ANNUAL REPORT **2019**

SWAN

Swan Life Ltd

Re-Connect


Re-Connect
SWAN

...with what really matters

Reconnecting has never been so important. We believe in solidarity, the virtue of which allows us to foster great partnerships. We are driven by one enduring truth: **We are stronger together.**

This is why we place people at the centre of everything we do and constantly adjust to the needs of each and every person who buys our products and services. Regardless of the circumstances, our customers may always rely on us.

Throughout its long history in Mauritius, SWAN has nurtured strong ties with them. It is like a string which holds us together to help us move forward. The testing times we are living have highlighted that very need to re-bond. And maybe, rediscover all these things which really matter. We are more than ever committed to standing by your side.

Protect, Provide, Progress and Prosper – the four pillars of our Pyramid of Prosperity – remain untouched.

ANNUAL REPORT **2019**

SWAN

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Swan Life Ltd for the year ended December 31, 2019.

This report was approved by the Board of Directors on May 19, 2020.

Nicolas Maigrot
Chairperson

Louis Rivalland
Director and
Group Chief Executive

Contents

SWAN

For the past 160 years, we have been present in the lives of our clients and fellow Mauritians, offering them insurance and protection.

As a progressive company, we have reorganised ourselves as a people needs-driven enterprise, and we are guided by our Vision, Mission and Values.

Our Philosophy

Our Values
are Passion, People and Performance.

Our Vision
is to partner with you to secure a better future.

Our Mission
is to be your preferred financial solutions partner for life.

Keeping the bonds strong

Chairperson's & Group Chief Executive's Report

On behalf of the board, we are pleased to present the Annual Report and Audited Financial Statements of Swan Life Ltd for the year ended December 31, 2019.

In line with our 3-year plan, we continued our strategic transformation and development by focusing on our five foundation pillars which are:

a) Re-thinking our business model
b) Optimising our operating model
c) Fully leveraging on technology and data
d) Banking on our people
e) Developing our ecosystem

These pillars are driving all our strategic initiatives at the business and functional levels. In addition to these, we also have two programs which are supporting our strategic objectives. They are the Operational Excellence (OpEx) and UpTogether Service Excellence programs. The OpEx program was launched in 2019 and is based on the Lean Six Sigma methodology. It has already initiated different projects relating to improvement of cycle time of operations, customer experience, cost reduction and enhancement of quality of life at work.

SWAN has been a digital organisation for over 2 decades and in 2017 we launched the first version of the mySWAN mobile application in order to better serve our individual customers, enabling them to have access to a portfolio of services, including a simple way to make health claims.

In 2019, we accelerated SWAN's digital transformation to align with our overall vision of moving away from being a supplier to becoming a partner to our clients and accompany them throughout life and across all facets of their business, providing them with peace of mind. The focus has been primarily to facilitate access to our products and services, step up our overall systems and infrastructure to support a work from anywhere paradigm to ensure business continuity and simplifying access to mySWAN and other services.

In fact, the updates to our infrastructure implemented in 2019 enabled SWAN to cope overnight with the COVID-19 lockdown in a smooth fashion, allowing the vast majority of our workforce to work from home and provide key services to our customers.

Rs.47.9bn
Total Group Assets

The simplifications done in mySWAN are essential to our objective of achieving a closer and more meaningful relationship with our customers, making it simpler to access and use the services they subscribe to. As we evolve in the digital world around us, our ability to integrate and aggregate services and data from across a wider eco-system will be key in offering current and new services, especially to the next generation of customers.

The investments and increased focus on digitisation achieved during 2019 have already proven themselves to be extremely valuable under the COVID-19 lockdown, reaffirming our conviction in digitising our core strategy rather than building a digital strategy.

Long Term Operations - Individual

In the course of 2019, we worked at ensuring that our different distribution channels continue to offer value added and tailored solutions to our customers.

We pursued our needs-based selling approach throughout our sales channels since this is at the core of our value proposition. Continuous training throughout the year remained a priority, allowing us to collectively improve our competencies and apply more consistency in our service delivery. These have greatly contributed towards the individual life business, maintaining its positive trend in terms of premium income growth in 2019.

In 2020, we shall work on partnering further with our clients, growing from simply doing business to build increasingly effective relationships with them through financial life planning solutions.

Chairperson's & Group Chief Executive's Report (cont'd)

Long Term Operations – Corporate

2019 was not very different from the previous years. The systemic risks and associated issues faced by employers of Defined Benefit (DB) schemes are ongoing and not isolated to the Mauritian pensions sector.

Over the last three years, through constant interactions with our clients and other stakeholders, we have continued to gather feedbacks and facts on the ongoing issues around DB schemes. It has now become clearer to all that the issues and challenges faced by DB schemes are complex and cannot be resolved by a one size fits all approach.

In February 2020, the Financial Services Commission released for public consultation the draft guidelines for the conversion or shift of DB schemes to Defined Contribution (DC) schemes. We are hopeful that these guidelines will assist to resolve the long-standing issues arising in DB schemes and provide the necessary guidance to tackle the different scenarios for conversion to DC, in line with best international practices. In order to be better equipped to address the inherent challenges that the pensions industry faces, we have restructured and strengthened the pensions team by hiring experienced professionals in the sector.

With the coming of Portable Retirement Gratuity Fund (PRGF), we have already noted a marked increase in employers interested in understanding the merits of contributing to a private pension scheme. More than ever, we continue to be on the lookout for any opportunity this may present to us.

Pension Administration

Swan Pensions Ltd (SPL) provides a comprehensive range of administration services to pension schemes, whether they are of the Defined Benefit, Defined Contribution or Hybrid type. The company provides pension administration services to over 800 companies grouped under 25 medium to big schemes with total membership nearing 70,000 lives.

During 2019, SPL continued to show a healthy profitability despite, pressure from competition. Our main challenges remain scarce skilled resources and high staff turnover in an environment of increased compliance and pressure to deliver at cheaper costs. We are nevertheless sparing no effort to consolidate our position as leader on the market and are also more attentive to our clients' needs to help them with the challenges they are facing.

We continue to work on streamlining our processes and shall soon enable our clients to transfer membership data efficiently and securely through a web-based platform. The new version of Pensys, our proprietary pension administration system, is ready for implementation after 2019 was spent on its development and testing. These new tools will enhance our overall delivery and enable us to be more efficient for the benefit of our clients.

Capital Markets

Swan Wealth Managers Ltd (SWM) is a leading provider of asset management services in Mauritius and currently manages investments worth more than Rs.58 billion across different asset classes, regions and sectors. SWM's customer base includes pension funds, insurance companies, investment funds, high net worth individuals and the general investing public.

SWM capped a successful year which was marked by robust top and bottom-line growth, further advancement in winning new mandates as well as excellent client retention rate. 2019 witnessed the successful launch of the Swan Income fund which, along with Swan Emerging Markets fund and Swan Foreign Equity fund, offers a comprehensive and attractive set of products. With a growing client book, emphasis was centred on service delivery excellence, generating investment ideas and crucially return on investments. All three were satisfactorily achieved and shall serve as steppingstones to grow asset under management and ultimately increase fee income.

In 2020, strategic initiatives shall be unravelled along, firstly unleashing scalable projects with our international partners and secondly cross-selling and up-selling efforts. Internationalisation and acquisitions are decisively important for us and top management is heavily involved in deep execution exercises. Advisory services are also a pillar of fee income generation and, to this end, all our advisory capacity is being transferred to a separate subsidiary with dedicated staff and mandates.

Swan Securities Ltd (SSL), which is a licensed stockbroking entity, managed to make a breakthrough in the bond raising market by winning a major mandate providing credibility to position ourselves for more mandates thereupon. Moreover, this represents an important diversifier to our current business model. Furthermore, in 2020, SSL shall pursue revenue generation efforts by way of enhanced product offering, including international investment funds & structured products/investment platforms. SSL is also scoping the international arena and looks forward to play a pivotal role in international deal origination.

SWM and SSL together represent a diverse and balanced business mix and are in prime position to deliver a strong financial performance. We are conscious that our strategic intents cannot be concretised without business agility and for us this is centred around lean management, building competitive advantages and improving management's ability to execute. This mind-set shall permeate our action for 2020 and beyond.

In 2019, we accelerated SWAN's digital transformation to align with our overall vision of moving away from being a supplier to becoming a partner to our clients and accompany them throughout life and across all facets of their business, providing them with peace of mind.

Chairperson's & Group Chief Executive's Report (cont'd)

Actuarial Services

In September 2019, we acquired an actuarial consultancy firm which provides consulting services on pension, insurance, risk management and expected credit losses under IFRS 9. This acquisition is consistent with SWAN's long-term strategy to be one of the leading providers of financial services in Mauritius and will also bolster our existing actuarial capabilities, during the next few years leading to the implementation of IFRS 17.

In 2020, the acquired entity was renamed Swan Actuarial Services Ltd (SASL) which will enable us to more easily leverage on the SWAN brand and offer consulting services to our existing corporate and institutional clients such as pension schemes. With the introduction of PRGF and increasing deficit of DB pension schemes, coupled with forthcoming regulations on funding, we shall ensure that our expertise can be used to benefit our clients. In a bid to further our outreach, we are, in addition, aiming to explore not only local opportunities, but also international prospects, more particularly in Sub-Saharan Africa and other African countries where SWAN has a presence.

International

SWAN has investments in Seychelles, Comoros, Zambia and Rwanda. Zambia required particular attention throughout 2019 and the Company bought in April 2018, has since been completely overhauled throughout all its key organisational aspects. All our foreign investments, including in Zambia were profitable and performed well in 2019. We have successfully focused on cost containment measures and business development activities which have positively impacted both top and bottom lines. We are still in discussions in a number of deals looking to consolidate our position in markets we already service and branch out into new markets.

Human Resource

In 2019, we launched a Leadership Development program for the senior management team. Our senior leaders were thus given the opportunity to fine-tune their skills through selected online learning modules as well as interactive classroom sessions. The objective of this learning intervention was to provide them with the necessary leadership competencies to drive the ongoing transformation of SWAN.

In order to improve our capacity to deal with the HR challenges posed by skills scarcity, talent retention and the need for organisational performance, amongst others, we benchmarked our HR systems in place with global best practices. Following this exercise, we took the bold decision to replace the existing scattered systems by an integrated one, hosted on a unified platform and accessible on multiple devices.

The year 2019 was also marked by the promulgation of the Workers' Rights Act. We ensured that our Legal, Compliance and HR teams are fully conversant with the new law. We also ran information sessions for our management team at large to provide them with a practical understanding of the main changes that this new legislation has brought about at work.

The implementation of the new HR system will be our main priority in 2020. We shall also revisit our performance management policy and practices in the light of new research findings. Moreover, we shall set up a system to recognise our employees who uphold our core values and customer service standards. Succession planning, the provision of career development opportunities and the enhancement of the employee experience will also be high on our HR agenda in 2020.

The start of 2020 was marked by the outbreak of the COVID-19 virus, which shook the whole world. Mauritius was not spared. Owing to COVID-19, termed as the challenge of the century, economic activity declined rapidly, unemployment rose sharply, and assets and commodity prices have fallen significantly.

Regulatory and Compliance

2019 was marked with significant changes in money laundering legislations. In light of the amendments brought to the Financial Intelligence and Anti-Money Laundering Act 2002 ("FIAMLA"), the new Financial Intelligence and Anti-Money Laundering Regulations 2018 ("FIAMLR"), the new FSC AML/CFT Handbook and Insurance Code of Practice, all compliance policies, procedures and controls were updated. We developed an Anti-Money Laundering and Combatting the Financing of Terrorism ("AML/CFT") Risk-Based Matrix as a method of assessing the risks of money laundering and terrorism financing ("ML/TF") regarding each client and transaction in terms of low, medium and high risk.

We also launched an online AML/CFT training platform for all employees of SWAN with the aim of increasing awareness concerning potential risks of ML/TF and customer due diligence requirements. Furthermore, several tutorials were delivered, particularly on the new FSC Administrative Penalties Regulatory Framework. Training is ongoing to make SWAN employees more conversant, compliant and keep us abreast of salient developments. Our focus will also embrace the regulatory landscape of SWAN's foreign subsidiaries.

This report is being presented to shareholders at a time when we are facing unprecedented disruptions. The start of 2020 was marked by the outbreak of the COVID-19 virus, which shook the whole world. Mauritius was not spared. Owing to COVID-19, termed as the challenge of the century, economic activity declined rapidly, unemployment rose sharply, and asset and commodity prices have fallen significantly. In response, central banks in many countries have slashed interest rates. Businesses are facing very important disturbances. The bottom line is that the world is heading towards a recession.

In 2020, the world's economy could grow at its lowest rate since 2009 according to the Organisation for Economic Cooperation and Development (OECD). The Mauritian economy will consequently also suffer from the shockwave. It is still unsure how much all these will impact the Mauritian economy as there are still too many unknowns. SWAN as a team will stand to face the forthcoming challenges in a year which is already changing the way in which we think and live.

Our sincere thanks and appreciation goes to all our employees, our agents and business partners. We also wish to extend our gratitude to all Board members for their counsel and guidance. Similarly, we highly value the support of our shareholders.

Nicolas Maigrot
Chairperson

Louis Rivalland
Director and Group Chief Executive

-Re-
Connect
with your Passions

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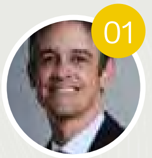
Directorate

01 **Louis RIVALLAND** - Group Chief Executive
02 **Arif CURRIMJEE** - Independent Non-executive
03 **Hector ESPITALIER-NOËL** - Non-Executive
04 **Philippe ESPITALIER-NOËL** - Non-Executive
05 **Henri HAREL** - Non-Executive
06 **René LECLÉZIO** - Non-Executive
07 **Nicolas MAIGROT** - Non-Executive
08 **Sebastien MAMET** - Non-Executive
09 **Gopallen MOOROOGEN** - Independent Non-executive
10 **Victor SEEYAVE** - Independent Non-executive

Directorate *(Cont'd)*



01

Louis **Rivalland**

Group Chief Executive

Louis Rivalland, born in 1971, holds a Bachelor's degree in Actuarial Science and Statistics, a Post Graduate Diploma in Strategy and Innovation from SAID Business School, University of Oxford and is a qualified Actuary from the Faculty and Institute of Actuaries.
He was part of the management team of Commercial Union in South Africa from 1994 to January 1997 and conducted several assignments for Commercial Union in Europe. From February 1997 to July 1999, he worked as Actuary and Consultant at Watson Wyatt Worldwide developing the investment function as well as enhancing the healthcare function.

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

From January 2002 to December 2004, he acted as Executive Manager of The Anglo Mauritius Assurance Society Limited, now Swan Life Ltd. In January 2005, he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance Company Limited, now Swan General Ltd and The Anglo Mauritius Assurance Society Limited, now Swan Life Ltd, and member of the Executive Management Committee of SWAN.
He has been the President of the Joint Economic Council, now Business Mauritius and of the Insurers' Association of Mauritius.
He has played an active role in the development of risk management, investments, insurance and pensions in Mauritius having chaired or been part of various technical committees in these fields.

Directorship in other companies:

Companies	Position
Aprica Investments Co. Ltd	Director
Manufacturers Distributing Station Limited	Director
New Mauritius Hotels Limited	Director
Processure Compagnie Limitée	Director
Swan Corporate Affairs Ltd	Director
Swan Digital Ltd	Director
Swan Financial Solutions Ltd	Director
Swan Foundation	Director
Swan International Co. Ltd	Director
Swan General Ltd	Director
Swan Pensions Ltd	Director
Swan Reinsurance PCC	Director
Swan Special Risks Company Limited	Director
Swan Wealth International Ltd	Director
Swan Wealth Managers Ltd	Director
Swan Wealth Structured Product Ltd	Director

02

Arif **Currimjee**

Independent Non-executive

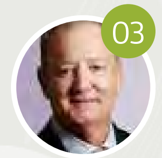
Born in 1962, he holds a degree in Economics from Williams College, MA, and has studied at the London School of Economics, McGill University and INSEAD.

He is the Managing Director of Le Tricot International Ltd, a non-executive Director on several companies within the Currimjee Group as well as on its Ownership Board and an independent director on companies in the financial sector.

He is a Council Member of the Mauritius Export Association, a past-president of the Joint Economic Council, the Mauritian Private Sector's apex organisation and has been a board member of such parastatal organisations as Enterprise Mauritius, The National Productivity and Competitiveness Council and the National Committee for Corporate Governance.

Directorship in other companies:

Companies	Position
Les Lycées Associés Ltée	Director
Swan General Ltd	Director
IKO (Mauritius) Hotel Limited (formerly known as Le Chaland Hotel Limited)	Director
IKO (Mauritius) Resort Village Ltd (formerly known as Le Chaland Resort Village Ltd)	Director
Adenia Capital (II) Ltd	Director
Le Tricot Ltée	Director
Le Tricot International	Director & Chairman
MIAR International Limitée	Director
Anastyl Limited	Director
Abana Online Ltd	Director & Chairman



03

Hector **Espitalier-Noël**

Non-Executive

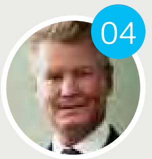
Born in 1958, he is a member of the Institute of Chartered Accountants in England and Wales. He worked for Coopers and Lybrand in London and with De Chazal du Mée in Mauritius.
He is presently the Chief Executive of ENL Limited. He is also Chairman of New Mauritius Hotels Ltd and Bel Ombre Sugar Estate Ltd. He is also a Past President of Rogers and Company Limited, The Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Mauritius Sugar Syndicate.

Directorship in other companies:

Companies	Position
Agrex Limited	Director
Ascencia Limited	Director
Avipro Co. Ltd.	Director
Axess Limited	Director
Beachcomber Hotels SA	Director
Beachcomber Hotels Marrakech SA	Director
Beachcomber Hospitality Investments Ltd	Director
Beachcomber Limited	Director
Building & Civil Engineering Co. Ltd.	Director
B.R.E Ltd	Director
Case Noyale Limitée	Director
Cashverdure Limitée	Director
Compagnie Sucrière de Bel Ombre Limited	Chairman
Dolphin Coast Marina Estate Ltd	Director
Domaine de L'Harmonie Ltée	Director
Ecocentre Limitée	Director
Eliheda Ltd	Director
Emerald (Mauritius) Limited	Director
EnAtt Ltd	Director
ENL Agri Limited	Chairman
ENL Corporate Services Limited	Director
ENL Corporate Ventures Limited	Director
ENL Foundation	Chairman
ENL Land Limited	Chairman
ENL Portfolio Managers Limited	Director
ENL Property Limited	Chairman
ENL Secretarial Services Ltd	Director
Enquickfix Limited	Director
EnVolt Limited	Director
ESP Landscapers Ltd	Director
Espral International Ltd	Director
Exotiflors Limited	Director
Gold Coast Resort Limited	Director
Green Create Nutra Limited	Director
Helida Ltd	Director
Jacotet Bay Ltd	Director
L'Accord Limited	Chairman
La Sablonniere Limited	Chairman
Le Morne Development Corporation Limited	Director
Le Sunset Commercial Centre Limited	Director
Les Salines Golf & Resort Limited	Director
Les Salines Development Ltd	Director
Les Villas de Bel Ombre Amenities Ltd	Director
Les Villas de Bel Ombre Ltée	Director
Mall of (Mauritius) at Bagatelle Ltd	Director
Management & Development Co. Ltd	Director
MDA Offices Limited	Director
Moka City Limited	Director
Mon Desert Alma Sugar Milling Company Limited	Director
Motor City Limited	Director
New Mauritius Hotels Limited	Chairman
Packestate Limited	Director

Directorate *(Cont'd)*

Companies	Position
Plastinax Austral Limited	Director
Praslin Resort Limited	Director
Reef Resort Limited	Director
Rogers Capital Ltd	Director
Rogers Capital Investment Advisors Ltd	Director
Rogers and Company Limited	Director
Rogers Consolidated Shareholding Limited	Director
Royal Gardens Ltd	Director
Semaris Ltd	Director
S&W Synergy Ltd	Director
Savannah Properties	Director
SB Cattle Ltd	Director
Smartvertising Ltd	Director
Société Pur Blanca	Director
Southwest Tourism Development Limited	Director
Swan General Ltd	Director
Ste Anne Resort Ltd	Director
Tambourissa Limited	Director
The Gardens of Bagatelle Ltd	Director
The Green Mountain Co. Ltd	Director
The Old Factory Limited	Director
The Savannah Sugar Milling Company Ltd	Director
Tropical Paradise Co. Ltd.	Director
Turbine Incubator Limited	Chairman



04

Philippe **Espitalier-Noël**

Non-executive

Holder of a BSc in Agricultural Economics from the University of Natal in South Africa and an MBA from the London Business School, Philippe Espitalier-Noël worked for CSC Index in London as a management consultant from 1994 to 1997, prior to joining Rogers and Company Limited in 1997.

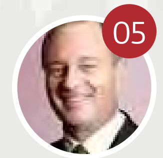
He is currently the Chief Executive Officer (since 2007) and Executive Director of the group. He has proven experience of mergers and acquisitions, business turnaround and transformation. He also has an extensive expertise in strategy development and execution, inspiring leadership with senior management in the Group's four served markets, FinTech, Hospitality, Logistics and Property.

Since March 2017, Philippe Espitalier-Noël, who is also Honorary Consul of the Kingdom of Denmark, presides over the Business Mauritius Sustainability and Inclusive Growth Commission which aims at bringing the Business community to join forces towards reinforced sustainable practices. As such, members of the community have been championing various environmental causes with a view to boost the deployment of eco-friendly practices.

Directorship in other companies:

Companies	Position
Ascencia Limited	Chairman
Bagatelle Hotel Operations Company Limited	Director
Bagaprop Limited	Director
Cap D'Abondance Ltd	Director
Compagnie Mauricienne d'Hypermarchés Limitée (In winding-up)	Chairman
Case Noyale Limitée	Director
Agrïa Limited	Director
DOMC Ltd	Chairman
Foresite Property Holding Ltd	Chairman
Hotels Operations Company Ltd	Chairman
Island Living Ltd	Chairman
Les Villas De Bel Ombre Amenities Ltd	Director
Logistics Solutions Ltd	Chairman
Les Villas De Bel Ombre Ltée	Director
Mauritian Coal & Allied Services Co. Ltd	Director
Rogers Capital Ltd	Chairman
Rogers Capital Investment Advisors Ltd	Chairman
Rogers Capital Corporate Services Limited	Director
Rogers Capital Outsourcing Ltd	Chairman
Rogers Capital Technology Services Ltd	Chairman
Rogers Capital Management Services Ltd	Director
Rogers And Company Limited	Director
Rogers Corporate Services Ltd	Director
Rogers Consolidated Shareholding Limited	Director
Reliance Facilities Ltd	Chairman
Reliance Security Services Ltd	Chairman
Restaurants Operations Company Ltd	Chairman
Rogers Foundation Ltd	Chairman
Rogers Logistics International Ltd	Chairman

Companies	Position
Rogers Capital Finance Ltd	Chairman
Rogers Aviation Holding Company Limited	Chairman
Seafood Basket Limited	Director
Sports-Event Management Operation Co. Ltd	Chairman
Sukpak Ltd	Chairman
Sweetwater Ltd	Director
South West Tourism Development Company Limited	Director
Velogic Holding Company Limited	Chairman
VLH Ltd	Director
Air Mauritius Holdings	Director
Air Mauritius Ltd	Director
Cashverdure Limitée	Director
Mautourco Holdings Ltd	Director
Mautourco Ltd	Director
Islandian Ltd	Chairman
Rogers Shipping Pte Ltd	Director
Swan General Ltd	Director
Trans-Maurice Car Rental Ltd	Director
Bioculture (Mauritius) Ltd	Director
Biofarms Limited	Director



05

Henri **Harel**

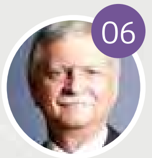
Non-Executive

Executive Director of Terra Mauricia Ltd - Henri Harel first worked in South Africa as an auditor with De Ravel, Boulle, Saad & Wyman (Chartered Accountants). He then occupied the post of Internal Auditor with Toyota S.A. Manufacturing and that of Financial Accountant at Amalgamated Beverage Industries Ltd (Coca-Cola). Upon his return to Mauritius in 1991, he worked for Société de Gérance de Mon Loisir as Financial Controller until 1996, when he joined Harel Frères Limited in a similar capacity. He is at present, Terra's Group Chief Finance Officer and a Management Committee member. He has also been the Chairman of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

Directorship in other companies:

Companies	Position
Terra Milling Ltd	Director
Terragen Ltd	Director
Terra Brands Ltd	Director
Grays INC. Ltd	Director
Terra Finance Ltd	Director
Coal Terminal (Management) Co. Ltd	Director & Alternate Director
Terragen Management Ltd	Director
Terra Foundation	Director
Grays Distilling Ltd	Director
Terra Services Ltd	Director
Ivoirel Limitée	Director
Sagiterra Ltd	Director
Terra Mauricia Ltd	Director
Beau Plan Cellars Ltd	Director
Beau Plan Development Ltd	Director
Beau Plan Office Park Ltd	Director
Beau Plan Retail Park Ltd	Director
Alcohol And Molasses Export Limited	Director
Anytime Investment Ltd	Director
Commada Ltd	Director
Moulin Casse Limitée	Director
New Fabulaous Investment Ltd	Director
New Goodwill Co. Ltd	Director
Intendance Holding Limited	Director
Invescom Ltd	Director
Rehm Grinaker Construction Co. Ltd	Director
Rehm Grinaker Properties Co. Ltd	Director
Rum Distributors Co. Ltd	Director
Sucrivoire S.A	Director
Sugar Industry Pension Fund	Director
Swan General Ltd	Director
Terravest Limited	Director
Terravest Holding Ltd	Director
Thermal Valorisation Co. Ltd	Alternate Director
United Investments Ltd	Director

Directorate *(Cont'd)*



06 René **Leclézio**

Non-Executive

Born in 1956, he holds a BSc in Chemical Engineering and an MBA from the London Business School. Before being appointed CEO of Promotion and Development Ltd in 1987, he worked in London as consultant engineer in the oil and gas industry and with Lloyds Merchant Bank as Assistant Manager in Project Finance.

Directorship in other companies:

Companies	Position
Anytime Investment Ltd	Director
Best Sellers Ltd	Director
Cascavelle Shopping Mall Limited	Director
Casela Limited	Director
Caudan Development Limited	Director
Caudan Leisure Ltd	Director
Clarens Fields Ltd	Director
Commercial Holding Ltd	Director
Compagnie Mauricienne de Commerce Ltée	Director
Concorde Tourist Guide Agency Ltd.	Director
Excelsior United Development Companies Limited	Director & Chairman
Ferryhill Enterprises Ltd	Director
Fondation Medine Horizons	Director
Goodweal Limited	Director
Industrial & Hotel Equipment Manufacturers Ltd	Director
International Distillers (Mtius) Ltd	Director
Le Cabinet Limited	Director
Mauritian Coal & Allied Services Co. Ltd	Director
Mauritius Freeport Development Co. Ltd	Director & Chairman
Medine Distillery Co. Ltd	Director
Medine Limited	Director & Chairman
New Fabulous Investment Ltd	Director
New Goodwill Co Limited	Director
Pierrefonds Estate Company Limited	Director
Promotion and Development Limited	Director
Rey & Lenferna Ltd	Director
Societé Mauricienne d'Entreprises Générale Ltée	Director
Swan General Ltd	Director
Tamarina Beach Club Hotel Limited	Director
Tamarina Golf Club Ltd	Director
Tamarina Golf Estate Co. Ltd	Director
The Medine Sugar Milling Company Limited	Director
Tropical Paradise Co. Ltd	Director
Uniciti Ltd	Director
Uniciti Commercial Properties Ltd	Director
Uniciti Education Properties Ltd	Director
Uniciti Eduhousin Ltd	Director
Uniciti Management Services Co. Ltd	Director
Uniciti Office Park Ltd	Director
Uniciti Residential Properties Co. Ltd	Director
Uniciti Sports and Cultural Properties Ltd	Director

07 Nicolas **Maigrot**

Non-Executive, Chairperson

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

Directorship in other companies:

Companies	Position
Terragen Ltd	Director & Chairman
Coal Terminal (Management) Co. Ltd	Director
Terragen Management Ltd	Director
Terra Foundation	Director
Terra Brands Ltd	Director
Grays INC. Ltd	Director & Chairman
Grays Distilling Ltd	Director
Terra Milling Ltd	Chairman
Terrarock Ltd	Director
Terra Services Ltd	Director
Sagiterra Ltd	Chairman
Sugarworld Ltd	Director
Terra Mauricia Ltd	Director
Alcohol And Molasses Export Ltd	Director
Anytime Investment Ltd	Director
Horus Ltée	Director
Intendance Holding Limited	Director
Ivoirel Limitée	Director
New Goodwill Co. Ltd	Director
New Fabulous Investment Ltd	Director
Payment Express Ltd	Director
Rehm Grinaker Construction Co. Ltd	Director & Chairman
Rehm Grinaker Properties Co. Ltd	Director & Chairman
Swan General Ltd	Director & Chairman
Sucrivoire S.A	Director
Terravest Limited	Director
Terravest Holding Ltd	Director
Thermal Valorisation Co. Ltd	Director
UDL Investments Ltd	Director
United Docks (Overseas Investments) Ltd	Director
United Docks Ltd	Director
United Investments Ltd	Director
United Properties Ltd	Director

Directorate *(Cont'd)*

08 Sebastien **Mamet**

Non-Executive

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

Directorship in other companies:

Companies	Position
Intendance Holding Ltd	Director
Ivoirel Limitée	Director
Sucrivoire	Director
Swan General Ltd	Director
Terra Services Ltd	Director
Terragen Ltd	Director
Terragen Management Ltd	Director
Terra Milling Ltd	Director
Terrarock Ltd	Alternate Director
Sugha Ltd	Director

09 Gopallen **Mooroogen**

Independent Non-executive

Born in 1959, Gopallen Mooroogen is a fellow of the Association of Chartered Certified Accountants (FCCA). He also holds an MBA from the University of Wales / Manchester Business School. He has been a director on the Board of the Stock Exchange of Mauritius (SEM) and the Central Depository Services Ltd (CDS) for a number of years and has been the Chairman of the SEM for a few years. He is currently Head-Finance Transformation at Mauritius Telecom.

Directorship in other companies:

Companies	Position
Swan General Ltd	Director
Swan Reinsurance PCC	Director
Swan Special Risks Company Limited	Director
Swan Pensions Ltd	Director
Swan Wealth Managers Ltd	Director

10 Victor **Seeyave**

Independent Non-Executive

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

Directorship in other companies:

Companies	Position
Albacora Ltd	Director
Alter Domus (Mauritius) Ltd	Director
Alter Domus (Mauritius) Nominees Ltd	Director
Altima Ltd	Director
Altius Ltd	Director
Amplitius Ltd	Director
Caxton Consulting Limited	Director
Cheh Seeyave Limited	Director
Citius Ltd	Director
Citius P Ltd	Director
Foods Div Ltd	Director
Fortius Ltd	Director
Hamilton Enterprise Ltd	Director
Kenville Investments Limited	Director
Promotion Div Ltd	Director
Innodis Ltd	Director & Chairman
Peninsula Rice Milling Ltd	Director
Redbridge Investments Ltd	Director
Challenge Hypermarkets Ltd	Director
HWFRL Investments Ltd	Director
Mocambique Farms, Limitada	Director
Poulet Arc-en-Ciel Ltée	Director
Supercash Ltd	Director
Innodis Poultry Ltd	Director
Swan General Ltd	Director
Swan Reinsurance PCC	Director & Chairman
Swan Special Risks Company Limited	Director & Chairman


- Re -
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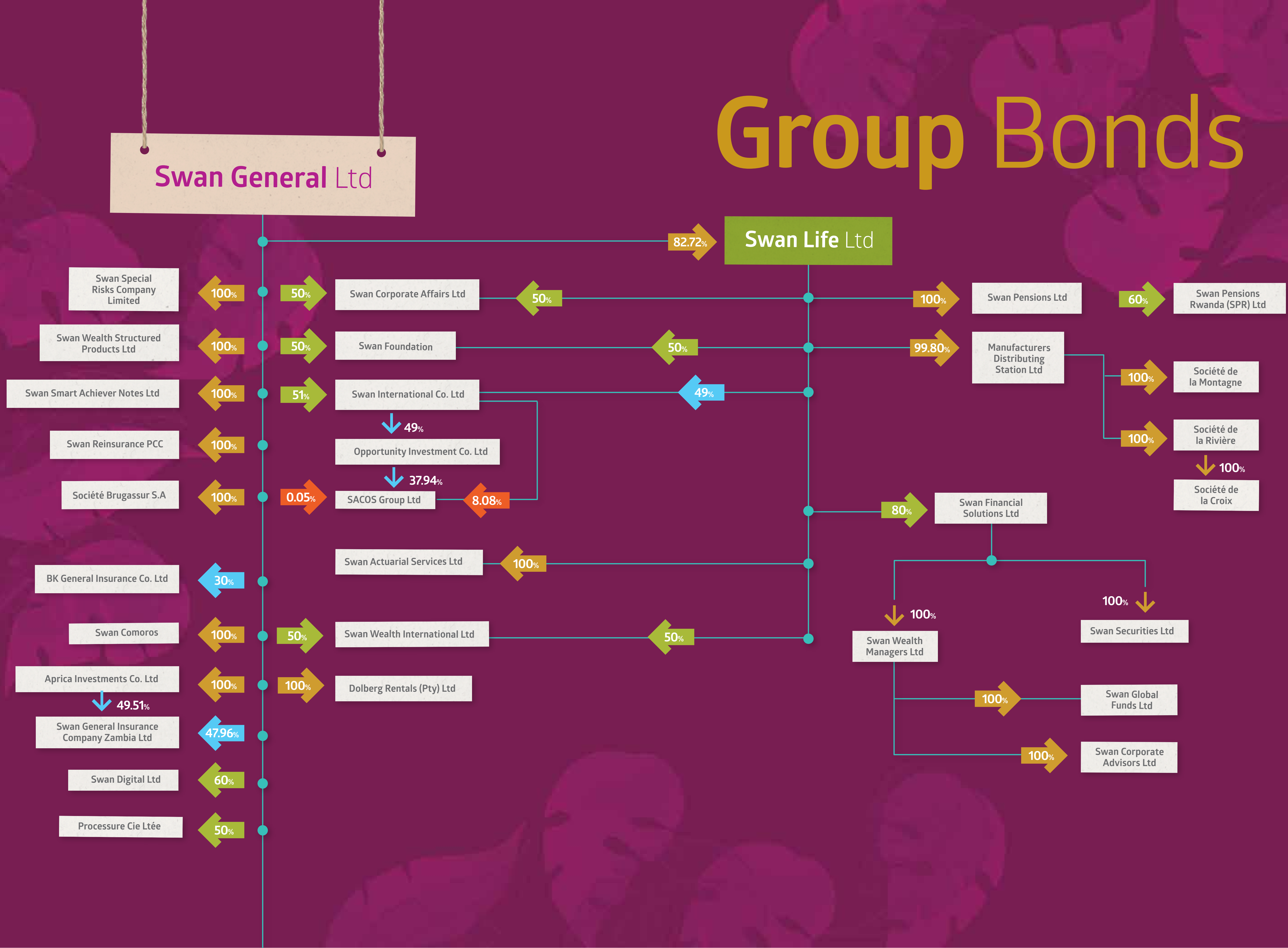
Group Bonds



Swan General Ltd
82.72%
Swan Life Ltd
Swan Special Risks Company Limited
100%
50%
Swan Corporate Affairs Ltd
50%
100%
Swan Pensions Ltd
60%
Swan Pensions Rwanda (SPR) Ltd
Swan Wealth Structured Products Ltd
100%
50%
Swan Foundation
50%
99.80%
Manufacturers Distributing Station Ltd
100%
Société de la Montagne
Swan Smart Achiever Notes Ltd
100%
51%
Swan International Co. Ltd
49%
49%
Opportunity Investment Co. Ltd
100%
Société de la Rivière
100%
Société de la Croix
Swan Reinsurance PCC
100%
37.94%
Société Brugassur S.A
100%
0.05%
SACOS Group Ltd
8.08%
80%
Swan Financial Solutions Ltd
Swan Actuarial Services Ltd
100%
BK General Insurance Co. Ltd
30%
100%
Swan Securities Ltd
100%
Swan Wealth Managers Ltd
Swan Comoros
100%
50%
Swan Wealth International Ltd
50%
Aprica Investments Co. Ltd
100%
100%
Dolberg Rentals (Pty) Ltd
100%
Swan Global Funds Ltd
49.51%
Swan General Insurance Company Zambia Ltd
47.96%
100%
Swan Corporate Advisors Ltd
Swan Digital Ltd
60%
Processure Cie Ltée
50%

Key Figures

------- At a glance -------

Gross Premiums
- Y2019 - Rs.4,821
- Y2018 - Rs.4,395

Total Assets
- Y2019 - Rs.47,639
- Y2018 - Rs.43,155

Net Earned Premiums
- Y2019 - Rs.4,676
- Y2018 - Rs.4,233

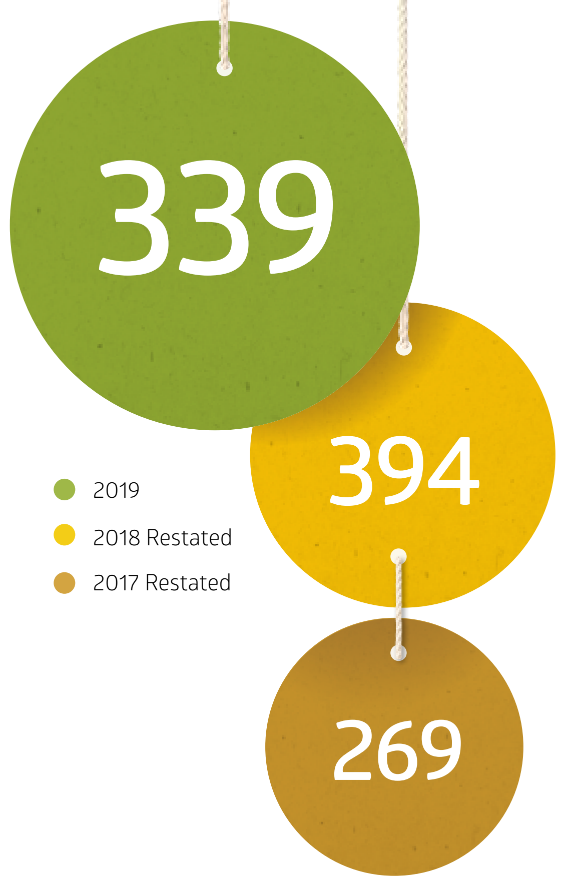
Gross Claims
- Y2019 - Rs.3,736
- Y2018 - Rs.3,196

Life Assurance Fund
- Y2019 - Rs.45,200
- Y2018 - Rs.41,098

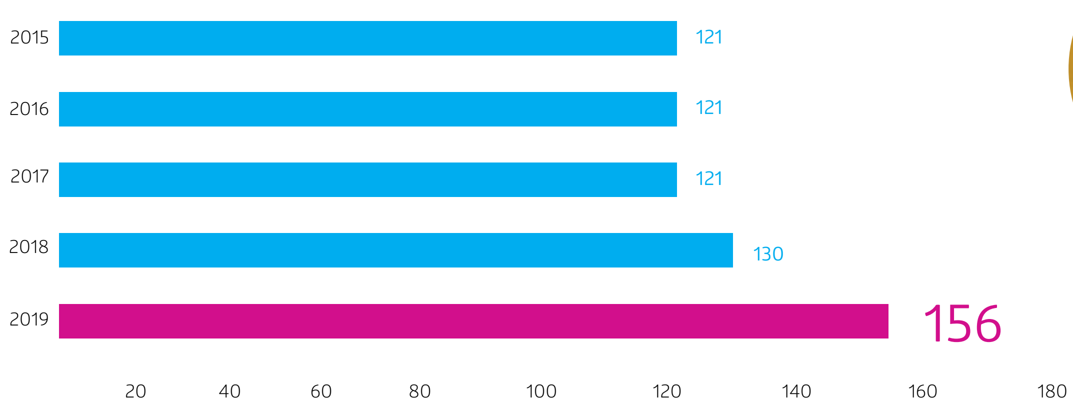
Retained Earnings
- Y2019 - Rs.724
- Y2018 - Rs.541

All Rs are in Rs. m The Company

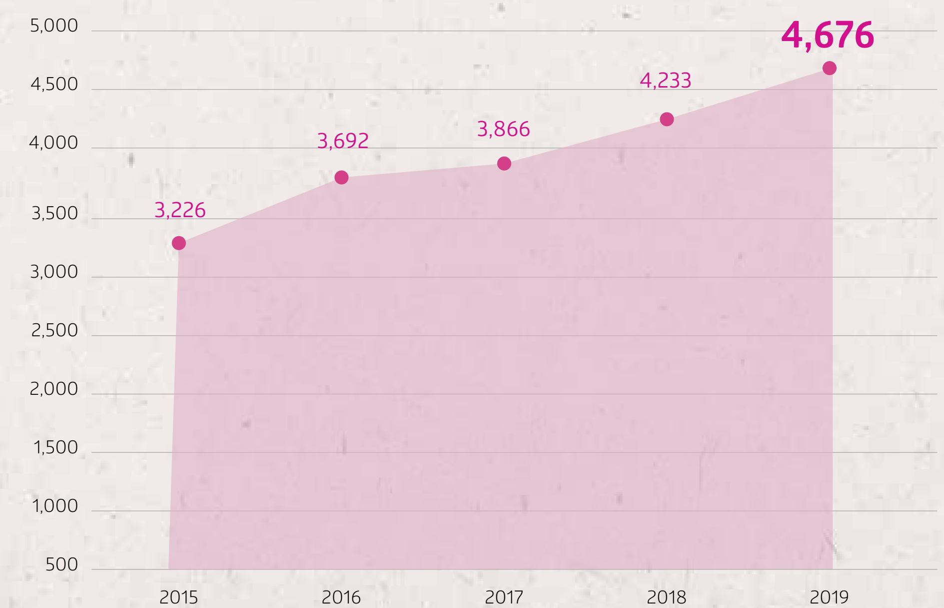
(Rs. m) **Earnings** Attributable to shareholders



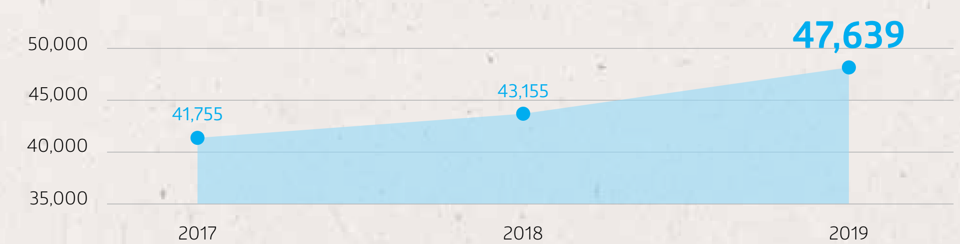
(Rs. m) **Dividend** Paid



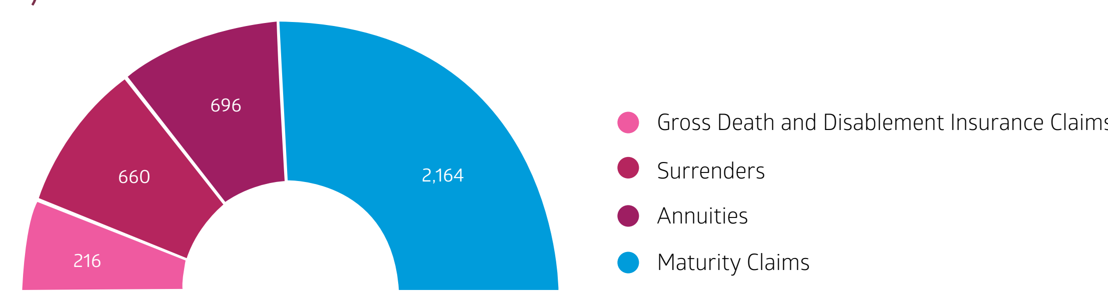
Rs. m **Net Earned** Premiums



Rs. m **Total** Assets



(Rs. m) **Claims**



Senior Management Team

Karine **Morel**

BCom, FCCA, MIPA (M)
Group Finance (w.e.f 15 January 2019)

Born in 1979, Karine Morel is a fellow of the Association of Chartered Certified Accountants (FCCA). She also holds a BCom from the University of Cape Town. Karine joined the finance team of Swan Life Ltd in September 2001 and was promoted as Manager – Finance and Accounts in August 2007.

She now holds the position of Senior Manager – Group Finance since January 2019. She leads the finance and accounting teams of both the Short-Term and the Long-Term business of SWAN. She, also, oversees the financial operations of the subsidiaries, both local and foreign.

Jaiyansing (Shailen) **Soobah**

FCCA, MBA, Dip CII
Risk Officer, Group Company Secretary – Corporate Office

Born in 1974, Jaiyansing is a Fellow of the Association of Chartered Certified Accountants and holds a Master in Business Administration. He started his career with De Chazal Du Mée (now BDO) where he spent 10 years in the audit and offshore departments. In 2003, he moved to the Financial Services Commission in the insurance supervision department.

In 2009, he joined CIM Group, and was subsequently appointed as Senior Manager Compliance of the insurance and investment cluster. He joined SWAN with the merger of the insurance businesses of SWAN and CIM in June 2012. He is currently Senior Manager – Group Company Secretary and Group Risk Officer.

He also holds directorship positions in the subsidiaries of SWAN. He is the Non-Executive Chairman of The Stock Exchange of Mauritius Ltd and a Non-Executive Director of Central Depository & Settlement Co. Ltd.

Alan **Goder**

Chief Operations Officer

Born in 1967, Alan worked in the Actuarial Department of The Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd) as Actuarial Clerk from February 1988 to April 1989. From May 1989 to December 1995, he was employed as Technical Supervisor in the Life Department of The Albatross Insurance Company Ltd.

From August 1996 to June 2001, he was Executive Director of Actuarial & Capital Management Services Ltd, now the AXYS GROUP.

From July 2001 to October 2004, he was the Chief Executive Officer of Pension Consultants & Administrators Limited (now known as Swan Pensions Ltd).

He joined The Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd) as Senior Manager in November 2004 where he oversees the Claims and Fund Administration departments. He is also responsible for managing Swan Pensions Ltd. Since August 2009, Alan has been appointed to oversee the pension department of Swan Life Ltd.

Alan was also Senior Manager to the Group Systems & Processes department until December 2017. Since January 2018, he has been appointed as Chief Operations Officer of Swan Life Ltd. His key areas of specialisation are pensions administration and consulting.

Richard **Li Ting Chung**

BCom, FIA-Actuarial (w.e.f 01 Sep 2019)

Richard Li is a Fellow of the Institute and Faculty of Actuaries and holds a Bachelor of Commerce (Honours) from the University of Melbourne (Australia). The early stage of his career brought him to Feber Associates and Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd). He then decided to pursue his career in London, UK, where he qualified as an actuary. After spending just over 7 years in the UK as a consulting actuary for Mercer, PwC and KPMG, building up and consolidating his expertise in pensions and life insurance, he returned to Mauritius and joined Kross Border Corporate Services Ltd, a management company, which was subsequently acquired by Rogers Capital.

During his time at Rogers Capital, he gained extensive experience in the Global Business industry. He was also a member of the Executive Committee of the Association of Trust and Management Company (ATMC), and held directorship on a number of high profile Global Business Companies with specialised licensed in the financial services industry. He also set up the actuarial and captive insurance unit at Rogers Capital. Richard joined SWAN at the end of 2019 when the actuarial unit of Rogers Capital was acquired by Swan life Ltd.

Senior Management Team *(Cont'd)*

Gaël **Aliphon**

ACII
Sales, Business Development and Bancassurance

Born in 1978, Gaël Aliphon holds an ACII from the Chartered Insurance Institute UK as well as an Advanced Diploma in Business Administration (ABE UK).
He accumulated more than 20 years of experience in the insurance field and has acquired an extensive and in-depth knowledge of sales force management, business development and distribution channels management and has a wide experience in sales training and coaching as well.

Gaël joined SWAN in 2010 as Individual Business Unit Manager and was promoted Senior Manager, Sales, Business development & Bancassurance of Swan Life Ltd in September 2018. He is now entrusted with the responsibility to consolidate and enhance the business development and sales capabilities for Swan Life Ltd.

Charisma **Jawaheer-Roopun**

Bsc (Hons). MBA
Pensions (w.e.f 01 July 2019)

Born in 1977, Charisma started her career as Actuarial Analyst with Anglo-Mauritius Assurance Society Limited in October 1999. In April 2005, she moved to Pension Consultants and Administrators (PCA now known as Swan Pensions Ltd) as Client Administrator. Before joining Swan Life Ltd anew in 2015 as Senior Consultant Pensions, she spent 3 years at the FSC as Executive-Surveillance Pensions. Charisma now holds the position of Senior Manager - Pensions since July 2019 and she leads the pensions department.

Charisma holds a BSc. (Hons) in Actuarial Science from the University of Kent, UK, as well as an MBA with specialisation in Finance from the University of Technology, Mauritius.

Gianduth (Alvin) **Jeeawock**

BSC (Hons), CFA
Capital Markets (w.e.f 01 July 2019)

Alvin is a well-established professional reckoning more than a decade of experience in Capital Markets. Alvin is a CFA charter holder since 2010. He has engineered a pallet of large investment activities both in Mauritius and abroad. During the last three years he has been the Manager of Swan Wealth Managers Ltd where along with senior management, a number of strategic moves were undertaken, thus propelling the company towards new heights. He is also an executive director of Swan Corporate Advisors Ltd, Swan Wealth International Ltd and Swan Smart Achiever Notes Ltd.

Ishwari **Madhub**

BSc (Hons), FCCA, MBCS, MBA
Technology Solutions

Born in 1967, she is a fellow of the Association of Chartered Certified Accountants (FCCA). She holds a BSc in Information Systems and an MBA from Oxford Brookes University (UK) as well as certifications in Project Management, Change Management and Lean/Six Sigma Process Improvement (Green Belt).

She started her career as a software developer at Swan Insurance Company Limited (now known as Swan General Ltd) in 1987 and was appointed as IT manager in 2000, manager of the Group Systems and Processes department from 2007 to 2017. She was appointed as Senior Manager of the Technology Solutions department as from 2018, overseeing IT Procurement, Network and Infrastructure and IT Systems.

Senior Management Team *(Cont'd)*

Patrice **Bastide**

BSc and MSc
Group Marketing

He is responsible for SWAN's international development and oversees a number of projects mainly in sub Saharan Africa where he assists SWAN in setting up an elaborate network of cross-border relationships as well as implementing SWAN's longer-term objectives in these jurisdictions. He has developed an in-depth knowledge of these markets including of their local regulatory environments and is a Board Director on a few international subsidiaries. On the strength of his previous tenure as Marketing Manager of Albatross Insurance and CIM Insurance, Patrice took over the Marketing function of the Group in September 2016. Born in 1963, Patrice holds a M.Sc. in Applied Mathematics, USA.

Nitish **Beni Madhu**

BSc (Hons), MSc
Chief Investment Officer

Born in 1979. Nitish Beni Madhu holds an honours degree in Economics and Masters of Arts in Economics from the University of Ottawa (Canada).

He has more than 15 years experience in the finance industry and has expertise in asset management, investment advisory and insurance. He is the chairperson of the Central Depository & Settlement Co Ltd (CDS) and also holds directorship positions on the Stock Exchange of Mauritius, MDA Properties, Constance Hotels Services Ltd, Moka City Ltd amongst others and regularly lectures at the University of Mauritius in Economics & Finance.

He joined Anglo Mauritius Investment Managers Ltd (now Swan Wealth Managers Ltd) in 2005 and now heads the non-insurance cluster of SWAN (Capital Markets) together with the Loans and Property segments of SWAN. Nitish is a member of the Investment Committee of SWAN and is equally involved with investment projects of the group in Africa.

Vishnoo **Luximan**

Dip Personnel Management
Dip Business Management
Dip Public Relations
MSc
Chief Human Capital Officer

Born in 1962, he worked as Assistant Personnel & Public Relations Officer at the Constance & La Gaieté SE Company Ltd from 1983 to 1988. He joined Deep River-Beau Champ Ltd (DRBC) as Assistant Personnel Manager/Public Relations Officer in 1988.

He was promoted to the position of Personnel Manager/ Public Relations Officer with the same company in 1990.

He was appointed Human Resources Manager of DRBC in 2002 and, as such, provided advice and services to 7 companies of the CIEL Group, including TPC Ltd, found in Tanzania.

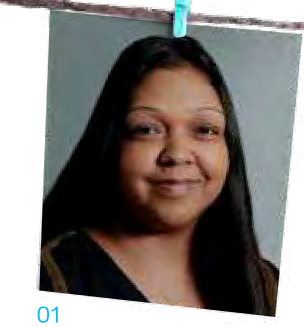
He cumulated the responsibility of Acting Secretary of the Mauritius Sugar Producers' Association with that of Human Resources Manager of DRBC from September to December 2005. He joined the Group in 2006.

Christopher **David**

BSC
Chief Digital & Data Officer-Digital Transformation (w.e.f 01 July 2019)

Christopher David holds a BSc in Physics and computer Science from the University of Stockholm. He lived 35 years and spent all his professional career in Sweden. During this time he has held key technical, digital and business positions in global companies such as Ericsson, Logica Sun Microsystems, Sony Ericsson and Schneider Electric.
He has also founded several start ups both in Sweden and in Mauritius. He returned to Mauritius and joined SWAN as the Chief Digital and Data Officer.

Management Team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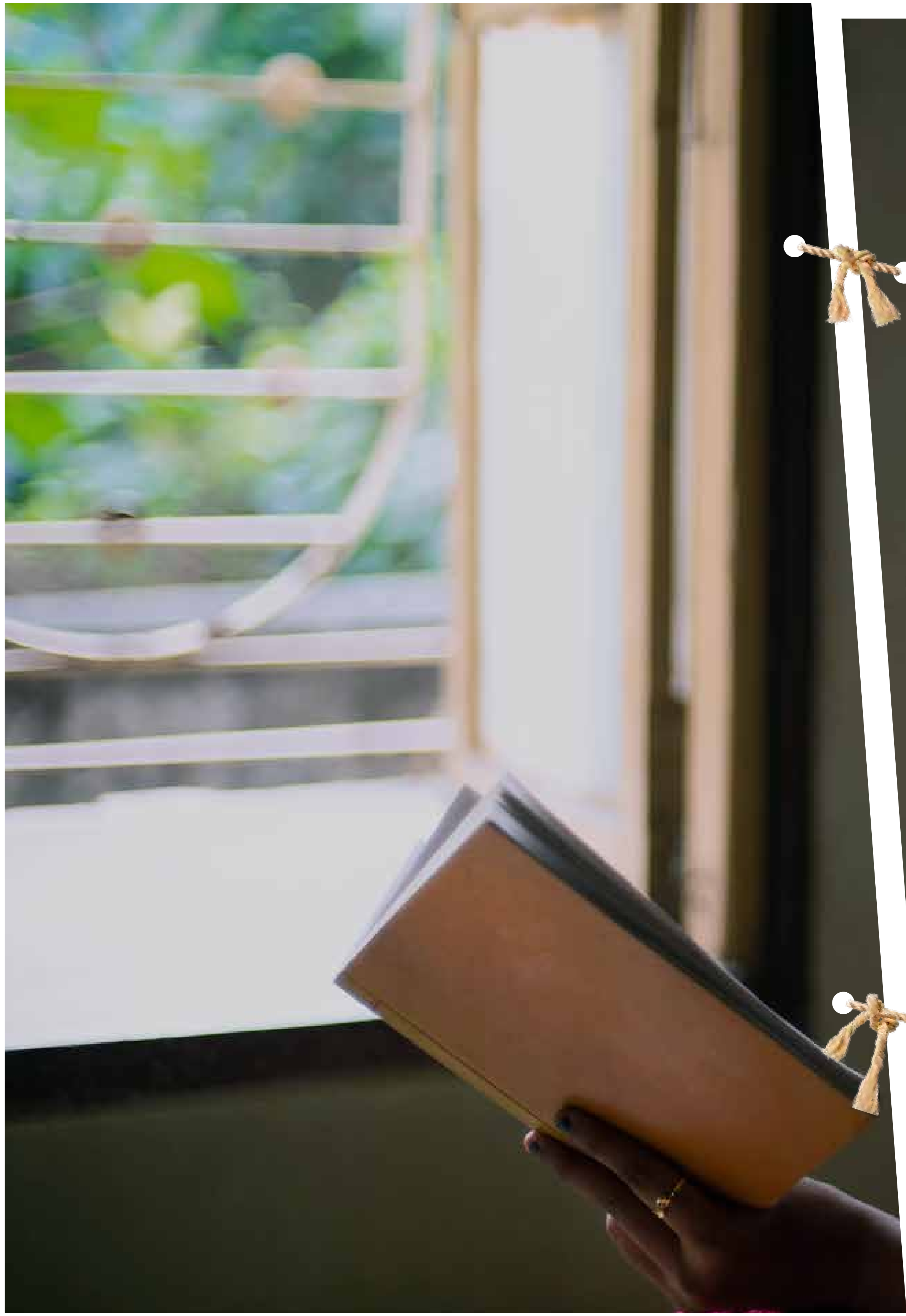
01 **Carine ADELSON,** BA, MA – Group Marketing
02 **Christel LIM SHIN CHONG,** BA (Hons) – Group Human Resources (w.e.f 01 July 2019)
03 **Dave LUCHMUN** - Group Facilities
04 **Didier ADRIEN,** Diploma in Information Technology – Technology Solutions
05 **Gavin ANDERSON,** BSc (Hons), FASSA – Actuarial
06 **Herbert MADANAMOOTHOO,** Maîtrise de Droit – Compliance, M.L.R.O
07 **Javed BUROKUR,** BBA, ACCA – Investments (w.e.f 01 July 2019)
08 **Jean-Marc LECKNING** - Group Credit Control
09 **Jennifer LAM SHEUNG YUEN,** Dip CII – Life Underwriting
10 **Jonathan ACKING,** Maîtrise en Droit des Affaires, Master of Laws – Legal
11 **Karmchandrasingh ROOPUN,** BSc (Hons) – Actuarial
12 **Krystel HEE KWUN FONG,** Dip CII, LLB (Hons) – Claims
13 **Leong LAI MAN CHUN,** BSc (Hons) – Technology Solutions
14 **Luveena DOOKHEEA,** Cert, BA – Loans (w.e.f April 2019)
15 **Mario BUTTIE,** FCCA – Fund Administration
16 **Navindranath BHUGALOO,** ACII – Swan Pensions Ltd and Pensions (DC)
17 **Neeraj UMANEE,** BA (Hons) – Swan Securities Ltd
18 **Sabine LUCHMUN,** BTS, Maitrise Sciences de Gestion (w.e.f August 2019)
19 **Sandra MAKONI,** BCom, FIA – Pensions (w.e.f July 2019)
20 **Sachinanand MUNGRA,** Diplôme De Technologie, MBA - Corporate Office
21 **Sonia KALACHAND-CANABADY,** BA (Hons), MA – Group Human Resources

Not in photoshoot

Veenaye BUSGEETH, FCCA – Corporate Finance (up to 30 April 2019)
Reeyaz TORAUB, BSc (Hons), FIA – Actuarial (w.e.f 01 September 2019)




-Re-
Connect
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CSR

Supporting our development partners

SWAN's CSR policy is guided by its enduring values. The fruitful collaboration that Swan Foundation has been fostering, with many Non-Governmental Organisations, aims at fulfilling one fundamental objective: creating an inclusive society, where all citizens enjoy equal chances to attain their full potential. This commitment can only be strengthened following the COVID-19 pandemic which has hit Mauritius. This unprecedented and multi-dimensional crisis has demonstrated how fragile our economy and social fabric are.

While the country was locked-down, many companies have had to piggyback on the networks and NGOs' savoir-faire to reach those who were in dire need. This outbreak has undoubtedly shed light on the immense duty of the NGO community within our society. We would like to pay tribute to their work and commitment. However, funding sources will become scarcer for these organisations as we enter an economic downturn, the impact of which is still unknown. As a corporate citizen, SWAN will remain committed to them since we acknowledge the missions they will have to fulfil to ease our social and economic recovery.

However, as we are taking stock of the real impact of the COVID-19 outbreak on our lines of business, it is crystal clear that we will have to reassess our support to these organisations. We will have to find new ways and means to work in close collaboration, going beyond financial contributions to their operating budget. We will have to start discussing with them to analyse their needs and see how the resources at our disposal could best be used.

There are surely many unexplored avenues that should be examined to sustain these longstanding partnerships we are all proud of. We will have to think out of the box to circumvent the funding constraints.

Solidarity is more needed than ever, especially when the challenges we used to face get tougher. During the past years, our CSR donations have been focused on key sectors, such as socio-economic development, education & training, health, environment, leisure, arts and sports, inter alia. As an insurance company, SWAN has always been driven by the idea that one can only progress and prosper when protected and one's future is provided for. It is what we refer to as the pyramid of prosperity.

We are adamant that social programmes, implemented by NGOs across the island in these fields, should not be stopped as they will help in both scaling-up our response and building resilience against any other shock in the coming years. A strong and dedicated NGO community will be a key asset in the recovery period we are embarking on.

> Solidarity is more needed than ever, especially when the challenges we used to face get tougher.

Rs.1.58m allotted to support 36 NGOs

Last year, SWAN disbursed Rs.1.58 million. This amount represents a record low since the creation of the SWAN Foundation. Indeed, as per the Finance Act 2018/2019, companies must remit 75% of the 2% of their profits to the Mauritius Revenue Authority (MRA), while the remaining 25% is redirected to their foundations. Given this situation, SWAN has designed a strategy by giving priority to NGOs working at grass-root level in many sectors.

These organisations were thoroughly assessed for their programmes and the results they have achieved over time.

Their commitment to community development is no secret, and they have shown that they are stakeholders to be reckoned with. For the year under review, 51% of our CSR funds were allocated to NGOs working for socio-economic development. As a corporate citizen, we believe that upgrading the living standard of the underprivileged of our society is a must for the betterment of the community as a whole.

Health was the second key area of intervention on which much emphasis was laid. Indeed, 24% of the funds were donated to NGOs working in that field. As we know, non-communicable diseases (NCDs) have a very high prevalence among the population, especially diabetes and cardiovascular problems. Much needs to be done in terms of sensitisation and awareness, as well as care for our fellow countrymen who suffer from these illnesses.

As in previous years, education and training have remained in our priority list. In 2019, SWAN earmarked 12% of its CSR budget to these organisations which are providing wonderful support to children, teenagers and young adults. Nowadays, one cannot turn a blind eye to the ecological and environmental problems we are facing. Much is being done by NGOs to mitigate the damage that is being caused to both our fauna and flora, and save some of our endemic species from extinction. Last year, 7% of our CSR funds were allotted to them. We have also renewed our partnership with many sports associations and athletes by allocating 6% of the fund and bringing our support to organisations working to provide better housing to their beneficiaries.

Re-Connect
with your Talents

Corporate Governance Report

Year ended December 31, 2019

Swan Life Ltd (the 'Company') is a Public Interest Entity as defined by the Financial Reporting Act 2004.

1. Governance Structure

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

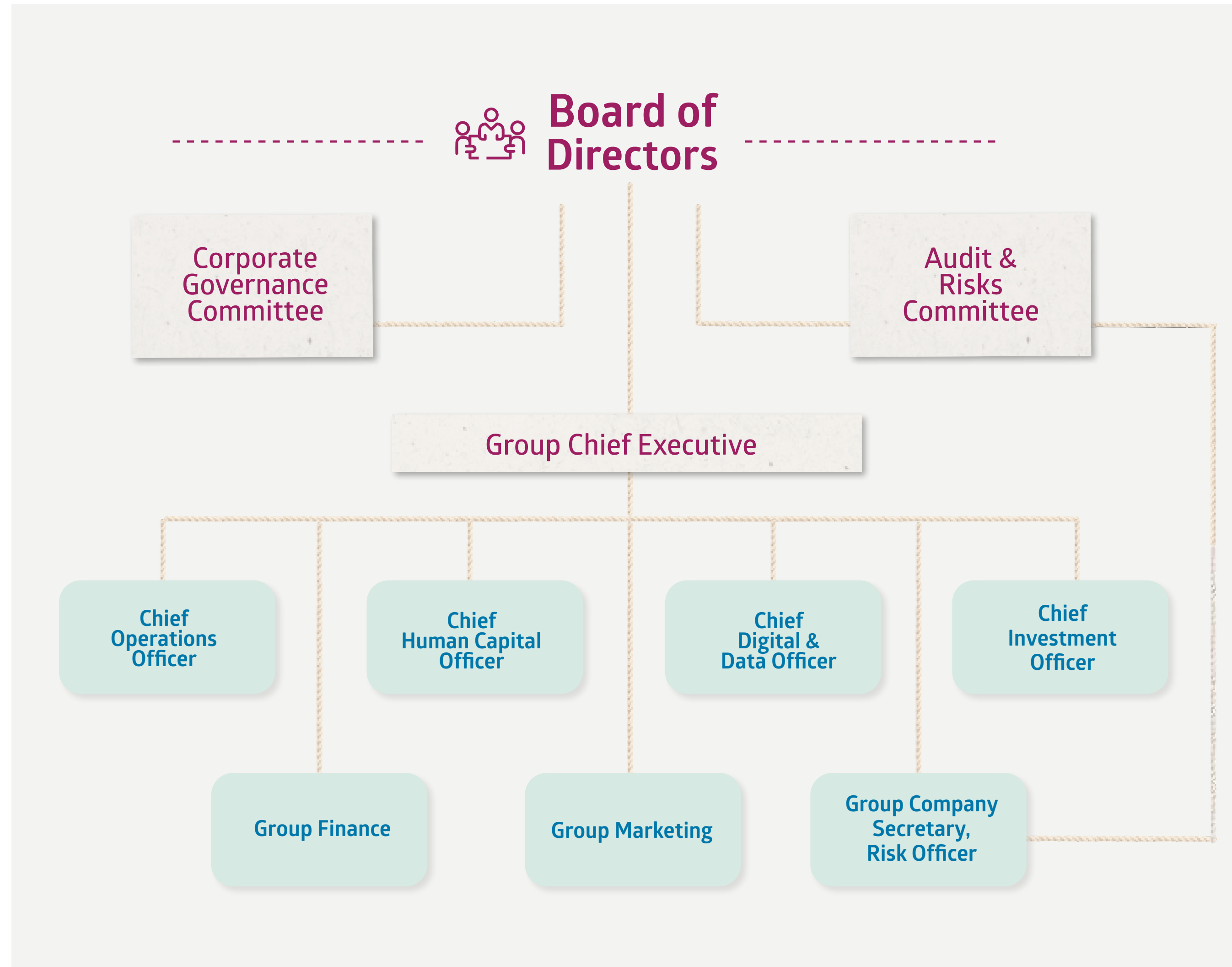
The Company does not have a board charter as it considers that the legislation is sufficiently clear as to the respective roles, responsibilities and authorities of the Board of directors.

The Company has a code of ethics which explains the Company's and group's policies on how we conduct business in Mauritius and beyond. Employees, officers and members of the Board of Directors alike commit to understanding the code and abiding by its principles. The principles support full compliance with applicable laws. They also represent the practical ways that we put our values to work every day. Our corporate values, Passion, People and Performance, serve as the foundation for the code. The code also contains provisions on whistle blowing and provides, inter alia, for anonymous reporting of unethical conducts.

Corporate Governance Report *(Cont'd)*

1. Governance Structure (cont'd)

The day to day operations are entrusted to management under the responsibility of the Group Chief Executive. Members of Senior Management have clearly defined job descriptions. Senior management report to the Group Chief Executive. The Risk Officer reports to the Board/Audit & Risk Committee. A high-level organization chart is provided below:



Profile of the senior management team is on **pages 30-35** and on the website.
The organigram, code of ethics and constitution have been published on the website.

Corporate Governance Report *(Cont'd)*

2. Structure of the Board and its Committees

Swan Life Ltd is headed by a unitary Board with ten directors. The Board consists of executive, non-executive and independent non-executive directors. Members of the Board have a diverse set of skills, knowledge and come from different spheres of the business community. There is currently no female gender on the Board, as the Board was constituted before such requirement. Collectively, the Board is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the Company and the group.

The functions and responsibilities of the Chairperson and Group Chief Executive are separate. The Chairperson leads the Board, ensuring that each director is able to make an effective contribution. He monitors, with the assistance of the Company Secretary, the information distributed to the Board to ensure it is sufficient, accurate, timely and clear. The Chairperson is a non-independent non-executive director. The Group Chief Executive has the day-to-day management responsibility for the operations, implementing the strategies and policies agreed by the Board.

The Group Chief Executive is the executive member of the Board. There are three independent non-executive directors. The independent directors bring a wide range of experience and skills to the Board. They are free from any business or other relationships which could materially affect their ability to exercise independent judgement, constructively dissent and are critical bystanders. Board considers the current mix of executive, non-executive and independent directors to be appropriate. More so, the size and composition of the Board complies fully with the requirements of the Insurance Act 2005. All the directors are ordinarily resident in Mauritius.

Directors of the Company:

Executive
Louis Rivalland (Group Chief Executive)
Independent non-executive
Arif Currimjee
Gopallen Mooroogen
Victor Seeyave
Non-executive
Hector Espitalier-Noël
Philippe Espitalier-Noël
Henri Harel
René Leclézio
Nicolas Maigrot (Chairperson)
Sébastien Mamet

Profile of the directors is on **pages 14-23**
Profile of the Company Secretary is on **page 30**
All profiles are on the website.

The Company Secretary plays a key role in the application of corporate governance. All directors have access to the advice and services of the Company Secretary, who provides guidance to the Directors on their statutory responsibilities, ethics and good governance. The Company Secretary acts as a vital bridge between the board and the executive management and ensures that the management, in a timely manner, provides its board and its committees with all relevant information. The Company Secretary discharged his duties as per the statutory requirements.

Mr. Jaiyansing Soobah acts as the Group Company Secretary.

Board Committees

The Board has instituted two committees – the Audit & Risks Committee and the Corporate Governance Committee, terms of reference of which were approved by the Board. The terms of reference for each committee have been published on the website.

Audit & Risks Committee

The primary function of the Audit & Risks Committee in relation to audit is to assist the Board of Directors in discharging its oversight responsibilities with respect to:

a) the safeguarding of assets;
b) the systems of internal controls regarding finance, accounting standards, legal compliance and ethical behaviour;
c) the auditing, accounting and financial reporting processes generally;
d) the financial statements and other financial information provided by the Group to its shareholders, the public and others;
e) compliance with legal and regulatory requirements; and
f) the performance of the Group's Internal Auditors and External Auditors.

In relation to risks, the Committee's responsibilities are, inter alia, to:

a) review and assess the integrity of the risk control systems and ensuring that risk policies and strategies are effectively managed;
b) set out the nature, role, responsibility and authority of the risk management function and outlining the scope of risk management work;
c) keep abreast of external developments relating to the practice of corporate accountability;
d) review and provide an independent and objective oversight on reports submitted by management on corporate accountability and specifically how associated risks are being mitigated.

The Audit & Risks Committee is established at group level. The Committee consists of four non-executive directors, three of whom are independent, including the Chairperson. The members are:

a) Mr. Arif Currimjee (independent)
b) Mr. Henri Harel (non-executive)
c) Mr. Gopallen Mooroogen (Chairperson) (independent)
d) Mr. Victor Seeyave (independent)

Mr. Jaiyansing Soobah acts as secretary of the Committee.

The Committee meets at least four times a year. The Group Chief Executive is not a member of the Committee. He is in attendance unless a conflict of interest is likely to arise. Members of the Committee have ample financial awareness. Members of the Senior Management, the external auditors and the internal auditors attend meetings of the Audit & Risks Committee, as are relevant. The Audit Committee meets regularly with the External Auditor (including once at the planning stage before the audit and once after the audit at the reporting stage). The Audit Committee has not met external auditor without management presence.

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

a) Yearly audited accounts and annual report– consideration and recommendation to the Board for approval;
b) Taking cognizance of significant issues from the external auditors' management letter;
c) Abridged quarterly accounts - consideration and recommendation to the Board for approval and publication;
d) Internal audit – consideration of internal audit reports;
e) Compliance Plan – taking stock of the main areas of focus of the compliance function for 2018;
f) Approval of auditors' fees for audit and non-audit services;
g) Change in auditor for financial year 2020;
h) Risk management – consideration and status on implementation of the risk management framework and new regulatory rules, the Insurance (Risk Management) Rules 2016.

Corporate Governance Report *(Cont'd)*

Corporate Governance Committee

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

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

The Committee consists of the following non-executive directors:

a) Mr. Arif Currimjee (Independent)
b) Mr. Nicolas Maigrot (Chairperson)
c) Mr. Gopallen Mooroogen (independent)
d) Mr. Victor Seeyave (independent)

The Group Chief Executive is in attendance. Mr. Jaiyansing Soobah acts as secretary of the Committee.

The Committee met once during the year. Decisions are also taken by written resolutions. Main issues deliberated by the Committee are remuneration (performance bonus, salary increase), appointment of new directors and corporate governance report. Attendance of the directors at board meetings and board committees for 2019 were as follows:

Directors	Board meeting	Audit & Risks Committee	Corporate Governance Committee
Number of meetings held	4	5	1
Arif Currimjee	4	5	1
Hector Espitalier-Noel	2	-	-
Philippe Espitalier-Noel	3	-	-
Henri Harel	4	5	-
Rene Leclezio	4	-	-
Sebastien Mamet	3	-	-
Nicolas Maigrot (Chairperson)	4	-	1
Gopallen Mooroogen	3	4	1
Victor Seeyave	3	5	1
Louis Rivalland (not as member for Audit & Risks Committee)	4	-	-

3. Director Appointment Procedures

Appointment of new directors is subject to a predetermined process. Potential candidates are identified by the Corporate Governance Committee. The selection is made based on, inter alia, skills, business acumen, industry knowledge, experience and independence (where relevant). The Corporate Governance Committee then makes recommendations to the Board of Directors and/or shareholders (as relevant). Director appointment is also subject to the approval of the Financial Services Commission, under section 24 of the Financial Services Act and section 36 of the Insurance Act. The law provides that a director (Officer) must be a fit and proper person.

All new directors are provided with an induction pack, which covers, inter alia, background information on the Company and the group, vision, mission & values, the regulatory and compliance landscape, products and services, governance structure, etc. The Group Chief Executive and Company Secretary are always available to provide any additional information that may be required by newly appointed directors.

The Constitution of the Company does not provide for annual re-election of directors.
Directors are encouraged to keep themselves updated with industry practices, trends, practices and standards. As and when required or requested, the Company will organize workshops and arrange for training of directors.

Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive.

4. Director Duties, Remuneration and Performance

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

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

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

In accordance with the Companies Act 2001, the Company Secretary maintains an interests register. As soon as a Director/Officer becomes aware that he is interested in a transaction, or that his holdings or that of his associates have changed, the interest should be reported to the Company Secretary in writing. The register of Directors' and Officers' Interests is updated with every transaction notified by the Directors/Officers and their associates. All new Directors/Officers are required to notify in writing to the Company Secretary their holdings in the Company's shares. According to the Company's constitution, a Director is not required to hold shares in the Company.

Corporate Governance Report *(Cont'd)*

4. Director Duties, Remuneration and Performance (cont'd)

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

Director	Interest in shares	
	No. of shares	%
Louis Rivalland	16,229	0.62%

Conflicts of interests are disclosed by directors as soon as they become aware that they are interested in a transaction. All interests, as disclosed by the directors, are recorded. Conflicts of interest and related party transactions have been conducted in strict compliance with applicable legislations and the code of ethics. All related party transactions disclosures, as are legally required to be disclosed, are made in the annual report. The Company does not have any conflict of interest and related party policies, as the Board considers that these are adequately covered under current laws.

Information, information technology and information security governance

The Board is responsible for information governance. At Board level, the Chairperson, the Group Chief Executive and the Company Secretary ensure that Directors receive adequate, timely and accurate information to be able to discharge their duties. Directors are under obligation to keep all information confidential. Where necessary in the discharge of their duties, all directors may seek independent professional advice at the Company's expense. The Company has adequate Directors & Officers insurance.

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

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

The policies cover a range of aspects, including physical security, users access & passwords, computer viruses, installation & modifications of the IT systems, emails, internet, copyrights & license agreements, smart devices, confidentiality and remote access.

The Company has published a brief of its IT policies on its website. No board evaluation was conducted during the period under review. It has been agreed that the Company will now conduct board evaluation every 3 years. The last board evaluation was conducted in 2018.

Remuneration policy

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

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

4. Director Duties, Remuneration and Performance (cont'd)

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

Directors' remuneration for the year was as follows:

	2019 (Rs)
Executive Directors	
Louis Rivalland	6,615,000
Non-Executive Directors	
Arif Currimjee	140,000
Hector Espitalier-Noel	90,000
Philippe Espitalier-Noel	90,000
Henri Harel	120,000
Rene Leclezio	90,000
Nicolas Maigrot (Chairperson)	175,000
Sebastien Mamet	90,000
Gopallen Mooroogen	160,000
Victor Seeyave	140,000

Corporate Governance Report *(Cont'd)*

5. Risk Governance and Internal Control

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

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

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

The Risk Officer has a duty to report to the Board. Independent reviews are also conducted by the external auditor and the statutory actuary on compliance and effectiveness of the framework, respectively. The Company has an obligation to report to the regulator.

More information on risk is provided in the Risk Management Report on **pages 58-63.**

The system of internal controls has been designed to safeguard assets of the Company from unauthorised use. The Company maintains proper records to ensure effective operation of its business and compliance with laws and regulations. Management is directly responsible for implementing the strategies and policies adopted by the Board, and for managing all of the Company's activities, including the operation of the internal control system. The system of internal controls is designed to provide assurance against material misstatement or loss and to manage risks of failure in operational systems.

Key areas of effective internal controls are as follows:

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

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

6. Reporting with Integrity

The Board is responsible for the preparation of the annual report and accounts that fairly present the state of affairs of the organisation and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Companies Act. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements. The annual report comprises, inter alia, an overview/structure and history of the Company and Group, the financial statements, risk report, report from the Group Chief Executive and Chairperson, details on our corporate social responsibility, information and profile of our Senior Management team.

The Board considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's position, performance and outlook. The annual report for the year ended December 31, 2019 will be published on the website of SWAN.

For the year ended December 31, 2019, the following directors were common to both the Company and Swan General Ltd:

Arif Currimjee	Sebastien Mamet
Hector Espitalier-Noël	Nicolas Maigrot
Philippe Espitalier-Noël	Gopallen Mooroogen
Henri Harel	Louis Rivalland
René Leclézio	Victor Seeyave

Dividend policy
The Company does not follow a formal dividend policy. Dividends are declared after taking into account the Company's profitability and the solvency requirements of the Companies Act and the Insurance Act. The Company declares dividend in December based on best estimates of yearly results to December 31.

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

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

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

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

Corporate Governance Report *(Cont'd)*

7. Audit

Internal Audit

Internal Audit is an objective assurance function reporting to the Audit & Risks Committee and the Board. It derives its authority from the Board through the Audit and Risks Committee. Collectively, Audit Committee members have the necessary financial literacy and expertise. Internal auditors are appointed by the Board, following recommendation from the Audit and Risks Committee. Internal audit of the Company and Group is outsourced to Ernst & Young. The Internal Auditors are responsible for providing assurance to the Board, through the Audit & Risk Committee, regarding the implementation, operation and effectiveness of internal control and risks management.

A risk based 3-year road map is prepared. The internal audit plan, which is approved by the Audit and Risks Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited. The plan is reviewed yearly.

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

External Audit

Our external auditors are BDO & Co. External auditors are appointed/re-appointed by shareholders. Auditors' remuneration is fixed by the Board, following recommendation from the Audit & Risks Committee. External auditors have unrestricted access to the Audit & Risks Committee. The Company is satisfied with the external audit process. The Audit Committee ensures that whenever non-audit services are provided, the fees remain reasonable compared to audit fees such that auditors' objectivity and independence are not impaired.

For the presentation and approval of audited yearly financial statements, external auditors meet with the Audit & Risks Committee. During the meeting, key audit matters and significant issues of the management letter are presented by the external auditors.

BDO & Co has been the auditor of the Company for more than 7 years.

During 2019, the following fees apply to BDO & Co.

For audit services	**Rs. 1,600,000**
For non-audit services	**Rs. 775,000**

8. Relationship with Shareholders and other Key Stakeholders

The Company and the Board have always maintained an open line of communication with all stakeholders. Key stakeholders of the Company are clients, shareholders, employees, regulators & government authorities, the public and investors, internal and external auditors among others. The Company communicates through email, social media, press announcements, publication of quarterly results and its annual report. The website provides meaningful information on the Company's products & services, financials, quarterly results, updated news, share price, CSR, etc.

As at December 31, 2019, Swan General Ltd held 82.72% of the shareholding of the Company. No other single shareholder held more than 5% of the Company.

The substantial shareholders of the Company, holding 5% or more directly, are:

A summary by shareholder category:

Category	Count	No. of shares	% holding
Individuals	314	233,823	8.88
Insurance & Assurance Cos	1	2,177,375	82.72
Pension & Providence Funds	4	4,146	0.16
Investment & Trust Cos	5	54,199	2.06
Other Corporate Bodies	76	162,667	6.18
TOTAL	**400**	**2,632,210**	**100%**

Corporate Governance Report *(Cont'd)*

8. Relationship with Shareholders and other Key Stakeholders (cont'd)

Breakdown of ownership by size:

Size	No. of Shareholders	No. of shares	% holding
1-500	283	34,995	1.33
501-1,000	34	23,660	0.90
1,001-5,000	66	126,455	4.80
5,001-10,000	7	49,099	1.87
10,001-50,000	7	109,793	4.17
50,001-100,000	2	110,833	4.21
100,001-250,000	-	-	-
250,001-500,000	-	-	-
Over 500,000	1	2,177,375	82.72
TOTAL			100%

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

Key events are set out below:

January	Payment of dividend (financial year December 31, 2018)
March	Publication of audited annual results
May	Publication of unaudited first quarter results
June	Annual meeting of shareholders
August	Publication of unaudited half-year results
November	Publication of unaudited nine months results
December	Declaration of dividend (financial year December 31, 2019)

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

Statement of Compliance

Section 75(3) of the financial reporting act
Name of PIE: Swan Life Ltd (the 'Company')

Throughout the year ended December 31, 2019, to the best of the Board's knowledge the Company has complied with the National Code of Corporate Governance for Mauritius (2016) (the Code). The Company has applied all of the principles set out in the Code and explained how these principles have been applied.

Nicolas Maigrot	**Louis Rivalland**
Chairperson	Director & Group Chief Executive

Risk Management Report

Our Risk Environment

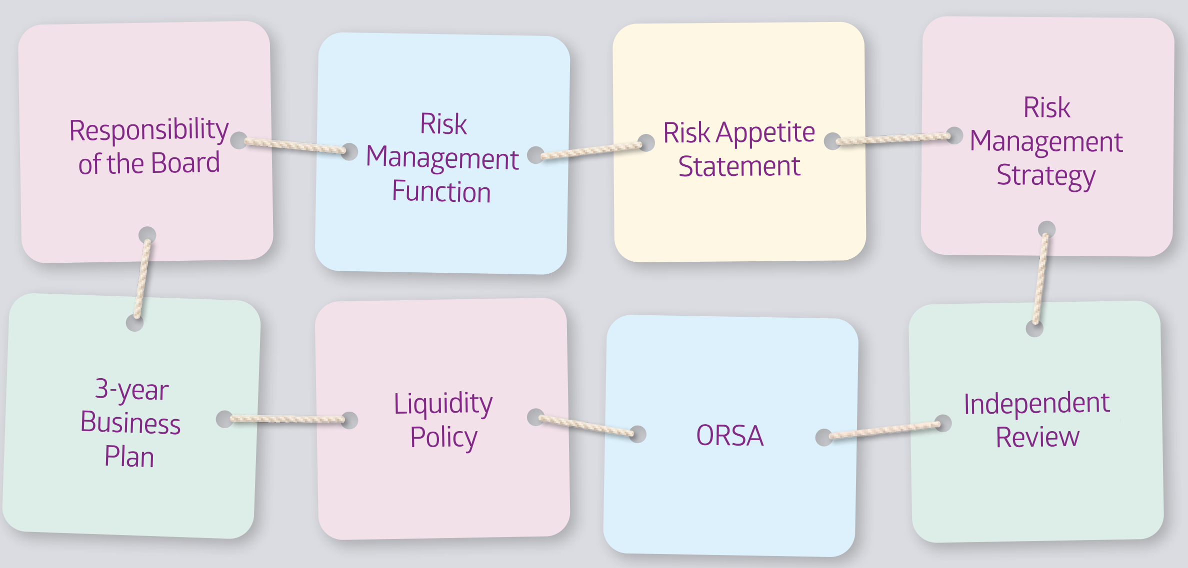
The Company is exposed to a diversity of risks whereby we accept the risks inborn to our core business lines. These risks, however, also create opportunities for innovation and differentiation. We distinguish between strategic and operational risks, which are mitigated through a risk management governance structure.

Risks are managed on a preventive basis as far as possible through various risk management activities. Should risks materialise, SWAN's financial capital is available to absorb the financial impact to ensure we remain solvent to honour our commitments to clients.

Key components of our Risk Management Framework

Our Risk Management Framework allows the management team, the Audit & Risks Committee and the Board to have a comprehensive view of the risks identified in SWAN, hence promoting a combined and integrated risk and assurance function. To ensure the effectiveness of the risk management framework, the Board and Management rely on adequate line functions, including monitoring and assurance.

As per the Insurance (Risk Management) Rules 2016 ('FSC Rules'), our framework complies with the following requirements:

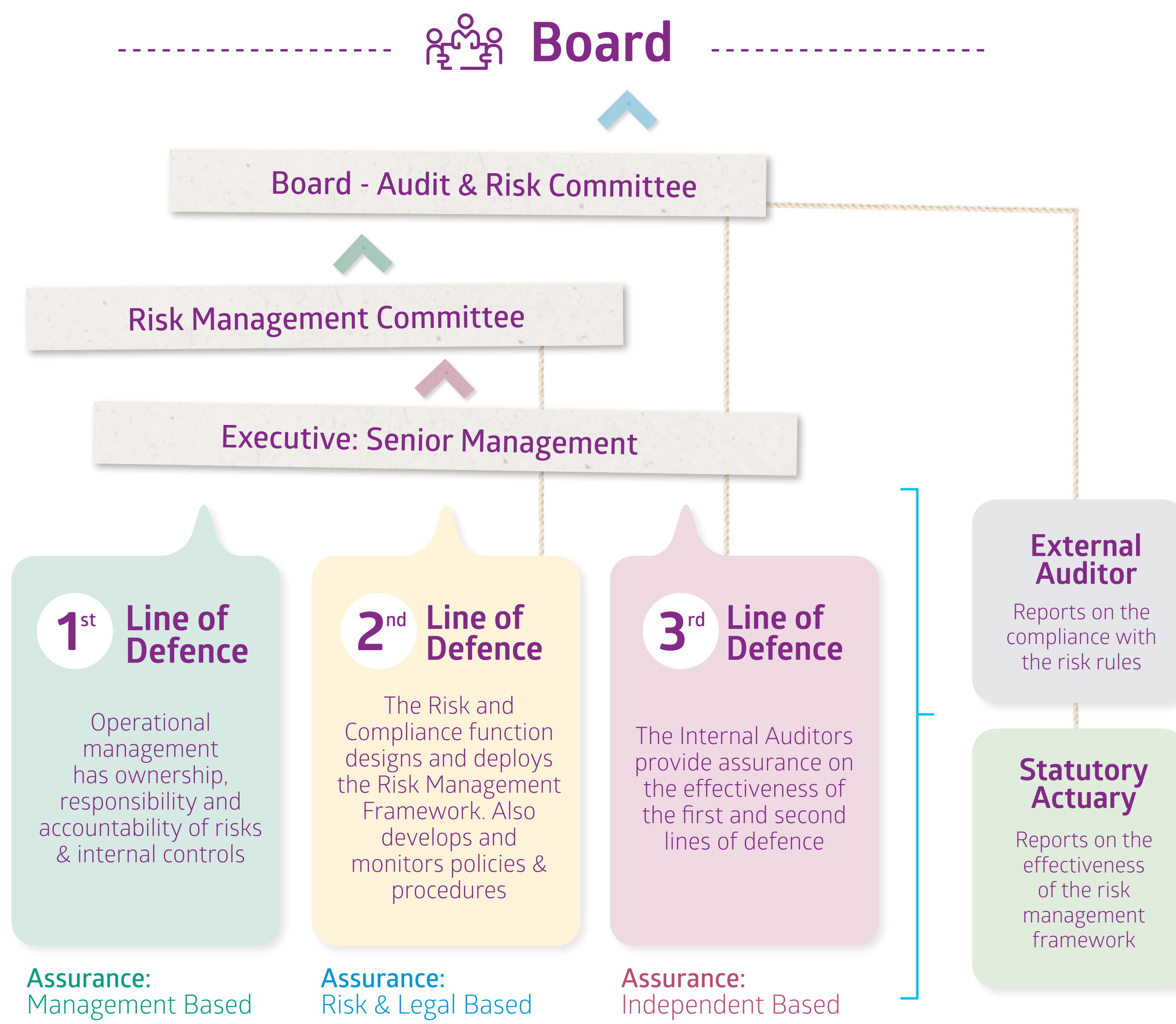


Responsibility of the Board

The Board of Directors have ultimate responsibility for risk management.
The Board is assisted in this task by the Audit & Risk Committee, the Risk Officer and Management.

Our Risk Management Function

SWAN has adopted the 'three-lines-of-defence' model where ownership for risk management is taken at all levels within SWAN. This model is widely adopted by financial services companies globally. It clearly sets out the risk management responsibilities across the business and is consistent with the current regulatory climate encompassing corporate governance, systems and controls.



Risk Management Report *(Cont'd)*

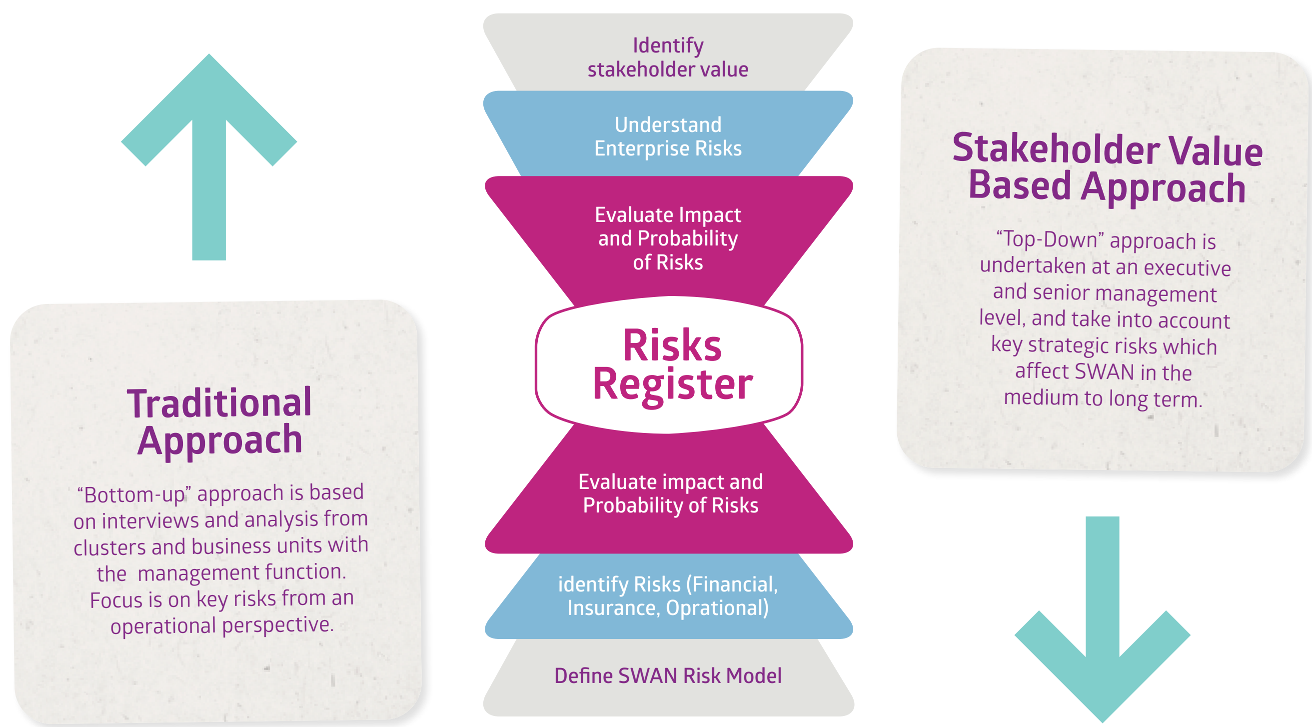
Our Risk Management Function

A risk management committee is in place to assist in the implementation of SWAN's risk management framework and internal control system. Among other responsibilities, the committee has the duty to:

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

Risk Appetite Statement & Risk Management Strategy

In order to formulate our risk appetite statements and risk tolerance levels, SWAN performs a risk identification process and build its risk register to recognize its strategic and operational risks. Risk registers are reviewed and updated in conjunction with SWAN's business strategy. The risks that have been identified have been logged, owners have been allocated and progress to mitigate each risk has been recorded.



Defining SWAN's risk appetite statements is a vital process whereby limits and benchmarks are set for different risk classes. Below are a few inherent risks which have been identified. For each risk the appropriate Risk Management Strategy (Mitigating measures) is devised and for some of them we have also formulated risk appetite statements. For the year 2019, 35 risk appetite statements were devised and we have also performed a half-yearly assessment of our previous RAS whereby there were no breaches of our risk tolerance levels. The table below illustrates a few risk areas which we have formulated Risk Appetite Statements (RAS) and their Risk Mitigation Strategies (RMS):

Capital Risks
- Review reinsurance programme
- Inject capital

Investment Risks
- Review investment guidelines
- Review asset mix and allocation
- Enforce stop-loss policy

Group Risks
- Crisis committee
- Ensure communication lines

Liquidity Risks
- Stress testing
- Monitoring of cash inflows and outflows
- Liquidity Policy

Reinsurance Risks
- Monitoring of reinsurers' rating
- Review our retention
- Processes and procedures

Insurance Risks
- Review of pricing
- Actuarial Valuation
- Monitor market Trends
- ORSA

Operational Risks
- Review of processes
- Implement system validations
- Provide on-going training

Compliance Risks
- Engage more resources
- Close monitoring
- Compliance audit
- On-going training

Outsourcing Risks
- Enforce SLA conditions
- Proper due diligence on suppliers

Risk Management Report *(Cont'd)*

3-year Rolling Business Plan

Every year a financial forecast is carried out for the next 3 years and the same is validated by the board, executives and operations.

Discussions are made within the group from senior levels to the technical team about strategic objectives such a new ventures and growth.

Assumptions are established:
· Experience analysis
· Technical Reserves
· Emerging Risks

The Profit & Loss and Balance sheets are projected over the next three years with our future solvency positons.

Stress-O-Meter
Scenarios based on our risk profile are defined, and our solvency position is stress tested.

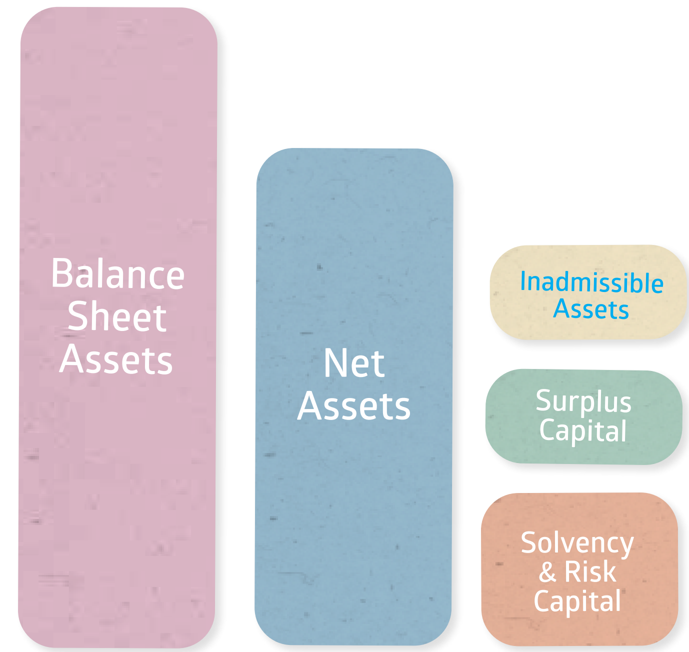
All the assumptions, emerging risks and strategic objectives are documented.

Liquidity Policy

We have devised a policy since the group has significant cash flow obligations that need to be managed and needs sufficient liquidity to operate efficiently and maintain SWAN's reputation in the markets.

Own Risk Solvency Assessment (ORSA)

The main objective of Own Risk Solvency Assessment (ORSA) is to allow Board and management and the regulator to more easily and clearly assess the state of enterprise risk management (ERM) in an organization. The ORSA also provides an assessment of the overall financial resources necessary for managing the business based on our risk tolerance levels and business plan.



The Board who has the ultimate responsibility of the ORSA, assesses different risks faced by the organization and determine the risk capital necessary to be maintained against those risks.

Business Continuity Management

Business Continuity sets out to enhance the strategic and tactical capability of the organisation to plan for and respond to incidents and business disruptions in order to continue business operations at an acceptable pre-defined level. With the rising concern that remote risks such as natural catastrophes, pandemics, fire or technology can potentially represent major threats to SWAN, management has implemented business continuity management group-wide. In 2019, we have conducted a business impact analysis (BIA), which is an exercise whereby we have identified potential risk of disruptions and gathered information needed to develop recovery strategies. The BIA has also identified the critical business processes and resources needed for the business to continue to function at different levels.

Independent Review

Our external auditor and statutory actuary have the duty to review our Risk Management Framework. The external auditor reviews the compliance of our framework with the Insurance (Risk Management) Rules 2016 while the statutory actuary reviews the effectiveness of the framework. Our statutory actuary also makes recommendations on improvements that can be brought to the framework.

Statement of Directors' Responsibilities

Directors acknowledge their responsibilities for:

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

(ii) the preparation of financial statements which fairly present the state of affairs of the Company and its Subsidiaries as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS);

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements. The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

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

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

(iii) international financial reporting standards have been adhered to. Any departure in the fair presentation has been disclosed, explained and quantified;

(iv) The Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

Nicolas Maigrot
Chairperson

Louis Rivalland
Director and
Group Chief Executive

Company Secretary's Certificate

For the year ended December 31, 2019

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

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

Date: May 19, 2020

-Re-
Connect
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Independent Auditor's Report

to the members of Swan Life Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Swan Life Ltd and its subsidiaries (the Group), and the Company's separate financial statements on pages **72 to 155** which comprise the statements of financial position as at December 31, 2019, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages **72 to 155** give a true and fair view of the financial position of the Group and of the Company as at December 31, 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

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

1. Financial Reporting and Close Process (FRCP)

Key Audit Matters

The Company uses an accounting software to process and record transactions of its long-term insurance business. The accounting software is not synchronised with the underwriting system of the pension department. The flow of information from the underwriting system to the financial reporting ledger may not be complete and accurate. The FRCP has been considered as a key audit matter as in the absence of proper monitoring and control procedures, it may result in a significant risk of material misstatement on the recognition of gross premium and premium receivable.

Related Disclosures

Refer to note 12, 19, 21 note 2.9, 2.17, 2.18 (accounting policies) and note 3.2 (financial risks) of the accompanying financial statements.

Audit Response

- We tested the design and implementation and operating effectiveness of the key controls over revenue recognition, focusing on the flow of information from the underwriting systems to the financial reporting ledger.
- We ascertained that reconciliations between the financial reporting ledger and the operating department have been performed.
- We obtained assurance over the accuracy and completeness of gross premiums, receivables and payables arising from insurance contracts by vouching a sample of gross premiums and receipts during the year to supporting documents from the operating department and bank statements.
- The accuracy and completeness of the gross and net premiums were also verified through Computer Assisted Audit Techniques, cut-off tests and analytical procedures.

2. Carrying Value of Investments in Financial Assets

Key Audit Matter

The Group and the Company hold investments in financial assets with a carrying amount of Rs.38,792m and Rs.38,701m respectively at reporting date. The significance of the investment in financial assets on the statements of financial position resulted in them being identified as a Key Audit Matter. In assessing the fair value of financial assets, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Many of the inputs required can be obtained from readily available liquid market prices and rates. Where observable market data is not available, estimates are developed based on the most appropriate source data and are subject to significant judgement.

The fall in value of available-for-sale financial assets if prolonged may lead to impairment losses. This determination requires significant judgement. In making this judgement, the Group and the Company evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Related Disclosures

Refer to note 10, note 2.8 (accounting policies), note 3.2 (financial risks) and notes 4.3, 4.4, 4.7 (critical accounting estimates) of the accompanying financial statements.

Audit Response

- We performed audit procedures over the valuation and accounting of investments in financial assets held by the Group and the Company. We ensured the financial assets are being recognised, measured and disclosed in line with the respective IFRS.
- We tested the design and implementation and operating effectiveness of the key controls over the investment valuation process. We tested, on a sample basis, their valuation at reporting date and we ascertained that the valuation techniques used are appropriate and consistently applied.
- We requested independent confirmation for the foreign and the local securities at the reporting date.
- For unquoted financial assets classified as level 3, we tested that the valuation techniques adopted reflect the best appropriate basis for valuation of the investments. We checked the reasonableness of inputs to the valuation techniques used.
- We reviewed and discussed with management and those charged with governance the Group and the Company's assessment of whether there is objective evidence that a financial asset is impaired and the completeness of impaired assets.
- We carried out impairment tests, which include review of performance and the factors affecting the investee company, ability to pay dividend, analysis of market price trend, the reasonableness of significant judgements made and the business outlook.

3. Valuation of Life Insurance Contract Liabilities

Key Audit Matter

Life insurance contract liabilities is a key audit matter because of the inherent challenge in the assessment of estimates determined by projecting expected cash flows long into the future. Specific actuarial expertise is required to evaluate complex and judgemental actuarial methodologies and assumptions. The actuarial methodologies and assumptions are subject to a considerable level of judgements and significant estimates about future events which may have significant impact to the valuation of liabilities under long-term insurance contracts. The assumptions include the likelihood of policyholders discontinuing their policies, the incidence of policyholder's sickness or death, future assumed investment return, risk discount rates and developments such as changes in legal practice and new medical treatments. These assumptions are used in conjunction with policyholders' details to project the expected future cash flows related to the liabilities over the expected life of the in force policies.

Related Disclosures

Refer to notes 16, notes 2.14, 2.17 (accounting policies), notes 3.1 (insurance risks) and note 4.1 (critical accounting estimates) of the accompanying financial statements.

Independent Auditor's Report

to the members of Swan Life Ltd *(Cont'd)*

Report on the audit of the Financial Statements *(Cont'd)*

3. Valuation of Life Insurance Contract Liabilities (Cont'd)

Audit Response

- We assessed the key controls in the life insurance contract liabilities measurement process. This included controls over the integrity of the base data used in the estimation process. The base data is projected over the expected life of the policy which may be a period of many years.
- We considered the findings of the actuarial report. Through critical assessment of the actuarial report and supporting documentation, and discussion with the actuary, we analysed the differences in methodology applied and we challenged the key assumptions being used.
- We assessed the reasonableness of key assumptions used and any changes in methodology in line with changes in the industry and the Company's historical claims experience.
- We verified that a Stress Test Requirement (STR) has been determined in accordance with guidelines issued by the Commission, the Company's capital and solvency margins are above the minimums required by the Insurance Act 2005 and proper internal controls are in place to ensure that they remain so.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Chairperson's and Group Chief Executive's Report, the Risk Report and Other Statutory Disclosures but does not include the financial statements and our auditor's report thereon.

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

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

When we read the other reports not yet received at the date of this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Corporate Governance Report

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

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

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

In preparing the financial statements, the Directors are responsible for assessing the 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 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 Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors, and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

Insurance Act 2005

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

Other Matter

This report is made solely to the members of Swan Life Ltd (the "Company"), as a body, in accordance with Section 205 of the 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 opinions we have formed.

BDO & Co
Chartered Accountants

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Port Louis, Mauritius
May 19, 2020

Statements of **Financial position**

December 31, 2019

	Notes	THE GROUP			THE COMPANY		
		December 31, 2019	**December 31, 2018**	January 01, 2018	**December 31, 2019**	**December 31, 2018**	January 01, 2018
ASSETS		**Rs'000**	**Rs'000 Restated**	**Rs'000 Restated**	**Rs'000**	**Rs'000 Restated**	**Rs'000 Restated**
Non-current assets							
Property and equipment	5	**276,224**	275,483	275,504	**251,125**	250,680	250,681
Right-of-use assets	5A	**15,083**	-	-	**10,491**	-	-
Investment properties	6(a)	**433,191**	478,896	479,475	**395,960**	439,074	439,653
Intangible assets	7	**92,017**	96,202	103,138	**11,259**	14,008	15,002
Investments in subsidiary companies	8	**-**	-	-	**548,512**	540,012	540,012
Investments in associated companies	9	**39,519**	36,945	35,078	**4,364**	614	614
Investments in financial assets	10	**36,387,024**	33,284,111	31,810,041	**36,304,460**	33,222,441	31,781,820
Loans and receivables	11	**4,239,180**	3,966,249	4,510,844	**4,252,618**	3,979,687	4,524,282
Deferred tax assets	17	**1,808**	822	695	**-**	-	-
Other receivable	12	**5,444**	-	-	**-**	-	-
		41,489,490	38,138,708	37,214,775	**41,778,789**	38,446,516	37,552,064
Current assets							
Trade and other receivables	12	**779,739**	796,153	729,122	**810,653**	733,930	674,949
Investments in financial assets	10	**2,404,693**	1,301,466	940,640	**2,396,389**	1,296,212	940,640
Loans and receivables	11	**213,492**	531,146	319,925	**213,492**	531,146	319,925
Seized properties	6(b)	**55,489**	55,338	51,867	**55,489**	55,338	51,867
Short term deposits	13/27(b)	**1,427,588**	1,174,142	1,787,070	**1,427,588**	1,174,142	1,787,070
Cash and cash equivalents	27(b)	**1,532,043**	1,291,345	794,631	**956,387**	918,125	428,219
		6,413,044	5,149,590	4,623,255	**5,859,998**	4,708,893	4,202,670
Total assets		**47,902,534**	43,288,298	41,838,030	**47,638,787**	43,155,409	41,754,734
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	14	**26,322**	26,322	26,322	**26,322**	26,322	26,322
Retained earnings		**1,162,074**	926,516	617,063	**723,634**	541,409	277,882
Other reserves		**42,459**	46,676	47,355	**529,643**	529,643	529,643
Owners' interest		**1,230,855**	999,514	690,740	**1,279,599**	1,097,374	833,847
Non-controlling interests	15	**201,146**	190,331	181,358	**-**	-	-
Total equity		**1,432,001**	1,189,845	872,098	**1,279,599**	1,097,374	833,847
Technical Provisions							
Life Assurance Fund	2.14/16	**45,199,804**	41,098,308	39,981,799	**45,199,804**	41,098,308	39,981,799
Gross outstanding claims	3.1(a) (iii)/ 28(a)	**261,096**	278,908	214,251	**261,096**	278,908	214,251
Gross unearned premium	28(b)	**86,362**	122,160	141,454	**86,362**	122,160	141,454
		45,547,262	41,499,376	40,337,504	**45,547,262**	41,499,376	40,337,504
Non-current liabilities							
Retirement benefit obligations	18	**98,234**	76,831	70,340	**85,508**	74,000	66,126
Lease liabilities	5A	**11,844**	-	-	**8,193**	-	-
Other payable	19	**53,667**	54,076	-	**53,667**	54,076	-
		163,745	130,907	70,340	**147,368**	128,076	66,126
Current liabilities							
Trade and other payables	19	**586,210**	458,969	426,506	**505,550**	430,583	396,175
Lease liabilities	5A	**3,710**	-	-	**2,655**	-	-
Current tax liabilities	20(c)	**13,253**	9,201	10,500	**-**	-	-
Dividend payable	25	**156,353**	-	121,082	**156,353**	-	121,082
		759,526	468,170	558,088	**664,558**	430,583	517,257
Total equity and liabilities		**47,902,534**	43,288,298	41,838,030	**47,638,787**	43,155,409	41,754,734

These financial statements have been approved for issue by the Board of Directors on: May 19, 2020

Louis Rivalland
Director & Group Chief Executive

Gopallen Mooroogen
Director

The notes on pages 77 to 155 form an integral part of these finacial statements.
Auditors' report on pages 68 to 71.

Statements of **Profit or Loss and other comprehensive income**

Year ended December 31, 2019

	Notes	THE GROUP		THE COMPANY	
		2019	**2018**	**2019**	**2018**
		Rs'000	**Rs'000 Restated**	**Rs'000**	**Rs'000 Restated**
Gross premiums	2.18/21	**4,821,113**	4,394,991	**4,821,113**	4,394,991
Premiums ceded to reinsurers		**(144,881)**	(162,061)	**(144,881)**	(162,061)
Net earned premiums		**4,676,232**	4,232,930	**4,676,232**	4,232,930
Fee income on insurance and investment contracts		**512,291**	459,708	**306,295**	259,283
Investment income	22	**1,501,255**	1,548,516	**1,581,060**	1,623,185
Other income	23	**669,218**	338,527	**668,701**	336,382
Gain on exchange		**52,205**	21,610	**44,504**	20,688
Other operating income		**12,283**	22,649	**9,947**	19,852
		7,423,484	6,623,940	**7,286,739**	6,492,320
Gross death and disablement insurance claims		**216,234**	164,082	**216,234**	164,082
Recoverable from reinsurers		**(31,156)**	(23,959)	**(31,156)**	(23,959)
Net death and disablement insurance claims		**185,078**	140,123	**185,078**	140,123
Maturity claims		**2,163,511**	1,948,976	**2,163,511**	1,948,976
Surrenders		**659,914**	469,432	**659,914**	469,432
Annuities		**696,384**	613,751	**696,384**	613,751
Commissions payable to agents and brokers		**194,601**	178,156	**194,601**	178,156
Fees payable		**251,799**	215,646	**364,698**	312,381
Depreciation, amortisation and write-off	5/5A/6/7	**43,349**	41,492	**35,893**	35,023
Provision for bad debts and impairment loss		**55,560**	56,688	**55,560**	56,688
Marketing and administrative expenses	24	**442,062**	365,125	**310,986**	243,530
Loss on exchange		**155**	2,520	**-**	2,520
		4,692,413	4,031,909	**4,666,625**	4,000,580
Share of results of associated companies	9	**5,747**	2,121	**-**	-
Transfer to Life Assurance Fund	16	**(2,281,536)**	(2,097,919)	**(2,281,536)**	(2,097,919)
Profit before taxation		**455,282**	496,233	**338,578**	393,821
Taxation	20(a)	**(35,770)**	(31,592)	**-**	-
Profit for the year		**419,512**	464,641	**338,578**	393,821
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit obligations	17/18	**3,388**	6,832	**3,849**	6,953
Items that may be reclassified subsequently to profit or loss:					
Change in value of available-for-sale financial assets	10	**1,789,852**	(991,302)	**1,788,178**	(988,363)
Net movement in other reserves		**(4,913)**	1,769	**-**	-
		1,784,939	(989,533)	**1,788,178**	(988,363)
Transfer to Life Assurance Fund	16	**(1,792,027)**	981,410	**(1,792,027)**	981,410
Other comprehensive income for the year, net of tax		**(3,700)**	(1,291)	**-**	-
Total comprehensive income for the year		**415,812**	463,350	**338,578**	393,821
Profit for the year					
Attributable to:					
Owners of the parent		**391,911**	439,747	**338,578**	393,821
Non-controlling interests		**27,601**	24,894	**-**	-
		419,512	464,641	**338,578**	393,821
Total comprehensive income for the year					
Attributable to:					
Owners of the parent		**387,694**	439,068	**338,578**	393,821
Non-controlling interests		**28,118**	24,282	**-**	-
		415,812	463,350	**338,578**	393,821
Earnings per share (Rs/cts)	26	**148.89**	167.06	**128.63**	149.62

The notes on pages 77 to 155 form an integral part of these finacial statements.
Auditors' report on pages 68 to 71.

Statements of **Changes in equity**

Year ended December 31, 2019

THE GROUP	Notes	Share Capital	Retained Earnings	Non-distributable reserve	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Amalga-mation reserve	Foreign exchange difference reserve	Total	Non-controlling interests	Total equity
		Attributable to owners of the parent										
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2019												
- As previously stated		26,322	541,409	824,843	-	-	-	61,214	-	1,453,788	190,331	1,644,119
- Prior year adjustments	33	-	385,107	(824,843)	(1,939)	(8,114)	(4,485)	-	-	(454,274)	-	(454,274)
- As restated		26,322	926,516	-	(1,939)	(8,114)	(4,485)	61,214	-	999,514	190,331	1,189,845
Profit for the year		-	391,911	-	-	-	-	-	-	391,911	27,601	419,512
Other comprehensive income for the year		-	-	-	1,339	(5,711)	(325)	-	480	(4,217)	517	(3,700)
Dividends	25	-	(156,353)	-	-	-	-	-	-	(156,353)	(17,303)	(173,656)
Balance at December 31, 2019		26,322	1,162,074	-	(600)	(13,825)	(4,810)	61,214	480	1,230,855	201,146	1,432,001
Balance at January 1, 2018												
- As previously stated		26,322	277,882	425,543	-	-	-	61,214	-	790,961	181,358	972,319
- Prior year adjustments	33	-	339,181	(425,543)	412	(9,883)	(4,388)	-	-	(100,221)	-	(100,221)
- As restated		26,322	617,063	-	412	(9,883)	(4,388)	61,214	-	690,740	181,358	872,098
Issue of shares	15	-	-	-	-	-	-	-	-	-	497	497
Profit for the year - restated		-	439,747	-	-	-	-	-	-	439,747	24,894	464,641
Other comprehensive income for the year - restated		-	-	-	(2,351)	1,769	(97)	-	-	(679)	(612)	(1,291)
Dividends	25	-	(130,294)	-	-	-	-	-	-	(130,294)	(15,806)	(146,100)
Balance at December 31, 2018		26,322	926,516	-	(1,939)	(8,114)	(4,485)	61,214	-	999,514	190,331	1,189,845

The notes on pages 77 to 155 form an integral part of these finacial statements.
Auditors' report on pages 68 to 71.

Statements of **Changes in equity**

Year ended December 31, 2019

THE COMPANY	Notes	Share Capital	Retained Earnings	Non-distributable reserve	Amalgamation reserve	Other reserve	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2019							
- As previously stated		26,322	541,409	824,843	61,214	468,429	1,922,217
- Prior year adjustments	33	-	-	(824,843)	-	-	(824,843)
- As restated		26,322	541,409	-	61,214	468,429	1,097,374
Profit for the year		-	338,578	-	-	-	338,578
Dividends	25	-	(156,353)	-	-	-	(156,353)
Balance at December 31, 2019		26,322	723,634	-	61,214	468,429	1,279,599
Balance at January 1, 2018							
- As previously stated		26,322	277,882	425,543	61,214	468,429	1,259,390
- Prior year adjustments	33	-	-	(425,543)	-	-	(425,543)
- As restated		26,322	277,882	-	61,214	468,429	833,847
Profit for the year - restated		-	393,821	-	-	-	393,821
Dividends	25	-	(130,294)	-	-	-	(130,294)
Balance at December 31, 2018		26,322	541,409	-	61,214	468,429	1,097,374

The notes on pages 77 to 155 form an integral part of these finacial statements.
Auditors' report on pages 68 to 71.

Statements of **Cash flows**

Year ended December 31, 2019

	Notes	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000 Restated	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Rs'000 Restated
Cash flows from operating activities					
Cash generated from operations	27(a)	727,318	861,911	468,403	691,763
Investment income received		1,388,166	1,279,985	1,399,066	1,354,654
Tax and corporate social responsibility tax paid	20	(33,105)	(32,997)	-	-
Net cash generated from operating activities		2,082,379	2,108,899	1,867,469	2,046,417
Cash flows from investing activities					
Purchase of property and equipment	5	(22,848)	(21,051)	(21,989)	(20,544)
Purchase of investment properties	6(a)	(2,679)	(9,493)	(2,679)	(9,493)
Purchase of intangible assets	7	(889)	(3,461)	(304)	(3,461)
Purchase of financial assets		(5,219,162)	(6,048,363)	(5,123,928)	(5,983,996)
Acquisition of subsidiary, net of cash acquired	34	(6,489)	-	(8,500)	-
Purchase of seized properties	6(b)	(698)	-	(698)	-
Loans granted		(975,704)	(292,584)	(975,704)	(292,584)
Proceeds from disposal/maturity of financial assets		3,492,837	3,848,857	3,417,672	3,823,712
Proceeds from sale of property and equipment		88	148	88	148
Proceeds from sale of investment property		89,865	-	87,293	-
Proceeds from sale of seized properties		560	-	560	-
Proceeds from sale of right and benefits in financial assets		-	54,076	-	54,076
Loans recovered		1,018,947	505,129	1,018,947	505,129
Net cash used in investing activities		(1,626,172)	(1,966,742)	(1,609,242)	(1,927,013)
Cash flows from financing activities					
Principal paid on lease liability	5A	(3,245)	-	(2,328)	-
Interest paid on lease liability	5A	(907)	-	(640)	-
Dividends paid to Company's shareholders		-	(251,376)	-	(251,376)
Dividends paid to non-controlling interest	15	-	(15,806)	-	-
Net cash used in financing activities		(4,152)	(267,182)	(2,968)	(251,376)
Increase/(decrease) in cash and cash equivalents		452,055	(125,025)	255,259	(131,972)
Movement in cash and cash equivalents					
At January 1,		2,465,487	2,581,701	2,092,267	2,215,289
Increase/(decrease) during the year		452,055	(125,025)	255,259	(131,972)
Effects of exchange rate changes		42,089	8,811	36,449	8,950
At December 31,	27(b)	2,959,631	2,465,487	2,383,975	2,092,267

The notes on pages 77 to 155 form an integral part of these finacial statements.
Auditors' report on pages 68 to 71.

Notes to the **Financial statements**

Year ended December 31, 2019

1. General Information

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

The principal activities of the Company consist of life insurance, pensions, actuarial and investment business and have remained unchanged during the year. The activities of the subsidiary companies forming part of the Group, are detailed in note 8.

2. Principal Accounting Policies

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

2.1 Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) available-for-sale financial assets and relevant financial assets and liabilities are stated at their fair values,
(ii) held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised cost.

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

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The Group has adopted IFRS 16 from January 1, 2019, but has not restated comparatives for 2018, as permitted under the specific transition provisions. The reclassifications and adjustments arising from the new leasing rules are recognised in the opening balance sheet on January 1, 2019. The new accounting policies are disclosed in note 2.12.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019, was 5.60%.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Group's financial statements.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Group's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Group's financial statements.

Annual Improvements to IFRSs 2015-2017 Cycle

- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Group's financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarifies that entities must:
- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss, even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Group's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2020 or later periods, but which the Group has not early adopted.

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 17 Insurance Contracts
Definition of a Business (Amendments to IFRS 3)
Definition of Material (Amendments to IAS 1 and IAS 8)
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.1 Basis of preparation (cont'd)

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

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

IFRS 17 Insurance contracts - effective January 01, 2023

IFRS 17 was issued in May 2017 as a replacement for IFRS 4 *Insurance Contracts*. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:
- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 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 the surplus and life assurance fund together with presentation and disclosure.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.1 Basis of preparation (cont'd)

IFRS 17 Insurance contracts - effective January 01, 2023 (cont'd)

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The mandatory application date for the standard was January 1, 2018. IFRS 9 is applicable to the subsidiaries and associates of the Company. However, the Group and the Company plan to defer the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17) of January 1, 2023, opting the temporary exemption from applying IFRS 9 by the amendments to IFRS 4. The temporary exemption from IFRS 9 is available to the companies whose activities are predominantly connected with insurance. The Group continues to apply IAS 39 Financial Instruments: Recognition and Measurement. All IFRS 9 adjustments made in the separate financial statements of each subsidiary and associate are reversed at Group level.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The application date for the standard was January 1, 2018, The Company, which is applying IFRS 4, is excluded from the scope of the standard. All IFRS 15 adjustments made in the separate financial statements of each subsidiary and associate are reversed at Group level.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Property and equipment

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

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

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.2. Property and equipment (cont'd)

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

Buildings	**50 years**
Furniture, fixtures and fittings	**10 years**
Computer equipment	**3 - 7 years**
Electrical equipment	**10 years**
Motor vehicles	**5 years**

Land is not depreciated.

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal are determined by comparing proceeds with their carrying amount and are included in profit or loss.

2.3 Intangible assets

Intangible assets consist of the following:

(i) Goodwill

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity over the fair value of the net identifiable assets is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase. Goodwill on acquisition of subsidiaries is included under Intangible Assets. Gain on bargain purchase represents the excess of the Group's interest in the net fair value of the acquiree's net identifiable asset over cost of acquisition and is recognised in profit or loss. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment.

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

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Notes to the
Financial statements
Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.3 Intangible assets (cont'd)

(ii) Computer software

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

(iii) Value of business acquired (VOBA)

Value of business acquired represents the value of the customer lists and customer relationships reflecting the expectation of future contracts that are not part of the contractual insurance rights and contractual insurance obligations that existed at the date of business acquisition. This intangible asset is tested for impairment annually.

(iv) Customer portfolio

Customer portfolio represents the value of the customer list and is tested annually for impairment.

2.4 Investment properties

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

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Buildings	2%

Land is not depreciated.

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

Properties seized by the Group and the Company represent properties acquired through auction at the Master's Bar further to the default of clients. The properties are held by the Group and the Company until they are sold. Seized properties are stated at the price paid at the Master's Bar together with all related expenses incurred on the acquisition. Realised loss/gain on the disposal of seized property is taken to the profit or loss. No depreciation is charged on seized properties, but they are tested for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

Notes to the
Financial statements
Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.5 Impairment of non-financial assets

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

2.6 Investments in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

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

The acquisition method of accounting is used to account for business combinations by the Group and the Company. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group and the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the net of the acquisition-date amounts of identifiable assets acquired and the liabilities and contingent liabilities assumed measured in accordance with IFRS 3 is recorded as goodwill. In the case of a bargain purchase (excess of (b) over (a)), the resulting gain is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.6 Investments in subsidiaries (cont'd)

Transactions and non-controlling interests

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

Disposal of subsidiaries

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

2.7 Investments in associates

Separate financial statements of the investor

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

Consolidated financial statements

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

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

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

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

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.7 Investments in associates (cont'd)

Consolidated financial statements (cont'd)

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

Dilution gains and losses arising on investments in associates are recognised in profit or loss.

2.8 Financial assets

(a) Categories of financial assets

The Group and the Company classify their financial assets into the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the investments at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(iii) Available-for-sale financial assets

Available for sale financial assets are non-derivative financial instruments that are either designated in this category or not classified in any of other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

(b) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Investments are initially recorded at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or they have been transferred and the Group and the Company have also transferred substantially all risks and rewards of ownership.

Notes to the **Financial statements**
Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.8 Financial assets (cont'd)

(b) Recognition and measurement (cont'd)

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity of the Group and the Company, until the security is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss as gains or losses on financial assets. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains or losses on financial assets.

The fair values of quoted investments are based on current bid prices (Level 1). The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as possible on entity specific estimates (Level 2). If the market for a financial asset is not active and for unlisted securities, the Group and the Company establish fair value by using valuation techniques as follows (level 3) (note 10):

- Over the first two years following acquisition, an investment in such an asset is valued at the lower of cost price and any new issue price.

- Thereafter, fair value is estimated based on the lower of price earnings ratio and dividend yield methodologies.

- Where neither the price earnings ratio nor the dividend yield methodologies are applicable, the net asset value or the price to book value methodology is applied.

- In the event there has been any rights issue or initial public offering or any other similar transaction carried out at arm's length in the relevant period under consideration, the offered price is used as a proxy for fair value.

(c) Impairment of financial assets

(i) <u>Financial assets classified as available-for-sale</u>

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity, is removed from equity and recognised in profit or loss. Impairment loss for the Group and the Company are recognised in the profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through the profit or loss.

Notes to the **Financial statements**
Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.8 Financial assets (cont'd)

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

(ii) <u>Financial assets carried at amortised cost</u>

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through the profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in profit or loss.

2.10 Trade and other payables

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

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.12 Leases

In 2018, the Group and the Company did not have finance leases. All other leases were classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:
· Leases of low value assets; and
· Leases with a duration of 12 months or less.

Identifying Leases

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

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

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

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

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

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.12 Leases (cont'd)

Identifying Leases (cont'd)

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

· amounts expected to be payable under any residual value guarantee;
· the exercise price of any purchase option granted in favour of the Group and the Company if it is reasonably certain to assess that option;
· any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

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

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

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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

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

· if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

· in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

· if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use as set are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right of-use asset is adjusted by the same amount.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.12 Leases (cont'd)

Identifying Leases (cont'd)

For contracts that both convey a right to the Group and the Company to use an identified asset and require services to be provided to the Group and the Company by the lessor, the Group and the Company have elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to and account separately for any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2.13 Share Capital

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

2.14 Life Assurance Fund

The Life Assurance Fund represents the net assets of the Group and Company attributable to policy holders of the Fund. At each reporting date, the amount of the liabilities of the Life Assurance Fund is established and the adequacy of the fund is determined by actuarial valuation. When the actuarial valuation of the liability exceeds the value of the fund, the difference is recognised immediately in the statement of profit or loss. The fair value gains/losses in available-for-sale financial assets and actuarial gains/losses on retirement benefit obligations is recognised in other comprehensive income.

The surplus of the Life Assurance Fund is made up of:

(i) *Non-Linked Account*

The surplus on the Life Assurance Fund-Non Linked Account for the year is retained in the Life Assurance Fund.
The adequacy of the fund is determined by actuarial valuation every year. The declaration of surplus is made on an annual basis.
Other profits are released based on the expected experience and actuarial report.

(ii) *Linked Account*

Earmarked assets in respect of segregated funds are assigned in the name of the Life Assurance Fund.

2.15 Retirement Benefit Obligations

(i) *Defined Benefit Plan*

The following pension benefits are in place:

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

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.15 Retirement Benefit Obligations (cont'd)

(i) *Defined Benefit Plan (cont'd)*

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

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

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

Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which it occurs. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent periods.

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

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in the profit or loss.

(ii) *Defined Contribution Plan*

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

The Group and the Company operate a defined contribution retirement benefit plan for all qualifying employees (new entrants and their dependents). Payments to deferred contribution retirement plans are charged as an expense as they fall due.

(iii) *Gratuity on retirement*

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' Right Act 2019 (2018 - Employment Rights Act 2018) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Notes to the **Financial statements**
Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.15 Retirement Benefit Obligations (cont'd)

(iv) Termination benefits

Termination benefits are payable when the employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(v) The Company

The Company has a retirement pension fund for its employees, which is internally managed. Full liability of the retirement benefit obligations has been recognised as at December 31, 2019, as the assets were not legally separate and could not therefore be considered as plan assets. Following enactment of the Private Pension Schemes Act 2012, all pension funds now have to be set up under a Trust. This process is currently being completed for Swan Life Ltd and assets have been earmarked to fund the Swan Life pension fund.

2.16 Current and Deferred income tax

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

Current tax

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

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

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

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

Notes to the **Financial statements**
Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.16 Current and Deferred income tax (cont'd)

Corporate Social Responsibility (CSR)

Every Mauritian Company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year and Company should remit 75% of the fund respectively to the Mauritian Tax Authorities. This practice is being interpreted and classified as taxation.

2.17 Insurance contracts - The Company

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Insurance contracts are derecognised when all rights and obligations are extinguished or expired. Contracts that do not transfer significant insurance risk are investment contracts. The Group and the Company consider that all its long-term products are a mix of insurance and investment contracts.

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain event adversely affects the policyholder.

Insurance contracts issued by the Company are classified into the following main categories:

(i) Long-term insurance contracts with fixed terms and guaranteed terms

These contracts insure human life events (for example death or survival) over a long duration. A unit-linked insurance contract is an insurance contract with an embedded derivative linking payments on the contract to units of an internal investment fund set up by the Group with the consideration received from the contract holders after deducting life charges, administration charges and any unpaid charges. The Group does not separately measure any embedded derivatives as they qualify for recognition as an insurance contract. As such, they are measured as insurance contracts.

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the Gross Premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case, a margin for risk and adverse deviation is generally included. A separate reserve for longevity may be established and included in the measurement of the liability. Furthermore, the liability for life insurance contracts comprises the provision for unearned premiums and premium deficiency as well as for claims outstanding. Adjustments to the liabilities at each reporting date are recorded in profit or loss. Profits originated from margins of adverse deviations on runoff contracts are recognised in profit or loss over the life of the contract, whereas losses are fully recognised in profit or loss during the first year of run-off. The liability is derecognised when the contract expires, is discharged or is cancelled.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.17 Insurance contracts - The Company (cont'd)

(ii) Long-term insurance contracts without fixed terms and with Discretionary Participating Feature (DPF)

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. To the extent that the test involves discounting of cash flows, the interest rate applied may be based on management's prudent expectation of current market interest rates. Any inadequacy is recorded in profit or loss and subsequently, an additional insurance liability for the remaining loss is established.

In subsequent periods the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of the loss recognition. The assumptions do not include a margin for adverse deviation. Impairment losses resulting from liability adequacy testing can be reversed in future years if the impairment no longer exists. It is the Company's independent Actuaries who review contract liabilities and carry out the liability adequacy test.

This type of contract entitles the contract holders to a minimum guaranteed amount. The Discretionary Participating Feature (DPF) component gives the contract holders contractual rights to bonuses in addition to the minimum guaranteed amounts. A bonus is declared when the actual return on backing assets is higher than the expected return at inception of the contract. The amount and timing of the settlement of the DPF element is however at the discretion of the Company. The bonus is derived from the DPF eligible surplus available arising mainly from upon revaluation of backing assets.

The Company has legal obligation to eventually pay to contract holders at least 90% of the DPF eligible surplus. Any portion of the DPF eligible surplus that is not declared as a bonus rate and not credited to individual contract holders accounts is retained as a liability for the benefit of all contract holders until declared and credited to them individually in future periods. Other profits are released based on the expected experience and actuarial report. All DPF liabilities, including unallocated surpluses, both guaranteed and discretionary, at the end of the reporting period are held within insurance contract liabilities, as appropriate.

Equity holder's share of surplus represents bonuses declared on an annual basis, interest allocated and profit or loss from subsidiaries at Group level. At Company level, bonuses declared on an annual basis, interest allocated and dividend income from subsidiaries are recognised.

(iii) Unit-Linked

A unit-linked insurance contract includes an embedded derivative linking payments on the contract to units of investment (unitised) funds set up by the Company with consideration received from contract holders. This embedded derivative meets the definition of an insurance contract and is therefore not accounted for separately from the host insurance contract. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets.

2.18 Revenue recognition

(i) The Group

Revenue comprises services rendered and after eliminating revenue within the Group.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.18 Revenue recognition (cont'd)

(ii) The Company

Premiums earned on long-term insurance contracts are recognised as income when they become payable by the policyholder. When policies lapse (due to non-receipt of premiums) within two years for unit-linked business and three years for other contracts, the related unpaid premium income due from the date they are deemed to have lapsed is reversed against premiums in the Life Assurance Fund. For contracts that lapse after longer periods, a surrender or paid up value is refunded to contract holders based on the terms of the contracts. For single premium business, revenue is recognised on the date on which the policy is effective.

(iii) Other revenues earned by the Group and the Company are recognised on the following bases:

(i) Consideration for annuities - upon maturity of insurance contracts.
(ii) Rental income - as it accrues based on the terms of the rental contract.
(iii) Interest income - on a time-proportion basis using the effective interest method.
(iv) Dividend income - when the shareholder's right to receive payment is established.
(v) Fees and commission income - on an accrual basis in accordance with the substance of the relevant agreements.

2.19 Liability adequacy test

The Company's independent Actuaries review contract liabilities and carry out a liability adequacy test using current estimates of future contractual cash flows after taking into account the investment return expected on assets relating to the relevant long-term business. Any deficiency is immediately recognised in the Life Assurance Fund by establishing a provision for the losses arising from liability adequacy test (the unexpired risk provision).

2.20 Reinsurance contracts

Contracts entered into by the Company with Reinsurers under which it is compensated for losses are classified as reinsurance contracts held. The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Company's reinsurance assets arise from 'First Surplus Obligatory' treaty arrangements. Reinsurance assets are assessed for impairment on a regular basis. If ever there is objective evidence that the assets are impaired, the carrying amounts are reduced to the recoverable amounts and impairments recognised in profit or loss. Long-term insurance contract liabilities are shown gross of reinsurance. Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.21 Insurance benefits and claims

Insurance benefits and claims incurred under insurance contracts include death and disablement insurance, maturity, surrender and annuity payments are recognised in profit or loss. Death, disablement and surrender claims are recognised when notified. Maturity and annuity claims are recognised when they are due for payment.

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.22 Foreign Currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Translation differences on non-monetary items such as financial assets classified as available-for-sale financial assets are included in the fair value reserve.

(c) Translation of foreign entities

The results and financial position of foreign entities which have a functional currency different from that of the presentation currency of the Company, are translated as follows:

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

In the event of disposal, such translation differences are recognised in profit or loss as part of the gain or loss on sale.

2.23 Provisions

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

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

Notes to the **Financial statements**

Year ended December 31, 2019

2. Principal Accounting Policies (cont'd)

2.24 Dividend distribution

Dividend distribution to the Company's proprietors is recognised as a liability in the financial statements of the Group and the Company in the period in which the dividends are declared.

2.25 Non-recurring items

Non-recurring items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group and the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks

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

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

3.1 Insurance risk

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

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

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

(a) Insurance contracts

(i) Concentration, frequency and severity of claims

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

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

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

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

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

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

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

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

(iii) Claims development

The claims relate to death and disability claims and unit-linked claims of the Group and the Company. The table below illustrates the outstanding claims at the end of the previous five years appearing in the statement of financial position:

	2019	2018	2017	2016	2015
	Rs'000	Rs'000 Restated	Rs'000 Restated	Rs'000 Restated	Rs'000 Restated
Gross outstanding claims	261,096	278,908	214,251	156,007	212,854

3.2 Financial risk

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

The most important components of this financial risk are:

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

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

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

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

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

3.2.1 Market risk

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

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

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

(i) Currency risk

The Group:

The Group operates internationally and is exposed principally on an investment in a Global Business Licence '(GBL)' company which in turn holds an equity investment in Seychelles. The net assets of the GBL company is exposed to currency translation risk.

The Company:

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

The Company also has a number of investments in foreign currencies, namely Euro, US Dollar, Japanese Yen, which are exposed to currency risk.

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

Notes to the Financial statements

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's financial assets and financial liabilities by currency are detailed below:

At December 31, 2019	Rs.	JPY	USD	Euro	Others	Total
Financial Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Investments in financial assets	27,066,455	49,547	10,822,455	826,094	27,166	38,791,717
- Loans and receivables	4,546,233	-	-	-	-	4,546,233
- Trade and other receivables	703,579	-	24,670	-	3,910	732,159
- Bank balances, deposits and cash	1,957,021	-	963,713	27,436	11,461	2,959,631
	34,273,288	49,547	11,810,838	853,530	42,537	47,029,740
Less allowances for credit impairment						(98,561)
Total						46,931,179
Financial liabilities						
- Technical Provisions:						
· Life assurance fund	45,199,804	-	-	-	-	45,199,804
· Gross outstanding claims	261,096	-	-	-	-	261,096
· Gross unearned premium	86,362	-	-	-	-	86,362
- Lease liability	15,554	-	-	-	-	15,554
- Trade and other payables	635,609	-	4,073	-	195	639,877
	46,198,425	-	4,073	-	195	46,202,693

At December 31, 2018	Rs.	JPY	USD	Euro	Others	Total
Financial Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Investments in financial assets	25,589,734	39,149	8,339,543	620,140	19,264	34,607,830
- Loans and receivables	4,572,465	-	-	-	11,900	4,584,365
- Trade and other receivables	719,845	-	16,887	-	3,518	740,250
- Bank balances, deposits and cash	1,605,172	-	771,266	81,398	7,651	2,465,487
	32,487,216	39,149	9,127,696	701,538	42,333	42,397,932
Less allowances for credit impairment						(114,223)
Total						42,283,709
Financial liabilities - restated						
- Technical Provisions:						
· Life assurance fund	41,098,308	-	-	-	-	41,098,308
· Gross outstanding claims	278,908	-	-	-	-	278,908
· Gross unearned premium	122,160	-	-	-	-	122,160
- Trade and other payables	509,327	-	3,718	-	-	513,045
	42,008,703	-	3,718	-	-	42,012,421

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's financial assets and financial liabilities by currency are detailed below:

At December 31, 2019	Rs.	JPY	USD	Euro	Others	Total
Financial Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Investments in financial assets	27,037,198	49,547	10,761,205	826,094	26,805	38,700,849
- Loans and receivables	4,559,671	-	-	-	-	4,559,671
- Trade and other receivables	759,329	-	-	-	-	759,329
- Bank balances, deposits and cash	1,585,821	-	765,949	24,003	8,202	2,383,975
	33,942,019	49,547	11,527,154	850,097	35,007	46,403,824
Less allowances for credit impairment						(98,561)
Total						46,305,263
Financial liabilities						
- Technical Provisions:						
· Life assurance fund	45,199,804	-	-	-	-	45,199,804
· Gross outstanding claims	261,096	-	-	-	-	261,096
· Gross unearned premium	86,362	-	-	-	-	86,362
- Lease liability	10,848	-	-	-	-	10,848
- Trade and other payables	559,217	-	-	-	-	559,217
	46,117,327	-	-	-	-	46,117,327

At December 31, 2018	Rs.	JPY	USD	Euro	Others	Total
Financial Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Investments in financial assets	25,561,176	39,149	8,301,060	620,140	19,381	34,540,906
- Loans and receivables	4,585,903	-	-	-	11,900	4,597,803
- Trade and other receivables	678,576	-	-	-	-	678,576
- Bank balances, deposits and cash	1,380,295	-	683,028	22,850	6,094	2,092,267
	32,205,950	39,149	8,984,088	642,990	37,375	41,909,552
Less allowances for credit impairment						(114,223)
Total						41,795,329
Financial liabilities - restated						
- Technical Provisions:						
· Life assurance fund	41,098,308	-	-	-	-	41,098,308
· Gross outstanding claims	278,908	-	-	-	-	278,908
· Gross unearned premium	122,160	-	-	-	-	122,160
- Trade and other payables	484,659	-	-	-	-	484,659
	41,984,035	-	-	-	-	41,984,035

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity

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

	THE GROUP				THE COMPANY			
	JPY	USD	Euro	Others	JPY	USD	Euro	Others
Impact on Life Assurance Fund :	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%
- At December 31, 2019	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Investments in financial assets	2,477	541,123	41,305	1,358	2,477	538,060	41,305	1,340
- Loan and receivables	-	-	-	-	-	-	-	-
- Net trade and other receivables	-	1,234	-	196	-	-	-	-
- Bank balances, deposits and cash	-	48,186	1,372	573	-	38,297	1200	410
- At December 31, 2018								
- Investments in financial assets	1,957	416,977	31,007	963	1,957	415,053	31,007	969
- Loan and receivables	-	-	-	595	-	-	-	595
- Net trade and other receivables	-	844	-	176	-	-	-	-
- Bank balances, deposits and cash	-	38,563	4,070	383	-	34,151	1,143	305

Notes to the
Financial statements
Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk

The Group:

Interest rate risk arises from the Group and Company's investments in long-term debt securities and fixed income securities (held-to-maturity Investments), bank balances and deposits which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustained low interest rates is also regularly monitored.

The interest rate profiles of the financial assets of the Group and Company as at December 31, were as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	%	%	%	%
Held-to-Maturity investments	**2.56 - 12.75**	3.27 - 12.75	**2.56 -12.75**	3.27 - 12.75
Loans and receivables	**4.25 - 14.00**	5.00 - 14.00	**4.25 - 14.00**	5.00 - 14.00
Short term deposits	**2.00 - 3.60**	0.10 - 1.80	**2.00 - 3.60**	0.10 - 1.80
Bank balances	**0.00 - 1.65**	0.00 - 1.80	**0.00 -1.65**	0.00 - 1.80

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the surplus for the year ended December 31, 2019, would increase/decrease by Rs. 74.2m (2018: Rs. 69.1m) for the Group and Rs. 74.1m (2018: Rs. 69m) for the Company.

The Company:

For liabilities under long term insurance contracts with fixed and guaranteed terms, changes in interest rate will not cause a change to the amount of liability because their carrying amounts are not affected by the level of market interest rates.

For unit linked contracts, the Company matches all the assets on which the unit prices are based with assets in the portfolio. There is therefore, no price, currency or interest risk on these contracts.

However, for insurance contracts with DPF, the DPF element liabilities are directly affected by changes in the level of interest rates to the extent that they affect the carrying amount of underlying assets. An increase in the value of the assets would require all other assumptions being equal, an increase in the DPF liability and vice versa.

Management regularly monitors the sensitivity of reported interest rate movements.

Sensitivity

A change of 50 basis points in interest rates has no material impact on the DPF eligible surplus of the life fund.

Notes to the
Financial statements
Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(iii) Equity price risk

The Group and the Company are subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out investment concentration as part as overall prudent portfolio investment policy.

The Group and the Company do not have material holdings in unquoted equity securities. The Investment Committee actively monitors equity assets owned directly by the Group and the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group and Company hold diversified portfolios of local and foreign investments in various sectors of the economy.

Sensitivity

The impact on the Life Assurance Fund had the equity market values increased/decreased by 1% with other assumptions left unchanged would have been as follows:

	THE GROUP	THE COMPANY
At December 31, 2019	**Rs'm**	**Rs'm**
- Available for sale financial assets	**245**	**245**
At December 31, 2018	Rs'm	Rs'm
- Available for sale financial assets	218	217

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to financial instruments fails to meet all or part of their obligations. The Group's credit risk is primarily attributable to:

- reinsurer's share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders, and
- amounts due from insurance intermediaries.

The amounts presented in the statements of financial position are net of allowances for estimated irrecoverable amount receivables, based on management's prior experience and the current economic environment.

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

Notes to the
Financial statements
Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

Reinsurance credit exposures - The Company

The Company is exposed to concentrations of risks with respect to its reinsurers due to the nature of the life reinsurance treaty. The Company is exposed to the possibility of default by its reinsurers in respect of their share of insurance liabilities and refunds in respect of claims already paid.

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Company's largest reinsurance counterparty is Swiss Re. At December 31, 2019, the reinsurance assets recoverable was Rs. 16.8m (2018: Rs. 0.9m).

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Company will arise.

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

The following table provides information regarding the carrying value of loans and receivables that have been impaired.

	Neither past due nor impaired	Past due and impaired	Provision for impairment	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP				
2019				
- Loans and receivables	**4,260,058**	**286,175**	**(93,561)**	**4,452,672**
- Trade and other receivables	**727,159**	**5,000**	**(5,000)**	**727,159**
2018				
- Loans and receivables	4,279,021	305,344	(86,970)	4,497,395
- Trade and other receivables	735,250	5,000	(5,000)	735,250
THE COMPANY				
2019				
- Loans and receivables	**4,273,496**	**286,175**	**(93,561)**	**4,466,110**
- Trade and other receivables	**754,329**	**5,000**	**(5,000)**	**754,329**
2018				
- Loans and receivables	4,292,459	305,344	(86,970)	4,510,833
- Trade and other receivables	673,576	5,000	(5,000)	673,576

Notes to the
Financial statements
Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk

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

The tables below analyse the Group's and Company's financial assets and liabilities to the relevant maturity groupings based on the remaining years of repayment.

THE GROUP

Maturities of financial assets and liabilities

At December 31, 2019	< 1 year	1 to 5 years	>5 years	Non-maturity items	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial Assets					
- Investments in financial assets	26,913,897	6,069,304	5,808,516	-	38,791,717
- Loans and receivables	213,492	939,810	3,392,931	-	4,546,233
- Trade and other receivables	726,715	5,444	-	-	732,159
- Bank balances, deposits and cash	2,959,631	-	-	-	2,959,631
	30,813,735	7,014,558	9,201,447	-	47,029,740
Less allowances for credit impairment					(98,561)
Total					46,931,179
Financial liabilities					
- Technical Provisions:					
· Life assurance fund	-	-	-	45,199,804	45,199,804
· Gross outstanding claims	261,096	-	-	-	261,096
· Gross unearned premium	86,362	-	-	-	86,362
- Lease liability	3,710	11,844	-	-	15,554
- Trade and other payables	586,210	53,667	-	-	639,877
	937,378	65,511	-	45,199,804	46,202,693

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE GROUP

Maturities of financial assets and liabilities

At December 31, 2018	< 1 year	1 to 5 years	>5 years	Non-maturity items	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial Assets					
- Investments in financial assets	23,101,173	6,640,104	4,866,553	-	34,607,830
- Loans and receivables	559,632	374,705	3,650,028	-	4,584,365
- Trade and other receivables	740,250	-	-	-	740,250
- Bank balances, deposits and cash	2,465,487	-	-	-	2,465,487
	26,866,542	7,014,809	8,516,581	-	42,397,932
Less allowances for credit impairment					(114,223)
Total					42,283,709
Financial liabilities - restated					
- Technical Provisions:					
· Life assurance fund	-	-	-	41,098,308	41,098,308
· Gross outstanding claims	278,908	-	-	-	278,908
· Gross unearned premium	122,160	-	-	-	122,160
- Trade and other payables	458,969	54,076	-	-	513,045
	860,037	54,076	-	41,098,308	42,012,421

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE COMPANY

Maturities of financial assets and liabilities

At December 31, 2019	< 1 year	1 to 5 years	>5 years	Non-maturity items	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial Assets					
- Investments in financial assets	26,875,975	6,033,355	5,791,519	-	38,700,849
- Loans and receivables	213,492	939,810	3,406,369	-	4,559,671
- Trade and other receivables	759,329	-	-	-	759,329
- Bank balances, deposits and cash	2,383,975	-	-	-	2,383,975
	30,232,771	6,973,165	9,197,888	-	46,403,824
Less allowances for credit impairment					(98,561)
Total					46,305,263
Financial liabilities					
- Technical Provisions:					
· Life assurance fund	-	-	-	45,199,804	45,199,804
· Gross outstanding claims	261,096	-	-	-	261,096
· Gross unearned premium	86,362	-	-	-	86,362
- Lease liability	2,655	8,193	-	-	10,848
- Trade and other payables	505,550	53,667	-	-	559,217
	855,663	61,860	-	45,199,804	46,117,327

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE COMPANY

Maturities of financial assets and liabilities

At December 31, 2018	< 1 year	1 to 5 years	>5 years	Non-maturity items	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial Assets					
- Investments in financial assets	23,067,678	6,607,269	4,865,959	-	34,540,906
- Loans and receivables	559,632	374,705	3,663,466	-	4,597,803
- Trade and other receivables	678,576	-	-	-	678,576
- Bank balances, deposits and cash	2,092,267	-	-	-	2,092,267
	26,398,153	6,981,974	8,529,425	-	41,909,552
Less allowances for credit impairment					(114,223)
Total					41,795,329
Financial liabilities - restated					
- Technical Provisions:					
· Life assurance fund	-	-	-	41,098,308	41,098,308
· Gross outstanding claims	278,908	-	-	-	278,908
· Gross unearned premium	122,160	-	-	-	122,160
- Trade and other payables	430,583	54,076	-	-	484,659
	831,651	54,076	-	41,098,308	41,984,035

Notes to the **Financial statements**

Year ended December 31, 2019

3. Management of Insurance and Financial Risks (cont'd)

3.2 Financial risk (cont'd)

3.2.4 Capital Management

The main objectives of the Company when managing capital are:

· to maintain at all times the Minimum Capital Requirement as required by the Insurance Act 2005, i.e. as determined by the company's actuary at the higher of:

(a) a stress test requirement determined in accordance with guidelines issued by the Commission or

(b) the higher of an amount of Rs.25m or an amount representing 13 weeks' operating expenses.

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

· to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.

The Company is required to maintain at all times a solvency margin that is at least equal to the Minimum Capital Requirement.

The Company's capital and solvency margins are above the minimums required by the Insurance Act 2005 and proper internal controls are in place to ensure that they remain so.

3.2.5 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each end of the reporting period.

Notes to the **Financial statements**

Year ended December 31, 2019

4. Critical Accounting Estimates and Judgements in applying Accounting Policies

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

Critical accounting estimates and assumptions

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Insurance contracts - The Company

(i) Estimates of future liabilities

Long-term business technical provisions are computed using statistical or mathematical methods. The computations are made by the Company's Actuaries on the basis of recognised actuarial methods, with due regard to the actuarial principles laid down by the law and by actuarial best practices. The methodology takes into account the risks and uncertainties of the particular classes of long-term business written and the results are certified by the professionals undertaking the valuations.

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Company. Estimates are made as to the expected number of deaths for each of the years in which the Company is exposed to risk. The Company bases these estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Company's own experience. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected mortality improvements. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Company is exposed to longevity risk.

For contracts without fixed terms, it is assumed that the Company will be able to increase mortality risk charges in future years in line with emerging mortality experience.

Under certain contracts, where the Company has offered guaranteed annuity options, estimates are made based on the percentage of contract holders that will exercise them. Changes in investment conditions could result in significantly more contract holders exercising their options than have been assumed.

Estimates are also made as to the future investment income arising from the assets backing long-term insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Notes to the **Financial statements**

Year ended December 31, 2019

4. Critical Accounting Estimates and Judgements in applying Accounting Policies (cont'd)

4.1 Insurance contracts - The Company (cont'd)

(i) Estimates of future liabilities (cont'd)

For long-term insurance contracts with fixed and guaranteed terms and with DPF, estimates are made in two stages. Estimates of future deaths, voluntary terminations, investment returns and administration expenses are made at the inception of the contract and form the assumptions used for calculating the liabilities during the life of the contract. A margin for risk and uncertainty is added to these assumptions. These assumptions are 'locked in' for the duration of the contract. New estimates are made each subsequent year in order to determine whether the previous liabilities are adequate in the light of these latest estimates. If the liabilities are considered adequate, the assumptions are not altered. If they are not adequate, the assumptions are altered ('unlocked') to reflect the best estimate assumptions.

(ii) Sensitivity

The reasonableness of the estimation process of future liabilities is tested by an analysis of sensitivity under several different scenarios. This analysis enables the Company to assess the most significant assumptions and monitor the emerging variations accordingly.

4.2 Reinsurance - The Company

The Company is exposed to disputes on, and defects in, contract wordings and the possibility of default by their Reinsurers. The Company monitors the financial strength of their Reinsurers. Allowance is made in the financial statements for non-recoverability due to Reinsurer's default as required.

4.3 Held-to-maturity investments

The Group and the Company follow the guidance of International Accounting Standard (IAS) 39 - Recognition and Measurement on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. In making their judgement for classification, the Group and the Company evaluate their intention and ability to hold such investments to maturity.

If the Group and the Company fail to keep these investments to maturity other than for specific circumstances explained in IAS 39, they will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value and not amortised cost.

4.4 Impairment of available-for-sale financial assets

The Group and the Company follow the guidance of IAS 39 on determining when a financial asset is permanently impaired. This determination requires significant judgement. In making this judgement the Group and the Company evaluate, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Notes to the **Financial statements**

Year ended December 31, 2019

4. Critical Accounting Estimates and Judgements in applying Accounting Policies (cont'd)

4.5 Impairment of other assets

At the end of each reporting period, management reviews and assesses the carrying amounts of other assets and where relevant writes them down to their recoverable amounts based on best estimates.

4.6 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group and the Company determine the appropriate discount rate at the end of the year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions.

Additional information is disclosed in Note 18.

4.7 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group and the Company using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group and the Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.8 Asset lives and residual values

Property and equipment are depreciated over their estimated useful lives taking into account residual values, where appropriate. The estimated lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing the estimated useful life of an asset, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

4.9 Depreciation policies

Property and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group and the Company would currently obtain from disposal of the asset, if the asset was already of the age and in condition expected at the end of its useful life.

Notes to the **Financial statements**

Year ended December 31, 2019

4. Critical Accounting Estimates and Judgements in applying Accounting Policies (cont'd)

4.10 Limitation of sensitivity analysis

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

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

Notes to the **Financial statements**

Year ended December 31, 2019

5. Property and Equipment

(a) THE GROUP

	Freehold land and buildings	Furniture fixtures & fittings	Computer equipment	Electrical equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/DEEMED COST						
At January 1, 2018	312,160	91,194	40,598	2,248	14,757	460,957
Additions	-	2,140	16,486	-	2,425	21,051
Disposals	-	-	-	-	(490)	(490)
At December 31, 2018	**312,160**	**93,334**	**57,084**	**2,248**	**16,692**	**481,518**
Additions	292	3,468	5,169	-	13,919	22,848
Disposals	-	-	-	-	(1,615)	(1,615)
Transfer to intangible assets	-	-	(1,231)	-	-	(1,231)
Write-off	-	-	(160)	-	-	(160)
At December 31, 2019	**312,452**	**96,802**	**60,862**	**2,248**	**28,996**	**501,360**
DEPRECIATION						
At January 1, 2018	69,206	69,591	33,794	2,248	10,614	185,453
Charge for the year	5,761	4,702	9,233	-	1,327	21,023
Disposal adjustments	-	-	-	-	(441)	(441)
At December 31, 2018	**74,967**	**74,293**	**43,027**	**2,248**	**11,500**	**206,035**
Charge for the year	5,761	4,711	7,971	-	2,332	20,775
Disposals adjustments	-	-	-	-	(1,211)	(1,211)
Transfer to intangible assets	-	-	(410)	-	-	(410)
Write-off	-	-	(53)	-	-	(53)
At December 31, 2019	**80,728**	**79,004**	**50,535**	**2,248**	**12,621**	**225,136**
NET BOOK VALUE						
At December 31, 2019	**231,724**	**17,798**	**10,327**	**-**	**16,375**	**276,224**
At December 31, 2018	**237,193**	**19,041**	**14,057**	**-**	**5,192**	**275,483**

Notes to the **Financial statements**

Year ended December 31, 2019

5. Property and Equipment (cont'd)

(b) THE COMPANY

	Buildings	Furniture fixtures & fittings	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/DEEMED COST					
At January 1, 2018	288,061	83,058	35,752	13,476	420,347
Additions	-	1,979	16,140	2,425	20,544
Disposals	-	-	-	(490)	(490)
At December 31, 2018	**288,061**	**85,037**	**51,892**	**15,411**	**440,401**
Additions	-	3,185	4,885	13,919	21,989
Disposals	-	-	-	(1,615)	(1,615)
Transfer to intangible assets	-	-	(1,231)	-	(1,231)
Write-off	-	-	(160)	-	(160)
At December 31, 2019	**288,061**	**88,222**	**55,386**	**27,715**	**459,384**
DEPRECIATION					
At January 1, 2018	68,538	61,504	30,286	9,338	169,666
Charge for the year	5,761	4,458	8,950	1,327	20,496
Disposal adjustments	-	-	-	(441)	(441)
At December 31, 2018	**74,299**	**65,962**	**39,236**	**10,224**	**189,721**
Charge for the year	5,761	4,487	7,632	2,332	20,212
Disposals adjustments	-	-	-	(1,211)	(1,211)
Transfer to intangible assets	-	-	(410)	-	(410)
Write-off	-	-	(53)	-	(53)
At December 31, 2019	**80,060**	**70,449**	**46,405**	**11,345**	**208,259**
NET BOOK VALUE					
At December 31, 2019	**208,001**	**17,773**	**8,981**	**16,370**	**251,125**
At December 31, 2018	**213,762**	**19,075**	**12,656**	**5,187**	**250,680**

Notes to the **Financial statements**

Year ended December 31, 2019

5A. (i) Right-of-Use assets

Buildings	THE GROUP Rs'000	THE COMPANY Rs'000
At January 1, 2019	18,799	13,176
Depreciation	(3,716)	(2,685)
At December 31, 2019	15,083	10,491

(ii) Lease liabilities

	THE GROUP Rs'000	THE COMPANY Rs'000
At January 1, 2019	18,799	13,176
Interest expense	907	640
Lease payments	(4,152)	(2,968)
At December 31, 2019	15,554	10,848
Analysed as:		
Current	3,710	2,655
Non-current	11,844	8,193
	15,554	10,848

The Group and the Company lease properties in the jurisdiction from which they operate. There are no variable lease payments, extension and termination options included in the lease agreements.

(iii) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

(iv)

	THE GROUP Rs'000	THE COMPANY Rs'000
Interest expense (included in marketing and administrative expenses)	907	640

The total cash outflows for leases in 2019 was Rs.4,152,000 for the Group and Rs.2,968,000 for the Company.

Notes to the **Financial statements**

Year ended December 31, 2019

6(a). Investment properties

	THE GROUP Rs'000	THE COMPANY Rs'000
COST		
At January 1, 2018	583,808	543,738
Additions	9,493	9,493
At December 31, 2018	593,301	553,231
Additions	2,679	2,679
Disposals	(58,076)	(55,485)
At December 31, 2019	537,904	500,425
DEPRECIATION		
At January 1, 2018	104,333	104,085
Charge for the year	10,072	10,072
At December 31, 2018	114,405	114,157
Charge for the year	9,015	9,015
Disposal adjustment	(18,707)	(18,707)
At December 31, 2019	104,713	104,465
NET BOOK VALUE		
At December 31, 2019	433,191	395,960
At December 31, 2018	478,896	439,074

(i) The fair value of investment properties is estimated as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31,	1,454,050	1,565,400	1,345,775	1,457,125

The investment properties were revalued in January 2018 by Messrs Noor Dilmohamed & Associates, an independent professionally qualified valuer. The fair value was determined on an open market value basis by reference to market evidence of transaction prices for similar properties and the valuation is performed every 3 years. The directors have reassessed the fair values of the investment properties at December 31, 2019. On the basis of current economic and property environment and after consultation with the independent valuer, the directors are satisfied that the carrying value of the investment properties reflects their fair value at the reporting date.

The following has been recognised in the profit or loss.

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income	48,335	55,471	44,386	50,684
Direct operating expenses	43,883	41,415	43,454	40,904

6(b). Seized properties

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At January 1,	55,338	51,867
Additions	698	3,471
Disposals	(547)	-
At December 31,	55,489	55,338

Seized properties are stated at acquisition cost and fair value subsequently.
Additions during the year for 2019 and 2018 relate to assets seized in the respective year and/or reclassified from loans and receivables.

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Year ended December 31, 2019

7. Intangible Assets

(a) THE GROUP

	Goodwill	Computer Software	VOBA	Customer List	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2018	59,598	16,040	28,477	55,375	159,490
Additions	-	3,461	-	-	3,461
At December 31, 2018	**59,598**	**19,501**	**28,477**	**55,375**	**162,951**
Additions	-	889	-	-	889
Acquisition of subsidiary (note 34)	3,841	-	-	-	3,841
Reclassified from property and equipment	-	1,231	-	-	1,231
At December 31, 2019	**63,439**	**21,621**	**28,477**	**55,375**	**168,912**
AMORTISATION					
At January 1, 2018	-	13,478	15,186	27,688	56,352
Charge for the year	-	2,961	-	-	2,961
Impairment	-	-	1,898	5,538	7,436
At December 31, 2018	**-**	**16,439**	**17,084**	**33,226**	**66,749**
Charge for the year	-	2,301	-	-	2,301
Impairment	-	-	1,898	5,537	7,435
Reclassified from property and equipment	-	410	-	-	410
At December 31, 2019	**-**	**19,150**	**18,982**	**38,763**	**76,895**
NET BOOK VALUES					
At December 31, 2019	**63,439**	**2,471**	**9,495**	**16,612**	**92,017**
At December 31, 2018	**59,598**	**3,062**	**11,393**	**22,149**	**96,202**

Notes to the
Financial statements
Year ended December 31, 2019

7. Intangible Assets (cont'd)

(b) THE COMPANY

	Computer Software	VOBA	Total
	Rs'000	Rs'000	Rs'000
COST			
At January 1, 2018	9,674	28,477	38,151
Additions	3,461	-	3,461
At December 31, 2018	**13,135**	**28,477**	**41,612**
Additions	304	-	304
Reclassified from property and equipment	1,231	-	1,231
At December 31, 2019	**14,670**	**28,477**	**43,147**
AMORTISATION			
At January 1, 2018	7,964	15,185	23,149
Charge for the year	2,557	-	2,557
Impairment	-	1,898	1,898
At December 31, 2018	**10,521**	**17,083**	**27,604**
Charge for the year	1,976	-	1,976
Impairment	-	1,898	1,898
Reclassified from property and equipment	410	-	410
At December 31, 2019	**12,907**	**18,981**	**31,888**
NET BOOK VALUE			
At December 31, 2019	**1,763**	**9,496**	**11,259**
At December 31, 2018	**2,614**	**11,394**	**14,008**

8. Investments in Subsidiary Companies

UNQUOTED	THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At January 1,	**540,012**	540,012
Addition	**8,500**	-
At December 31,	**548,512**	540,012

Notes to the **Financial statements**

Year ended December 31, 2019

8. Investments in Subsidiary Companies (cont'd)

(b) The financial statements of the following subsidiaries, incorporated in Mauritius, have been included in the consolidated financial statements for the year ended December 31, 2019, and 2018 except for Swan Actuarial Services Ltd (previously known as RCAS Actuarial Ltd) acquired by Swan Life Ltd during the year for a cash consideration of Rs.8.5m. The subsidiaries have a reporting date of December 31st and operate on the local market.

Name of subsidiaries	Class of shares held	Stated capital	Nominal value of invest-ment	Proportion of ownership interest Direct	Indirect	Proportion of ownership interests held by non-controlling interests	Place of business	Country of incorporation	Main business
		Rs'000	Rs'000	%	%	%			
· Manufacturers' Distributing Station Limited	Ordinary	961	47,686	99.80%	-	0.20%	Port Louis	Mauritius	· Investment Company
· Société de la Croix (c)	Parts	2,500	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Investment entity
· Société de la Montagne (c)	Parts	45,654	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Investment entity
· Société de la Rivière (c)	Parts	2,500	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Investment entity
· Swan Pensions Ltd	Ordinary	4,100	22,825	100%	-	-	Port Louis	Mauritius	· Pension and fund administration
· Swan Financial Solutions Ltd	Ordinary	586,876	469,500	80.00%	-	20.00%	Port Louis	Mauritius	· Investment Company
· Swan Wealth Managers Ltd	Ordinary	1,000	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Fund management and investment consulting
· Swan Securities Ltd	Ordinary	1,000	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Stockbroking
· Swan Corporate Advisors Ltd	Ordinary	1,000	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Advisory
· Swan Pensions Rwanda (SPR) Ltd	Ordinary	2,485	-	0%	60.00%	40.00%	Port Louis	Mauritius	· Pension and fund administration
· Swan Foundation	Limited by guarantee	1	1	50.00%	-	50.00%	Port Louis	Mauritius	· Management of Swan CSR Fund (not consolidated)
· Swan Actuarial Services Ltd *	Ordinary	1,126	8,500	100%	-	0%	Port Louis	Mauritius	· Actuarial services
			548,512						

(c) The Company owns 99.80% of the three above-named Sociétés through Manufacturers' Distributing Station Limited.

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Year ended December 31, 2019

8. Investments in Subsidiary Companies (cont'd)

(d) Details for subsidiaries are as follows:

Name of subsidiaries	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
	Rs'000	Rs'000
2019		
· Manufacturers' Distributing Station Limited (group)	6	225
· Swan Financial Solutions Ltd	(1,471)	14,806
· Swan Wealth Managers Ltd	28,569	169,726
· Swan Securities Ltd	448	15,645
· Swan Corporate Advisors Ltd	76	(44)
· Swan Pensions Rwanda (SPR) Ltd	(27)	788
	27,601	201,146
2018		
· Manufacturers' Distributing Station Limited (group)	5	222
· Swan Financial Solutions Ltd	(1,540)	33,577
· Swan Wealth Managers Ltd	26,033	141,329
· Swan Securities Ltd	516	14,826
· Swan Corporate Advisors Ltd	(120)	(120)
· Swan Pensions Rwanda (SPR) Ltd	-	497
	24,894	190,331

(e) Summarised financial information on subsidiaries

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income of the subsidiaries are shown below:

Name of subsidiaries	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non-controlling interests
2019	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
· Manufacturers' Distributing Station Limited (group)	11,749	41,562	4,021	-	4,333	2,882	-	2,882	3
· Swan Pensions Ltd	76,180	2,821	22,105	3,386	62,710	16,673	217	16,890	-
· Swan Financial Solutions Ltd	147,680	548,185	87,084	-	95,000	87,643	-	87,643	17,300
· Swan Wealth Managers Ltd	438,319	55,066	135,355	5,992	230,975	142,844	(858)	141,986	-
· Swan Securities Ltd	117,047	40,458	92,753	6,999	25,783	2,239	1,854	4,093	-
· Swan Corporate Advisors Ltd	1,298	-	222	-	-	(382)	-	(382)	-
· Swan Pensions Rwanda (SPR) Ltd	2,880	526	195	-	-	(67)	794	727	-
· Swan Actuarial Services Ltd	5,338	-	679	-	-	-	-	-	-
2018									
· Manufacturers' Distributing Station Limited (group)	6,175	43,861	1,628	-	5,092	2,515	-	2,515	6
· Swan Pensions Ltd	67,008	2,047	22,435	-	63,306	18,954	-	18,954	-
· Swan Financial Solutions Ltd	54,204	553,991	557	-	90,000	82,299	-	82,299	15,800
· Swan Wealth Managers Ltd	302,426	40,116	34,662	2,831	209,686	130,164	(122)	130,042	-
· Swan Securities Ltd	57,658	28,814	32,813	-	24,168	2,586	(2,938)	(352)	-
· Swan Corporate Advisors Ltd	600	-	606	-	-	(602)	-	(602)	-
· Swan Pensions Rwanda (SPR) Ltd	2,485	-	-	-	-	-	-	-	-

Notes to the **Financial statements**

Year ended December 31, 2019

8. Investments in Subsidiary Companies (cont'd)

(e) Summarised financial information on subsidiaries (cont'd)

(ii) Summarised cash flow information:

Name of subsidiaries	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
2019	Rs'000	Rs'000	Rs'000	Rs'000
· Manufacturers' Distributing Station Limited (group)	3,104	2,271	-	5,375
· Swan Pensions Ltd	13,760	(209)	(10,693)	2,858
· Swan Financial Solutions Ltd	(1,488)	(36)	-	(1,524)
· Swan Wealth Managers Ltd	147,288	(21,889)	(1,412)	123,987
· Swan Securities Ltd	58,392	2,019	(1,184)	59,227
· Swan Corporate Advisors Ltd	598	-	700	1,298
· Swan Pensions Rwanda (SPR) Ltd	2,671	(586)	-	2,085
· Swan Actuarial Services Ltd	-	-	-	-
2018				
· Manufacturers' Distributing Station Limited (group)	777	-	(3,000)	(2,223)
· Swan Pensions Ltd	25,060	-	(16,000)	9,060
· Swan Financial Solutions Ltd	(1,351)	94,383	(79,000)	14,032
· Swan Wealth Managers Ltd	121,119	(37,081)	(85,000)	(962)
· Swan Securities Ltd	(2,697)	(761)	(9,500)	(12,958)
· Swan Corporate Advisors Ltd	(602)	-	-	(602)
· Swan Pensions Rwanda (SPR) Ltd	-	-	-	-

The summarised financial information above is the amount before intra-group eliminations.

Notes to the **Financial statements**

Year ended December 31, 2019

9. Investments in Associated Companies

(a) The Company

	2019	2018
	Rs'000	Rs'000
At January 1	614	614
Additions	3,750	-
At December 31,	4,364	614

(b) Groups's share of net assets

	2019	2018
	Rs'000	Rs'000
At January 1	36,945	35,078
Additions	3,750	-
Share of results of associated companies	5,747	2,121
Dividends	(1,212)	(2,023)
Share of reserves	(5,711)	1,769
At December 31,	39,519	36,945

(c) Details of each of the associates at the end of the reporting year are as follows:

Name	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest Direct
Swan Corporate Affairs Ltd	Dec-31	Secretarial	Port Louis	Mauritius	50%
Swan International Co Ltd	Dec-31	Reinsurance brokers and consultants	Port Louis	Mauritius	49%
Swan Wealth International Ltd *	Dec-31	Investment holding	Port Louis	Mauritius	50%

* Swan Wealth International Ltd was incorporated during the year with a stated capital of Rs 7.5m. The amount invested by the Company was payable at year end.

The associated companies are not listed companies and thus, there are no quoted market prices available for their shares.

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Year ended 31 December 2019

9. Investments in Associated Companies (cont'd)

(d) Summarised financial information in respect of each of the associated companies is set out below

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend received during the year
2019	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Swan Corporate Affairs Ltd	9,332	1,944	4,239	-	4,364	824	-	824	-
Swan International Co Ltd	11,924	102,124	2,734	46,403	-	11,453	(11,586)	(133)	1,212
Swan Wealth International Ltd	7,500	-	(554)	-	-	(553)	-	(553)	-
2018									
Swan Corporate Affairs Ltd	8,362	2,024	4,173	-	4,182	909	-	909	-
Swan International Co Ltd	15,338	100,823	2,169	46,403	2,465	3,400	3,610	7,010	2,023

(e) Reconciliation of summarised financial information

Name	Opening net assets January 1,	Profit/(loss) for the year	Other comprehensive income for the year	Other equity movement	Dividend	Closing net assets December 31,	Ownership interest	Interest in associates	Goodwill	Carrying value
2019	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
Swan Corporate Affairs Ltd	6,213	824	-	-	-	7,037	50%	3,519	-	3,519
Swan International Co Ltd	67,586	11,453	(11,586)	-	(2,545)	64,908	49%	31,805	721	32,526
Swan Wealth International Ltd	-	(553)	-	7,500	-	6,947	50%	3,474	-	3,474
										39,519
2018										
Swan Corporate Affairs Ltd	5,304	909	-	-	-	6,213	50%	3,107	-	3,107
Swan International Co Ltd	64,704	3,400	3,610	-	(4,128)	67,586	49%	33,117	721	33,838
										36,945

Notes to the **Financial statements**

Year ended 31 December 2019

10. Investments in Financial Assets

(a) Local Securities

	THE GROUP			
	2019			2018
	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	12,808,123	13,291,054	26,099,177	23,310,920
Additions	3,338,267	992,168	4,330,435	5,272,965
Reclassification from loans and receivables	-	-	-	100,000
(Decrease)/increase in fair value	-	(587,867)	(587,867)	77,447
Disposals	-	(606,269)	(606,269)	(286,252)
Impairment	-	(21,927)	(21,927)	(45,011)
Matured during the year	(1,956,603)	-	(1,956,603)	(2,432,385)
Movement in accrued interests	82,964	-	82,964	89,614
Exchange Differences	9,961	-	9,961	11,879
At December 31,	14,282,712	13,067,159	27,349,871	26,099,177

Foreign Securities	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	8,486,400	8,486,400	9,439,761
Additions	-	1,109,295	1,109,295	1,415,758
Increase/(decrease) in fair value	-	2,377,719	2,377,719	(1,068,749)
Disposals	-	(531,568)	(531,568)	(1,300,370)
At December 31,	-	11,441,846	11,441,846	8,486,400
Total	14,282,712	24,509,005	38,791,717	34,585,577

Analysed as follows:	2019	2018
	Rs'000	Rs'000
Non-current	36,387,024	33,284,111
Current	2,404,693	1,301,466
	38,791,717	34,585,577
Cumulative accrued interests	520,180	437,511

(i)	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2019				
Available-for-sale	23,401,471	72,769	1,034,765	24,509,005
At December 31, 2018				
Available-for-sale	20,632,309	68,813	1,076,332	21,777,454

Notes to the **Financial statements**

Year ended December 31, 2019

10. Investments in Financial Assets (cont'd)

(b) Local Securities

	THE COMPANY			
	2019			2018
	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	12,769,440	13,265,756	26,035,196	23,285,790
Additions	3,312,465	922,812	4,235,277	5,209,864
Reclassification from loans and receivables	-	-	-	100,000
(Decrease)/increase in fair value	-	(589,540)	(589,540)	80,375
Disposals	-	(537,452)	(537,452)	(263,869)
Impairment	-	(21,927)	(21,927)	(45,011)
Matured during the year	(1,951,366)	-	(1,951,366)	(2,432,385)
Movement in accrued interests	82,669	-	82,669	89,614
Exchange Differences	8,055	-	8,055	10,818
At December 31,	14,221,263	13,039,649	27,260,912	26,035,196

Foreign Securities	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	8,483,457	8,483,457	9,436,670
Additions	-	1,109,219	1,109,219	1,414,492
Increase/(decrease) in fair value	-	2,377,718	2,377,718	(1,068,738)
Disposals	-	(530,457)	(530,457)	(1,298,967)
At December 31,	-	11,439,937	11,439,937	8,483,457
Total	14,221,263	24,479,586	38,700,849	34,518,653

Analysed as follows:

	2019	2018
	Rs'000	Rs'000
Non-current	36,304,460	33,222,441
Current	2,396,389	1,296,212
	38,700,849	34,518,653
Cumulative accrued interests	520,180	437,511

(i)

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2019				
Available-for-sale	23,372,052	72,769	1,034,765	24,479,586
At December 31, 2018				
Available-for-sale	20,604,068	68,813	1,076,332	21,749,213

(c) Non-cash additions and disposals in 2019 for both Group and Company amounted to Rs. 218m and Rs. 101m respectively.

Notes to the **Financial statements**

Year ended December 31, 2019

10. Investments in Financial Assets (cont'd)

(d) The table below shows the changes in level 3 instruments:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At January 1,	1,076,332	865,514
Additions	98,509	139,341
Disposals	(12,925)	(70,134)
(Decrease)/increase in fair value	(127,151)	141,611
At December 31,	1,034,765	1,076,332

(e) Held-to-maturity investments comprise of Mauritius Government Securities, listed and unquoted Debenture Stocks and Treasury Bills with interest rates varying from 2.56% to 12.75% (2018: 3.27% to 12.75%).
(f) Available-for-sale financial assets comprise of listed, quoted and unquoted financial assets.
(g) None of the financial assets are either past due or impaired.
(h) The maturity of financial assets are disclosed in note 3.2.3.

11. Loans and Receivables

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Loans on policies	56,645	64,704	56,644	64,704
Loans on residential properties	2,955,515	3,175,696	2,955,515	3,175,696
Loans on business properties	1,400,358	1,209,105	1,400,358	1,209,105
Loans to related corporations	-	11,901	13,439	25,339
Personal loans	5,645	-	5,645	-
Cumulative accrued interests	128,070	122,959	128,070	122,959
Less impairment provision (see note (a) below)	(93,561)	(86,970)	(93,561)	(86,970)
	4,452,672	4,497,395	4,466,110	4,510,833

Analysed as follows:

Non-current	4,239,180	3,966,249	4,252,618	3,979,687
Current	213,492	531,146	213,492	531,146
	4,452,672	4,497,395	4,466,110	4,510,833

(a) Movements on the provisions for impairments of loans and receivables are as follows:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At January 1,	86,970	71,600
Charge for the year	6,591	15,370
At December 31,	93,561	86,970

(b) The rate of interest on loans vary from 4.25% to 14.00% (2018: 5.00% to 14.00%).
(c) There is no concentration of credit risk with respect to loans and receivables since balances are widely dispersed.
(d) The non-covered portion of impaired loans and receivables are secured by fixed charge collaterals on immovable properties. Impairment provision has been booked where recovery was estimated as doubtful.
(e) The ageing of loans and receivables is disclosed in note 3.2.3.
(f) The carrying amounts of loan and receivables approximate their fair values.
(g) The carrying value of loans and receivables that have been impaired is disclosed in note 3.2.2.

Notes to the **Financial statements**

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12. Trade and other receivables

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
· Receivables arising from insurance contracts				
- Due from contract holders - Individuals	62,407	62,106	62,407	62,106
- Schemes	416,703	477,848	416,703	477,848
· Claims recoverable from Reinsurers	16,826	963	16,826	963
· Interest and other receivables	267,847	253,946	161,759	155,281
· Receivables from related parties:				
- Holding Company	21,400	1,290	19,422	-
- Subsidiary Companies	-	-	133,536	37,732
	785,183	796,153	810,653	733,930
Less non-current portion (h):				
· Interest and other receivables	(5,444)	-	-	-
	779,739	796,153	810,653	733,930

(a) The ageing of trade and other receivables is disclosed in note 3.2.3.
(b) The other classes within trade and other receivables do not include impaired assets except as mentioned in note 3.2.2.
(c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.
(d) The Group and the Company do not hold any collateral security for trade and other receivables. Impairment provision has been booked where recovery was estimated as doubtful.
(e) The carrying value of trade and other receivables which have been impaired is disclosed in note 3.2.2.
(f) The carrying amounts of trade and other receivables approximate their fair values.
(g) Currency analysis of trade and other receivables is disclosed in note 3.2.1.
(h) The non-current other receivables are due and payable within 6 years from the end of the reporting period (2018: nil).

13. Short-term deposits

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Short term deposits (note 27(b))	1,427,588	1,174,142

(a) Short-term deposits comprise of foreign deposits, money-at-call and savings accounts. The rates of interest vary between 2.00% to 3.60% (2018: 0.10% to 1.80%).

14. Share Capital and Reserves

(a) Share Capital

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At January 1 and December 31,	26,322	26,322

The total authorised number of ordinary share is 2,632,210 shares (2018: 2,632,210 shares) with a par value of Rs. 10 per share (2018: Rs. 10 per share). All issued shares are fully paid.

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14. Share Capital and Reserves (cont'd)

(b) Reserves

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets recognised in Life Assurance Fund and Equity until the investments are derecognised or impaired.

Other reserves

These reserves comprise mainly of reserves of associates.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

Foreign exchange difference reserves

These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries.

Amalgamation reserves

The amalgamation reserves relate to the amalgamation of Cim Life Ltd (CLL) with and into the Company on June 30, 2012, whereby the Company issued 132,210 new ordinary shares of Rs. 10 each to Rogers and Company Limited (RCL) in consideration for the net assets of CLL.

15. Non-controlling interests

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
At January 1,	190,331	181,358
Issue of shares	-	497
Share of profit (note 8(d))	27,601	24,894
Share of reserve	517	(612)
Dividend paid	(17,303)	(15,806)
At December 31,	201,146	190,331

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16. Life Assurance Fund

(a) **THE GROUP**

	2019					2018				
	Surplus	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Total	Surplus	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,										
- As previously stated	32,804,341	7,964,319	(8,114)	(116,512)	40,644,034	31,059,796	8,955,033	(9,883)	(123,368)	39,881,578
- Prior year adjustments (note 33)	439,736	1,939	8,114	4,485	454,274	86,362	(412)	9,883	4,388	100,221
- As restated	33,244,077	7,966,258	-	(112,027)	41,098,308	31,146,158	8,954,621	-	(118,980)	39,981,799
Movement in Life Assurance Fund for the year (page 73) - restated	2,281,536	1,788,178	-	3,849	4,073,563	2,097,919	(988,363)	-	6,953	1,116,509
Transfer from retirement benefit obligation (note 18(a)(ii))	27,933	-	-	-	27,933	-	-	-	-	-
At December 31,	35,553,546	9,754,436	-	(108,178)	45,199,804	33,244,077	7,966,258	-	(112,027)	41,098,308

(b) **THE COMPANY**

	2019				2018			
	Surplus	Fair value reserve	Actuarial gains/ (losses)	Total	Surplus	Fair value reserve	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,								
- As previously stated	32,419,234	7,966,258	(112,027)	40,273,465	30,720,615	8,954,621	(118,980)	39,556,256
- Prior year adjustments (note 33)	824,843	-	-	824,843	425,543	-	-	425,543
- As restated	33,244,077	7,966,258	(112,027)	41,098,308	31,146,158	8,954,621	(118,980)	39,981,799
Movement in Life Assurance Fund for the year (page 73) - restated	2,281,536	1,788,178	3,849	4,073,563	2,097,919	(988,363)	6,953	1,116,509
Transfer from retirement benefit obligation (note 18(a)(ii))	27,933	-	-	27,933	-	-	-	-
At December 31,	35,553,546	9,754,436	(108,178)	45,199,804	33,244,077	7,966,258	(112,027)	41,098,308

(c) The liability component of the Discretionary Participating Feature (DPF) within the Life Assurance Fund is included in the Non-Linked Account.

Notes to the **Financial statements**

Year ended December 31, 2019

17. Deferred Tax Assets

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2018: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
Deferred tax assets	2,929	822
Deferred tax liabilities	(1,121)	-
	1,808	822

(b) The movement on the deferred income tax account is as follows:

	THE GROUP	
	2019	2018
	Rs'000	Rs'000
At January 1,		
- As previously reported	822	695
- Effect of adopting IFRS 16 (note 32)	-	-
- As restated	822	695
Credited to profit or loss (note 20)	1,068	106
(Charged)/credited to other comprehensive income	(82)	21
At December 31,	1,808	822

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

(i) Deferred Tax Liabilities

	Accelerated capital	Right-of-use assets	Total
	Rs'000	Rs'000	Rs'000
At December 31, 2018 & January 1, 2019	-	-	-
- Effect of adopting IFRS 16 (note 32)	-	956	956
At January 1, 2019 (as restated)	-	956	956
Charged/(credited) to profit or loss	340	(175)	165
At December 31, 2019	340	781	1,121

(ii) Deferred Tax Assets

	Accelerated capital	Retirement benefit obligation	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2018	63	632	-	695
Credited to profit or loss	11	92	-	103
Credited to other comprehensive income	-	24	-	24
At December 31, 2018 & January 1, 2019	74	748	-	822
- Effect of adopting IFRS 16 (note 32)	-	-	956	956
At January 1, 2019 (as restated)	74	748	956	1,778
(Charged)/credited to profit or loss	(74)	1,455	(148)	1,233
Charged to other comprehensive income	-	(82)	-	(82)
At December 31, 2019	-	2,121	808	2,929

Notes to the **Financial statements**

Year ended December 31, 2019

18. Retirement Benefit Obligations

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Amount recognised in the statements of financial position:				
Defined pension benefits (note (a) (ii))	62,426	76,831	58,827	74,000
Other post retirement benefits (note (b) (i))	35,808	-	26,681	-
	98,234	76,831	85,508	74,000
Analysed as follows:				
Non-current liabilities	98,234	76,831	85,508	74,000
Amount charged to profit or loss:				
Defined pension benefits (note (a) (v))	18,515	15,366	16,609	14,827
Other post retirement benefits (note (b) (iv))	36,189	-	26,681	-
	54,704	15,366	43,290	14,827
Amount credited to other comprehensive income:				
Defined pension benefits (note (a) (vi))	(3,089)	(6,810)	(3,849)	(6,953)
Other post retirement benefits (note (b) (v))	(381)	-	-	-
	(3,470)	(6,810)	(3,849)	(6,953)

(a) Defined pension benefits

(i) The plan is a defined benefit arrangement, with benefits based on final salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The assets of the fund are held independently and administered by Swan Life Ltd.

The Group and the Company also operate a final salary defined benefit pension plan for some employees. The assets are held separately from the Group under the control of the Management Committee of Rogers Money Purchase Retirement Fund (RMPRF). The Group contributes to the pension plan in respect of some employees who have a No Worse Off Guarantee (NWOG) so that their benefits would not be worse than what they would have earned under a previous defined benefit plan.

The most recent actuarial valuation of the present value of the defined benefits obligations were carried out at December 31, 2019. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The Group and the Company have historically paid discretionary bonuses to their pensioners which are also taken into account in the actuarial valuation of the pension fund for funding purposes.

(ii) The amount recognised in the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligations	311,830	295,753	299,906	288,266
Fair value of plan assets	(249,404)	(218,922)	(241,079)	(214,266)
Liability in the statements of financial position	62,426	76,831	58,827	74,000

Notes to the **Financial statements**

Year ended December 31, 2019

18. Retirement Benefit Obligations (cont'd)

(a) Defined pension benefits (cont'd)

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	76,831	70,340	74,000	66,126
Charged to profit or loss	18,515	15,366	16,609	14,827
Credited to other comprehensive income	(3,089)	(6,810)	(3,849)	(6,953)
Transfer to Life Assurance Fund	(27,933)	-	(27,933)	-
Employer's contributions	(1,898)	(2,065)	-	-
At December 31,	62,426	76,831	58,827	74,000

The retirement benefit obligation for Swan Life Ltd has been unfunded up to December 31, 2017, because the pension fund was set up under the Insurance Act and the assets would not therefore have been segregated from the Company. However, following the enactment of the Private Pension Scheme Act 2012, all pension funds now have to be set up under a Trust and the Company has created a master trust for all its corporate clients, one of which is Swan Life Ltd itself. Moreover, the law also requires that all pension funds meet the technical funding requirements and as a result Swan Life Ltd has to fund its obligations towards the Swan Life Ltd pension fund. Following the actuarial funding valuation at December 31, 2016, a contingency plan has been signed by the Company so that the remaining deficit is funded over the period recommended by the actuary.

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	295,753	299,738	288,266	293,111
Current service cost	14,837	11,767	11,843	11,520
Interest cost	17,676	13,934	16,977	13,603
Actuarial gains	(4,867)	(8,638)	(5,611)	(8,920)
Benefits paid	(11,569)	(21,048)	(11,569)	(21,048)
At December 31,	311,830	295,753	299,906	288,266

(iv) The movement in the fair value of plan assets over the year is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	218,922	229,398	214,266	226,985
Expected return on plan assets	15,175	10,418	13,315	10,296
Actuarial gains	(1,778)	(1,828)	(1,762)	(1,967)
Schemes Expenses	(1,177)	(83)	(1,104)	-
Transfer to Life Assurance Fund	27,933	-	27,933	-
Employer contributions	1,898	2,065	-	-
Benefits paid	(11,569)	(21,048)	(11,569)	(21,048)
At December 31,	249,404	218,922	241,079	214,266

The Company has a retirement pension fund for its employees which is internally managed. The assets, which are not legally separate, are included in the investment in financial assets.

Notes to the Financial statements

Year ended December 31, 2019

18. Retirement Benefit Obligations (cont'd)

(a) Defined pension benefits (cont'd)

(v) The amount recognised in the statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
Funds are as follows:	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	14,837	11,767	11,843	11,520
Interest cost	2,501	3,516	3,662	3,307
Scheme expenses	1,177	83	1,104	-
Total included in employee benefit expense (note 24)	18,515	15,366	16,609	14,827

(vi) The amount recognised in the statements of other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Liability experience gains	(2,649)	(8,638)	(3,726)	(8,920)
Losses on pension scheme assets	1,778	1,828	1,762	1,967
Actuarial gains arising from changes in financial assumptions	(2,218)	-	(1,885)	-
	(3,089)	(6,810)	(3,849)	(6,953)

(vii) The assets of the Group plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment Policy which aims to provide a smooth progression of return from one year to the next without the regular fluctuations associated with asset-linked investments such as Equity funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4.0% p.a.

The assets backing the Deposit Administration Policy form part of the Life Fund of Swan Life Ltd so that the breakdown of the asset above corresponds to a notional allocation of the underlying investments based on long term strategic asset allocation of the policy.

(viii) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	4.7 to 5.0	6.0	5.0	6.0
Expected return on plan assets	4.7 to 5.0	6.0	5.0	6.0
Future long-term salary increases	4.0	5.0	4.0	5.0
Future guarantee pension increases	3.0	3.0	3.0	3.0
NPS ceiling increases	4.0	4.0	4.0	4.0
Post retirement annuity rates	Swan Life Ltd rates/ RMPRF Rates 2019	Swan Life Ltd rates/ RMPRF Rates 2019	Swan Life Ltd rates/ RMPRF Rates 2019	Swan Life Ltd rates/ RMPRF Rates 2019

Notes to the Financial statements

Year ended December 31, 2019

18. Retirement Benefit Obligations (cont'd)

(a) Defined pension benefits (cont'd)

(ix) Sensitivity analysis on defined benefit obligations at end of reporting period:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	29,724	29,078	28,889	28,323
Increase due to 1% increase in future long-term salary assumption	36,220	34,943	35,219	34,641

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

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(xi) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The Group and the Company expect to pay Rs. 16.2m and Rs. 14.6m respectively in contributions to their post-employment benefit plans for the year ending December 31, 2020.

(xiii) The weighted average duration of the defined benefit obligation is 5 - 17 years for the Group and 10 - 17 years for the Company at the end of the reporting period (2018 - Group and Company: 9 - 20 years).

(b) Other post retirement benefits

Other post retirement benefits comprise of residual retirement gratuities. Under the Workers Rights Act, employees are entitled to a retirement gratuity from which a portion of equivalent amount of the pension from the define benefit and define contribution can be offset. It is possible to have a residual liability from the retirement gratuity and any residual liabilities have been recognised in the Retirement Benefit Obligations at December 31, 2019.

(i) The amount recognised in the statements of financial position in respect of funded obligation are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Post retirement benefits	35,808	-	26,681	-

(ii) The reconciliation of the opening balances to the closing balances for the post retirement benefits is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	-	-	-
Charged to profit or loss	36,189	-	26,681	-
Credited to other comprehensive income	(381)	-	-	-
At December 31,	35,808	-	26,681	-

Notes to the **Financial statements**

Year ended December 31, 2019

18. Retirement Benefit Obligations (cont'd)

(b) Other post retirement benefits (cont'd)

(iii) The movement in the defined benefit obligations over the year is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	-	-	-
Past service costs	34,831	-	26,681	-
Current service cost	813	-	-	-
Net interest cost	545	-	-	-
Actuarial gains	(381)	-	-	-
At December 31,	35,808	-	26,681	-

(iv) The amounts recognised in the statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Past service costs	34,831	-	26,681	-
Current service cost	813	-	-	-
Net interest cost	545	-	-	-
Total included in employee benefit expense	36,189	-	26,681	-

(v) The amount recognised in the statements of other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Liability experience gain due to change in financial assumptions	(381)	-	-	-
	(381)	-	-	-

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
Discount rate	4.70% to 5 %	-	5.00%	-
Salary increase	4.00%	-	4.00%	-
Average retirement age	60 years	-	60 years	-
Post retirement annuity rates	Current SWAN/ RMPRF Rates	-	Current SWAN/ RMPRF Rates	-

Notes to the **Financial statements**

Year ended December 31, 2019

18. Retirement Benefit Obligations (cont'd)

(b) Other post retirement benefits (cont'd)

(vii) Sensitivity analysis on defined benefits obligations at end of the reporting period:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on present value of defined benefit obligation:				
Increase due to 1% decrease in discount rate	6,588	-	4,680	-
Decrease due to 1% increase in discount rate	5,396	-	3,826	-

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

(viii) The defined benefit pension plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (premium) risk.

(ix) The weighted average duration of the defined benefit obligation is 9 - 18 years for the Group and 14 years for the company at the end of the reporting period (2018: Nil).

19. Trade and Other Payables

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
· Trade payables:				
- Insurance contracts	144,714	99,351	144,714	99,351
· Other payables and accruals	480,463	385,949	387,447	344,650
· Amounts due to related parties:				
- Holding company	14,700	27,745	8,374	23,277
- Subsidiary companies	-	-	18,682	17,381
	639,877	513,045	559,217	484,659
Less non-current portion (c):				
Other payable	(53,667)	(54,076)	(53,667)	(54,076)
	586,210	458,969	505,550	430,583

(a) Currency analysis of trade and other payables is disclosed in note 3.2.1.

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

(c) During the financial year ended December 31, 2018, the Company sold the rights and benefits of a 20-years government bonds to Swan Smart Achievers Notes Ltd, a related company, for Rs. 54m with a repurchase agreement in five years for Rs. 52m.

Notes to the
Financial statements
Year ended December 31, 2019

20. Taxation

(a) Income tax charge

	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000
Current tax on the adjusted profit for the year at 15% (2018: 15%)	32,763	27,701
Corporate social responsibility tax	4,401	3,860
(Over)/under provision in prior year	(326)	137
Movement in deferred tax (note 17)	(1,068)	(106)
Tax charge for the year	35,770	31,592

The Company provides services related to long-term insurance business and it is liable to income tax at a rate of 15% (2018: 15%) on its profit as adjusted for tax purposes. However, based on provisions in the income tax law in Mauritius applicable for companies engaging in long term insurance business, the Company will have no taxable income in the foreseeable future. No deferred tax asset has also been recognised, at company level, due to unpredictability of future taxable income to utilise these losses.

(b) The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group as follows:

	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000 Restated
Profit before taxation	455,282	496,233
Less share of results of associates	(5,747)	(2,121)
Less Company profit for the year	(338,578)	(393,821)
Add dividend income from related parties	177,409	167,217
	288,366	267,508
Tax calculated at 15% (2018: 15%)	43,255	40,126
Corporate social responsibility tax	4,401	3,860
Income not subject to tax	(15,349)	(14,372)
Expenses not deductible for tax purposes	3,779	1,765
(Over)/under provision in prior year	(326)	137
Tax losses for which no deferred tax has been accounted	10	90
Effect of temporary difference on CSR	-	(14)
	35,770	31,592

(c) Current Tax Liabilities

	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000
Balance as at January 1,	9,201	10,500
Current tax on the adjusted profit for the year at 15% (2018: 15%)	32,763	27,701
Corporate social responsibility tax	4,401	3,860
(Over)/under provision in prior year	(326)	137
Acquisition of subsidiary (note 34)	319	-
Amount paid during the year	(11,110)	(13,386)
Payment under Advance Payment System (APS)	(21,995)	(19,611)
	13,253	9,201

Notes to the
Financial statements
Year ended December 31, 2019

21. Gross Premiums

	THE GROUP AND THE COMPANY			
	2019			2018
	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross Premiums	1,553,914	2,417,581	3,971,495	3,615,860
Consideration for annuities	849,618	-	849,618	779,131
	2,403,532	2,417,581	4,821,113	4,394,991

22. Investment income

	THE GROUP		THE COMPANY			
	2019	2018	2019			2018
			Non-Linked	Linked	Total	Total
	Rs'000	Rs'000 Restated	Rs'000	Rs'000	Rs'000	Rs'000 Restated
Interest income	1,112,614	1,061,617	626,392	484,928	1,111,320	1,060,255
Dividend income	388,641	486,899	367,917	101,823	469,740	562,930
	1,501,255	1,548,516	994,309	586,751	1,581,060	1,623,185

23. Other income

	THE GROUP		THE COMPANY			
	2019	2018	2019			2018
			Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of financial assets	616,628	337,499	459,235	157,393	616,628	336,140
Miscellaneous income	2,410	929	1,874	-	1,874	143
Profit on disposal of investment properties	50,496	-	50,515	-	50,515	-
(Loss)/profit on disposal of property and equipment	(316)	99	(316)	-	(316)	99
	669,218	338,527	511,308	157,393	668,701	336,382

24. Marketing and Administrative Expenses

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
Marketing and administrative expenses include:	Rs'000	Rs'000	Rs'000	Rs'000
- Contribution in respect of Corporate Social Responsibility (voluntary)	-	36	-	36
- Internal auditors' fees	906	421	656	421
- Staff costs (see note (a) below)	298,481	221,801	241,053	180,956

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
(a) Analysis of staff costs:	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and wages	152,839	136,828	118,467	104,232
Retirement benefit obligations:				
- defined benefit plan (note 18)	54,704	15,366	43,290	14,827
- defined contribution plan	8,075	4,587	4,990	3,496
Other costs	82,863	65,020	74,306	58,401
	298,481	221,801	241,053	180,956

Notes to the **Financial statements**

Year ended December 31, 2019

25. Dividend Payable

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Declared and Payable (2018: Paid)		
Final dividend of Rs. 59.40 per ordinary share (2018: Rs. 49.50)	156,353	130,294

26. Earnings per Share

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
Profit attributable to equity holders of the Company	391,911	439,747	338,578	393,821
Number of shares in issue	2,632,210	2,632,210	2,632,210	2,632,210
Earnings per share (Rs/cts)	148.89	167.06	128.63	149.62

27. Notes to the Cash Flow Statements

	Notes	THE GROUP		THE COMPANY	
		2019	2018	2019	2018
(a) Cash generated from operations		Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
Profit for the year before taxation		455,282	496,233	338,578	393,821
Adjustments for:					
Depreciation on property and equipment	5	20,775	21,023	20,212	20,496
Depreciation on investment properties	6	9,015	10,072	9,015	10,072
Amortisation/impairment of intangible assets	7	9,736	10,397	3,874	4,455
Depreciation on right-of-use asset	5A	3,716	-	2,685	-
Loss/(profit) on sale of property and equipment	23	316	(99)	316	(99)
Profit on sale of seized properties		(13)	-	(13)	-
Write off of property and equipment	5	107	-	107	-
Impairment on investments in financial assets	10	21,927	45,011	21,927	45,011
Impairment on loans	11	6,591	15,370	6,591	15,370
Interest expense	5A	907	-	640	-

Notes to the **Financial statements**

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27. Notes to Cash Flow Statements (cont'd)

	Notes	THE GROUP		THE COMPANY	
		2019	2018	2019	2018
(a) Cash generated from operations (cont'd)		Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
Investment income	22	(1,501,255)	(1,548,516)	(1,581,060)	(1,623,185)
Net gain on exchange		(52,050)	(19,090)	(44,504)	(18,168)
Profit on sale of financial assets	23	(616,628)	(337,499)	(616,628)	(336,140)
Profit on sale of investment properties	23	(50,496)	-	(50,515)	-
Change in gross unearned premium		(35,798)	(19,294)	(35,798)	(19,294)
Amortisation of non-current payable		(409)	-	(409)	-
Net movement in Life Assurance Fund		2,281,536	2,097,919	2,281,536	2,097,919
Changes in working capital					
- Trade and other receivables		106,154	(19,939)	15,154	(12,387)
- Trade and other payables		37,446	32,463	71,217	34,408
- Retirement benefit obligations	18	52,806	13,301	43,290	14,827
- Outstanding claims		(17,812)	64,657	(17,812)	64,657
Share of results of associated companies net of dividend		(4,535)	(98)	-	-
Cash generated from operations		727,318	861,911	468,403	691,763

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Short term deposits (note 13)	1,427,588	1,174,142	1,427,588	1,174,142
Cash and cash equivalents	1,532,043	1,291,345	956,387	918,125
	2,959,631	2,465,487	2,383,975	2,092,267

(c) Non-cash transactions

The principal non-cash transactions are the acquisition of right-of-use assets (note 5A) and additions and disposals of investment in financial assets (note 10).

(d) Reconciliation of liability arising from financing activities

THE GROUP	2018	Recognised on adoption of IFRS 16	Cash flows	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	-	18,799	(3,245)	15,554

THE COMPANY	2018	Recognised on adoption of IFRS 16	Cash flows	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	-	13,176	(2,328)	10,848

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28. Movements in Insurance Liabilities and Reinsurance Assets

(a) Outstanding claims

	THE GROUP AND THE COMPANY		
	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000
2019			
At January 1, Notified claims			
- As previously stated	96,298	(963)	95,335
- Prior year adjustments (note 33)	182,610	-	182,610
- As restated	278,908	(963)	277,945
Increase in liabilities	3,736,043	(31,156)	3,704,887
Cash paid for claims during the year	(3,753,855)	15,293	(3,738,562)
At December 31,	261,096	(16,826)	244,270
2018			
At January 1, Notified claims			
- As previously stated	87,022	(8,943)	78,079
- Prior year adjustments (note 33)	127,229	-	127,229
- As restated	214,251	(8,943)	205,308
Increase in liabilities	3,196,241	(23,959)	3,172,282
Cash paid for claims during the year	(3,131,584)	31,939	(3,099,645)
At December 31,	278,908	(963)	277,945

(b) Gross unearned premiums

	2019	2018
	Rs'000	Rs'000
At January 1, Notified claims		
- As previously stated	-	-
- Prior year adjustments (note 33)	122,160	141,454
- As restated	122,160	141,454
Decrease in liabilities	(35,798)	(19,294)
At December 31,	86,362	122,160

29. Commitments and Contingencies

(a) Financial Commitments

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
Outstanding commitments for the following:-	Rs'000	Rs'000	Rs'000	Rs'000
Investments in financial assets	540,000	-	540,000	-
Loans to be granted	130,240	67,941	130,240	67,941

(b) Contingent Liabilities

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Bank guarantees and letter of credit	15,100	17,100	-	-

At December 31, 2019, the Group has given corporate guarantees amounting to Rs 12,600,000 on behalf of a subsidiary.
The Group has letter of credit facility amounting to Rs 2,500,000 as security in favour of the Central Depository & Settlement Co Ltd (CDS) in the ordinary course of business.

Notes to the **Financial statements**

Year ended December 31, 2019

30. Holding Company and Ultimate Holding Company

The Directors regard Swan General Ltd, which owns 82.72% (2018: 82.72%) of the Company's share capital, as the Holding and Ultimate Holding Company. The remaining shares are widely held. The Company is incorporated in Mauritius and its registered offices are situated at Swan Centre, 10 Intendance Street, Port Louis.

31. Segment Information

The Company is in itself an operating segment and strategic business unit of SWAN. It carries out exclusively long term insurance business, which is reported to the Group Chief Executive.

32. Changes in Accounting Policies

(a) Impact on the financial statements - IFRS 16

The Group and the Company adopted IFRS 16 with a transition date of January 1, 2019. The Group and the Company have chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements. Rather, these changes have been processed at the date of initial application (i.e. January 1, 2019) and to be recognised in the opening equity balances. There is no adjustment at January 1, 2019.

Effective January 1, 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained.

Transition Method and Practical Expedients Utilised

The Group and the Company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (January 1, 2019), without restatement of comparative figures. The Group and the Company elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard.

The Group and the Company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

(a) The Group and the Company have six leases and five leases respectively, and have used the current market prime lending rate as discount rate;

(b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date.

Notes to the **Financial statements**

Year ended December 31, 2019

32. Changes in Accounting Policies (cont'd)

(a) Impact on the financial statements - IFRS 16 (cont'd)

Transition Method and Practical Expedients Utilised (cont'd)

(c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and

(d) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group and the Company previously classified leases as operating leases based on their assessment of whether the leases transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group and the Company recognise right-of-use assets and lease liabilities for their leases.

On adoption of IFRS 16, the Group and the Company recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Lease liabilities
All other operating lease	Office space: Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. All other: the carrying value that would have resulted from IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.	Measured at the present value of the remaining lease payments, discounted using the Group and the Company's incremental borrowing rate as at January 1, 2019. The Group and the Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 5.60%.

The following table presents the impact of adopting IFRS 16 on the statements of financial position as at January 1, 2019:

	Adjustments	December 31, 2018 As originally Presented	IFRS 16	January 1, 2019
		Rs'000	Rs'000	Rs'000
THE GROUP				
Assets				
Right-of-use assets	(i)	-	18,799	18,799
Deferred tax liabilities	(ii)	-	956	956
Liability				
Lease liabilities	(iii)	-	18,799	18,799
Deferred tax assets	(ii)	-	956	956

Notes to the **Financial statements**

Year ended 31 December 2019

32. Changes in Accounting Policies (cont'd)

(a) Impact on the financial statements - IFRS 16 (cont'd)

	Adjustments	December 31, 2018 As originally Presented	IFRS 16	January 1, 2019
		Rs'000	Rs'000	Rs'000
THE COMPANY				
Assets				
Right-of-use assets	(i)	-	13,176	13,176
Liabilities				
Lease liabilities	(iii)	-	13,176	13,176

(i) The adjustment to right-of-use assets is as follows:

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Operating type leases	18,799	13,176
Right-of-use assets	18,799	13,176

(ii) Deferred tax assets and liabilities were adjusted to reflect the tax effect of the other adjustments recorded.

(iii) The following table reconciles the minimum lease commitments to the amount of lease liabilities recognised on January 1, 2019:

	THE GROUP	THE COMPANY
	January 1, 2019	January 1, 2019
	Rs'000	Rs'000
Minimum operating lease commitments at December 31, 2018	21,510	15,050
Undiscounted lease payments	21,510	15,050
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(2,711)	(1,874)
Lease liabilities for leases classified as operating type under IAS 17	18,799	13,176
Plus: leases previously classified as finance type under IAS 17	-	-
Lease liabilities as at January 1, 2019	18,799	13,176
Of which are:		
Current lease liabilities	3,245	2,328
Non-current lease liabilities	15,554	10,848
	18,799	13,176

Notes to the **Financial statements**

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33. Prior Year Adjustments

Prior year adjustments are in respect of adjustments made to the following:

(i) Transfer of actuarial surplus to shareholders equity. In prior years, 10% of the actuarial surplus was transferred from the Life Assurance Fund (LAF) to the shareholders equity and accounted as a non-distributable reserve (NDR). Consequently, each year, following actuarial valuation of the Company, a transfer was made to/from the NDR on a consistent basis and based on the corresponding amount of surplus. During the year, the Company has amended its accounting policy to allocate all the actuarial surplus to the LAF with no transfer to the shareholders equity.

(ii) Accounting of subsidiaries and associates. In prior years, the shareholders only had a right to the respective dividends of Swan Pensions Ltd and Swan Financial Solutions Ltd. The Directors have resolved that the subsidiaries and associates are owned by the shareholders and they have the right to the corresponding share of results and net assets of those subsidiaries and associates.

(iii) Accounting of interest allocated to shareholder's fund through the profit or loss previously accounted through equity (no effect on total equity).

(iv) Reclassification of gross outstanding claims and unearned premium from trade and other payables

The adjustments and their corresponding impact have been recognised with retrospective effect and comparative figure have been restated accordingly.

(a) The Group

The effect on the statements of financial position are as follows:

	Life Assurance Fund	Gross outstanding claims	Gross unearned premium	Trade and other payables	Retained earnings	Non-distributable reserves	Other reserves
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance as reported at January 1, 2018							
- as previously reported	39,881,578	87,022	-	695,189	277,882	425,543	61,214
- Transfer of actuarial surplus to shareholders equity - note (i)	425,543	-	-	-	-	(425,543)	-
- Accounting of subsidiaries and associates - note (ii)	(325,322)	-	-	-	339,181	-	(13,859)
- Reclassification adjustments - note (iv)	-	127,229	141,454	(268,683)	-	-	-
- as restated	39,981,799	214,251	141,454	426,506	617,063	-	47,355
Balance as reported at December 31, 2018							
- as previously reported	40,644,034	96,298	-	763,739	541,409	824,843	61,214
- Transfer of actuarial surplus to shareholders equity - note (ii)	824,843	-	-	-	-	(824,843)	-
- Accounting of subsidiaries and associates - note (ii)	(370,569)	-	-	-	385,107	-	(14,538)
- Reclassification adjustments - note (iv)	-	182,610	122,160	(304,770)	-	-	-
- as restated	41,098,308	278,908	122,160	458,969	926,516	-	46,676

Notes to the **Financial statements**

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33. Prior Year Adjustments (cont'd)

(a) The Group (cont'd)

The effect on the statements of profit or loss and other comprehensive income is as follows:

	2018
	Rs'000
Profit or loss	
Interest allocated - note (iii)	68,699
Share of results from subsidiaries and associates - note (ii)	45,926
Increase in profit for the year	114,625
Effect on earnings per share (Rs/cents)	43.55

	2018
	Rs'000
Other comprehensive income	
Increase in transfer to Life Assurance Fund - note (ii)	(1,291)
Decrease in other comprehensive income	(1,291)

(b) The Company

The effect on the statements of financial position are as follows:

	Life Assurance Fund	Gross outstanding claims	Gross unearned premium	Trade and other payables	Non-distributable reserves
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance as reported at January 1, 2018					
- as previously reported	39,556,256	87,022	-	664,858	425,543
- Transfer of actuarial surplus to shareholders equity - note (i)	425,543	-	-	-	(425,543)
- Reclassification adjustments - note (iv)	-	127,229	141,454	(268,683)	-
- as restated	39,981,799	214,251	141,454	396,175	-

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33. Prior Year Adjustments (cont'd)

(b) The Company (cont'd)

	Life Assurance Fund	Gross outstanding claims	Gross unearned premium	Trade and other payables	Non-distributable reserves
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance as reported at December 1, 2018					
- as previously reported	40,273,465	96,298	-	735,353	824,843
- Transfer of actuarial surplus to shareholders equity - note (i)	824,843	-	-	-	(824,843)
- Reclassification adjustments - note (iv)	-	182,610	122,160	(304,770)	-
- as restated	41,098,308	278,908	122,160	430,583	-

The effect on the statements of profit or loss and other comprehensive income is as follows:

	2018
	Rs'000
Profit or loss	
Interest allocated - note (iii)	68,699
Increase in profit for the year	68,699
Effect on earnings per share (Rs/cents)	26.10

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34. Business Combination

(a) Acquisition of Subsidiary

On September 12, 2019, the Company acquired 100% of share capital of RCAS Actuarial Ltd (now known as Swan Actuarial Services Ltd) for Rs. 8.5m. The following table summarises the consideration paid for RCAS and the fair value of the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	Rs'000
Consideration paid	
Cash and cash equivalents	8,500
Total consideration paid	8,500
Recognition amounts of identifiable assets acquired and liabilities assumed	
Trade and other receivables	3,327
Cash in hand and at banks	2,011
Trade and other payables	(360)
Current tax liabilities	(319)
Total identifiable net assets	4,659
Goodwill (note 7(a))	3,841
Net cash outflow on acquisition of subsidiary	
Consideration paid in cash	8,500
Less: cash and cash equivalent balances acquired	(2,011)
Total consideration net of cash	6,489

Had RCAS been consolidated from January 1, 2019, revenue would have been Rs. 4m higher and profit would have been Rs. 0.4m lower.

Notes to the **Financial statements**

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35. Related Party Transactions

(a) The Group

2019	Sales of services	Purchases of services	Investment income	Recharges	Rental charge	Lease liabilities	Interest expense	Financial assets	Loans/ Deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Holding company	30,585	22,053	5,470	15,450	-	4,706	267	-	180,312	21,400	14,700
Associated companies	-	-	-	4,774	-	-	-	39,519	13,440	6,148	3,984
Entities under common control	-	-	2,580	11,639	-	-	-	103,950	-	28,710	56,807
Shareholders with significant influence	82,834	-	151,231	-	-	-	-	2,316,452	1,601,734	16,308	17,300
Enterprise that have a number of key management/directors in common	1,018,142	-	-	-	-	-	-	-	-	82,688	34,073
Key management personnel	797	-	251	-	-	-	-	-	4,562	-	7
	1,132,358	22,053	159,532	31,863	-	4,706	267	2,459,921	1,800,048	155,254	126,871

2018	Sales of services	Purchases of services	Investment income	Recharges	Rental charge	Lease liabilities	Interest expense	Financial assets	Loans/ Deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Holding company	34,185	20,273	2,445	(924)	(1,065)	-	-	-	95,000	1,290	27,745
Associated companies	-	-	-	4,127	-	-	-	36,945	13,440	5,028	-
Entities under common control	-	-	3,881	14,261	-	-	-	91,267	-	23,661	56,995
Shareholders with significant influence	81,391	-	136,716	-	-	-	-	3,005,246	842,550	46,389	-
Enterprise that have a number of key management/directors in common	778,950	-	-	-	-	-	-	-	-	87,692	25,995
Key management personnel	1,056	-	265	-	-	-	-	-	4,659	355	7
	895,582	20,273	143,307	17,464	(1,065)	-	-	3,133,458	955,649	164,415	110,742

Notes to the **Financial statements**

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35. Related Party Transactions (cont'd)

(b) The Company

2019	Sales of services	Purchases of services	Investment income	Recharges	Rental income	Financial assets	Loans/ Deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Holding company	25,333	20,162	5,470	15,347	-	-	180,312	19,422	8,374
Subsidiary companies	3,436	111,219	81,196	43,516	1,997	-	-	133,642	18,788
Associated companies	-	-	1,248	4,774	-	4,364	13,440	5,645	3,750
Entities under common control	-	-	2,580	11,639	-	103,950	-	27,150	56,323
Shareholders with significant influence	82,834	-	151,231	-	-	2,316,452	1,601,734	9,870	-
Enterprise that have a number of key management/directors in common	1,018,142	-	-	-	-	-	-	82,688	34,073
Key management personnel	797	-	251	-	-	-	4,562	-	7
	1,130,542	131,381	241,976	75,276	1,997	2,424,766	1,800,048	278,417	121,315

2018	Sales of services	Purchases of services	Investment income	Recharges	Rental income	Financial assets	Loans/ Deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Holding company	29,206	17,164	2,445	(927)	-	-	95,000	-	23,277
Subsidiary companies	103	97,204	75,194	37,676	1,997	-	-	37,732	17,381
Associated companies	-	-	2,020	4,127	-	614	13,440	5,028	-
Entities under common control	-	-	3,881	14,261	-	91,267	-	23,661	56,995
Shareholders with significant influence	81,391	-	136,716	-	-	3,005,246	842,550	46,389	-
Enterprise that have a number of key management/directors in common	778,950	-	-	-	-	-	-	87,692	25,995
Key management personnel	1,056	-	265	-	-	-	4,659	355	7
	890,706	114,368	220,521	55,137	1,997	3,097,127	955,649	200,857	123,655

The related party transactions are within the normal commercial terms and in the normal course of the business. For loans, the interest rate varies between 5% and 14% and secured by life policies of the party.

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35. Related Party Transactions (cont'd)

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	44,811	35,056	28,013	24,194
Post-employment benefits	1,222	3,266	774	2,192
	46,033	38,322	28,788	26,386

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. For the year ended December 31, 2019, the Group and the Company have not recorded any impairment of receivables relating to amounts owed by related parties (2018: Nil). There have been no guarantees provided for any related party receivables or payables.

36. Three Year Financial Review

	THE GROUP			THE COMPANY		
	2019	2018	2017	2019	2018	2017
	Rs'000	Rs'000 Restated	Rs'000 Restated	Rs'000	Rs'000 Restated	Rs'000 Restated
Statements of profit or loss and other comprehensive income						
Gross premiums	4,821,113	4,394,991	4,026,740	4,821,113	4,394,991	4,026,740
Net earned premiums	4,676,232	4,232,930	3,865,936	4,676,232	4,232,930	3,865,936
Investment and other income	2,747,252	2,391,010	2,069,738	2,610,507	2,259,390	1,959,456
Share of profit /(loss) of associates	5,747	2,121	(7,650)	-	-	-
	7,429,231	6,626,061	5,928,024	7,286,739	6,492,320	5,825,392
Transfer to Life Assurance Fund	(2,281,536)	(2,097,919)	(1,795,612)	(2,281,536)	(2,097,919)	(1,795,612)
Profit for the year before taxation	455,282	496,233	377,242	338,578	393,821	268,884
Taxation	(35,770)	(31,592)	(34,586)	-	-	-
Profit for the year	419,512	464,641	342,656	338,578	393,821	268,884
Other comprehensive income for the year, net of tax	1,788,327	(982,701)	3,246,127	1,792,027	(981,410)	3,250,028
Transfer to Life Assurance Fund	(1,792,027)	981,410	(3,250,028)	(1,792,027)	981,410	(3,250,028)
Total comprehensive income	415,812	463,350	338,755	338,578	393,821	268,884
Profit for the year						
Attributable to:						
Owners of the parent	391,911	439,747	317,373	338,578	393,821	268,884
Non-controlling interests	27,601	24,894	25,283	-	-	-
	419,512	464,641	342,656	338,578	393,821	268,884

	THE GROUP			THE COMPANY		
	2019	2018	2017	2019	2018	2017
	Rs'000	Rs'000 Restated	Rs'000 Restated	Rs'000	Rs'000 Restated	Rs'000 Restated
Total comprehensive income for the year attributable to:						
Owners of the parent	387,694	439,068	313,222	338,578	393,821	268,884
Non-controlling interests	28,118	24,282	25,533	-	-	-
	415,812	463,350	338,755	338,578	393,821	268,884

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36. Three Year Financial Review (cont'd)

	THE GROUP			THE COMPANY		
	2019	2018	2017	2019	2018	2017
	Rs'000	Rs'000 Restated	Rs'000 Restated	Rs'000	Rs'000 Restated	Rs'000 Restated
Dividends	156,353	130,294	121,082	156,353	130,294	121,082
Earnings attributable to shareholders	391,911	439,747	317,373	338,578	393,821	268,884
Statements of Financial Position						
Non-current assets	41,489,490	38,138,708	37,214,775	41,778,789	38,446,516	37,552,064
Current assets	6,413,044	5,149,590	4,623,255	5,859,998	4,708,893	4,202,670
	47,902,534	43,288,298	41,838,030	47,638,787	43,155,409	41,754,734
Share capital	26,322	26,322	26,322	26,322	26,322	26,322
Retained earnings	1,162,074	926,516	617,063	723,634	541,409	277,882
Reserves	42,459	46,676	47,355	529,643	529,643	529,643
Non-controlling interests	201,146	190,331	181,358	-	-	-
Life Assurance Fund	45,199,804	41,098,308	39,981,799	45,199,804	41,098,308	39,981,799
Gross outstanding claims	261,096	278,908	214,251	261,096	278,908	214,251
Gross unearned premium	86,362	122,160	141,454	86,362	122,160	141,454
Other non-current liabilities	163,745	130,907	70,340	147,368	128,076	66,126
Current liabilities	759,526	468,170	558,088	664,558	430,583	517,257
	47,902,534	43,288,298	41,838,030	47,638,787	43,155,409	41,754,734

37. Events after Reporting Period

(i) COVID-19

Nature of the event

COVID-19 outbreak poses a serious public health threat worldwide and has caused a record number of countries to restrict the free movement of people and transactions in goods and services. The consequences constitute a major challenge to doing business and will likely weigh on the ability of many companies to operate normally.

Effect of COVID-19

Although, COVID-19 is not the first pandemic that the world has seen, it certainly is having an unprecedented impact on the global economy and on business operations outside war times. This poses major economic issues, as intra- and inter-country, and cross-continental trade slows down, adversely affecting global economic growth. Small, open economies like Mauritius, despite their sector diversification, are especially vulnerable as they are highly dependent on international markets. Consequently, it is expected that countries like Mauritius will be severely impacted by the slowing global activity, if no solution is found quickly. In addition, while we take note of the government's efforts to provide support to the Mauritian economy, there is no visibility on how long COVID-19 will last and what will be its full impact on society, businesses, and the economy.

The anticipatory falls in equity markets over the last few weeks testify to how worried investors are of the virus in the short term. Whether our economy can weather this storm will depend heavily on how well the public and the private sectors navigate its waters and how fast a remedy is found to the disease. Nonetheless, while we acknowledge this state of affairs, we believe that equity markets will recover as they have always done in the past, especially given the co-ordinated and massive funds being injected in the global economy and, very importantly, in research.

The Company does not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak, however, it is anticipated that the fair value of the financial instruments asset which the group holds and the underlying transactions, in which the group currently operates, would be adversely affected as a result of market volatility and the deteriorating economic environment. The impact of this outbreak on the assets and exposures as well as on the macroeconomic forecasts will be incorporated in the estimates on impairment assessment provisions in 2020 and the fair value models for financial assets and collaterals will similarly be reassessed.

The capital and solvency margins have always been above the minimums required by the Insurance Act 2005. The Group does not foresee any pressure on its solvency ratio in the near term based on the different stress tests carried out. The Group also believes that its liquidity position is adequate to ensure any future commitments and obligations that may arise are settled. As such, the financial statements as presented have been prepared on a going concern basis.

(ii) Swan Wealth Managers Ltd, a subsidiary of the Company, has expressed its interest to invest in Dolberg Rentals Pty, a subsidiary of Swan General Ltd based in South Africa. The transaction has already obtained board approval but is subject to all regulatory approval being obtained.

Other
Statutory disclosures

Year ended December 31, 2019
(pursuant to Section 221 of the Companies Act 2001)

Directors of the Company

	Mr. M.E. Nicolas MAIGROT - Chairperson
	Mr. J.M. Louis RIVALLAND - Group Chief Executive
	Mr. Arif CURRIMJEE
	Mr. M.M. Hector ESPITALIER-NOËL
	Mr. M.H. Philippe ESPITALIER-NOËL
	Mr. M.D. Henri HAREL
	Mr. J.M. René LECLÉZIO
	Mr. Jean-Sebastien MAMET
	Mr. Peroomal Gopallen MOOROOGEN
	Mr. Victor C. SEEYAVE

Directors of the Subsidiary Companies

Manufacturers' Distributing Station Limited	Mr. J.M. Louis RIVALLAND
	Mr. Jaiyansing SOOBAH
Swan Pensions Ltd	Mr. Alan GODER
	Mr. Peroomal Gopallen MOOROOGEN
	Mr. J.M. Louis RIVALLAND
Swan Wealth Managers Ltd	Mr. J.M. Louis RIVALLAND
	Mr. Peroomal Gopallen MOOROOGEN
	Mr. Nitish BENI MADHU
Swan Foundation	Mr. J.M. Louis RIVALLAND
	Mr. Jaiyansing SOOBAH
Swan Financial Solutions Ltd	Mr. Ashley Coomar RUHEE
	Mr. Nitish BENI MADHU
	Mr. J.M. Louis RIVALLAND
Swan Securities Ltd	Mr. Veenaye BUSGEETH (resigned on 18 March 2019)
	Mrs. Karine MOREL (appointed on 15 March 2019)
	Mr. Jaiyansing SOOBAH
Swan Corporate Advisors Ltd	Mr. Gianduth JEEAWOCK
	Mr. Jaiyansing SOOBAH
Swan Pensions Rwanda (SPR) Ltd	Mr. Alan GODER
	Mr. Jean Pierre Mubiigi KANAMUGIRE
	Mr. J.M. Louis RIVALLAND
	Mrs. Charisma Devi Roopun JAWAHEER
Swan Actuarial Services Ltd	Mr. Richard LI TING CHUNG
	Mr. Jaiyansing SOOBAH (appointed on 20 September 2019)

Other
Statutory disclosures

Year ended December 31, 2019
(pursuant to Section 221 of the Companies Act 2001)

Directors' Service Contracts

None of the Directors of the Company and of the Subsidiary Companies have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

Directors' Remuneration and Benefits

Remuneration and benefits received from the Company and its subsidiaries were as follows:
- Directors of Swan Life Ltd

	FROM THE COMPANY		FROM THE SUBSIDIARIES	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
Mr. J.M. Louis RIVALLAND	6,615	6,210	6,595	6,190
Non-executive Directors				
Mr. M.E. Nicolas MAIGROT	175	175	-	-
Mr. Arif CURRIMJEE	140	105	-	-
Mr. M.M. Hector ESPITALIER-NOËL	90	90	-	-
Mr. M.H. Philippe ESPITALIER-NOËL	90	90	-	-
Mr. M.D. Henri HAREL	120	120	-	-
Mr. J.M. René LECLÉZIO	90	90	-	-
Mr. Jean-Sebastien MAMET	90	90	-	-
Mr. Peroomal Gopallen MOOROOGEN	160	160	40	40
Mr. Victor C. SEEYAVE	140	140	-	-
	7,710	7,270	6,635	6,230

- Directors of Subsidiary Companies

	FROM THE SUBSIDIARIES			
	2019		2018	
Manufacturers' Distributing Station Limited	Rs'000	Rs'000	Rs'000	Rs'000
Non-executive Director				
Mr. Jaiyansing SOOBAH	20		20	
		20		20
Swan Pensions Ltd				
Executive Directors				
Mr. Alan GODER	20		20	
Non-executive Director				
Mr. Peroomal Gopallen MOOROOGEN	20		20	
		40		40

Other
Statutory disclosures

Year ended December 31, 2019

(pursuant to Section 221 of the Companies Act 2001)

Directors' Remuneration and Benefits (Cont'd)

	FROM THE SUBSIDIARIES			
	2019		2018	
	Rs'000	Rs'000	Rs'000	Rs'000
Swan Wealth Managers Ltd				
Executive Director				
Mr. Nitish BENI MADHU	20		20	
Non-executive Director				
Mr. Peroomal Gopallen MOOROOGEN	20		20	
		40		40
Swan Foundation				
Non-executive Director				
Mr. Jaiyansing SOOBAH	-		-	
		-		-
Swan Financial Solutions Ltd				
Executive Director				
Mr. Nitish BENI MADHU	10		10	
Non-executive Director				
Mr. Ashley Coomar RUHEE	10		10	
		20		20
Swan Securities Ltd				
Non-executive Directors				
Mr. Veenaye BUSGEETH	5		20	
Mrs. Karine MOREL	15		-	
Mr. Jaiyansing SOOBAH	20		20	
		40		40
Swan Corporate Advisors Ltd				
Executive Directors				
Mr. Gianduth JEEAWOCK	-		-	
Mr. Jaiyansing SOOBAH	-		-	
		-		-

Other
Statutory disclosures

Year ended December 31, 2019

(pursuant to Section 221 of the Companies Act 2001)

Directors' Remuneration and Benefits (Cont'd)

	FROM THE SUBSIDIARIES			
	2019		2018	
	Rs'000	Rs'000	Rs'000	Rs'000
Swan Pensions Rwanda (SPR) Ltd				
Non-executive Directors				
Mr. Alan GODER	-		-	
Mr. Jean Pierre Mubiigi KANAMUGIRE	-		-	
Mrs. Charisma Devi Roopun JAWAHEER	-		-	
		-		-
Swan Actuarial Services Ltd				
Executive Directors				
Mr. Richard LI TING CHUNG	30		-	
Mr. Jaiyansing SOOBAH	30		-	
		60		-
		220		160

DONATIONS

	THE COMPANY		THE SUBSIDIARIES	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	2,850	-	350	-
Charitable donations	341	92	241	92

CONTRACT OF SIGNIFICANCE

During the year under review, there was no contract of significance to which the Company or one of its subsidiaries was a party and in which a Director of the Company was materially interested either directly or indirectly.

AUDITORS' FEES

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- BDO & Co	2,030	1,935	1,600	1,545
- Other firms	106	119	-	-
	2,136	2,054	1,600	1,545
Fees paid for other services provided by:				
- BDO & Co	775	585	775	585
	775	585	775	585

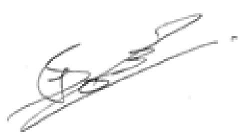
Notice of Annual **Meeting of Shareholders**

Notice is hereby given that the Annual Meeting of Shareholders (the "Meeting") of Swan Life Ltd (the "Company") will be held on August 28, 2020, at 2.30 p.m. at Swan Centre, 10, Intendance Street, Port Louis, to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the 2019 Annual Report of the Company.
2. To receive the report of Messrs. BDO & Co, the external auditors of the Company.
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended December 31, 2019.
4. To appoint, on recommendation of the Board, Messrs. KPMG, Mauritius as auditors of the Company in replacement of BDO, Mauritius and to authorise the Board of Directors to fix their remuneration.
5. To ratify the remuneration paid to the auditors for the financial year ended December 31, 2019.

BY ORDER OF THE BOARD



Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

July 21, 2020

NOTES:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company, not less than twenty-four (24) hours before the start of the meeting and in default, the instrument of proxy shall not be treated as valid.*
3. *A proxy form is included in this Annual Report and is also available at the registered office of the Company.*
4. *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 July 30, 2020.*

Proxy **Form**

I/We

of

being a member/members of Swan Life Ltd ("the Company), do hereby appoint:

of

or failing him/her,

of

or failing him/her, the Chairman of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at Swan Centre, 10, Intendance Street, Port Louis, on August 28, 2020 at 2.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To consider the 2019 Annual Report of the Company.			
2. To receive the report of Messrs. BDO & Co, the external auditors of the Company.			
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended December 31, 2019.			
4. To appoint, on recommendation of the Board, Messrs. KPMG, Mauritius as auditors of the Company in replacement of BDO, Mauritius and to authorise the Board of Directors to fix their remuneration.			
5. To ratify the remuneration paid to the auditors for the financial year ended December 31, 2019.			

Signed this..........day of.......................................2020

Signature(s)..

Notes:
1. A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2. If the instrument appointing a proxy or any general power of attorney is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.

3. To be valid, the instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Registered Office of the Company, Swan Centre, 10, Intendance Street, Port-Louis, 24 hours before the time fixed for holding the Annual Meeting.

SWAN

Swan Life Ltd

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Port Louis, Mauritius
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