at amortised cost	**463,861**	356,707	**463,861**	356,707
Statutory deposits	**8,000**	8,000	**8,000**	8,000
Premium receivables	**242,431**	258,378	**242,277**	258,378
Amounts due from reinsurers	**44,992**	49,039	**44,992**	49,039
Recoverables from third party insurers	**51,094**	72,220	**51,094**	72,220
Other receivables (i)	**70,234**	39,154	**71,307**	38,522
Reinsurance assets	**1,481,515**	1,104,585	**1,481,515**	1,104,585
Amounts due from group companies	**-**	-	**38,371**	38,724
Cash and cash equivalents	**575,377**	565,129	**571,526**	558,101
At amortised cost	**2,937,504**	2,453,212	**2,972,943**	2,484,276
Total financial assets	**3,416,807**	3,011,753	**3,452,246**	3,042,817
Financial liabilities				
Trade and other payables	**213,679**	278,597	**213,551**	278,198
Lease liabilities	**2,435**	3,423	**2,435**	3,423
Gross outstanding claims (ii)	**1,662,158**	1,315,428	**1,662,158**	1,315,428
At amortised cost	**1,878,272**	1,597,448	**1,878,144**	1,597,049

(i) Other receivables exclude prepayments for the Group and The Company.
(ii) Gross outstanding claims exclude claims incurred but not reported for the Group and The Company.

(b) Financial risk management

The Group monitors and manages the financial risks relating to their operations through internal control procedures and written policies approved by their respective Board. These risks include credit risk, currency risk, liquidity risk, interest rate risk and market risk.

Market risk

The Group's activities are not significantly exposed to the financial risks of changes in foreign currency exchange rates and interest rates and no derivative financial instruments have been contracted for the financial year ended 30 June 2022 (2021:nil)

Foreign currency risk management

The Group undertakes transactions that are mostly denominated in Mauritian Rupees, hence, minimizing the exposures to exchange rate risk. The currency profile of the financial assets and liabilities is summarised as follows:

The Group

	Financial assets 2022 Rs'000	Financial liabilities 2022 Rs'000	Financial assets 2021 Rs'000	Financial liabilities 2021 Rs'000
Mauritian Rupees	**2,841,593**	**1,878,272**	2,281,256	1,597,448
United States Dollars	**448,048**	**-**	600,645	-
Euro	**103,158**	**-**	98,340	-
British Pounds	**23,868**	**-**	12,059	-
Seychelles Rupees	**140**	**-**	19,453	-
	3,416,807	**1,878,272**	3,011,753	1,597,448

The Company

	Financial assets 2022 Rs'000	Financial liabilities 2022 Rs'000	Financial assets 2021 Rs'000	Financial liabilities 2021 Rs'000
Mauritian Rupees	**2,878,199**	**1,878,144**	2,313,741	1,597,049
United States Dollars	**446,881**	**-**	599,242	-
Euro	**103,158**	**-**	98,340	-
British Pounds	**23,868**	**-**	12,059	-
Seychelles Rupees	**140**	**-**	19,453	-
Australian Dollars	**-**	**-**	-	-
	3,452,246	**1,878,144**	3,042,817	1,597,049

The Group has equity securities and bank deposits in foreign currencies and any fluctuation of the Mauritian rupee against those foreign currencies will affect the value of the deposits. At 30 June 2022, if the rupee had weakened/strengthened by 5% against the foreign currencies with all other variables held constant, the Group's and the Company's profit for the year would have been Rs. 28,760,707 and Rs. 28,702,361 (2021: Rs. 36,523,950) respectively higher/lower mainly resulting from translation of equity securities and bank deposits.

2022		Change in rate	**The Group** Effect on profit before tax Rs'000	**The Company** Effect on profit before tax Rs'000
United States Dollars	+/-	5%	**22,402**	**22,344**
Euro	+/-	5%	**5,158**	**5,158**
British Pounds	+/-	5%	**1,193**	**1,193**
Seychelles rupees	+/-	5%	**7**	**7**
			28,760	**28,702**

2021		Change in rate	The Group and The Company Effect on profit before tax Rs'000
United States Dollars	+/-	5%	30,032
Euro	+/-	5%	4,917
British Pounds	+/-	5%	603
Seychelles rupees	+/-	5%	973
			36,525

Interest rate risk management

Under short-term insurance contracts, liabilities are not directly sensitive to the level of market interest rates. Fluctuations in interest rates however impact on returns on financial instruments but is closely monitored by the investment committee through a well diversified portfolio of fixed income securities and equity investments.

The sensitivity analysis has been determined based on the exposure to interest rates for financial liabilities. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the date of statement of financial position was outstanding for the whole year, except for loans where the normal repayment terms were considered. A 50 basis point is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. At 30 June 2022, the Group did not have any variable rate deposits (2021: nil).

Liquidity Risk Management

The Group is exposed to daily calls on its available cash resources mainly from claims arising from short term insurance contracts. The Group sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover maturities, claims and surrenders and unexpected levels of demand.

The liquidity risk management of the Group rests with Finance department, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group	**3 months to 1 year** Rs'000	**Between 1 and 5 years** Rs'000	**Total** Rs'000
30 June 2022			
Trade and other payables	213,679	-	213,679
Gross outstanding claims	1,662,158	-	1,662,158
Lease liabilities	1,070	1,365	2,435
	1,876,907	1,365	1,878,272
30 June 2021			
Trade and other payables	278,597	-	278,597
Gross outstanding claims	1,315,428	-	1,315,428
Lease liabilities	990	2,433	3,423
	1,595,015	2,433	1,597,448

The Company	**3 months to 1 year** Rs'000	**Between 1 and 5 years** Rs'000	**Total** Rs'000
30 June 2022			
Trade and other payables	213,551	-	213,551
Gross outstanding claims	1,662,158	-	1,662,158
Lease liabilities	1,070	1,365	2,435
	1,876,779	1,365	1,878,144
30 June 2021			
Trade and other payables	278,198	-	278,198
Gross outstanding claims	1,315,428	-	1,315,428
Lease liabilities	990	2,433	3,423
	1,594,616	2,433	1,597,049

The interest rate profile of the financial assets is as follows:

	The Group and Company	
	Floating interest rate	
	2022 %	2021 %
Mauritian Rupee	**2.59 - 7.75**	1.4 - 7.75
United States Dollar	**1 - 4.75**	1 - 3.6
Euro	**0.65 - 7**	0.65 - 7

The above comprise mainly investments, deposits with financial institutions and deposits with ultimate holding company.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its insurance receivables, reinsurance assets and investment in debt instruments. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience.

The Group structures the levels of its credit risk it accepts by placing limits on its exposure to a single counterparty or groups of counterparty and to industry segments. Such risks are subject to annual or more frequent review. Reinsurance is used to manage credit risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The credit worthiness of reinsurers is considered on an annual basis by reviewing their credit rates provided by rating agencies prior to finalisation of any reinsurance contract. Although the insurance premiums due from related companies represented 58% of the trade receivable, the concentration of credit risk is limited due to the fact that it is composed of several companies and departments within the Group.

The credit control department assesses the credit worthiness of brokers, agents and of contract holders based on details of recent payment history, past history and by taking into account their financial position. The Group is exposed to potential default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers and the Group has policies in place to ensure that risks are ceded to highly rated and credit worthy reinsurers only. The credit worthiness of reinsurers is considered on an annual basis for its reinsurance treaty panel and on a case to case basis for facultative reinsurance placement by carrying out assessment via rating agencies and/or other available market reports prior to finalisation of any reinsurance contracts. The Group also has exposure to credit risk on its debt securities, more specifically on the corporate bonds. The investment committee recommends investment in entities with which the Group had good experience in the past years and with good standing. The financial position and performance of the issuers are assessed in detail prior to approval for investment by the Group.

The carrying amount of financial assets recorded in the financial statements which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any security.

Refer to note 11(a)(i), (ii) and 11(c) for information on the credit quality of the financial investments.

Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity price risk is mitigated by having a well-diversified portfolio of equity and unit investments in various industries and countries. Moreover certain units investments are capital-guaranteed.

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 10% higher/lower:

- profit for the year ended 30 June 2022 would have been unaffected as the equity investments are classified as financial asset at fair value through other comprehensive income; and
- other equity reserve for the Group would increase/decrease by Rs.24,456,317 (2021: Rs.12,316,259) as a result of the changes in fair value of financial investment at fair value through other comprehensive income.

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

28. MANAGEMENT OF INSURANCE RISKS

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

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

Casualty Insurance

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group 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. As part of its permeating and systematic risk management, the Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, Tsunami etc.) and their consequences (for example, cyclone claims).

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

Frequency and severity of claims (Contd)

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the company remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The Company evaluates the financial condition of its reinsurers to minimize its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate its increased exposure.

Property insurance contracts are subdivided into four risk groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

Concentration of insurance risk

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

	2022				2021			
Class of business		Gross	Reinsurance	Net		Gross	Reinsurance	Net
	No. of claims	**Rs'000**	**Rs'000**	**Rs'000**	No. of claims	Rs'000	Rs'000	Rs'000
Accident	**2,347**	**19,262**	**(2,421)**	**16,841**	2,872	96,243	(34,291)	61,952
Engineering	**1,011**	**111,424**	**(89,866)**	**21,558**	748	108,445	(94,102)	14,343
Fire	**1,603**	**770,509**	**(706,344)**	**64,165**	1,209	418,113	(372,885)	45,228
Liability	**6,692**	**313,744**	**(178,129)**	**135,615**	5,450	233,980	(149,985)	83,995
Motor	**7,897**	**329,697**	**(50,409)**	**279,288**	7,262	310,769	(25,942)	284,827
Health	**3,163**	**45,948**	**(33,533)**	**12,415**	2,018	31,376	(23,714)	7,662
Transportation	**123**	**71,574**	**(23,483)**	**48,091**	165	116,502	(74,025)	42,477
IBNR	**-**	**157,598**	**(80,459)**	**77,139**	-	141,408	(63,190)	78,218
	22,836	**1,819,756**	**(1,164,644)**	**655,112**	19,724	1,456,836	(838,134)	618,702

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

Claims on casualty contracts are payable on a claims-occurrence basis. The Group 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 contracts term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). 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 they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liabilities 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 incident.

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. 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 IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred but not Reported) IBNR is held at year-end.

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 reconciles the cumulative claims to the amount appearing in the statement of financial position.

2022

	2017	2018	2019	2020	2021	2022	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of							
Accident year	428,699	841,151	840,449	825,515	742,886	1,092,813	4,771,513
1 year later	163,750	59,271	51,996	47,362	(9,262)	-	313,117
2 years later	(32,106)	24,714	(71)	(30,984)	-	-	(38,447)
3 years later	(17,328)	(11,478)	(2,025)	-	-	-	(30,831)
4 years later	2,144	(9,642)	-	-	-	-	(7,498)
5 years later	(1,917)	-	-	-	-	-	(1,917)
Current estimate of cumulative claims	543,242	904,016	890,349	841,893	733,624	1,092,813	5,005,937
Accident year	317,902	308,880	308,367	508,812	472,863	472,171	2,388,995
1 year later	128,796	179,049	415,540	211,620	135,969	-	1,070,974
2 years later	16,075	51,861	29,820	33,809	-	-	131,565
3 years later	5,199	4,456	9,467	-	-	-	19,122
4 years later	3,370	10,685	-	-	-	-	14,055
5 years later	1,355	-	-	-	-	-	1,355
Cumulative payment to date	472,697	554,931	763,194	754,241	608,832	472,171	3,626,066
	70,545	349,085	127,155	87,652	124,792	620,642	1,379,871
Liabilities in respect of prior years*							282,287
IBNR							157,598
Total gross liabilities							1,819,756

2021

	2016 Rs'000	2017 Rs'000	2018 Rs'000	2019 Rs'000	2020 Rs'000	2021 Rs'000	Total Rs'000
At end of							
Accident year	608,754	428,699	841,151	840,449	825,515	742,886	4,287,454
1 year later	89,706	163,750	59,271	51,996	47,362	-	412,085
2 years later	25,761	(32,106)	24,714	(71)	-	-	18,298
3 years later	(31,859)	(17,328)	(11,478)	-	-	-	(60,665)
4 years later	(6,673)	2,144	-	-	-	-	(4,529)
5 years later	34,354	-	-	-	-	-	34,354
Current estimate of cumulative claims	720,043	545,159	913,658	892,374	872,877	742,886	4,686,997
Accident year	349,390	317,902	308,880	308,367	508,812	472,863	2,266,214
1 year later	206,400	128,796	179,049	415,540	211,620	-	1,141,405
2 years later	20,571	16,075	51,861	29,820	-	-	118,327
3 years later	2,838	5,199	4,456	-	-	-	12,493
4 years later	1,964	3,370	-	-	-	-	5,334
5 years later	59,192	-	-	-	-	-	59,192
Cumulative payment to date	640,355	471,342	544,246	753,727	720,432	472,863	3,602,965
	79,688	73,817	369,412	138,647	152,445	270,023	1,084,032
Liabilities in respect of prior years*							231,396
IBNR							141,408
Total gross liabilities							1,456,836

**This represents the cumulative liabilities prior to 2015*

29. RELATED PARTY DISCLOSURES

The Group is making the following disclosures in respect of related party transactions and balances.

Outstanding balances

	The Group		The Company	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
(i) Receivable from related parties:-				
Ultimate holding company	**3,088**	5,322	**3,088**	5,322
Associate	**43,107**	51,383	**43,107**	51,383
Associates of ultimate holding company	**67,753**	126,443	**67,753**	126,443
Subsidiaries of ultimate holding company	**691**	287	**691**	287
	114,639	183,435	**114,639**	183,435

These amounts are included in insurance and other receivables, refer to note 12.

	The Group		The Company	
	2022 Rs'000	2021 Rs'000	**2022 Rs'000**	2021 Rs'000
(ii) Interest receivable from				
Subsidiary of ultimate holding company	-	-	**674**	1,374
	-	-	**674**	1,374

These amounts are included in amounts due from group companies, refer to note 13.

	The Group		The Company	
(iii) Investment in:-				
Subsidiary of ultimate holding company (Note 8)	**1,100**	1,100	**1,100**	1,100
Associate of ultimate holding company (Note 9(a))	**21,313**	21,313	**21,313**	21,313
	22,413	22,413	**22,413**	22,413

The outstanding balances are unsecured and interest free. Deposits bear interest rate as disclosed in note 27 under interest rate risk management.

Transactions

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Sales of services to:-*				
Ultimate holding company	**-**	185	**-**	185
Associate	**445,066**	344,928	**445,066**	344,928
Associates of ultimate holding company	**521,785**	522,515	**521,785**	522,515
Subsidiaries of ultimate holding company	**66**	748	**66**	748
	966,917	868,376	**966,917**	868,376

* sales of services relates to gross premium.

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(ii) Purchases of goods and services from:-				
Ultimate holding company	**1,970**	3,719	**1,928**	3,719
Subsidiaries of ultimate holding company	**3,638**	2,236	**3,638**	2,236
	5,608	5,955	**5,566**	5,955

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(iv) Interest and rental income from:-				
Ultimate holding company	**12,672**	6,827	**12,672**	6,827
Subsidiaries of ultimate holding company	**3,819**	3,806	**1,811**	2,005
	16,491	10,633	**14,483**	8,832
(v) Dividend income from associate (Note 9 (a))	**12,320**	9,936	**12,320**	9,936

Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short-term benefits	**13,717**	9,018	**13,717**	9,018
Post-employment benefits	**1,054**	571	**1,054**	571
	14,771	9,589	**14,771**	9,589
Contribution to IBL Ltd's defined benefit pension plan				
Contribution expensed	**669**	736	**669**	736
Contribution to defined contribution pension plan				
Contribution expensed (Note 26 (b))	**4,505**	5,636	**4,505**	5,636

30. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The directors regard IBL Ltd, which is incorporated and domiciled in Mauritius, as the Company's holding and ultimate holding company .

31. CAPITAL COMMITMENTS

Capital Commitments contracted for but not accrued:	The Company	
	2022	2021
	Rs'000	Rs'000
Buildings, Furniture & Fittings and Computer software	**42,500**	42,100

32. CONTINGENT LIABILITIES

At 30 June 2022, the Group and Company did not have any material contingent liabilities.

33. NON-CASH FLOW TRANSACTIONS

During the year, the Group and the Company entered into the following non-cash flow transactions which are not reflected in the statement of cash flows:

	The Group		The Company	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Acquisition of property, plant and equipment				
- Cash	**760**	1,033	**760**	1,033
	760	1,033	**760**	1,033
Acquisition of financial investments				
- Non-cash	**-**	42,326	**-**	42,326
- Cash	**348,331**	369,176	**348,331**	369,176
	348,331	411,502	**348,331**	411,502
Proceeds from sales of financial investments				
- Non-cash	**-**	-	**-**	-
- Cash	**318,382**	173,787	**318,382**	173,787
	318,382	173,787	**318,382**	173,787

34. LONG TERM INCENTIVE SCHEME

IBL Ltd, the holding company, has implemented a Long Term Incentive scheme (LTI) as from 1 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value with the IBL Group.

The LTI is a Phantom Share Award Scheme and allocations to eligible executives may be made once a year on 1 July.

The LTI payment shall be made to participants who remain employees in Good Standing of IBL or relevant subsidiaries on the exercise date, and based on IBL shares vested and the Exercise Price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at end of third year from the allocation date up to the fifth year.

At 30 June 2022, the provision for the LTI amounted to Rs 4,574,703 (2021: Rs 4,802,710). The following table illustrates the number and weighted average exercise price (WAEP) of the scheme:

	2022	**2022**	2021	2021
	NUMBER	**WAEP**	NUMBER	WAEP
Outstanding at 30 June	**27,012**	**56.5**	27,012	56.5

No shares were granted, forfeited, exercised or expired during the period. The average remaining contractual life for the share award scheme at 30 June 2022 was 4 years (2021: 4 years).

35. SEGMENTAL REPORTING - GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

a) Casualty - includes motor, liability, personal accident and health

b) Property - includes property, engineering and marine

(i) Operating segment

2022	Casualty Rs'000	Property Rs'000	Total Rs'000
Gross Premium	**1,327,537**	**288,026**	**1,615,563**
Net earned premium	**454,062**	**65,030**	**519,092**
Underwriting results	**159,076**	**55,424**	**214,500**

Note: Underwriting results is obtained as follows: net earned premium plus or (minus) net commission income/(expense) less net claims incurred.

	Rs'000
Investment income	**14,993**
Other income	**8,161**
Management expenses	**(163,240)**
Depreciation and amortisation	**(23,434)**
Finance cost	**(139)**
Share of profit of associate	**26,031**
Profit before taxationW	**76,872**
Income tax expense	**(16,297)**
Profit for the year	**60,575**

	Casualty Rs'000	Property Rs'000	Others Rs'000	Total Rs'000
Segment assets	**1,641,034**	**235,026**	**1,917,364**	**3,793,424**
Segment liabilities	**(2,177,832)**	**(311,905)**	**(110,808)**	**(2,600,545)**
Shareholders' interests				**1,192,475**
Capital expenditure	**329**	**47**	**384**	**760**
Depreciation and Amortisation	**10,138**	**1,452**	**11,845**	**23,434**

* Note: Others relate to assets and liabilities that are not directly attributable to the insurance business.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

2021	Casualty Rs'000	Property Rs'000	Total Rs'000
Gross Premium	932,637	554,196	1,486,833
Net earned premium	394,978	174,072	569,050
Underwriting results	64,415	115,754	180,169

Note: Underwriting results is obtained as follows: net earned premium plus or (minus) net commission income/(expense) less net claims incurred.

	Rs'000
Investment income	24,744
Other income	159,274
Management expenses	(202,650)
Depreciation and amortisation	(24,013)
Finance cost	(185)
Share of profit of associate	7,810
Profit before taxationW	145,149
Income tax expense	2,263
Profit for the year	147,412

	Casualty Rs'000	Property Rs'000	Others Rs'000	Total Rs'000
Segment assets	1,030,200	454,022	1,881,048	3,365,270
Segment liabilities	(1,475,214)	(650,146)	(130,598)	(2,255,958)
Shareholders' interests				1,109,312
Capital expenditure	316	139	577	1,032
Depreciation and Amortisation	7,351	3,240	13,423	24,013

36. FAIR VALUE MEASUREMENTS

This note provides information on how the Group and the Company determine the fair values of various assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for mesurement and/or disclosure purposes in these consolidated financial assets is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Fair value measurements recognised on a recurring basis in the statement of financial position

THE GROUP AND COMPANY	Carrying amount 2022 Rs'000	Fair Value 2022 Rs'000
Debt instruments at amortised cost:		
Deposits and corporate bonds	**442,198**	**442,198**
Government loan stocks	**21,663**	**21,663**
	463,861	**463,861**

THE GROUP AND COMPANY	Carrying amount 2021 Rs'000	Fair Value 2021 Rs'000
Debt instruments at amortised cost:		
Deposits and corporate bonds	348,529	348,529
Government loan stocks	8,178	8,178
	356,707	356,707

NOTES TO THE
FINANCIAL STATEMENTS
For the year ended 30 June 2022

THE GROUP AND THE COMPANY

	Fair value hierarchy as at 30 June 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Debt instruments at amortised cost:				
Deposits and corporate bonds	**315,164**	**127,034**	**-**	**442,198**
Government loan stocks	**-**	**21,663**	**-**	**21,663**

THE GROUP AND THE COMPANY

	Fair value hierarchy as at 30 June 2021			
	Level 1	Level 2	Level 3	Total
Debt instruments at amortised cost:				
Deposits and corporate bonds	68,163	28,829	251,537	348,529
Government loan stocks	-	8,178	-	8,178

(b) Reconciliation of Level 3 fair value measurements

The following table shows a reconciliation of the opening balance and closing recorded amount of Level 3 financial assets which are recorded at fair value:

	THE GROUP AND THE COMPANY			
	Debt instruments at amortised cost	Debt instruments at amortised cost	**Financial assets at fair value through other comprehensive income**	Financial assets at fair value through other comprehensive income
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**251,537**	23,895	**120,676**	81,317
Additions	**-**	250,944	**-**	3,774
Disposal	**(251,537)**	(30,781)	**(120,676**	-
Exchange gains/loss	**-**	7,372	**-**	-
Interest	**-**	1,041	**-**	-
Expected credit loss	**-**	(934)	**-**	-
Impairment	**-**	-	**-**	-
Total gains/(losses) in other comprehensive income	**-**	-	**-**	35,585
At June 30	**-**	251,537	**-**	120,676

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

This note provides information on how the Group and Company determine fair value of various assets and liabilities.

(a) Fair Value of the Group and Company assets and liabilities that are measured at fair value on a non- recurring basis:

The revaluation of building is non-recurring fair value measure as it occurs every 3 years

Some of the Group and Company's assets and liabilities are measured at fair value at the end of each reporting period. The following table gives the information about how the fair value of these assets and liabilities are determined (in particular the valuation technique(s)and the inputs used).

THE GROUP

Assets /Liabilities

	Fair value as at		Fair Value Hierarchy		Valuation technique(s) and key input(s)		Significant unobservable input(s)		Relationship of unobservable inputs to fair value	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rs '000	Rs '000								
Investment Property:										
Building	**66,779**	68,200	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	Yield 8.5% Discount rate 11.5%	**N/A**	N/A
Property and equipment										
Building	**107,807**	110,100	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	Yield 8.5% Discount rate 11.5%	**N/A**	N/A

THE COMPANY

Assets /Liabilities

	Fair value as at		Fair Value Hierarchy		Valuation technique(s) and key input(s)		Significant unobservable input(s)		Relationship of unobservable inputs to fair value	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rs '000	Rs '000								
Investment Property:										
Building	**16,058**	16,400	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	Yield 8.5% Discount rate 11.5%	**N/A**	N/A
Property and equipment										
Building	**107,807**	110,100	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	Yield 8.5% Discount rate 11.5%	**N/A**	N/A

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

(b) Fair Value of the Group and Company assets and liabilities that are measured at fair value on a recurring basis:

(i) The following table shows the valuation techniques used in the determination of fair values with in Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

	Fair value as at		Fair Value Hierarchy		Valuation approach	Key unobservable inputs (s)	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
	2022	2021	**2022**	2021				
	Rs '000	Rs '000						
Foreign equity bank	**128,940**	114,927	**Level 3**	Level 3	Price to book ratio	Discount due to lack of marketability	0% - 40%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs6.45M (2021: Rs5.75M) in fair value.
Commerce and others	**3,138**	5,748	**Level 3**	Level 3	Dividend yield	Discount due to lack of marketability	10% - 20%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs0.157M (2021: Rs0.287M) in fair value.
Bank deposits	**107,900**	51,790	**Level 3**	Level 3	Hold to Maturity	N/A	N/A	N/A
Deposits with ultimate holding company	**-**	199,747	**N/a**	Level 3	Hold to Maturity	N/A	N/A	N/A

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	Fair value as at		Fair Value Hierarchy		Valuation approach		Key unobservable inputs (s)		Relationship of unobservable inputs to fair value	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rs '000	Rs '000								
Financial assets at fair value through other comprehensive income:										
Quoted securities:										
Banks and Insurance	**43,252**	40,370		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Commerce	**2,140**	10,372		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Investments	**27,505**	21,169		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Leisure and Hotels	**12,308**	9,570		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Sugar	**1,970**	1,522		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Others	**25,229**	24,330		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Unquoted securities:										
Leisure and Hotels	**81**	71		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Others	**-**	15,939		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Banks and Insurance	**128,940**	114,927		**Level 3**	**Price to book**	**Price to book**	**Price to book**		**Price to book**	
Commerce	**3,138**	5,747		**Level 3**	**Dividend yield**	**Dividend yield**	**Dividend yield**		**Dividend yield**	
Financial assets at fair value through profit or loss:										
Local corporate debt	**-**	-		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Open-Ended Mutual Funds:										
Foreign	**38,375**	2,876		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Foreign equities	**6,818**	4,061		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Foreign equities	**174,187**	302,477		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Leisure and Hotels	**5,587**	-		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Leisure and Hotels	**-**	5,110		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Commerce and others	**9,773**	-		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A

37. EVENT AFTER THE REPORTING DATE

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 30 June 2022.

PROXY FORM

I/We, ... of ...., being a member of EAGLE INSURANCE LIMITED do hereby appoint .... of ...., or in his/her absence .... of ...., as my/our proxy, to vote for me/us and on my/our behalf at the Annual Meeting to be held on 28th December 2022 at 09:30 hours and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

		For	Against	Abstain
1.	To adopt the minutes of proceedings of the annual meeting held on 22nd December 2021.			
2.	To receive, consider and adopt the Group's and Company's audited financial statements for the year ended 30th June 2022, including the Annual Report and the Auditor's Report thereon.			
3.	To appoint Mr Yannick ULCOQ as Director.			
4.	To re-elect Mr Jean Paul CHASTEAU DE BALYON as Director of the Company until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001.			
5.	To re-elect as Directors to hold office until the next Annual Meeting by way of separate ordinary resolutions the following persons: 5.1. Ms Shahannah ABDOOLAKHAN 5.2. Mr Jacob Pieter (JP) BLIGNAUT 5.3. Mr Winson CHAN CHIN WAH 5.4. Mr Dipak CHUMMUN 5.5. Mr Laurent DE LA HOGUE 5.6. Mrs Natacha EMILIEN 5.7. Mr John Edward O'NEILL 5.8. Ms Cynthia PARRISH 5.9. Mr Derek WONG WAN PO			
6.	To fix the remuneration of the Directors for the year to 30th June 2023 and to ratify the emoluments paid to the Directors for the year ended 30th June 2022.			
7.	To re-appoint RSM (Mauritius) LLP as auditors for the financial year ending 30th June 2023.			
8.	To ratify the remuneration paid to the auditors for the financial year ended 30th June 2022.			

Signed this .... day of .... 2022 Signature/s ....

NOTES:

A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice (whether a Shareholder or not) to attend and vote on his/her behalf.

Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.

The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office, MCB Registry & Securities Limited, 9th Floor, MCB Centre, Sir William Newton Street, Port Louis, not less than twenty-four hours before the time for the holding of the meeting or else the instrument of proxy shall not be treated as valid.

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