ANNUAL REPORT 2020

SWAN

Swan General Ltd

A Taste of Every thing

SWAN

· ANNUAL REPORT 2020 ·

SWAN

Life is equal to crafting your own masterpiece recipe...

Getting the spices right, infusing unique flavours, finding that perfect balance and, above all, applying Grandma's tips to concoct a delightful life...

For every step we take along this exceptional sensory journey of hues and flavours, we need to be daring, to spice things up and take things with a dash of persistence, positivity and open-mindedness.

As unpredictable and unique as it may seem, life is in essence just as colourful as Mauritian cuisine. A cuisine of sharing, of diversity and adaptiveness, teaching us the lessons of resilience.

For more than 160 years, SWAN has been this richly experienced Mauritian chef: one that uplifts you and assists you in creating your own unique recipe. With our local touch, we have heartened many to go out there: to progress & prosper, to be provided for when needed the most and to be protected in times of need.

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Swan General Ltd for the year ended 31 December 2020.

This report was approved by the Board of Directors on 8th July 2021.

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

Ingredients

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.

The Recipe of Success

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

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

Our values
are Passion, People and Performance

SINCE 1855

Chairperson's & Group Chief Executive's Report

LOUIS RIVALLAND
DIRECTOR & GROUP CHIEF EXECUTIVE

On behalf of the Board of Directors, we are pleased to present the Annual Report and Audited Financial Statements of Swan General Ltd and the Group for the year ended 31 December 2020.

2020 has been a very challenging year full of learnings and has tested SWAN's capability to adapt in times of struggle. The year was marked by the COVID-19 pandemic which has created worldwide, unprecedented economic, business and regulatory disruptions in a condensed period. With a country-wide lockdown announced overnight, SWAN immediately triggered its business continuity plan and actioned its work-from-home mode. Our priority was the safety of our employees and continuing to offer a desirable level of service to our customers, despite the confinement. The economic impact of the pandemic was severely felt in Mauritius. The latest statistics estimate that the local economy would have contracted by roughly 15% in 2020. Although vaccines have raised hopes of a turnaround, renewed waves of virus spread and new variants of the virus, as well as the scarcity of vaccines, pose concerns for the near future outlook.

In 2020, SWAN continued on its journey of transformation and digitisation, impacted by the effects of COVID-19 albeit to a limited extent. Our strategic projects in key business areas progressed as scheduled while new projects were also initiated. We have also focussed on a work-from-anywhere paradigm, with each member of the staff having a laptop, equipped with VPN. This has allowed us to have a smooth transition for the 2021 lockdown. As per our strategy of leveraging technology to create a better experience for our customers, we are reviewing and planning for the replacement of our core systems.

In line with SWAN Go Green initiatives, we have already started moving away from paper-based documents. Today customers are already receiving digital versions of their Bonus letter and Unit Linked statement via mySWAN app and these information remain available for easy reference at any time. This initiative is gradually being extended to cover other types of documents. In 2020, we laid down the foundations for a common database across the group, which would inter alia assist us in delivering improved customer experience.

Short-Term Operations

2020 has been a challenging year for many businesses as a result of the COVID-19 pandemic and the ensuing economic recession. Swan General Ltd has risen to that challenge and the company has posted an underwriting surplus of MUR 639m for the year 2020, compared to MUR 588m in 2019. This commendable performance reflects not only our strong foundations but also our resilience and ability to successfully navigate in a tumultuous and adverse economic environment. In this particular context, our priority has been to avoid service disruption and honour our commitment towards our customers, providing them with a wide range of additional support and financial relief. We also moved quickly to protect our colleagues by switching to working from home mode and providing them with the adequate technological resources to serve our clients effectively. These actions have increased the trust and confidence of our customers in our ability to service them in a timely and efficacious manner.

We delivered a top line growth of 3%, from MUR 2.95bn in 2019 to MUR 3.05bn in 2020. The net earned premium, however, showed a substantial improvement of 48.5% in 2020, from MUR 1.54bn in 2019 to MUR 2.29bn, on account of a review of our reinsurance programme regarding specific lines of business. Swan General Ltd achieved a growth of 5% in operating profit to reach MUR 795.2m in 2020. In addition to our continued quest for a more efficient reinsurance programme, our focus on an efficient claims management and the implementation of a risk-adequate pricing were key to the achievement of these excellent net operational results.

The Corporate Property & Casualty (P&C) segment saw a further improvement in 2020. Gross written premiums grew satisfactorily on a like-for-like basis driven by growth in the financial lines segment. P&C results demonstrated a decent underlying performance with improved customer retention and pricing reviews. The P&C segment recorded a net favourable outcome, which can be intricately linked to the COVID-19 outbreak. These include reductions in property and casualty claims resulting from restrictions on activity throughout.

SWAN continues its journey with the various intermediaries favouring them with innovative and tailor-made solutions for our mutual clients. Our focus on our main KPIs, namely achieving a sustainable annual growth in revenues, upholding a diligent underwriting discipline and embracing an improved retention strategy, has helped us to grow the corporate insurance business after its portfolio was reshaped and profit improved year on year.

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

Short-Term Operations (Cont'd)

On the personal lines business, we responded promptly to the pandemic conundrum by mobilising our workforce at short notice to be able to continue serving our individual customers, whilst working from home. Our digital deployment has helped us to stay in contact with our clients for their renewals, as our focus changed from a client acquisition one to client retention during the pandemic days. This segment continued to deliver encouraging results despite the persistent soft market conditions. There is still an undue pressure on premium rates, coupled with a wider exposure for us as insurer, given the broadness of the coverage of policies. We, nonetheless, largely met the expectations of our customers as they increasingly require more flexibility and creativity in their insurance solutions. Our accelerated digital strategy has honed our capacity to better meet our customers' changing needs as well as our capacity to provide them with more innovative solutions. We managed these challenges amidst the prevailing climate of uncertainty through teamwork, determination and well executed strategic planning.

The Health segment was a major contributor to our gross written premium in 2020. The savings derived due to the low claims' incidence during the lockdown days in the first half of the year were quickly absorbed by the deferred procedures re-scheduled in the second half of the year. In addition, SWAN witnessed a sharp rise in its average cost of claim, given the increased cost of the medical consumables. The main contributors to the increased cost were invariably the freight cost and depreciation of the rupee vis-à-vis the main currencies. Managing premium inflation is an ongoing focus for SWAN. Premiums need to reflect the cost of claims, which have continued to edge upwards.
Despite the narrow profit margins in this line of business, we are investing in a more sophisticated operating system, which will allow us to be more efficient and be more proactive in responding to clients' submission of claims. This has allowed us to review our internal processes, be it in underwriting, members onboarding or even claims payment.

On the motor segment, we have witnessed, in the later half of the year, a sharp increase in the claim costs, mostly due to unavailability of spare parts and the depreciation of the rupee vis-à-vis the hard currencies. The non-availability of regular cargo supplies also contributed to an elongated repair time. We have nonetheless managed to produce a reasonable underwriting surplus for this line of business, after enhancing our efforts in the recovery of claims proceeds against third parties.

We have at heart the objective of improving the customer journey of our clients, be it at on-boarding level, registering their claims, renewing their insurance policies, or even paying out their claims monies. We are confident that our clients will continue to enjoy our superior service, while benefiting from a variety of products, tailored according to their needs.

On the whole, SWAN recorded a profit after tax of MUR 278.6m, which is highly laudable in this exceptional difficult year.

While the operating environment continue to change, our goals remain the same and we are confident in the strength and resilience of our business model, our strategy and our ability to adapt to the changing needs of our clients. The business environment is destined for a recovery in 2022. We will on our part maintain our focus on business development, client retention and bottom-line performance, backed by a rigorous underwriting and claims discipline coupled with good reinsurance protection so as to produce another year of decent operational results.

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

Long-Term Operations (Cont'd)

Long term individual

We started the year with plans to keep our focus on ensuring that our teams were offering value added advice while broadening their relationships with clients. With the advent of the COVID-19 pandemic and ensuing lockdown, we shifted our emphasis to reinforce our presence by the side of our clients by answering their queries and staying available as well as making sure we could help find financial solutions to their difficulties. Technology helped us greatly to remain available and connected to our teams and clients as well as to reinforce training via various digital platforms.

Thanks to the dedication of our teams, the individual life business managed to regain its cruising speed when lockdown was over. This was possible because we remained present and in contact with prospects and clients throughout the lockdown period. As expected, we received many requests to reduce recurrent premiums following job losses and pay cuts of clients. Many of them managed to maintain their plans with SWAN thanks to the flexibility of our solutions as we adapted to the client's situation.

In 2021, despite the challenges, we remain confident and eager to engage even more with our clients via a simplified sales process where we provide our solutions easily and with less hassle. We believe that technology will continue to be a huge enabler to help us provide tailored financial solutions and advice to our clients.

Long-term corporate

The pensions team has successfully adapted to the new normal and managed to maintain business continuity even during the period of total lockdown. COVID-19 has affected sponsoring employers, and for those hit hard, there will be problems as their capability to contribute to their private pension schemes is much lower. In Defined Benefit (DB) schemes this may result in underfunding/solvency issues. With the abolition of the National Pension Fund (NPF) many of our DB schemes, where benefits are integrated with NPF pensions, would see an increase in contribution requirement from the employer. In addition, the introduction of the Contribution Sociale Généralisée (CSG) which is payable on earnings is an additional cost to the employer. As such we are getting numerous requests from sponsoring employers who want to move out of DB schemes and/or who want to contribute to a minimum in a Defined Contribution (DC) Scheme. We are accompanying our clients with these change process and likewise ensuring that all relevant information which are required are submitted to the FSC as part of the application.

We are also progressing with the on-boarding process of contractual based deemed-to-be licensed DB pension schemes such that these schemes join our DB master trust in order to comply with the requirement to be in a trust based structure.

In Defined Contribution pension schemes, where the members bear the investment risk, pay-out to those members who retired during the year were impacted by low investments returns.

Swan Actuarial Services Ltd

Swan Actuarial Services Ltd (SASL) is an actuarial firm which provides consulting services on pension, insurance, risk management and expected credit losses under IFRS9. SASL prepares Retirement Benefit Obligations (RBO) under IAS19 for over 300 companies, including the largest conglomerates and multinationals in Mauritius and acts as the Statutory Actuary for over 20 stand-alone pension schemes. The company's client base also includes insurance companies, banks and Global Business companies.

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

Swan Actuarial Services Ltd (Cont'd)

The year 2020 has been a perfect storm for our clients who are sponsors of Defined Benefit (DB) pensions schemes. With the COVID-19 situation putting huge strain on cashflows, yields on government bonds falling to record lows, further delays to the finalisation and publication of regulations on the conversion or shift of a DB pension scheme to a Defined Contribution (DC) pension scheme and the introduction of the Portable Retirement Gratuity Fund (PRGF) and the Contribution Sociale Généralisée (CSG), our team of experts have had to work more closely with our clients to assist them in finding the most effective solution to manage their pension costs and make sense of the impact of this potpourri of events.

Whilst we expect 2021 to remain an extremely challenging year for both us and sponsors of pension schemes, we also see opportunities to use our expertise to bring further value to our clients.

Swan Pensions Ltd

Swan Pensions Ltd (SPL) provides a comprehensive range of services to pension funds, whether they are of the Defined Benefit, Defined Contribution or hybrid type. SPL provides pension administration services to over 900 companies grouped under 26 medium to large schemes with total membership nearing 75,000 lives.

In 2020, SPL posted an increase in income of 11% thus continuing to show a healthy profitability margin & contribution to shareholder's value. This increase is mainly attributable to new participating employers under the multi-employer schemes and increases in the overall payroll of our existing clients.

Our main challenges remain scarce skilled resources and high turnover in an environment of increased compliance and pressure from competition 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 with their schemes in the rapidly changing and more sophisticated pension environment.

2020 has also seen the completion of the overhaul of our proprietary pension administration system. We are now better equipped to further boost the digitisation of our pension administration business by continuing to work on the streamlining of our processes. In that same vein, we are planning to complete our project to enable our clients to transfer membership data efficiently and securely through a web based platform during the second semester of 2021.

Capital Markets

Swan Wealth Managers Ltd (SWM) is the leading provider of asset management services in Mauritius and currently manages investments worth more than Rs 65 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 faced two main challenges, firstly dealing with disruption engendered by COVID-19 including national lockdown and secondly maintaining a growth trajectory. Fortunately, both tests were successfully passed with healthy growth across top and bottom line as well as shareholders reserves. 2020 was in retrospect a highly dynamic year, marked by accelerated growth of flagship funds, sealing international collaboration to win high calibre mandates as well as further capture of investment mandates amongst high net worth and institutional clients. SWM also strengthened its internal capacity by reinforcing key positions and as such ascertain that quality of service is upheld.

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

Capital Markets (Cont'd)

For 2021 and beyond, the mission of SWM is threefold - maintain growth trajectory, efficiently deploy resources to expand into new areas of growth and cement internationalisation efforts. Management efforts are underway to achieve these by way of continued marketing efforts, displaying acumen to reconstruct products for new markets identified and ensuring that momentum is in motion towards internationalisation. As part of this strategy, corporate advisory services have been also successfully crystallised into a new subsidiary where focus will be on building adequate capacity and carve out a niche market.

Swan Securities Ltd (SSL), which is a licensed stockbroking entity, built upon last year's efforts to heighten top line as well as diversify its income base. SSL is pursuing further efforts to win new mandates in the area of fund raising as well as deploying new offerings such as international brokerage and market making activities. These are regarded as crucially important given ongoing changes in the traditional local market, namely continued exit of foreign investors who represented SSL's major source of revenue.

SWM and SSL represent a diverse and balanced business mix and are in a prime position to deliver strong financial performance. However, we are conscious that our strategic intents cannot be concretised without a strong culture. Our shared values which constitute our culture shall be to demonstrate operational excellence, be totally client focussed and take decisive actions. These values shall permeate our actions for 2021 and beyond.

International

2020 was the year Swan Zambia took off as business development efforts paid off despite CV19, with Gross Written Premium increasing by more than 70% to Kw 67 m and producing an encouraging PAT of Kw 2.4 m. Zambia's economy is expected to experience a real GDP growth of 2.5% and the overall insurance market conditions in 2021 look stable despite the likely implementation of new regulations reducing foreign ownership across the trade.

Our Rwandan operations fared well once more, experiencing a 26% growth in Gross Written Premium and an almost 32% growth in PAT to RwF 1,735 m. Rwanda was locked down for many weeks in 2020 but our operations never closed down benefitting from our organisation's advanced stage of digitisation as our services continued to be provided without major disruption. Rwanda's economic growth is expected to decelerate to 2.9% down from pre–CV19 estimates of 8% with the likely consequence of adversely impacting our business development & financial results for the year.

Sacos Group, SWAN's investment in Seychelles, has maintained a commendable profitable performance during 2020 amid stringent national CV19 measures which have hugely impacted the tourism industry, reaching a PAT growth of 30%. This is mainly a direct consequence of the organisational transformations implemented over the past three years aimed at obtaining a leaner and more efficient organisation. While Seychelles economic growth is estimated at 7%, we are nevertheless likely to experience a contraction in business for the year ending December 2021.

Compliance

COVID-19 has brought changes as to how SWAN operates and what the regulator expects. Compliance has therefore been called upon to make decisions quickly and be flexible in the way it deploys its team and works together with the business. This year has also been marked by another severe blow, namely the inclusion of Mauritius on the Financial Action Task Force grey list of jurisdictions having strategic anti-money laundering and combatting the financing of terrorism (AML/CFT) deficiencies and the European Union blacklist of high-risk third countries. The Parliament of Mauritius passed the Anti-Money Laundering and Combating of the Financing of Terrorism (Miscellaneous Provisions) Act 2020 which has amended 19 enactments with a view to reinforcing the existing legal provisions to further combat money laundering and the financing of terrorism.

Other notable developments were brought to the AML/CFT legislative framework during this year, such as:

a) The FSC issued an AML/CFT Handbook 2020, designed to provide guidance for all financial institutions in meeting their AML/CFT obligations.
b) The FSC has issued its revised "Guidelines on Fitness and Propriety" which aims at clarifying the criteria taken into consideration by the FSC when assessing the "fitness and propriety" of an applicant/licensee.
c) The FSC issued Guidelines on the Implementation of Targeted Financial Sanctions to assist reporting persons with the implementation of the restrictive measures.

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

Compliance (Cont'd)

In view of this evolving regulatory landscape, relevant internal policies, procedures and controls were revised accordingly. SWAN also found it appropriate to further digitalise its ongoing online training program by implementing an AML/CFT Quiz in order to assess the effectiveness of the AML & CFT training. We also started the implementation of the risk based approached matrix.

In 2021, Compliance's focus will be on the acquisition and implementation of an automated screening and transaction monitoring tool. The automated screening tool will allow SWAN to conduct ongoing monitoring on their existing and new clients against our internal AML Watchlist and various international sanctions lists such as UNSC, OFAC, EU, UK, etc., available through World Check database. The transaction monitoring tool will enable SWAN to analyse KYC data to assess customer risk and then detect customer and account behavioural patterns which may indicate suspicious activity.

Human Resource

The major disruption caused by the COVID-19 pandemic offered us the opportunity to put our resilience to test. With a country-wide lockdown announced overnight and our human resources dispersed across the island, we were challenged to find new ways and means of operating. We also had to find innovative ways of communicating and motivating staff.

Management set up a SWAN COVID-19 policy to ensure that the resumption of work, after the lockdown, took place in the best possible conditions. A stringent safety protocol was implemented to protect employees, stakeholders and the public in general against the risks of infection. We adopted a few flexible working measures in order to reduce the number of employees working onsite at any one time.

The adoption of teleworking has also enabled us to roll out our plan in view of the implementation of a new all-in-one HR system. We have been working on this exciting project for the past year. The Group HR department has already gone live with the core module in December 2020. The implementation for the rest of the Company, as well as the training of end users is set to take place as from the second quarter of 2021. This new system aims at streamlining, digitalising and automating several HR processes while bringing about a better employee experience at SWAN.

The pandemic has motivated us to consider and to test alternative ways of working. After some research on the subject, we have worked out a Flexible Working policy which will be implemented gradually in 2021. Our aim is to provide employees with a better work-life balance while ensuring that our level of service remains at the desired level.

We have also intensified our efforts in view of the digitalisation of our internal learning resources. Moreover, our internal trainers have acquired new skills in view of leading live e-learning sessions. Our aim is to make learning flexible, cost-efficient, accessible and engaging so that we may constantly upgrade the knowledge and skills of our employees.

In 2021, we have planned to implement a new performance management system. We strongly believe that effective management of performance is key to the realisation of our operational and strategic objectives. The new system will be based on best practices and will be adapted to the realities of SWAN. We will also provide our management team with the skills set to enable them to better lead the whole performance management process while providing an enriching experience to our talents.

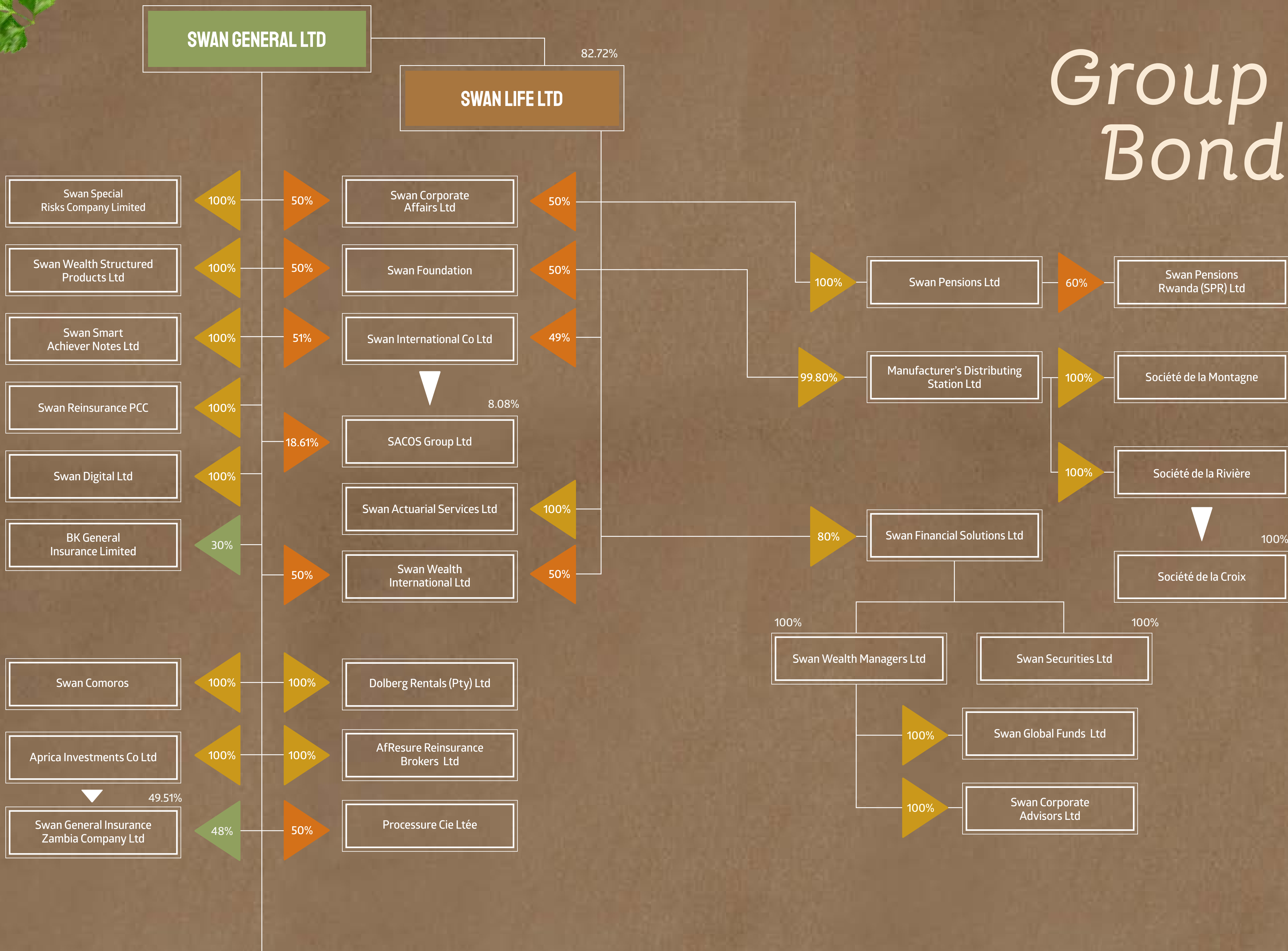
We thank our employees for their continued dedication and hard work as well as all our business partners for their support. We also wish to thank all our customers for their loyalty. Our appreciation also goes to the Board for their guidance.

Nicolas Maigrot
Chairperson

Louis Rivalland
Group Chief Executive

Infusing courage to live life to the fullest

Group Bonds


SWAN GENERAL LTD
82.72%
SWAN LIFE LTD
Swan Special Risks Company Limited
100%
50%
Swan Corporate Affairs Ltd
50%
Swan Wealth Structured Products Ltd
100%
50%
Swan Foundation
50%
Swan Smart Achiever Notes Ltd
100%
51%
Swan International Co Ltd
49%
Swan Reinsurance PCC
100%
8.08%
18.61%
SACOS Group Ltd
Swan Digital Ltd
100%
Swan Actuarial Services Ltd
100%
BK General Insurance Limited
30%
50%
Swan Wealth International Ltd
50%
Swan Comoros
100%
100%
Dolberg Rentals (Pty) Ltd
Aprica Investments Co Ltd
100%
100%
AfResure Reinsurance Brokers Ltd
49.51%
Swan General Insurance Zambia Company Ltd
48%
50%
Processure Cie Ltée
100%
Swan Pensions Ltd
60%
Swan Pensions Rwanda (SPR) Ltd
99.80%
Manufacturer's Distributing Station Ltd
100%
Société de la Montagne
100%
Société de la Rivière
100%
Société de la Croix
80%
Swan Financial Solutions Ltd
100%
Swan Wealth Managers Ltd
100%
Swan Securities Ltd
100%
Swan Global Funds Ltd
100%
Swan Corporate Advisors Ltd

Key Numbers

AT A GLANCE

Gross Written Premiums

The Group
Y2020 - Rs. 8,031,890
Y2019 - Rs. 8,012,997

The Company
Y2020 - Rs. 3,051,387
Y2019 - Rs. 2,953,907

Dividends per share

The Group
Y2020 - Rs. 14.40
Y2019 - Rs. 14.40

The Company
Y2020 - Rs. 14.40
Y2019 - Rs. 14.40

Profit Before Tax

The Group
Y2020 - Rs. 792,978
Y2019 - Rs. 717,413

The Company
Y2020 - Rs. 295,216
Y2019 - Rs. 316,019

Net Earned Premiums

The Group
Y2020 - Rs. 6,863,661
Y2019 - Rs. 6,310,059

The Company
Y2020 - Rs. 2,297,335
Y2019 - Rs. 1,546,533

Earnings per share

The Group
Y2020 - Rs. 76.88
Y2019 - Rs. 68.37

The Company
Y2020 - Rs. 33.67
Y2019 - Rs. 35.77

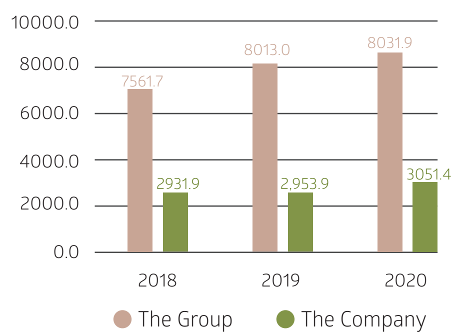
Dividends Paid

The Group
Y2020 - Rs. 119,171
Y2019 - Rs. 119,171

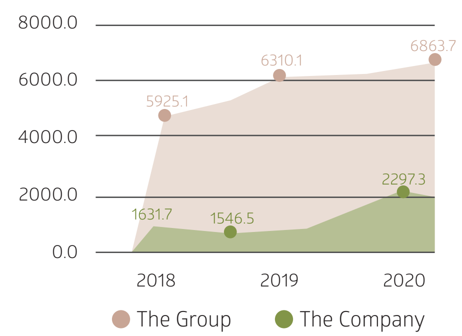
The Company
Y2020 - Rs. 119,171
Y2019 - Rs. 119,171

All Rs are in Rs'000 (except Dividend per share and Earnings per share) The Group The Company

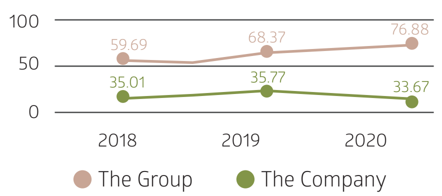
Rs. m Gross Premium



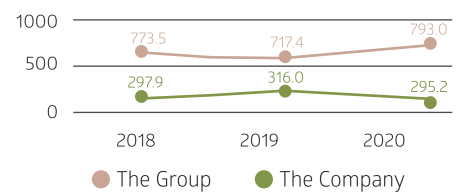
Rs. m Net Earned Premiums

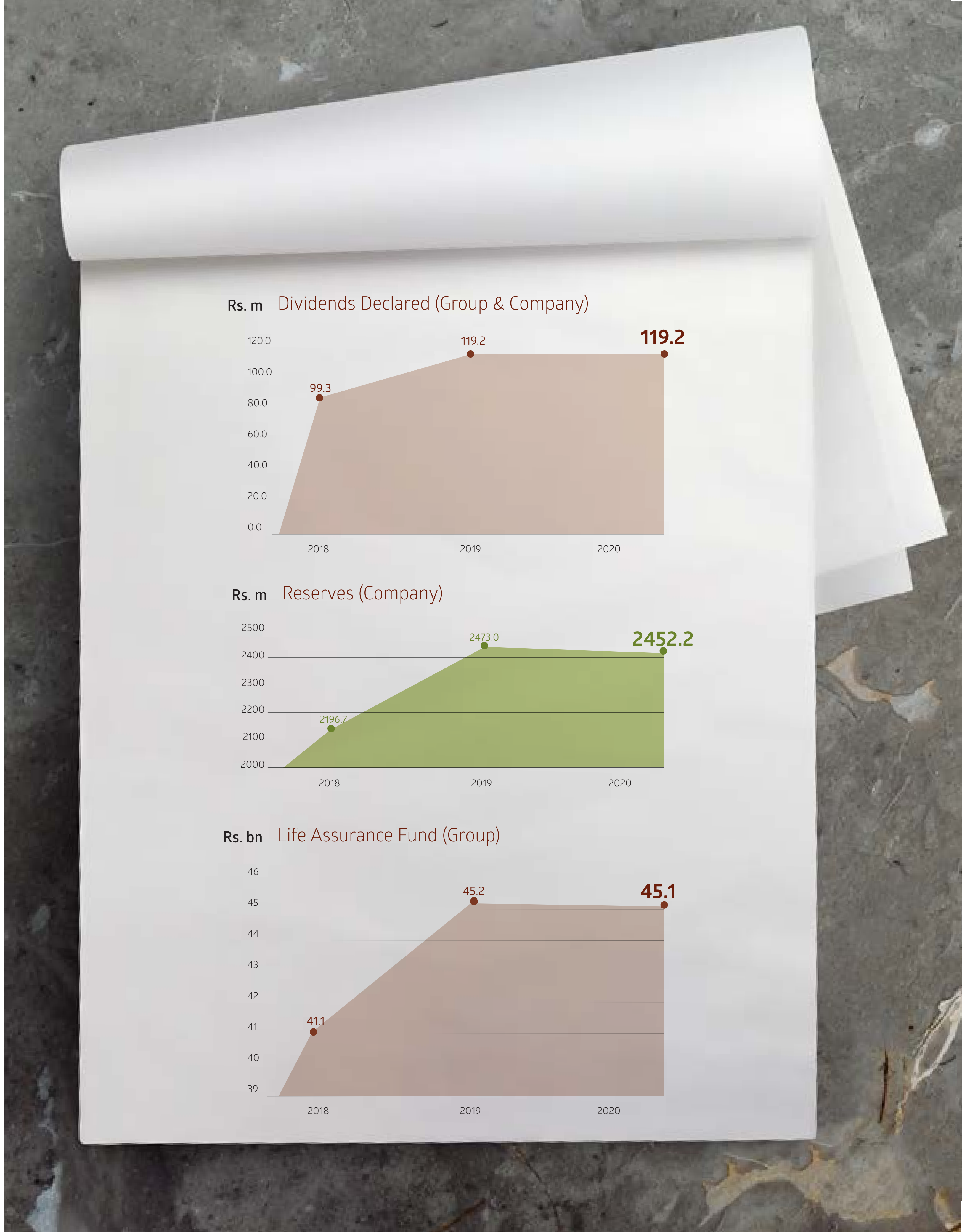


Rs. /cents Earnings per Share (Rs./cents)



Rs. m Profit Before Tax





Savouring every step of the journey

Corporate Social Responsibility

Mitigating the impact of COVID-19 on vulnerable children

In 2020, the COVID-19 pandemic has had a hard impact on our society. Problems faced by underprivileged communities and families have worsened. Mindful of the multi-faceted societal impact of the sanitary and economic crises on the most vulnerable, the Swan Foundation has decided to focus its efforts and funds, almost entirely, on one cause: improving children's wellbeing.

To further show this commitment, the CSR Committee scheduled the annual cheque remittance ceremony on the 20th of November, 2020, i.e., the World Children's Day. On this occasion, a total amount of Rs 1 million was remitted to 19 Non-Governmental Organisations (NGO).

NGOs as development partners

These NGOs were chosen according to their solid track record in providing much-needed support to vulnerable children as per the category laid down by the National Social Inclusion Foundation (NSIF). They are indeed involved in a number of projects and long-term programmes in several priority areas in terms of education, health, leisure and sports, social housing and socio-economic development, with a special attention to children with disabilities.

This event was an opportunity for us to thank these organisations and their volunteers for the marvellous job they have been doing, regardless of the sanitary situation and the scarce resources they have. Their commitment must indeed be commended and bolstered given the importance of their mission. We have always considered NGOs as development partners since their effort, at grass-root level, is instrumental in strengthening our social fabric, hence creating the conditions for a sustainable and inclusive growth.

Addressing inequalities

Going forward, these organisations will need support to build scalable and cost-effective programmes to cater for the needs of their beneficiaries. According to reports from international organisations, such as the International Monetary Fund (IMF), inequalities have been widening over the past year. With rising cost of living and job losses, it is expected that children from an underprivileged background will be among the most affected. And in light of the uncertainties regarding the pandemic and its effects on the economy, this trend may well continue.
At the same time, NGOs will face growing difficulties to find the necessary funding as CSR funds will continue to plummet. It is therefore very important that we explore all avenues to come up with new ways to better collaborate and help these organisations by making the best use of the resources at hand.

True to SWAN's values and commitment

At SWAN, we have already been thinking about other ways and means to assist NGOs besides financial donations. In fact, many staff members are already volunteering their time and expertise to help these organisations. Some of them have received IT training whilst others have been guided in terms of bookkeeping and project management. We are of the view that such initiatives can make a big difference.

This strong stand taken by Swan Foundation directly stems from the company's core values, among which 'people' plays a key role. In fact, SWAN is driven by a single unifying idea, one which states that it is only when an individual is protected and his future needs are provided for that he or she can progress and prosper. This very idea, referred to as our Pyramid of Prosperity, rests on four pillars: Protect, Provide, Progress & Prosper.

Supporting environmental protection and nation-building

2020 has been a tough year on many fronts. Besides the COVID-19 pandemic, our country has also faced its worst ecological crisis ever, resulting from the oil spill after the MV Wakashio ran aground on the south east cost of Mauritius on 25 July, 2020. We were all moved by the dire consequences it had on the fragile marine ecosystem of this region, which is listed under the Ramsar Convention on wetlands of international importance and not far from the Blue Bay Marine Park.

Being aware of the multifaceted impact of this disaster, especially on the health and livelihood of those living in these affected coastal areas, we decided to bring our support to EcoSud, an NGO which has been leading the cleanup efforts. Rs 100,000 was donated for the implementation of various projects to help the inhabitants. At the height of the crisis, SWAN also rallied its staff members to donate their hair and join thousands of Mauritians in building artisanal oil spill containment booms.

The sanitary and the environmental crises, unprecedented in scale, put our social fabric under much stress. However, we all acknowledge that rising up to the challenges ahead will require national cohesion and solidarity. That is why the Conseil des religions was also included in our list of beneficiaries.

The beneficiaries are:

- Terrain For Interactive Pedagogy Through Arts
- Association Ensam
- Elle C Nous Association
- Young Spirit Association
- Will Fly Mauritius
- T1 Diams
- Enn Rev Enn Sourir
- Global Rainbow Foundation
- Association Kinouete
- Chrysalide
- Muscular Dystrophy Association
- Vent d'un Rêve
- A.P.E.I.M
- Special Educational Needs Society (SENS)
- Etoile du Berger,
- Le Pont du Tamarinier
- Mouvement Forces Vives Quartier EDC Rose Belle
- Lions Club of Port Louis
- Eco Sud
- Council of Religions

Nourishing passions and the zest for life

Corporate Governance Report

YEAR ENDED DEC 31, 2020

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

1. GOVERNANCE STRUCTURE

Swan General Ltd is headed by a unitary Board. The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company. 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.

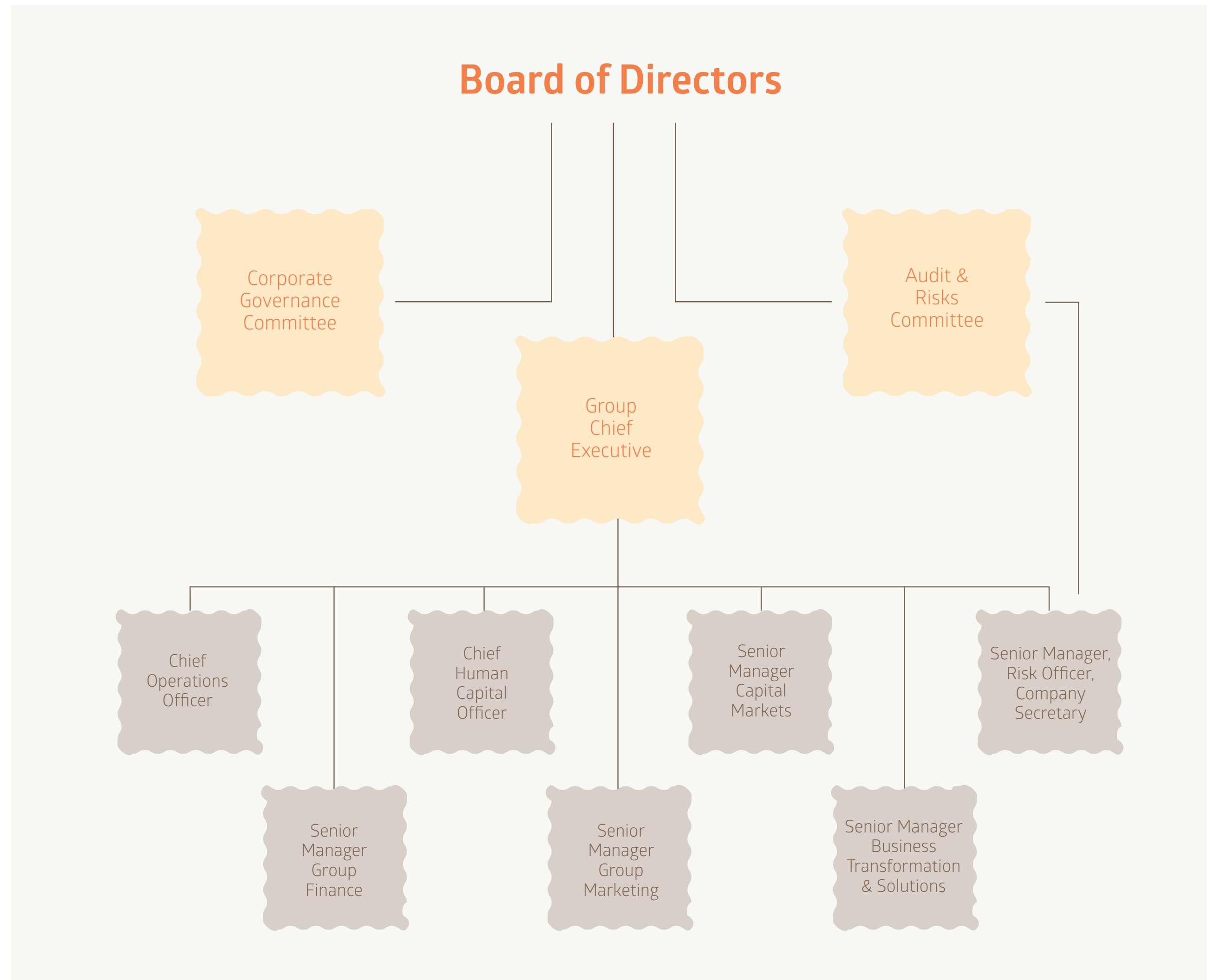
The Company does not have a board charter as it considers that the Companies Act and Insurance Act are sufficiently clear as to the respective roles, responsibilities, and authorities of the Board of Directors.

The Company has a code of ethics 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 the management under the responsibility of the Group Chief Executive. Members of senior management have clearly defined job descriptions. Senior management reports to the Group Chief Executive. The Risk Officer reports to the Board/Audit & Risk Committee. A high-level organisation chart is provided below:



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

Corporate Governance Report *(Cont'd)*

2. Structure of the Board and its Committees

Swan General Ltd is headed by a unitary Board with eleven directors. The Board consists of executive, non-executive and independent non-executive directors. Members of the Board have a diverse set of skills, knowledge and come from different spheres of the business community. A female independent director is being appointed. The Corporate Governance Committee has already made its recommendation to the Board. A resolution to this effect is on the agenda of the Board at its next meeting in June 2021. The female director will fully meet the definition of 'independent director' under the Code. 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 and the Chief Operations Officer are the executive members 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 by-standers. 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)
Michel Thomas (Chief Operations Officer)

Independent non-executive

Arif Currimjee
Gopallen Mooroogen
Victor Seeyave

Non-executive

Hector Espitalier-Noël
Philippe Espitalier-Noël
Henri Harel
René Leclézio (Resigned on 30 June 2021)
Nicolas Maigrot (Chairperson)
Sébastien Mamet

Profile of the directors are at Annex 2.
All the 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 the Board and its Committees with all information. The Company Secretary discharged his duties as per the statutory requirements. Mr. Jaiyansing (Shailen) Soobah acts as the Group Company Secretary.

Board Committees

The Board has instituted two committees – the Audit & Risks Committee and the Corporate Governance Committee.
The Board approved a new terms of reference of the Audit & Risks Committee in December 2020. The term of reference for each committee has been published on the website.

Audit & Risks Committee

The Committee comprises of a majority of independent directors. Members of the Committee are appointed by the Board. The Committee consists of four directors. The Board appoints a Chairperson from the independent directors of the Committee and determines the period for which he shall hold office. In the absence of the Chairperson of the Committee, the remaining members shall elect one of their members present to chair the meeting. The Chairperson of the Board and any executive director are not be eligible to be member of the Committee.

The Board satisfies itself that the Chairperson of the Committee has the relevant financial experience, ideally with a professional qualification from one of the professional accountancy bodies. The Board has the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.

The external auditor, internal auditor, risk officer, head of finance may be invited to attend meetings of the Committee on a regular basis. Other non-members and members of management may be invited to attend all or part of any meeting as and when appropriate and necessary.

The Group Company Secretary, or his nominee, acts as the Secretary of the Committee and ensures that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

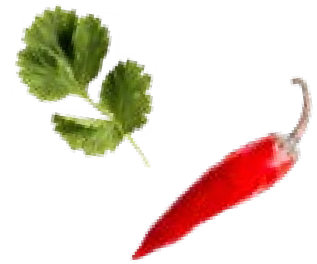
The Committee carries out its role, functions and duties for the Company and the major relevant subsidiaries.

In performing its duties, the Committee maintains effective working relationships with the Board, management and the external and internal auditors. To perform his or her duties, each Audit Committee member will need to develop and maintain his skills and knowledge, including an understanding of the Committee's responsibilities and of the Company's and Group's business, operations and risks. Consistent with the below mentioned duties, the Committee will encourage continuous improvement of, and foster adherence to, the Company's and Group's policies, procedures and practices at all levels.

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

Internal audit

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



Corporate Governance Report *(Cont'd)*

External Audit

a) Consider and make recommendations to the Board, to be put to shareholders for approval at the annual meeting, in relation to the appointment, re-appointment, and removal of the Company's external auditor;
b) Ensure that at least once every seven years the audit services contract is put out to tender;
c) If an auditor resigns, investigate the issues leading to this and decide whether any action is required;
d) Oversee the relationship with the external auditor including (but not limited to):

i. Recommendations on their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
ii. Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
iii. Assessing their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;

e) Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity.
f) Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present if deemed necessary, to discuss the auditor's remit and any issues arising from the audit.
g) Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.
h) Consider whether any significant ventures, investments or operations are not subject to external audit.
i) Obtain assurance from the external auditor(s) that adequate accounting records are being maintained.
j) Review the findings of the audit with the external auditor.

This shall include but not be limited to the following:

i. A discussion of any major issues which arose during the audit;
ii. Key accounting and audit judgements;
iii Levels of errors identified during the audit; and
iv. The effectiveness of the audit process.

k) Review any representation letter(s) requested by the external auditor before they are signed by management.
l) Review the management letter and management's response to the auditor's findings and recommendations.
m) Reviewing progress on implementation of auditors' recommendations.
n) If necessary, develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.

Financial Statements

a) The Committee will examine and review the quality and integrity of the financial statements, including its annual reports and any other formal announcement relating to the organisation's financial performance.
b) The Committee shall review and report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditor;
c) In particular, the Committee shall review and challenge where necessary:

i. The consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company;

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

Narrative reporting

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

For internal control and risks management

The Committee will assist the Board of Directors in fulfilling their corporate governance responsibilities relating to risk management, i.e., in relation to the identification, measurement, monitoring, and controlling of the Company's and Group's material risks. Specifically, the Committee's role is to report to the Board and provide appropriate advice and recommendations to develop and implement strategies, policies, procedures, and controls to manage the material risks. In this respect, the duties of the Committee shall include:

a) Ensuring implementation of, and the continuous monitoring of compliance with, the FSC Insurance (Risk Management) Rules 2016 by:

i. defining and, at least annually, reviewing the risk appetite statements and tolerance levels;
ii. reviewing the design, completeness and effectiveness of the risk management framework;
iii. defining and reviewing the risk management strategy
iv. receiving and reviewing reports and dashboards from Management for risk monitoring;
v. reviewing the 3-year rolling business plan;
vi. reviewing the Own Risk and Solvency Assessment report;
vii. reviewing risk policies; and
viii. receiving the auditors' and actuary's report on the compliance and effectiveness of the risk management framework and to recommend necessary actions.

Corporate Governance Report *(Cont'd)*

For internal control and risks management (Cont'd)

b) Ensuring the economy, efficiency and effectiveness of the Company's and Group's operations and internal controls and the implementation of established policies and procedures;
c) Maintaining a close relationship with the Risk Officer and management;
d) Reviewing and providing an independent and objective oversight on reports submitted by management on corporate accountability and specifically how associated risks are being mitigated;
e) Reviewing the continuous management of risk by Management;
f) Keep under review the adequacy and effectiveness of the Company's and Group's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems; and
g) Review and approve the statements to be included in the annual report concerning internal controls and risk management.

Compliance, Whistleblowing and Fraud

The Committee shall:

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

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 (Shailen) 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 Committee, as are relevant. The Committee meets regularly with the external auditors (including once at the planning stage before the audit and once after the audit at the reporting stage). The Committee has not met external auditor without management presence.

Compliance, Whistleblowing and Fraud

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) External audit-consideration and approval of audit strategy and change in signing partner;
c) Abridged quarterly accounts - consideration and recommendation to the Board for approval and publication;
d) Internal audit – consideration of internal audit reports and internal audit plan, approval of internal audit charter and approval of internal audit engagement letter;
e) Approval of auditors' fees for audit and non-audit services for the Company and subsidiaries;
f) Risk management – consideration of risk appetite statements, own risk and solvency assessment, actuary's effectiveness report and auditors' compliance report;
g) Amended terms of reference of Audit and Risks Committee – consideration and recommendation to the Board for approval.

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 (Shailen) Soobah, acts as Secretary of the Committee.

There were no meetings of the Corporate Governance Committee during the year. The table below shows the attendance at Board and Committee meetings during 2020:

DIRECTORS	Board Meetings	Audit & Risks Committee
Number of Meetings Held	4	5
Arif Currimjee	3	4
Hector Espitalier-Noël	3	N/A
Philippe Espitalier-Noël	4	N/A
Henri Harel	4	4
René Leclézio (Resigned on 30 June 2021)	4	N/A
Nicolas Maigrot (Chairperson)	4	N/A
Sébastien Mamet	3	N/A
Gopallen Mooroogen	4	5
Louis Rivalland (not as member for Audit & Risks Committee)	4	N/A
Victor Seeyave	4	5
Michel Thomas	4	N/A

Corporate Governance Report *(Cont'd)*

3. Director Appointment Procedures

Appointment of new directors is subject to a pre-determined process. Potential candidates are identified by the Corporate Governance Committee. The selection is made based on, inter alia, skills, business acumen, industry knowledge, experience and independence (where relevant). The Corporate Governance Committee then makes 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 Group 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 and the Group will organise workshops and arrange for training of directors.

Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive. There is in place a succession planning policy with the aim, inter alia, to identify the business-critical positions and potential successors. The policy is administered by the human resource department. The Chief Human Capital Officer has regular meetings with the Group Chief Executive in this respect.

4. Director Duties, Remuneration and Performance

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

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

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

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.
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	*Dealing in shares*	*Balance as at 31 December 2020*
Louis Rivalland	Disposal of 18,100 shares	NIL

None of the other Directors bought or sold shares of the Company.

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

Information, information technology, and information security governance

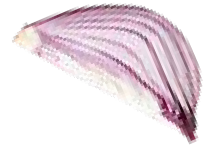
The Board is responsible for information governance. At Board level, the Chairperson, the Group Chief Executive and the Company Secretary ensure that Directors receive adequate, timely and accurate information to be able to discharge their duties. Directors are under obligations to keep all information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

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

a) to clarify the requirements, prohibitions, and procedures applicable to the use of the Company's and Group'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 and Group are used legally, securely, effectively and in a spirit of co-operation and trust.

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

No board evaluation was conducted during the year under review. It has been agreed that the Company and the Group will conduct a Board Evaluation every three years. The next board evaluation will be conducted in 2021.



Corporate Governance Report (Cont'd)

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

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.

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 and Group's performance. Non-executive directors receive a fixed director fee.

Directors remuneration for the year from the Company and subsidiaries was as follows:

	Company (Rs)	Subsidiaries (Rs)
Executive Directors		
RIVALLAND Louis	6,052,000	14,110,000
THOMAS Michel	11,994,000	627,000
Non-Executive Directors		
ESPITALIER-NOËL Hector	90,000	90,000
ESPITALIER-NOËL Philippe	90,000	90,000
HAREL Henri	120,000	120,000
LECLÉZIO René (Resigned on 30 June 2021)	90,000	90,000
MAIGROT Nicolas	175,000	175,000
MAMET Sébastien	90,000	90,000
CURRIMJEE Arif	140,000	140,000
MOOROGEN Gopallen	160,000	240,000
SEEYAVE Victor	140,000	180,000

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, as disclosed in the financial statements.

The system of internal controls has been designed to safeguard assets of the Company and the Group from unauthorised use. The Company and the Group maintain 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 and Group'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 and the Group. 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 are devised to address all such deficiencies. Internal and external auditors also have access to the Board.

Corporate Governance Report *(Cont'd)*

6. Reporting with Integrity

The Board is responsible for the preparation of the annual report and accounts, on a going concern basis, that fairly present the state of affairs of the organisation and the results of its operations and that comply with 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, of the following:

- an overview and history of the Company and Group;
- ownership, structure, and principal activities of the Company and the Group
- values of the Company and Group;
- 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 and Group's position, performance and outlook. The annual report is published on our website.

Dividend Policy

The Company does not follow a formal dividend policy. Dividends are declared after taking into account the Company's profitability and the solvency requirements of the Companies Act and the Insurance Act. The Company declares dividend in December based on best estimates of yearly results to 31 December. For the year under review, the Company declared and paid a dividend of Rs.14.40 per share.

Shareholders' Agreement

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

Environmental Issues

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

Health and Safety

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

Social Issues

It is the Company's and Group'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 and the Group respect each individual's human rights and will not discriminate on the basis of race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will it commit other violations of human rights.

7. Audit

Internal Audit

Internal Audit is an objective assurance function reporting to the Audit & Risks Committee and the Board. It derives its authority from the Board through the Audit and Risks Committee. Collectively, the Audit & Risk Committee members have the necessary financial literacy and expertise. Internal auditors are appointed by the Board, following recommendation from the Audit and Risks Committee. Internal audit of the 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. An Internal Audit Charter was issued and approved by the Audit and Risks Committee in October 2020.

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.

Internal audit conducted during the year covered the following areas:

a) Review of payment process
b) Debtors management
c) Follow up on commission
d) IT access right
e) AML/CFT compliance review

External Audit

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

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.

Following new regulations regarding rotation of external auditors for listed entities, KPMG was appointed as auditors of the Company in replacement of BDO during the annual meeting of the shareholders in August 2020.

During 2020, the following fees (excl. VAT) apply to KPMG Mauritius:

For audit services	Rs 2,500,000
For non-audit services	Rs 500,000

Non-audit services consist of the review of the risk management framework and insurance returns.

Corporate Governance Report *(Cont'd)*

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 and the Group are clients, shareholders, employees, regulators & government authorities, the public and investors, internal and external auditors among others. The Company and the Group communicate through emails, social media, press announcements, publication of quarterly results and its annual report.
In addition, the Company's website, provides meaningful information on the Company's and Group's products & services, financials, quarterly results, updated news, share price, CSR, etc.

As at 31 December 2020, the controlling and substantial shareholders of the Company are:

Shareholders	No. of shares	% holding
Intendance Holding Ltd	2,771,082	33.48
Rogers and Company Limited	2,439,235	29.47
Excelsior United Development Companies Limited	1,064,663	12.86

A summary by shareholder category:

Category	Count	No. of shares	% holding
Individuals	1,019	964,963	11.66
Insurance & Assurance Companies	1	900	0.011
Pension & Providence Funds	15	190,339	2.3
Investment & Trust Companies	9	38,920	0.47
Other Corporate Bodies	99	7,080,647	85.559
Total	**1,143**	**8,275,769**	**100.00**

Breakdown of ownership by size:

Size	No. of shareholders	No. of shares	% holding
1-500	782	97,011	1.172
501-1000	117	94,322	1.14
1,001-5000	170	397,564	4.804
5,001-10,000	41	288,730	3.489
10,001-50,000	24	441,217	5.331
50,001-100,000	5	357,372	4.318
100,001-250,000	-	-	-
250,001-500,000	1	324,573	3.922
Over 500,000	3	6,274,980	75.824
Total	**1,143**	**8,275,769**	**100.00**

8. Relationship with shareholders and other key stakeholders (Cont'd)

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

Key events are set out below:

January	Payment of dividend (for financial year 31 December 2019)
July	Publication of audited annual results
July	Publication of unaudited first-quarter results
August	Publication of unaudited half-year results
September	Annual meeting of shareholders
November	Publication of unaudited nine months results
December	Declaration of dividend (for financial year 31 December 2020)

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary
8th July 2021

STATEMENT OF COMPLIANCE

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

Throughout the year ended 31st December 2020, 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
Chairperson

Louis Rivalland
Director and Group Chief Executive

Pairing daily ventures with a dash of positivity

ISHWARI MADHUB

BSc (Hons), FCCA, MBCS, MBA
Business Transformation & 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 Swan General Ltd) in 1987 and was appointed as IT manager in 2000, and manager of the Group Systems and Processes department from 2007 to 2017. Since 2018, she is the Senior Manager of the Business Transformation & Solutions department.

Senior Management Team

Annex 1

SWAN's secret blend of amazing people.

GUILLAUME BOUIC

BSc, ACII - Business Development & SME

Born in 1975, he holds a double major degree 'Accounting & Corporate Administration' from Curtin University – W.A. Guillaume is a Chartered Insurer. He qualified as an Associate of the Chartered Insurance Institute (London, UK) in 2001 (ACII).

He started his career with SWAN in 1996, before moving to the insurance broking industry from 2006 to 2016, to take both Management and Senior Management roles at a local insurance broker and a foreign local established insurance broker, respectively. Guillaume returned to SWAN in December 2016. In 2017, he was appointed Senior Manager – Health & Business Development.Since 2018, Guillaume oversees exclusively the Business Development, Affinity partners, IBU & SME (non-life).

GIANDUTH (ALVIN) JEEAWOCK

BSc (Hons), CFA - Capital Markets

Alvin is a CFA charter holder since 2010. He is currently reading for MBA International Paris. Alvin is a seasoned professional reckoning more than a decade of experience in Capital Markets. In his senior management role, he provides strategic directives into SWAN's Capital Markets division. Equally, he is amongst the driving forces of investment activities of the group, including strategic investments in Mauritius and abroad. He is also an executive director of Swan Corporate Advisors Ltd, Swan Wealth International Ltd and Swan Smart Achiever Notes Ltd.

IVAN THOMAS

Senior Manager - Health (w.e.f 01 March 2020)

Born in 1960, Ivan Thomas joined the Swan Insurance Ltd now Swan General Ltd in 1984 as an underwriting officer in the Fire & Accident Department.

He qualified as an Associate of the Australian Insurance Institute in 1990 and is now a Certified Insurance Professional Status (CIP) of the Australian and New Zealand Institute of Insurance and Finance (ANZIFF Assoc, CIP)

He was selected to join the Health & Travel Department in 1992 to launch the Health and Travel product as a main class of insurance of the Company. He was then promoted to the Individual Business in 2009 to revamp the individual line products and to setup the concept of a one stop shop. Reintegrated the Health Department since 2018 to head the Health Business, he was appointed Senior Manager last year (2020).

VISHNOO LUXIMAN

Dip Personnel Management, Dip Business Management,
Dip Public Relations, MSc MSHRi - 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.

Senior Management Team

Annex 1

SWAN's secret blend of amazing people.

JAIYANSING (SHAILEN) SOOBAH

FCCA, MBA, ACG
Risk Officer, Group Company Secretary - Corporate Office

Born in 1974 and a resident of Mauritius, Shailen 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 also a Non-Executive Director of The Stock Exchange of Mauritius Ltd and of Central Depository & Settlement Co. Ltd.

KARINE MOREL

BCom, FCCA, MIPA (M) - Group Finance

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.

TSE KWONG (PHILIPPE) LO FAN HIN

FCII - Reinsurance and Statistics

Born in 1958, he joined the Company in 1978. He qualified as an Associate of the Chartered Insurance Institute (London) in 1983 (A.C.I.I.) and obtained his Fellowship (F.C.I.I.) in 1991. He is a Chartered Insurer and a member of the Insurance Institute of Mauritius (IIM). He joined the Senior Management team in 2003. He has been working in the Insurance Industry for 43 years. During the past 26 years, he has been heading the Reinsurance and Statistics department of the Company. His main responsibility at Swan General Ltd is to ensure that the Company is adequately reinsured with first class security Reinsurers for all the risks emanating from our underwriting activities.

He is a member of the Board of Directors of Swan Reinsurance PCC since 2011, of Swan Special Risks Company Limited since 2014 and of AfResureReinsurance Brokers Ltd since 2020.

Senior Management Team

Annex 1

SWAN's secret blend of amazing people.

NEELKAMAL (BIPIN) RAGOO

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

Born in 1975, Bipin holds a B.Sc. (Hons) in Economics, an MBA and is also a Fellow of the Chartered Insurance Institute, UK. He started his career with Mauritius Union Assurance Co. Ltd. in 1996, and 4 years later, joined Swan Insurance Company Limited (now Swan General Ltd) where he stayed till 2010. Bipin then occupied the position of Head of Underwriting at Munich Re (Mauritius), where he was responsible for clients in the Sub-Saharan African region. He returned to Swan General Ltd. to head the Technical Dept. in 2014, and was appointed Senior Manager, Technical, Motor and Individual Business Unit, in 2016.

Bipin is also responsible for the operations of the Swan Reinsurance PCC, a captive solution provider and subsidiary of Swan General Ltd.

JEAN-YVES VIOLETTE

Assoc ANZIIF, CIP - Complaints and Customer Relationship

Born in 1955, he joined Swan Insurance Company Limited now Swan General Ltd in 1976 as a claims handler and has moved through various positions in the claims department. He is an Associate Member with a Certified Insurance Professional status (CIP) of the Australian and New Zealand Institute of Insurance and Finance (ANZIFF Assoc, CIP). He specialised in Liability line.
He is a Claims Professional having walked his insurance career of more than forty (40) years in all classes of general insurance claims (except health) ranging from Motor, Non-Motor, Marine Hull & Cargo, Travel, Engineering, etc. He moved positions from Claims Supervisor to the post of Principal Claims Manager of Swan General Ltd.

Since January 2019 he is the Senior Manager, Customer Relations and Complaints Co-ordinator & Corporate Social Responsibility. Jean Yves Violette is also a fellow member of the MIOD, a council member and the immediate past President of the Insurance Institute of Mauritius (IIM) and member of the Motor Vehicle Insurance Arbitration Committee.

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.

JULIEN RIVET

Corporate Business

Born in 1979, he joined Swan Insurance Ltd now Swan General Ltd in 2000 as a trainee Underwriter in the then Fire and Accident Department and was promoted Commercial Underwriter in 2005 until 2014 when he was further promoted to a Managerial Position within the Corporate Business (Property and Casualty) Unit. He is a member of the Chartered Insurance Institute (UK).

Throughout his career, Julien has successfully evolved through the technical sphere (underwriting and claims) as well as client-management and leadership roles and is now heading our Corporate Business Unit and oversees the operations of our Property and Casualty, Specialty Risks, Marine, Travel, Documentation and Processing Business Units.

Directorate Annex 2

Meet the seasoned insurance chefs who bring back balance in people's lives

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01
Arif CURRIMJEE
Independent Non-executive

02
Hector ESPITALIER-NOËL
Non-executive

03
Philippe ESPITALIER-NOËL
Non-executive

04
Henri HAREL
Non-executive

05
René LECLÉZIO
Non-executive
(Resigned on 30 June 2021)

06
Nicolas MAIGROT
Non-executive
Chairperson

07
Sebastien MAMET
Non-executive

08
Gopallen MOOROOGEN
Independent Non-executive

09
Louis RIVALLAND
Group Chief Executive

10
Victor SEEYAVE
Independent Non-executive

11
Michel THOMAS
Chief Operations Officer

Directorate
Annex 2

01 

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 Chairman and Founder of ABANA(MAURITIUS), is 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 the in-coming President of the Mauritius Export Association, a Past-President of the Joint Economic Council, the Mauritian Private Sector's apex organization, and has been a board member of several parastatal organizations including Enterprise Mauritius, The National Productivity and Competitiveness Council and the National Committee for Corporate Governance.

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

02 

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 Agrïa 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.

Companies	*Types of Directorship*
Agrex Limited	Director
Ascencia Limited	Director
Agrïa 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 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 Sablonnière Limited	Chairman
Le Morne Development Corporation Ltd	Director
Le Sunset Commercial Centre Limited	Director
Les Salines Golf & Resort Limited	Director
Les Salines Development Ltd	Director
Mall of (Mauritius) 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
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 Limited	Director
SB Cattle Ltd	Director
Smartvertising Ltd	Director
Société Pur Blanca	Director
Southwest Tourism Development Ltd	Director
Swan Life 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

Directorate Cont'd
Annex 2

03 PHILIPPE ESPITALIER-NOËL
Non-executive

Holder of a BSc (Agricultural Economics) and an MBA, Philippe Espitalier-Noël is currently the Chief Executive Officer and Executive Director of Rogers and Company Limited. He worked for CSC Index in London as a management consultant from 1994 to 1997. He joined Rogers in 1997 and was appointed Chief Executive Officer in 2007. Philippe Espitalier-Noël also presides over the Business Mauritius Sustainability and Inclusive Growth Committee. He has proven experience of mergers and acquisitions, business turnaround and transformation. He has an extensive expertise with strategy development and execution, inspiring leadership with senior management in the Group's four served markets, FinTech, Hospitality, Logistics and Property.

Companies	Types of Directorship
Agria Ltd	Director
Air Mauritius Holding Ltd	Director
Air Mauritius Ltd	Director
Ascencia Limited	Chairman
Bagaprop Limited	Director
Bagatelle Hotel Operations Company Limited	Director
Bel Ombre Seashells Co. Ltd	Director
Bioculture Mauritius Ltd	Director
Biofarms Limited	Director
BlueAlize Ltd	Director
Booksimply Ltd	Director
Cap Abondance Ltd	Director
Case Noyale Limitée	Director
Cashverdure Limitée	Director
Compagnie Mauricienne D'hypermarches Limitee (In Winding Up)	Chairman
Croisière Australes Ltée	Director
DOMC Ltd	Chairman
Foresite Property Holding Ltd	Chairman
Hotels Operations Company Ltd	Chairman
Island Living Ltd	Chairman
Island Living Shared Services Ltd	Director
Island Holidays Ltd	Director
Islandian Ltd	Director
Le Morne Development Corporation Limited	Director
Les Villas De Bel Ombre Amenities Ltd	Chairman
Les Villas De Bel Ombre Ltée	Director
Logistics Solutions Ltd	Chairman
Mauritian Commodities and Applied Solutions Co. Ltd	Director
Mautourco Holdings Ltd	Director
Mautourco Ltd	Director
Reliance Facilities Ltd	Chairman
Reliance Security Services Ltd	Chairman
Restaurants Operations Company Ltd	Chairman
Rogers and Company Limited	Director
Rogers Aviation Holding Company Limited	Chairman
Rogers Capital Corporate Services Limited	Director
Rogers Capital Finance Ltd	Chairman
Rogers Capital Investment Advisors Ltd	Chairman
Rogers Capital Ltd	Chairman
Rogers Capital Management Services Ltd	Director
Rogers Capital Outsourcing Ltd	Chairman
Rogers Capital Technology Services Ltd	Chairman
Rogers Consolidated Shareholding Limited	Director
Rogers Corporate Services Ltd	Director
Rogers Foundation Ltd	Director
Rogers Logistics International Ltd	Director
Rogers Shipping Pte. Ltd	Director
Seafood Basket Limited	Director
South West Tourism Development Company Limited	Director
Sports-Event Management Operation Co. Ltd	Chairman
Sukpak Ltd	Chairman
Swan Life Ltd	Director
Sweetwater Ltd	Director
Trans-Maurice Car Rental Ltd	Director
Velogic Holding Company Limited	Chairman
Vivacis Solidarity Ltd	Director
VLH Ltd	Chairman

04 HENRI HAREL
Non-executive

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

Companies	Types of Directorship
Beau Plan Cellars Ltd	Director
Beau Plan Development Ltd	Director
Beau Plan Office Park Ltd	Director
Beau Plan Retail Park Ltd	Director
Grays Distilling Ltd	Director
Grays Inc. Ltd	Director
Intendance Holding Limited	Director
Ivoirel Limitée	Director
Sagiterra Ltd	Director
Terra Brands Ltd	Director
Terra Finance Ltd	Director
Terra Foundation	Director
Terra Mauricia Ltd	Director
Terra Milling Ltd	Director
Terra Services Ltd	Director
Terragen Ltd	Director
Terragen Management Ltd	Director
Terravest Holding Ltd	Director
Amco Solutions Limited	Director
Anytime Investment Ltd	Director
Coal Terminal (Management) Co. Ltd	Director
Commada Ltd	Director
Moulin Casse Limitée	Director
New Fabulous Investment Ltd	Director
New Goodwill Co. Ltd	Director
Invescom Ltd	Director
Rehm Grinaker Construction Co. Ltd	Director
Sucrivoire S.A	Director
Swan Life Ltd	Director
Aquasantec International Limited	Director
Thermal Valorisation Co. Ltd	Director
United Investments Ltd	Director

05 RENÉ LECLÉZIO
Non-executive (Resigned on 30 June 2021)

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.

Companies	Types of Directorship
Anytime Investment Ltd	Director
Best Sellers Ltd	Director
Cascavelle Shopping Mall Limited	Director
Casela Limited	Director
Caudan Development Limited	Director
Caudan Leisure Ltd	Director
Caudan Security Services Limited	Director
Clarens Fields Ltd	Director
Commercial Holding Ltd	Director
Compagnie Mauricienne de Commerce Ltée	Director
Concorde Tourist Guide Agency Ltd.	Chairman
Excelsior United Development Companies Limited	Chairman
Ferryhill Enterprises Ltd	Director
Fondation Medine Horizons	Director
Goodweal Limited	Director
Industrial & Hotel Equipment Manufacturers Ltd	Director

Directorate *Cont'd*
Annex 2

Companies	*Types of Directorship*
International Distillers (Mtius) Ltd	Director
Le Cabinet Limited	Director
Mauritian Coal & Allied Services Co. Ltd	Director
Mauritius Freeport Development Co. Ltd	Chairman
Medine Distillery Co. Ltd	Director
Medine Limited	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
Security and Property, Protection Agency Co. Ltd	Director
Societe Mauricienne d'Entreprises Générale Ltée	Director
Swan Life 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

06

NICOLAS MAIGROT
Non-executive Chairperson

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

Companies	*Types of Directorship*
Grays Distilling Ltd	Director
Grays Inc. Ltd	Director & Chairman
Intendance Holding Limited	Director
Ivoirel Limitée	Director
Sagiterra Ltd	Chairman
Sugarworld Ltd	Director
Terra Brands Ltd	Director
Terra Foundation	Director
Terra Mauricia Ltd	Director
Terra Milling Ltd	Chairman
Terra Services Ltd	Director
Terragen Ltd	Director & Chairman
Terragen Management Ltd	Director
Terrarock Ltd	Director
Terravest Holding Ltd	Director
Aquasantec International Limited	Director
AMCO Solutions Limited	Director
Anytime Investment Ltd	Director
Coal Terminal (Management) Co. Ltd	Director
Horus Ltée	Director
New Fabulous Investment Ltd	Director
New Goodwill Co. Ltd	Director
Rehm Grinaker Construction Co. Ltd	Director & Chairman
Sucrivoire S.A	Director
SuGha Ltd	Director
Swan Life Ltd	Director & Chairman
Thermal Valorisation Co. Ltd	Director
UDL Investments Ltd	Director
United Docks Ltd	Director
United Investments Ltd	Director
United Properties Ltd	Director

07

SÉBASTIEN 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.

Companies	*Types of Directorship*
Intendance Holding Ltd	Director
Ivoirel Limitee	Director
Sucrivoire	Director
Swan Life Ltd	Director
Terra Services Ltd	Director
Terragen Ltd	Director
Terragen Management Ltd	Director
Terra Milling Ltd	Director
Terrarock Ltd	Alternate Director

08

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 and Settlement Co. Ltd (CDS) for a number of years and has been the Chairman of the SEM for a few years. He is currently Head-Accounting in Mauritius Telecom.

Companies	*Types of Directorship*
Swan Life Ltd	Director
Swan Reinsurance PCC	Director
Swan Special Risks Company Limited	Director
Swan Pensions Ltd	Director
Swan Wealth Managers Ltd	Director

Directorate Cont'd

Annex 2

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LOUIS RIVALLAND

Group Chief Executive – Executive Director

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

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

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

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

Companies	*Types of Directorship*
Aprica Investments Co Ltd	Director
Manufacturers Distributing Station Limited	Director
Mauritius Investment Corporation Ltd	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 Life 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 Products Ltd	Director

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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.

Companies	*Types of Directorship*
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 and Chairperson
Peninsula Rice Milling Ltd	Director
Redbridge Investments Ltd	Director
Challenge Hypermarkets Ltd	Director
HWFRL Investments Ltd	Director
Mocambique Farms, Limitada	Director
Poulet Arc-en-Ciel Ltée	Director
Supercash Ltd	Director
Innodis Poultry Ltd - Private entity	Director
Swan Life Ltd	Director
Swan Reinsurance PCC	Director and Chairperson
Swan Special Risks Company Limited	Director and Chairperson

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MICHEL THOMAS

Chief Operations Officer – Executive Director

Born in 1959, he holds a Master of Laws (UK) and is a Fellow of the Chartered Insurance Institute (FCII), (UK) as well as an Associate member of the Chartered Institute of Arbitrators. He is also a Chartered Insurer (UK) and a member of the British Insurance Law Association (BILA).
He joined the Company in 1980 and worked as underwriter in various technical departments until 1988. He headed the Claims department before he was promoted as Senior Manager of the Group Research and Development department in 2001.
He is currently the Chief Operations Officer (COO) of Swan General Ltd responsible for the Short Term Operations of the Company.

His principal areas of specialisation are insurance and reinsurance contract law including policy drafting. He has extensive experience and skill in the handling of complex claims including liability, specialty and medical negligence/ malpractice claims. He has worked with international law firms and barristers on a variety of high value casualty and engineering claims as well as on reinsurance conflict of laws and coverage issues. He has also been specialising in arbitration law and alternative dispute resolution (ADR) procedures.
As regards the modernisation of our insurance legislation, he has played an important role in the recognition of claims made clauses under Mauritian law and has collaborated closely with the State Law Office and the Regulator in bringing crucial amendments to the Road Traffic Act and other subsidiary legislation. He has also collaborated with the Law Reform Committee (LRC) regarding the review of our insurance contract law provisions in the Civil Code.
He is a board member of Swan General Ltd since January 2008 and also of C-Care (Mauritius) Limited (formally known as Medical and Surgical Centre Limited) since 2009.

Companies	*Types of Directorship*
C-Care (Mauritius) Limited	Director
Swan Reinsurance PCC	Director
Swan Special Risks Company Limited	Director

Management Team

SWAN's special ingredients always ready when the Chef needs them..

Annex 3

01 **Nathalie TONG SAM**
ACII - Documentation and Policy Processing

02 **Bruno Nalletamby**
ACII, ACIS, ACI Arb – Marine

03 **Carine ADELSON**
BA, MA - Group Marketing

04 **Jean-Marc LECKNING**
Group Credit Control

05 **Didier ADRIEN**
Diploma in Information Technology – Business Transformation & Solutions

06 **Christel LIM SHIN CHONG**
BA (Hons) – Group Human Resources

07 **Javed BUROKUR**
BBA, ACCA – Investments

08 **Herbert MADANAMOOTHOO**
Maîtrise de Droit – Compliance, M.L.R.O

09 **Isabelle PADAYACHY**
Health

10 **Vashish REETOO**
BEng (Hons) - Specialty Risks, Property & Liability

11 **Jean-Francois CATEAUX**
BSc MORSE, AIA – International Development

Management Team Cont'd

Annex 3

SWAN's special ingredients always ready when the Chef needs them..

12 **Leong LAI MAN CHUN**
BSc (Hons) – Business Transformation & Solutions

13 **Stéphanie TADEBOIS**
FCII, MBA – Claims

14 **Twayyab TAUJOO**
ACII, FCCA, MSc - Finance

15 **Sonia CHAROUX**
ACII, MBA - Reinsurance and Statistics

16 **Devsingh SOBHA**
BA, MBA, Adv Dip CILA – Claims

17 **Mylene HENRY**
Marine (As from 01 May 2020)

18 **Dave LUCHMUN**
Group Facilities

19 **Mary Jane KWOK**
Dip CII – Individual Business
(As from 01 March 2020)

20 **Jonathan ACKING**
Maîtrise en Droit des Affaires,
Master of Laws – Legal

21 **Sonia KALACHAND-CANABADY**
BA (Hons), MA – Group Human Resources

22 **Ashley NUCKCHADY**
Motor

23 **Sachinanand MUNGRA**
Diplôme De Technologie, MBA
- Corporate Office

Risk Management Report

Our Risk Environment

Swan General Ltd (the "Company" or "SWAN") 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.

The year 2020 has been strike by the Coronavirus, COVID-19, that began in China in late 2019 and was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Now, months later, the COVID-19 pandemic continues to spread, having far-reaching effects on lives, businesses, and economies worldwide. SWAN continues to enforce sanitary protocols and encourages a remote and a work-from-home policy. However, with an increase in remote working which meant relaxed privacy policies and procedures and present more opportunities for cyber adversaries, the Company was more susceptible to cyber-attacks. This has prompted the Company to ramp up digitalization efforts, encouraging SWAN to review its business processes and also to focus on security and regulation protocols to fend off cyber security attacks.

The impact of the pandemic in the insurance market continues to be felt through asset risks, notably capital volatility and weaker premium growth prospects. While we expect and should those risks persist, SWAN remains financially strong to absorb the financial impact to ensure that 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.

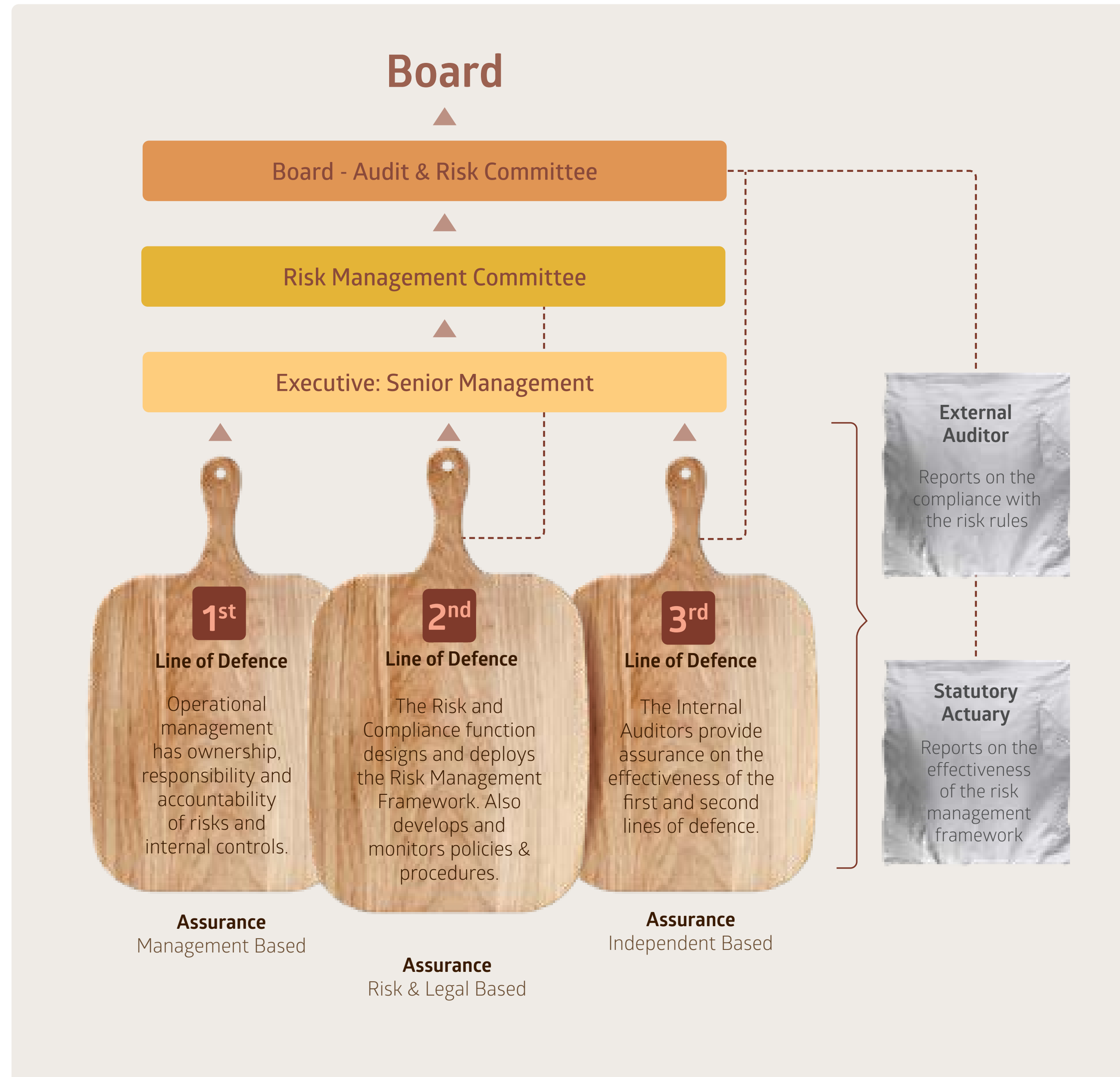
As per the Insurance (Risk Management) Rules 2016 ('FSC Rules'), our framework complies with the following requirements:

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.

Key components of our Risk Management Framework

SWAN has adopted the 'three-lines-of-defence' model where ownership for risk 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)

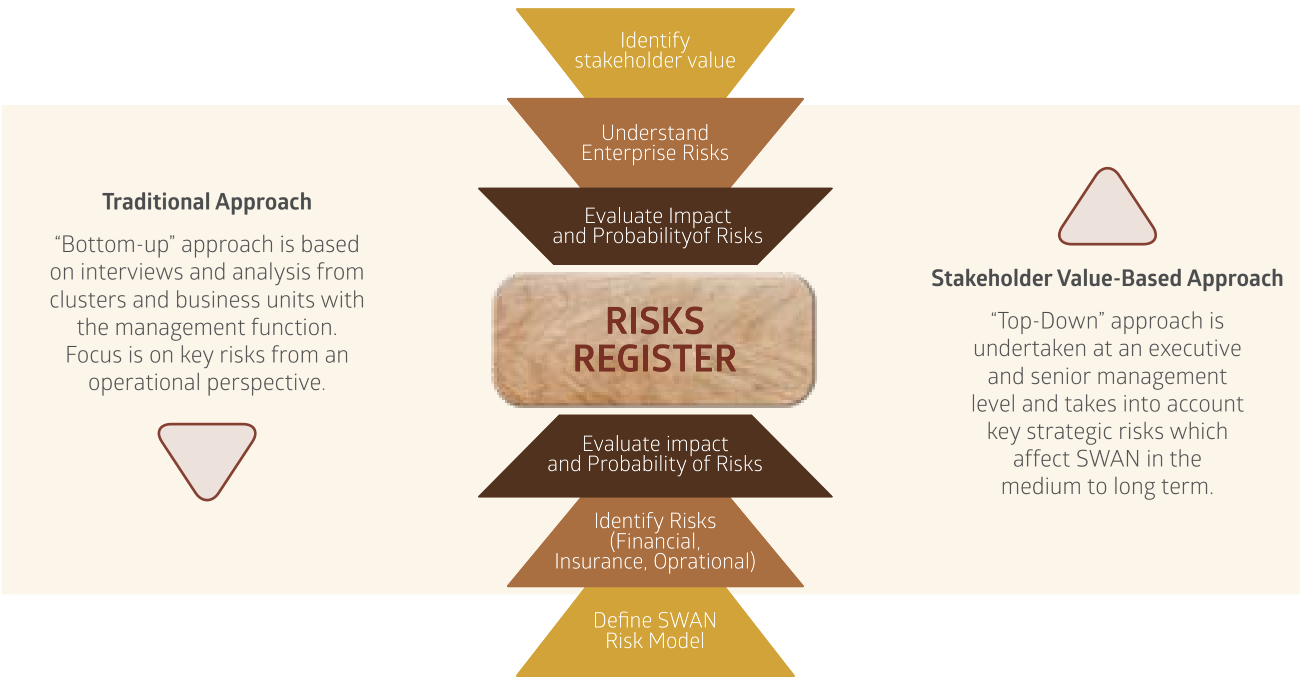
Our Risk Management Function

A Risk Management Committee (the "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 Company's risk management framework with the Insurance (Risk Management) Rules 2016 are satisfactory.
- To ensure that a risk awareness culture is promoted throughout the organisation.

Risk Appetite Statement & Risk Management Strategy

In order to formulate our risk appetite statements and risk tolerance levels, SWAN has undergone a risk identification process and built its risk register to recognise 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. 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
- Review underwriting capacity

Investment Risks
- Review investment guidelines
- Review asset mix and allocation

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
- Monitoring of exposure
- Processes and procedures

Insurance Risks
- Review of pricing
- Review of reserves
- Monitoring of loss ratio
- ORSA

Operational Risks
- Review of processes
- Implement system validations
- Provide ongoing 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.

Liquidity policy

We have devised a policy since the Company 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 easily and clearly assess the state of enterprise risk management (ERM) in the Company. 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.

Business Continuity Management

Business Continuity sets out to enhance the strategic and tactical capability of the Company 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 2020, we reassessed our business impact analysis (BIA) due to COVID-19 and carried out sessions for the strategy selection to be able to determine high-level feasible options to meet critical recovery timeframes for business activities, underlying processes, and resource dependencies in the event of disruption. We continue in the implementation of the BCM. During 2020, SWAN has been able to operate its core business activities, despite the pandemic through remote working.

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 & Group Chief Executive

Company Secretary's Certificate

For the year ended December 31, 2020

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: 8th July 2021

Marinating ambitions for exceptional achievements

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Swan General Ltd (the Group and the Company), which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies, as set out on pages 87 to 265.

In our opinion, these consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Swan General Ltd as at 31 December 2020, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act.

Basis for opinion

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

Key Audit Matters

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

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Gross written premiums - General Insurance

This key audit matter applies to both the consolidated and separate financial statements.

Refer to significant accounting policies on note 2.13 to the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in our audit
Gross written premiums for the general insurance business comprise of premiums written for fire and allied perils, motor, health and other short term insurance. The Group and Company recognise gross premiums in a manner allowed under IFRS 4, *Insurance Contracts* ("IFRS 4"). We identified gross written premiums for the general insurance business as a key audit matter because of the inherent risk which exists due to the volume of transactions. In addition, we considered the possibility for management to manipulate the recognition of revenue in respect of premiums written to meet specific targets or expectations.	Our audit procedures included the following: We obtained an overall understanding of the respective processes for the different sources of premiums within the general insurance business. On a sample basis, for the gross written premiums, we: · Agreed the premium to the underlying policy documents for new and renewal contracts; · Agreed receipts to bank statements for new and renewal contracts; and · Traced premiums to broker placing slips, where relevant. · Inquired on the rationale and obtained supporting documents for adjustments to and cancellations of premiums. · Ensured that premiums have been recorded in the correct accounting period based on the terms of the contract. · Reviewed the premium listing after year end to ensure that policies which were relevant for the year end 31 December 2020 had not been subsequently cancelled. · Ensured that duplicate policy numbers in the premium listing for the year did not pertain to the same transaction by corroborating to relevant supporting documentation.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Gross premiums and consideration for annuities - Life Insurance

This key audit matter applies to the consolidated financial statements.

Refer to significant accounting policies on note 2.13 to the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in our audit
Gross premiums for the life insurance business comprise of premiums received from individuals, corporates in terms of defined benefit schemes ("DB Schemes") and defined contribution schemes ("DC Schemes"). Gross premiums also include premiums received from group credit insurance ("GCI"). Consideration for annuities is also considered as revenue for the Group. The Group recognise gross premiums in a manner allowed under IFRS 4, *Insurance Contracts* ("IFRS 4"). We identified gross premiums received and consideration for annuities in the life insurance business as a key audit matter because of the inherent risk which exists due to the volume of transactions. In addition, we considered the possibility for management to manipulate the recognition of revenue in respect of premiums received from individuals, corporates (in terms of defined benefit schemes and defined contribution schemes) and consideration for annuities to meet specific targets or expectations.	Our audit procedures included the following: We obtained an overall understanding of the respective processes for the different sources of premiums within the life insurance business. We reviewed management's assessment of whether the product meets the definition of an insurance contract as per IFRS 4. For premiums received from individuals, and consideration for annuities, we: · Agreed the premiums received, on a sample basis, to the respective policy contracts and traced receipts to the bank statements; and · Ensured that premiums have been recognised in the correct accounting period based on the terms of the contracts. For premiums received with respect to group credit insurance, we: · Inspected the agreements between the Group and the counterparties; · Agreed premiums received to the bank statements; and · Obtained independent confirmations from the counterparties of the premiums received. From these confirmations, we assessed whether the premiums had been recorded in the correct accounting period.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Gross premiums and consideration for annuities - Life Insurance (cont'd)

This key audit matter applies to the consolidated financial statements.

Refer to significant accounting policies on note 2.13 to the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in our audit
	For premiums received from corporates (DB Schemes and DC Schemes), we: For DB Schemes, we: · Agreed and traced the amounts recorded to the relevant invoices and traced receipts to the bank statements; · Assessed the existence of the premiums recognised against the actuarial review report of each DB Scheme wherever applicable; and For DC Schemes, we: · Reviewed the agreements in place between the Group and Swan Defined Contribution Pension Scheme ("the Trust"); · Agreed the premiums received from the Trust to the bank statements; and · Obtained confirmation from the Trust with respect to premiums paid to the Group for the year ended December 31, 2020.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Impairment of insurance receivables

This key audit matter applies to the consolidated and separate financial statements.

Refer to significant accounting policies on note 2.15, credit risk on note 3.2.2 and notes 15 and 27(b) to the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in our audit
The Group and Company made an assessment of the recoverability of its insurance receivables (which is part of the trade and other receivables financial statement caption) for general insurance business. Management's impairment assessment of insurance receivables is based on a number of factors which include ageing of overdue insurance receivables, customers' repayment history, customers' financial position and current market conditions, all of which involve a significant degree of management judgement. We identified assessing the impairment of insurance receivables as a key audit matter as the assessment is inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias.	Our procedures included the following: We obtained an understanding of the business process related to the impairment of insurance receivables. We reviewed the accounting policies and methodologies employed by the Group and the Company to assess the judgements made by management in order to provide for impairment. We also ensured that the impairment made during the year is in line with the accounting policy and methodology. We performed testing over insurance receivables ageing to assess whether insurance receivables have been recorded in the correct ageing profile based on the period overdue and whether any impairment is required by comparing against amounts recovered subsequent to year end for amounts outstanding as at the year end. We performed a retrospective review of impairment raised to evaluate whether there was a history of sufficient impairment being recognised based on the methodology of the Group and the Company by reviewing the amounts recovered subsequent to year end and comparing the amounts not recovered to date with the amount of impairment recognised.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Valuation of technical provisions for the General Insurance business – outstanding claims and Incurred But Not Reported (IBNR) claims

This key audit matter applies to both the consolidated and separate financial statements.

Refer to accounting policy on note 2.9 (f), insurance risk on note 3.1 (a), critical accounting estimates and judgements note 4, note 24 and note 32 (a) to the consolidated and separate financial statements

Key Audit Matter	How the matter was addressed in our audit
The Group and the Company make provision to cover for the estimated cost of settling all expected future claims, whether or not those losses have been reported to the Group and the Company at the reporting date. Specifically, provisions for claims incurred but not reported ('IBNR') to the Group and the Company involve significant judgement, a high degree of subjectivity and complexity. The determination of this amount involves different actuarial methodologies to estimate these provisions. The focus area in respect of IBNR is thus linked to the following: · The appropriateness of the actuarial assumptions, methodology and models used in the calculation of the liabilities; and · The underlying data used in the valuation of the liabilities. Given its complexity and significance, the valuation of technical provisions - outstanding claims and IBNR for the general insurance business has been considered a key audit matter.	Our audit procedures included the following: We obtained an understanding of the process for outstanding claims and IBNR. With respect to outstanding claims, we reviewed the documentation pertaining to outstanding claims on a sample basis, and assessed the evidence supporting management estimates of the settlement outcome. In relation to IBNR, with the assistance of our actuarial specialist, we: · Considered the valuation models which were utilised by the external statutory actuary and we assessed their competence and capabilities. We also obtained an understanding of the work performed by the external statutory actuary and evaluated the adequacy of their work; · Assessed the appropriateness of the methodologies applied and the basis used for the valuation of IBNR. This was evaluated against industry practice and the relevant regulations in place; · Challenged the assumptions used in the calculation of the IBNR against industry practice and regulations in place to assess reasonableness; · Evaluated the actual versus expected claims development as part of a retrospective review to ensure that any significant deviations are taken into account in the current year's IBNR estimation process; and · Tested the completeness and accuracy of underlying claims data that was utilised by the external statutory actuary in estimating the IBNR.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Valuation of insurance contract liabilities - Life Assurance Fund

This KAM applies to the consolidated financial statements.

Refer to accounting policies on note 2.11, critical accounting estimates and judgements note 4 and note 16 to the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in our audit
The valuation of insurance contract liabilities, disclosed as "Life Assurance Fund" on the consolidated statement of financial position, is considered to be significant to the Group due to the complexity, judgements and estimates involved. Actuarial assumptions and methodologies involve judgement about future events for which small changes can result in a material impact to the valuation of the insurance contract liabilities ("LAF"). In addition to that, the valuation of the LAF also depends on the accuracy of the data used in the valuations. The focus areas of our audit in respect to the insurance contract liabilities is linked to the following: · The appropriateness of the actuarial assumptions, methodology and models used in the calculation of the liabilities; and · The underlying data used in the valuation of the liabilities.	Our procedures included the following: · We obtained an overall understanding of the respective processes followed and assumptions applied in the valuation of the insurance contract liabilities. · We evaluated the design and implementation of the controls related to the review of the actuarial valuation process. With the assistance of our actuarial specialist, we: · Considered that the valuations are performed by management's expert and accordingly we assessed their competence and capabilities. We also obtained an understanding of the work performed by the management expert and evaluated the adequacy of their work; · Assessed the appropriateness of the methodologies applied and the basis used to value the insurance contract liabilities. This has been evaluated against industry practice and the relevant regulations in place;

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Valuation of insurance contract liabilities - Life Assurance Fund (cont'd)

This KAM applies to the consolidated financial statements.

Refer to accounting policies on note 2.11, critical accounting estimates and judgements note 4 and note 16 to the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in our audit
The assumptions we have considered as significant are as follows: · Interest and CPI rates · Lapses · Mortality and morbidity · Expenses · Bonus rates We therefore identified the valuation of insurance contract liabilities as a key audit matter because of the significant judgements and assumptions used in assessing the valuation of the liabilities.	· Assessed the methodology changes compared to prior years to evaluate consistency and reasonability thereof; · Challenged the assumptions used in the calculation of the insurance contract liabilities against industry practice and regulations in place to assess reasonableness thereof; · Considered the solvency position of the Group, and whether this is in line with the regulatory requirements; and · Assessed the reasonableness of the actuarial liabilities as at December 31, 2020. In evaluating the integrity and completeness and accuracy of the data used in the actuarial valuation, we: · Agreed the relevant data extractions made by the Group to those provided to the external actuary; and · Reconciled the data (number of policies, asset values and premiums) used by the actuary in valuing the actuarial liabilities to the Group's records.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Valuation of available-for-sale financial assets – Level 3

This key audit matter applies to the consolidated financial statements.

Refer to accounting policies on note 2.9, critical accounting estimates and judgements in applying accounting policies on note 4.8 and note 11 to the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in our audit
As at December 31, 2020, the aggregate carrying value of the Group's unquoted available-for-sale investments classified as level 3 investments under IFRS 13: Fair value measurement amounted to MUR 2 billion. The valuation of the afore-mentioned financial assets is based on valuation models which is considered to be significant to the Group due to the complexity, judgements and estimates involved. The fair value of the level 3 financial assets was assessed by the Group's investment team. Where observable data is not readily available, as in the case of all the level 3 financial assets, estimates need to be developed which involves significant management judgement. We identified the fair value of the Group's level 3 financial assets as a key audit matter because of the degree of complexity involved in valuing these financial assets and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models.	Our procedures included the following: · We obtained an overall understanding of the respective processes followed and the assumptions applied in the valuation of the available-for-sale financial assets. · Assessed the competence and capabilities of the Group's investment team who are responsible for the valuation of the investments held. · Evaluated the appropriateness of the valuation methods used by the investment team in determining the fair values of the investments. · Engaged with the investment team and assessed the reasonableness of key inputs and assumptions used in the fair value determination. This was performed by involving our own valuation specialists who evaluated and corroborated the unobservable inputs, including potential impact of COVID-19, through benchmarking against available market data and performing an independent valuation.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Emphasis of matter

We draw attention to note 36 to the consolidated and separate financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2019 has been restated. Our opinion is not modified in respect of this matter.

Other matter relating to comparative information

The consolidated and separate financial statements of the Group and Company as at and for the years ended 31 December 2019 and 31 December 2018 (from which the statement of financial position as at 1 January 2019 has been derived), excluding the retrospective adjustments described in note 36 to the consolidated and separate financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 19 May 2020 and 29 March 2019.

As part of our audit of the consolidated and separate financial statements as at and for the year ended 31 December 2020, we audited the retrospective adjustments described in note 36 that were applied to restate the comparative information presented as at and for the year ended 31 December 2019 and the statement of financial position as at 1 January 2019.

We were not engaged to audit, review, or apply any procedures to the consolidated and separate financial statements for the years ended 31 December 2019 or 31 December 2018 (not presented herein) or to the consolidated and separate statements of financial position as at 1 January 2019, other than with respect to the retrospective adjustments described in note 36 to the consolidated and separate financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the retrospective adjustments described in note 36 to the consolidated and separate financial statements are appropriate and have been properly applied.

Other information

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

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

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

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 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 auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.

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

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

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

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

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

Use of our report

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

Independent auditors' report to the shareholders of Swan General Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritius Companies Act

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

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

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

Insurance Act

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

Financial Reporting Act

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

KPMG
Ebène, Mauritius

Désiré LAN CHEONG WAH, FCA
Licensed by FRC

Date: 8 July 2021

Consolidated and Separate Statements of Financial Position

YEAR ENDED DEC 31, 2020

	Notes	THE GROUP			THE COMPANY		
		December 31, 2020	December 31, 2019 Restated *	January 01, 2019 Restated *	December 31, 2020	December 31, 2019 Restated *	January 01, 2019 Restated *
ASSETS		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets							
Property and equipment	5	**384,809**	406,064	421,797	**75,399**	85,360	95,118
Right-of-use assets	5A	**18,875**	25,199	-	**10,283**	13,280	-
Investment properties	6(a)	**425,317**	433,191	478,896	**-**	-	-
Intangible assets	7	**134,245**	144,924	131,179	**47,218**	41,747	23,817
Investments in subsidiary companies	8	**-**	-	-	**565,874**	557,087	530,871
Investments in associated companies	9	**158,862**	160,886	151,358	**102,141**	34,009	34,009
Investment in joint venture	10	**3,481**	2,907	2,395	**500**	500	500
Available-for-sale financial assets	11	**25,094,238**	26,395,052	23,246,146	**1,736,799**	1,467,509	1,257,439
Held-to-maturity financial assets	11	**11,508,757**	11,907,795	11,758,746	**202,806**	217,299	244,573
Loans and receivables	12	**5,819,741**	4,338,413	4,080,404	**86,117**	99,233	112,205
Non-current receivables	13	**7,594**	5,444	-	**-**	47,036	79,174
Deferred tax assets	14(b)	**74,483**	64,074	66,992	**53,771**	45,405	41,719
		43,630,402	43,883,949	40,337,913	**2,880,908**	2,608,465	2,419,425
Current assets							
Held-to-maturity financial assets	11	**2,961,192**	2,446,390	1,307,438	**18,950**	29,681	6,042
Loans and receivables	12	**820,037**	216,072	548,827	**6,110**	2,580	3,381
Trade and other receivables	15	**2,844,752**	3,505,035	3,319,725	**2,030,069**	2,658,752	2,416,457
Seized properties	6(b)	**53,238**	55,489	55,338	**-**	-	-
Current tax assets	23	**2,923**	3,204	2,026	**-**	-	-
Short term deposits	31(b)	**832,864**	1,395,940	1,184,305	**36,376**	148,080	105,653
Cash and cash equivalents	31(b)	**2,719,939**	2,297,423	1,792,781	**585,352**	327,483	272,956
		10,234,945	9,919,553	8,210,440	**2,676,857**	3,166,576	2,804,489
Total assets		**53,865,347**	53,803,502	48,548,353	**5,557,765**	5,775,041	5,223,914

Consolidated and Separate Statements of Financial Position (cont'd)

YEAR ENDED DEC 31, 2020

	Notes	THE GROUP			THE COMPANY		
		December 31, 2020	December 31, 2019 Restated *	January 01, 2019 Restated *	December 31, 2020	December 31, 2019 Restated *	January 01, 2019 Restated *
EQUITY AND LIABILITIES		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Capital and reserves							
Share capital	17	**41,379**	41,379	41,379	**41,379**	41,379	41,379
Retained earnings		**3,445,647**	2,922,998	2,476,980	**2,199,963**	2,040,459	1,863,570
Other reserves		**272,057**	501,949	383,116	**252,189**	432,534	333,173
Attributable to owners of the parent		**3,759,083**	3,466,326	2,901,475	**2,493,531**	2,514,372	2,238,122
Non-controlling interests	19	**489,496**	415,655	363,612	**-**	-	-
Total equity		**4,248,579**	3,881,981	3,265,087	**2,493,531**	2,514,372	2,238,122
Technical provisions							
Life Assurance Fund	16	**45,084,339**	45,166,453	41,064,790	**-**	-	-
Outstanding claims and IBNR	24/32(a)	**1,195,952**	985,419	1,220,118	**818,792**	654,707	872,340
Gross unearned premiums	24/32(b)	**1,479,881**	1,469,443	1,424,316	**1,340,867**	1,329,894	1,231,771
		47,760,172	47,621,315	43,709,224	**2,159,659**	1,984,601	2,104,111
Non-current liabilities							
Borrowings	20	**-**	-	8,320	**-**	-	-
Lease liabilities	5B	**13,757**	19,711	-	**7,790**	10,721	-
Retirement benefit obligations	21	**403,782**	277,528	274,197	**243,732**	179,294	197,366
Deferred tax liabilities	14(b)	**14,292**	6,792	5,108	**1,748**	2,258	-
Non-current payables	22	**161,067**	161,901	162,897	**107,646**	108,234	108,822
		592,898	465,932	450,522	**360,916**	300,507	306,188
Current liabilities							
Trade and other payables	22	**1,124,590**	1,686,856	1,095,472	**417,884**	665,810	468,090
Borrowings	20	**-**	-	4,419	**-**	179,728	95,489
Lease liabilities	5B	**6,546**	6,286	-	**2,931**	2,772	-
Current tax liabilities	23	**13,391**	21,961	23,629	**3,673**	8,080	11,914
Dividend payable	28	**119,171**	119,171	-	**119,171**	119,171	-
		1,263,698	1,834,274	1,123,520	**543,659**	975,561	575,493
Total equity and liabilities		**53,865,347**	53,803,502	48,548,353	**5,557,765**	5,775,041	5,223,914

* Refer to prior year restatement, note 36

These consolidated and separate financial statements have been approved and authorised for issue by the Board of Directors on: July 08, 2021

Louis Rivalland
Director and Group Chief Executive

Michel Thomas
Director

The notes on pages 94 to 265 form an integral part of these consolidated and separate financial statements.
Auditor's report on pages 74 to 86.

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income

YEAR ENDED DEC 31, 2020

	Notes	THE GROUP		THE COMPANY	
		2020	2019 Restated *	2020	2019 Restated *
		Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums		**8,031,890**	8,012,997	**3,051,387**	2,953,907
Premiums ceded to reinsurers		**(1,156,292)**	(1,701,864)	**(733,219)**	(1,344,981)
Change in gross unearned premiums	32(b)	**(19,670)**	(47,329)	**(10,973)**	(98,122)
Change in reinsurers share of unearned premiums	32(b)	**7,733**	46,255	**(9,860)**	35,729
Net earned premiums	2.13	**6,863,661**	6,310,059	**2,297,335**	1,546,533
Gross claims paid	32(a)	**(5,085,487)**	(5,621,424)	**(1,575,471)**	(1,818,458)
Claims recovered from reinsurers	32(a)	**237,816**	820,098	**122,135**	786,003
Movement in gross outstanding claims and IBNR	32(a)	**(218,164)**	240,946	**(158,604)**	234,597
Movement in gross outstanding claims recoverable from reinsurers	32(a)	**66,827**	(195,265)	**72,363**	(216,371)
Net claims incurred		**(4,999,008)**	(4,755,645)	**(1,539,577)**	(1,014,229)
Commissions receivable from reinsurers		**309,189**	339,051	**195,288**	310,543
Commissions paid to agents and brokers		**(517,922)**	(458,515)	**(313,669)**	(254,454)
Net commissions		**(208,733)**	(119,464)	**(118,381)**	56,089
Fee income on insurance contracts		**262,562**	328,563	**-**	-
Fees payable		**(106,300)**	(68,071)	**-**	-
Underwriting surplus		**1,812,182**	1,695,442	**639,377**	588,393
Investment income	25	**1,197,987**	1,545,940	**155,845**	168,554
Operating profit		**3,010,169**	3,241,382	**795,222**	756,947
Other income	26	**1,619,070**	791,773	**175,256**	97,271
		4,629,239	4,033,155	**970,478**	854,218
Marketing and administrative expenses	27(a)	**(1,049,587)**	(979,436)	**(566,559)**	(465,944)
Finance costs		**(4,308)**	(2,442)	**(2,566)**	(4,735)
Movement in allowances for credit impairment	27(b)(ii)	**(39,679)**	(22,910)	**(2,910)**	(14,016)
Impairment of financial and insurance assets	27(b)(i)	**(55,509)**	(44,527)	**(73,997)**	(36,808)
Impairment of non-financial assets	27(b)(i)	**(11,844)**	-	**-**	-
Depreciation and amortisation	5/5A/6(a)/7	**(102,906)**	(69,028)	**(43,820)**	(23,984)
Net gains on exchange		**165,203**	57,304	**14,590**	7,288
Movement in Life Assurance Fund	16	**(2,775,799)**	(2,281,703)	**-**	-
Share of results of associated companies and joint venture, net of tax	9/10	**38,168**	27,000	**-**	-
Profit before taxation		**792,978**	717,413	**295,216**	316,019
Income tax expense	23	**(27,865)**	(56,611)	**(16,541)**	(19,959)
Profit for the year		**765,113**	660,802	**278,675**	296,060

Consolidated and Separate statements of Profit or Loss and other Comprehensive Income
(cont'd)

YEAR ENDED DEC 31, 2020

	Notes	THE GROUP 2020	THE GROUP 2019 Restated *	THE COMPANY 2020	THE COMPANY 2019 Restated *
		Rs'000	Rs'000	Rs'000	Rs'000
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Remeasurements of retirement benefit obligations	18	**(80,679)**	12,192	**(39,905)**	8,804
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets - net change in fair value	18	**(2,976,439)**	1,896,932	**(140,440)**	90,557
Share of other comprehensive income of associated companies	9/18	**722**	1,899	**-**	-
Exchange differences on translating foreign entities	18	**(35,884)**	109	**-**	-
		(3,011,601)	1,898,940	**(140,440)**	90,557
Movement in Life Assurance Fund:					
Remeasurements of retirement benefit obligations	16	**39,651**	(3,849)	**-**	-
Available-for-sale financial assets - net change in fair value	16	**2,818,262**	(1,788,178)	**-**	-
		2,857,913	(1,792,027)	**-**	-
Other comprehensive income for the year, net of tax		**(234,367)**	119,105	**(180,345)**	99,361
Total comprehensive income for the year		**530,746**	779,907	**98,330**	395,421
Profit for the year					
Attributable to:					
Owners of the parent		**636,232**	565,837	**278,675**	296,060
Non-controlling interests	19	**128,881**	94,965	**-**	-
		765,113	660,802	**278,675**	296,060
Total comprehensive income for the year					
Attributable to:					
Owners of the parent		**406,041**	684,670	**98,330**	395,421
Non-controlling interests	19	**124,705**	95,237	**-**	-
		530,746	779,907	**98,330**	395,421
Basic and diluted earnings per share					
(Rupees and cents)	29	**76.88**	68.37	**33.67**	35.77

* Refer to prior year restatement, note 36
The notes on pages 94 to 265 form an integral part of these consolidated and separate financial statements.
Auditor's report on pages 74 to 86.

Consolidated and Separate Statements of Changes in Equity

YEAR ENDED DEC 31, 2020

(a)

THE GROUP	Notes	Attributable to owners of the parent								
		Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Amalgamation Reserve	Actuarial Gains/ (Losses)	Total	Non-controlling Interests	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2020										
- As previously stated		**41,379**	**301,372**	**30,350**	**2,938,306**	**267,477**	**(97,250)**	**3,481,634**	**415,655**	**3,897,289**
- Effect of prior year adjustments	36	**-**	**-**	**-**	**(15,308)**	**-**	**-**	**(15,308)**	**-**	**(15,308)**
- As restated		**41,379**	**301,372**	**30,350**	**2,922,998**	**267,477**	**(97,250)**	**3,466,326**	**415,655**	**3,881,981**
Profit for the year		**-**	**-**	**-**	**636,232**	**-**	**-**	**636,232**	**128,881**	**765,113**
Other comprehensive income for the year *	18	**-**	**(155,804)**	**(33,819)**	**-**	**-**	**(40,568)**	**(230,191)**	**(4,176)**	**(234,367)**
Total comprehensive income for the year		**-**	**(155,804)**	**(33,819)**	**636,232**	**-**	**(40,568)**	**406,041**	**124,705**	**530,746**
Effect of reduction of minority interest in associate		**-**	**-**	**-**	**6,034**	**-**	**-**	**6,034**	**(6,034)**	**-**
Changes in ownership interest in subsidiaries that do not result in a loss of control	8/19	**-**	**-**	**-**	**(33)**	**-**	**-**	**(33)**	**(207)**	**(240)**
Other movement		**-**	**(167)**	**466**	**(413)**	**-**	**-**	**(114)**	**-**	**(114)**
Dividends	19/28	**-**	**-**	**-**	**(119,171)**	**-**	**-**	**(119,171)**	**(44,623)**	**(163,794)**
Total transactions with owners of the parent		**-**	**(167)**	**466**	**(113,583)**	**-**	**-**	**(113,284)**	**(50,864)**	**(164,148)**
Balance at December 31, 2020		**41,379**	**145,401**	**(3,003)**	**3,445,647**	**267,477**	**(137,818)**	**3,759,083**	**489,496**	**4,248,579**
At January 1, 2019										
- As previously stated		41,379	192,907	28,325	2,480,928	267,477	(105,593)	2,905,423	363,612	3,269,035
- Effect of prior year adjustments	36	-	-	-	(3,948)	-	-	(3,948)	-	(3,948)
- As restated		41,379	192,907	28,325	2,476,980	267,477	(105,593)	2,901,475	363,612	3,265,087
Profit for the year - restated		-	-	-	565,837	-	-	565,837	94,965	660,802
Other comprehensive income for the year *	18	-	108,465	2,025	-	-	8,343	118,833	272	119,105
Total comprehensive income for the year - restated		-	108,465	2,025	565,837	-	8,343	684,670	95,237	779,907
Effect on issue of shares	19	-	-	-	(648)	-	-	(648)	648	-
Other movement		-	-	-	-	-	-	-	688	688
Dividends	19/28	-	-	-	(119,171)	-	-	(119,171)	(44,530)	(163,701)
Total transactions with owners of the parent		-	-	-	(119,819)	-	-	(119,819)	(43,194)	(163,013)
Balance at December 31, 2019		41,379	301,372	30,350	2,922,998	267,477	(97,250)	3,466,326	415,655	3,881,981

* The amounts are net of movement in Life Assurance Fund.
The notes on pages 94 to 265 form an integral part of these consolidated and separate financial statements.
Auditor's report on pages 74 to 86.

Consolidated and Separate Statements of Changes In Equity
(cont'd)

YEAR ENDED DEC 31, 2020

(b)

THE COMPANY	Notes	Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Amalgamation Reserve	Actuarial Gains/ (Losses)	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2020								
- As previously stated		**41,379**	**261,886**	**43,099**	**2,055,767**	**220,593**	**(93,044)**	**2,529,680**
- Effect of prior year adjustments	36	**-**	**-**	**-**	**(15,308)**	**-**	**-**	**(15,308)**
- As restated		**41,379**	**261,886**	**43,099**	**2,040,459**	**220,593**	**(93,044)**	**2,514,372**
Profit for the year		**-**	**-**	**-**	**278,675**	**-**	**-**	**278,675**
Other comprehensive income for the year	18	**-**	**(140,440)**	**-**	**-**	**-**	**(39,905)**	**(180,345)**
Total comprehensive income for the year		**-**	**(140,440)**	**-**	**278,675**	**-**	**(39,905)**	**98,330**
Total transactions with owners of the parent :								
Dividends	28	**-**	**-**	**-**	**(119,171)**	**-**	**-**	**(119,171)**
Balance at December 31, 2020		**41,379**	**121,446**	**43,099**	**2,199,963**	**220,593**	**(132,949)**	**2,493,531**
At January 1, 2019								
- As previously stated		41,379	171,329	43,099	1,867,518	220,593	(101,848)	2,242,070
- Effect of prior year adjustments	36	-	-	-	(3,948)	-	-	(3,948)
- As restated		41,379	171,329	43,099	1,863,570	220,593	(101,848)	2,238,122
Profit for the year - restated		-	-	-	296,060	-	-	296,060
Other comprehensive income for the year	18	-	90,557	-	-	-	8,804	99,361
Total comprehensive income for the year - restated		-	90,557	-	296,060	-	8,804	395,421
Total transactions with owners of the parent :								
Dividends	28	-	-	-	(119,171)	-	-	(119,171)
Balance at December 31, 2019		41,379	261,886	43,099	2,040,459	220,593	(93,044)	2,514,372

The notes on pages 94 to 265 form an integral part of these consolidated and separate financial statements.
Auditor's report on pages 74 to 86.

Consolidated and Separate Statements of Cash Flows

YEAR ENDED DEC 31, 2020

	Notes	THE GROUP		THE COMPANY	
		2020	2019	2020	2019
			Restated *		Restated *
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Cash generated from operations	31(a)	**1,267,609**	936,355	**575,071**	76,932
Interest paid		**(4,308)**	(3,693)	**(676)**	(496)
Tax paid	23	**(33,989)**	(63,268)	**(21,650)**	(27,024)
Net cash generated from operating activities		**1,229,312**	869,394	**552,745**	49,412
Cash flows from investing activities					
Purchase of property and equipment	5	**(42,689)**	(29,429)	**(6,311)**	(5,306)
Purchase of investment properties	6 (a)	**(1,171)**	(2,679)	**-**	-
Purchase of seized properties	6 (b)	**(8,829)**	(698)	**-**	-
Purchase of intangible assets	7	**(30,524)**	(26,357)	**(30,022)**	(25,468)
Proceeds from sale of property and equipment		**4,697**	227	**-**	139
Proceeds from sale of investment properties		**-**	89,865	**-**	-
Proceeds from sale of seized properties		**1,530**	560	**-**	-
Additional interest acquired in subsidiary		**-**	-	**(240)**	(25,000)
Acquisition of subsidiary, net of cash	30	**-**	(6,489)	**-**	-
Additional interest acquired in associate	9	**-**	(1,463)	**-**	-
Purchase of financial assets		**(8,699,818)**	(5,597,303)	**(812,190)**	(375,697)
Disposal/maturity of financial assets		**8,241,305**	3,862,325	**559,969**	339,513
Loans granted		**(2,430,997)**	(981,499)	**(6,324)**	(350)
Loans recovered		**361,103**	1,033,070	**17,210**	14,123
Investment income received		**1,267,077**	1,457,331	**160,887**	39,967
Net cash used in investing activities		**(1,338,316)**	(202,539)	**(117,021)**	(38,079)
Cash flows from financing activities					
Payments on borrowings		**(1,313)**	(12,564)	**(182,206)**	(230,000)
Proceeds from borrowings		**-**	-	**-**	310,000
Principal paid on lease liabilities		**(6,698)**	(4,882)	**(2,772)**	(1,667)
Dividends paid to Company's shareholders	28	**(119,171)**	-	**(119,171)**	-
Dividends paid to non-controlling interests		**(61,925)**	(210)	**-**	-
Net cash (used in)/generated from financing activities		**(189,107)**	(17,656)	**(304,149)**	78,333
(Decrease)/increase in cash and cash equivalents		**(298,111)**	649,199	**131,575**	89,666
Movement in cash and cash equivalents					
At January 1,		**3,693,363**	2,977,086	**475,563**	378,609
(Decrease)/increase		**(298,111)**	649,199	**131,575**	89,666
Effect of foreign exchange rate changes on cash and cash equivalents		**157,551**	67,078	**14,590**	7,288
At December 31,	31(b)	**3,552,803**	3,693,363	**621,728**	475,563

* Refer to prior year restatement, note 36
The notes on pages 94 to 265 form an integral part of these consolidated and separate financial statements.

Auditor's report on pages 74 to 86.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated and separate financial statements comply with the Mauritius Companies Act and Financial Reporting Act (FRA) and have been prepared in accordance with International Financial Reporting Standards (IFRS).
The consolidated and separate financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The financial statements are presented in Mauritian Rupees which is the company's functional currency and all values are rounded to the nearest thousand (Rs'000). Where necessary, comparative figures have been amended to conform with changes in presentation and disclosure in the current year. The consolidated and separate financial statements are prepared under the historical cost convention, except for available-for-sale financial assets that are stated at their fair values.

Standards and interpretations effective and adopted during the year

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2020.

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- a new chapter on measurement;
- guidance on reporting financial performance;
- improved definitions of an asset and a liability, and guidance supporting these definitions;
- updated recognition criteria for assets and liabilities; and
- clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Amendments to References to Conceptual Framework in IFRS Standards (cont'd)

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which outlines the consequential amendments made to affected IFRS standards. This was done to support transition to the revised Conceptual Framework for companies that develop and apply accounting policies using the Conceptual Framework when no IFRS standard or interpretation applies to a particular transaction.

The revised Conceptual Framework will form the basis of new IFRS standards set by the IASB as well as future amendments to existing IFRS standards.

The Directors have made an assessment and believe that the application of this standard will not have any significant impact on the consolidated and separate financial statements.

Definition of a Business (Amendments to IFRS 3 Business Combinations)

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3 *Business Combinations*.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that:
  (i) the process must be substantive and
  (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The adoption of the above amendments did not have any significant impact on the consolidated and separate financial statements as it will not impact previous business combinations since the amendments will be applied prospectively.

The Group and Company have not acquired any businesses during the year, thus this standard did not affect the consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Amendments to the definition of Material (Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors)* all relate to a revised definition of 'material' which is quoted below from the final amendments:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those consolidated and separate financial statements, which provide financial information about a specific reporting entity."

The IASB has also removed the definition of material omissions or misstatements from IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Directors have made an assessment and concluded that the amendment did not have any impact on the consolidated and separate financial statements.

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, 2021, or later periods, but which the Group and the Company have not early adopted."

IFRS 9 *Financial Instruments*

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments Standard*, which replaces earlier versions of IFRS 9 *Financial Instruments* and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. This standard will include changes in the measurement bases of the Group and the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Even though these measurement categories are similar to IAS 39 *Financial Instruments: Recognition and Measurement*, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 *Financial Instruments's* impairment model has been changed from an "incurred loss" model from IAS 39 *Financial Instruments: Recognition and Measurement* to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

The standard is effective for annual periods beginning on or after January 01, 2018, with retrospective application.

(a) Classification of financial assets and financial liabilities

IFRS 9 *Financial Instruments* contains a new classification and measurement approach to financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The standard includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and Fair value through profit or loss (FVTPL). It eliminates the existing IAS 39 *Financial Instruments: Recognition and Measurement* categories of held to maturity, loans and receivables and available-for-sale.

IFRS 9 *Financial Instruments* largely retains the existing requirements in IAS 39 F*inancial Instruments: Recognition and Measurement* for the classification of financial liabilities.

However, although under IAS 39 *Financial Instruments: Recognition and Measurement* all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, under IFRS 9 *Financial Instruments*, these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI: and
- the remaining amount of change in the fair value is presented in profit or loss.

Accordingly, these financial instruments will be mandatorily measured at FVTPL under IFRS 9 *Financial Instruments*.

(b) Impairment of financial assets

IFRS 9 *Financial Instruments* replaces the 'incurred loss' model in IAS 39 *Financial Instruments: Recognition and Measurement* with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost of FVOCI, except for investments in equity instruments.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

IFRS 9 *Financial Instruments* (cont'd)

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

Under IFRS 9 *Financial Instruments*, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The following assessments have to be made by the Group and the Company on the basis of the facts and circumstances that exist at the date of the initial application:

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designation and revocation of the previous designations of certain financial assets and financial liabilities as measured at FVTPL.

The Group and the Company have applied the temporary exemption from IFRS 9 *Financial Instruments* and have not previously adopted any version of IFRS 9 *Financial Instruments.* Consequently, the Group and the Company continue to apply IAS 39 *Financial Instruments: Recognition and Measurement* rather than IFRS 9 *Financial Instruments* for annual periods beginning before 1 January 2023 (temporary exemption from IFRS 9).

The temporary exemption from IFRS 9 is available to the companies whose activities are predominantly connected with insurance. The Group and the Company are eligible for this exemption being the fact that the percentage of the total carrying amount of its liabilities connected with insurance (IFRS 4 *Insurance Contracts*) relative to the total carrying amount of all its liabilities is greater than 90%.

The Group and the Company have deferred the application of IFRS 9 until 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 Directors are currently performing a high-level assessment of the adoption and impact of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being available to the Group and the Company in the future. The adoption of IFRS 9 will significantly impact the Group and the Company. However, the Directors are in the process of assessing the combined impact along the adoption of IFRS 17.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

COVID-19-*Related Rent Concessions* (Amendments to IFRS 16 *Leases*)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before June 30, 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

The amendment is effective for annual period beginning on or after January 01, 2021, with earlier application permitted.

The Directors are still in the process of assessing the impact of this amendment on the consolidated and separate financial statements.

Annual Improvements to IFRS Standards 2018-2020

IFRS 1 *First-time Adoption of International Financial Reporting Standards*	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) *First-time Adoption of International Financial Reporting Standards* to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 *Financial Instruments*	The amendment clarifies that for the purpose of performing the ''10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
IFRS 16 *Leases*	The amendment removes the illustration of payments from the lessor relating to leasehold improvements.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

Annual Improvements to IFRS Standards 2018-2020 (cont'd)

The Directors are currently assessing the impact of the above amendments on the consolidated and seperate financial statements.

The amendments are effective for annual reporting periods beginning on or after January 01, 2022, with earlier application permitted.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 Property, Plant and Equipment)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and

- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the consolidated and separate financial statements in which the Group and the Company first apply the amendments. The amendment is effective for annual period beginning on or after January 01, 2022, with earlier application permitted. The Directors are still in the process of assessing the impact of this amendment.

Reference to the Conceptual Framework (Amendments to IFRS 3 Business Combinations)

The amendment has:

- updated IFRS 3 *Business Combinations* so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;

- added to IFRS 3 *Business Combinations* a requirement that, for transactions and other events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *levies*, an acquirer applies IAS 37 *Provisions, Contingent Liabilities or Contingent Assets* or IFRIC 21 *Levies* (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

Reference to the Conceptual Framework (Amendments to IFRS 3 Business Combinations) (cont'd)

- added to IFRS 3 *Business Combinations* an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Directors have made an assessment and believe that the application of this standard will not have any significant impact on the consolidated and separate financial statements.

The amendment is effective for annual periods beginning on or after January 01, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

IFRS 17 *Insurance Contracts (and its related amendments)*

IFRS 17 *Insurance Contracts* (and its related amendments) supersedes IFRS 4 *Insurance Contracts* and aims to increase comparability and transparency about profitability. In contrast to the requirements in IFRS 4 *Insurance Contracts*, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 *Insurance Contracts* introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

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 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 Financial Instruments. 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. Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

IFRS 17 *Insurance Contracts (and its related amendments)* (cont'd)

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

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, re-measured every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profit of the contract which is recognised as revenue over the coverage period and is recognised in profit or loss over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement but are recognised directly on the statement of financial position.

IFRS 17 *Insurance Contracts* 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 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on or before the date it first applies IFRS 17 *Insurance Contracts.*

The Group and the Company have adopted IFRS 15 *Revenue from contracts with customers* from its effective date, January 01, 2018, excluding insurance related revenue which are outside the scope of IFRS 15. Refer to note 2.13 (iii) for more details.

Retrospective application is required. However, if a 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 and the Company plan to adopt the new standard on the required effective date.

The Group and the Company expect that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Group and the Company and is likely to have a significant impact on the surplus and Life Assurance Fund together with presentation and disclosure.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

IFRS 17 *Insurance Contracts (and its related amendments)* (cont'd)

Under existing IAS 1 *Presentation of Financial Statements* ("IAS 1") requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements)

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments are to be applied retrospectively from the effective date January 01, 2023, and might affect the Group's and Company's classification of some liabilities.

The Directors are still in the process of assessing the impact of this amendment on the consolidated and separate financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 *Business Combinations.* Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

The IASB has decided to defer the effective date for these amendments indefinitely. Adoption is still permitted.

When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired.

In response to this conflict and the resulting diversity in practice, on 11 September 2014, the IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 *Investments in Associates and Joint Ventures*).

The Directors are still in the process of assessing the impact of this amendment.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

Onerous contracts - Costs of fulfilling a contract (Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets)

The amendments specify which costs an entity includes in determining the costs of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting beginning on or after January 01, 2022, to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated.

The amendments are effective for annual reporting periods beginning on or after January 01, 2022, with earlier application permitted.

The Directors are still in the process of assessing the impact of this amendment on the consolidated and separate financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform (IBOR) (Phase II)

The amendments addressed issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are as follows:

- Modifications to financial instruments and lease liabilities which arise as a direct consequence of IBOR reform are accounted for by updating the effective interest rate;
- Hedge accounting is not discontinued solely because IBOR reform. Hedging relationships must be amended to reflect modifications, and amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirement; and
- Additional disclosure requirements have been included.

The Group and the Company plan to defer the application of IFRS 9 until 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 Directors are still in the process of assessing the impact of this amendment on the consolidated and separate financial statements.

2.2 Property and equipment

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property and equipment (cont'd)

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

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

Buildings	2%
Motor vehicles	20%
Office furniture, fittings and equipment	10%
Computer equipment	15% - 33%

Land is not depreciated.

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

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

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

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

2.3(i) Investment properties

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

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Impairment losses are recognised in the consolidated statements of profit or loss in the line item "Impairment of non-financial assets". No impairment losses have been identified in current year. Refer to note 2.5 for further details.

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

Buildings	2%

Land is not depreciated.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3(i) Investment properties (cont'd)

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

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

2.3(ii) Seized properties

Seized properties represent properties acquired through auction at the Master's Bar further to the default of clients by the Group. The properties are held by the Group until they are sold. Seized properties are recognised at cost which represents the price paid at the Master's Bar together with all related expenses incurred on the acquisition. Realised loss/gain on the disposal of seized properties is taken to the profit or loss. No depreciation is charged on seized properties since they have been classified as current assets but they are assessed for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statements of profit or loss in the line item "Impairment of non-financial assets". Refer to note 2.5 for further details.

2.4 Goodwill and intangible assets

Recognition and measurement:

(i) Goodwill

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity over the fair value of the net identifiable assets is recorded as goodwill. Goodwill on acquisition of subsidiaries is included under intangible assets (note 2.6) and goodwill on acquisition of associates is included in the carrying amount of the investments in associates (note 2.7). In the book of the Group, Goodwill is measured at cost less accumulated impairment.

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

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

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

Gain on bargain purchase represents the excess of net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed measured in terms of IFRS 3 *Business Combinations* over the sum of consideration transferred measured at the acquisition date fair value, the amount of NCI in the acquiree measured in accordance with IFRS 3 *Business Combinations* and in a business achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree. Gain on bargain purchase is recognised immediately in profit or loss. (Refer to note 2.7)

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Goodwill and intangible assets (cont'd)

Recognition and measurement (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, on a straight-line basis, over an estimated useful lives of 3 years. The carrying amounts of the computer software are reviewed annually and adjusted for impairment where considered necessary.

(iii) 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. It is recorded in intangible asset and being amortised, on a straight-line basis, over a period of 15 years.

(iv) Customer portfolio

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

For intangible assets that have a finite life and are subject to amortisation; the amortisation method, useful lives, and residual values are reviewed at each reporting period and adjusted if appropriate.

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

Amortisation of intangible assets

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Goodwill and intangible assets (cont'd)

Impairment

(I) Goodwill:

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

(II) Intangible assets:

Intangible assets comprises of computer software, VOBA, customer list, and other intangibles. Such assets, which are subject to amortisation, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

2.5 Impairment of non-financial assets

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of non-financial assets (cont'd)

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

2.6 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 separate financial statements. Impairment is normally recognised in profit or loss in the line item "Impairment of non-financial assets".

Consolidated financial statements

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

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

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

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 *Business Combinations* 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.

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT 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 (a) Investment 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. Post-acquisition changes include share of profit or loss, share of other comprehensive income, and distributions.

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 (a) Investment in associates (cont'd)

Consolidated financial statements

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

Unrealised profits and losses are eliminated to the extent of the Group's 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.

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

2.7 (b) Investment in joint ventures

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

2.8 Investment in structured entities

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets

The Group and the Company classify non-derivative financial assets into the following categories:

- Available for sale financial assets;
- Held-to-maturity financial assets; and
- Loans and receivables.

The Group and the Company classify non-derivative financial liabilities into the other financial liabilities category.

(a) Non-derivative financial assets and financial liabilities - recognition and derecognition

The Group and the Company initially recognise loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group and the Company is recognised as a separate asset or liability. The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

(b) Non-derivative financial assets - measurement

Held to Maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. These include treasury bills.

Held-to-maturity financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. If an entity sells a held-to-maturity investment other than in insignificant amounts or as a consequence of a non-recurring, isolated event beyond its control that could not be reasonably anticipated, all of its other held-to-maturity financial assets must be reclassified as available-for-sale.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (cont'd)

(b) Non-derivative financial assets - measurement (cont'd)

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial asset, or where appropriate, a shorter period.

Available-for-sale financial assets

These assets are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value and changes therein, other than impairment losses, interest income, and foreign currency differences on available for sale instruments are recognised in OCI and accumulated in the fair value reserves. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(c) Non-derivative financial liabilities - recognition and measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities

Other financial liabilities comprise trade and other payables, lease liabilities and dividend payable are recognised initially on the trade date, which is the date that the Group and the Company become a party to the contractual provisions of the instrument.

(d) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition. When calculating the effective interest rate, the Group and the Company estimate the future cash flows considering all contractual terms of the financial instruments but not the future credit losses.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (cont'd)

(e) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company have access at that date. The fair value of a liability reflects its non-performance risk. When available, the Group and the Company measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group and the Company use valuation techniques that maximize the use of relevant observable input and minimize the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group and the Company recognise transfer between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. The fair value of the financial instruments that are not traded in active markets is determined by using valuation techniques. The Group and the Company have used their judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date.

(f) Identification and measurement of impairment

At each reporting date, the Group and the Company assess whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after initial recognition of the asset and that the loss event has an impact on future cash flows of the asset that can be estimated reliably. This impairment policy also applies to insurance assets.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group and the Company on terms that the Group and the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (cont'd)

(f) Identification and measurement of impairment (cont'd)

Financial assets at amortised cost

Financial assets at amortised cost include loans and receivables, held to maturity financial assets, trade and other receivables, short term deposits and cash and cash equivalents. The Group and the Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group and the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group and the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Available-for-sale investment

Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.

(g) Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRSs, for example, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments classified as available-for-sale financial assets.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial assets (cont'd)

(h) Specific instruments

Cash and cash equivalents

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

2.10 Current and deferred income tax

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

Current tax

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

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

Deferred tax

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

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

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Current and deferred income tax (cont'd)

Deferred tax (cont'd)

Deferred tax is not recognised for:

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

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

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

Corporate Social Responsibility (CSR)

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

2.11 Life Assurance Fund

The Life Assurance Fund (LAF) represents the net assets of Swan Life Ltd, a subsidary, attributable to its policy holders and shareholders. 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.

Additional disclosures surrounding insurance contracts are disclosed note 2.15.

The Life Assurance Fund consists of the actuarial reserves and the Bonus Stabilisation Reserve (BSR).

Actuarial reserves

The actuarial reserves are calculated, in line with the Insurance Act 2005, using the gross premium valuation method. The gross premium valuation is a realistic best estimate valuation based on a projection of future premiums, investment returns, expenses, claims and tax. It allows explicitly for future bonuses to be added in respect of future claims and as such provides a level of reserves that should be self-supporting. This means that if future experience (including investment returns, expenses and claims) turns out to be in line with the valuation assumptions it will be possible to maintain the projected level of bonuses.

The adequacy of the life insurance liabilities are assessed by using a liability adequacy test as detailed in note 2.15(i).

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Life Assurance Fund (cont'd)

Actuarial reserves (cont'd)

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 underlying measurement of the actuarial liability depends directly on the unrealised gains or losses on available for sale investments, which are recognised in other comprehensive income. The adjustment to the Life Assurance Fund is recognised in other comprehensive income to the extent that the unrealised gains or losses backing life insurance contract liabilities are also recognised directly in other comprehensive income.

The movement in retirement benefit obligations is disclosed in other comprehensive income due to the fact that Swan Life Ltd does not has a segregated pool of assets for its employee-defined benefit plan.

For conventional endowment assurances, level, and decreasing term assurances and group credit insurance the gross premium liability is calculated by projecting all expected future cash flows on each policy and discounting them at an appropriate interest rate ("the gross premium valuation method"). All reserves are set to a minimum of zero i.e. no negative reserve is allowed at a policy level.

The liability for the linked contracts on individual lives is taken to be the sum of the unit reserve and the non-unit reserve. The unit reserve is calculated to be the value of the units allocated as at the valuation date. The non-unit reserve is determined in the same way as the gross premium valuation i.e. it is based on a projection of future premiums, investment returns, expenses, claims and tax.

For other segregated funds, the liability is taken to be the face value of the fund and is calculated as the value of the units allocated as at the valuation date.

Deposit administration accounts have also been included at the face value of the account.

Bonus Stabilisation Reserve (BSR)

The BSR, in relation to a class of participating policies, represents the aggregate of the fair value of the underlying assets relating to that class of policies less the aggregate of policy accumulation fund within that class of policies.

At each reporting date, a valuation of the actuarial reserves is performed to determine the BSR or any deficit on the LAF. In the event of adverse financial or non-financial conditions, management may have recourse to management actions including but not limited to the reduction of annual bonus rate.

2.12 Technical provisions

The technical provisions of the Group and the Company comprise of the Life Assurance Fund (Refer to note 2.11), provision for unearned premiums (Refer to note 2.15(i)&(v)) and outstanding claims (Refer to 2.15 (ii)&(iv)).

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Revenue Recognition

(i) Revenue represents short-term and long-term premiums written.

Short-term insurance

Short term insurance premiums (gross of commission and exclude levies) written reflect business incepted during the year.

Long-term insurance

Gross written premiums on long-term insurance contracts are recognised as revenue (gross of commission and exclude levies) 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.

Following a change in the Private Pension Scheme Act effective from January 1, 2015, the portfolio of the Defined Contribution group schemes was transferred from Swan Life Ltd into a separate trust. Premiums from these schemes are received from the trust and are recognised when receivable.

Premiums on group schemes (Defined Benefits and Defined Contributions) are assessed for impairment when the schemes are referred to the governing body,the FSC, as prescribed by the 'The Private Pension Schemes (Administration) rules 2014'.

Consideration for annuities is recognised upon maturity of insurance contracts.

(ii) The Group and the Company have accounted 'fees and commission income' under IFRS 15 *'Revenue from Contracts with Customers'*. The other revenues earned by the Group and the Company as listed below are outside the scope of IFRS 15:

(i) Rental income - accrue on a straight-line basis over term of the lease.

(ii) Interest income - on a time-proportion basis using the effective interest method.

(iii) Dividend income - when the shareholder's right to receive payment is established.

(iii) The Group and the Company have accounted 'fees and commission income' under IFRS 15 *'Revenue from Contracts with Customers'*

Fee and commission income is based on the consideration specified in a contract with customer.

The Group and the Company recognise revenue when they transfer control over a service to a customer.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Revenue Recognition (cont'd)

The five steps in the model are as follows:

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

Disaggregation of revenue, performance obligations and significant judgments applied under IFRS 15 *Revenue from Contracts with Customers:*

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

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

2.14 Reinsurance Contracts

Contracts entered into by the Group and the Company with Reinsurers under which they are indemnified for losses are classified as reinsurance contracts held. Insurance contracts entered into and under which the contract holder is another insurer (inwards facultative reinsurance) are included with insurance contracts. The indemnity to which the Group and the Company are entitled under their reinsurance contracts held is recognised as reinsurance assets. These assets consist of short-term balances due from both insurers and reinsurers (classified within trade and other receivables) as well as long-term receivables that are dependent on the expected claims and indemnity arising under the related reinsured insurance contracts.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Reinsurance Contracts (cont'd)

Short-term insurance

Reinsurance covers of the Group and the Company are of two types: proportional and non-proportional. In the case of a proportional treaty, the premiums and claims are divided in agreed proportions between the Group and the Company and the Reinsurer. Proportional reinsurance is of two forms: quota share (which states the proportion of each risk to be reinsured) or surplus (which allows the Group and the Company more flexibility to retain, within specified limits a part of the risk). Under excess-of-loss treaty, which is the non-proportional form of reinsurance used by the Group and the Company, in consideration for a premium, the reinsurer undertakes to pay all claims in excess of a specified amount (retention), usually up to a maximum amount. The Group and the Company use two methods of reinsurance: facultative and treaty. With the facultative method, each risk to be reinsured is offered to the reinsurer which accepts or rejects it individually. Under the treaty method, all risks written by the Group and the Company that falls within the terms and limits of the treaty will be reinsured by the Reinsurer automatically.

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

Excess-of-loss reinsurance assets are assessed for impairment on a regular basis. If there is objective evidence that the assets are impaired, the carrying amount of the reinsurance assets is reduced to its recoverable amount, and impairment is recognised in the profit or loss. By virtue of their nature, risks of impairment for treaty reinsurance assets are remote.

Long-term insurance

Contracts entered into by the Group with Reinsurers under which it is compensated for losses are classified as reinsurance contracts held. The benefits to which the Group 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 Group'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 consolidated and separate statements of profit or loss. A reinsurance asset is impaired if:

a) there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset that the cedant may not receive all amounts due to it under the terms of the contract; and

b) that event has a reliably reasonable impact on the amounts that the cedant will receive from the reinsurer.

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.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Insurance contracts

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 expire. Contracts that do not transfer significant insurance risk are investment contracts. The Group and the Company consider that all its short-term contracts are insurance products. The Group considers that its long-term products are insurance contracts.

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

The Group transacts in both short-term and long-term insurance contracts.

Short-term insurance contracts cover the following classes of business: risks of fire and allied perils, motor, health, engineering, marine, public liability, personal accident and miscellaneous. These contracts compensate the contract holders for damage or suffered goods, property and equipment lost or damaged, losses and expenses incurred, sickness and loss of earnings resulting from the occurrence of the insured events.

Long-term insurance contracts insures events associated with human life (for example death or survival) over a long duration.

Short-term insurance

(i) Unearned premiums

Unearned premiums are those proportions of the premiums written in a year that relate to periods of risk after the end of the reporting period which are consistent with the incident of risk assumed over the coverage period of the related policies. Unearned premiums are computed on a daily pro-rata basis (365th method) except for marine business which are computed using the 1/8th method.

The change in this provision is taken to the consolidated and separate statements of profit or loss.

(ii) Claims expenses and Outstanding claims provisions

Claim expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties.

Outstanding claims provisions are made up of:

(a) provisions for claims incurred but not reported (IBNR) and

(b) the net estimated costs of claims admitted or intimated but not yet settled at the end of reporting period.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Insurance contracts (cont'd)

Short-term insurance (cont'd)

(ii) Claims expenses and Outstanding claims provisions (cont'd)

Some delays may occasionally be experienced in the notification and settlement of certain types of claims, particularly in respect of liability business, the ultimate cost of which cannot be known with certainty at the end of the reporting period. The Group and the Company do not discount its liabilities for unpaid claims. Any estimate represents a determination within a range of possible outcomes. Outstanding claims provisions are valued excluding allowances for expected future recoveries. Recoveries are accounted for, on an accrual basis based on experts' estimates and include non-insurance assets that have been acquired by exercising the rights to sell (usually damaged) motor vehicles to settle a claim (salvage)/obtain a refund from third parties for some or all costs (subrogation) under the terms of the insurance contracts. Salvage of motor vehicles is accounted for on an accrual basis.

(iii) Liability adequacy test

At each end of reporting period, the Group and the Company review their contract liabilities and carry out a liability adequacy test for any overall excess of expected claims using best estimate assumptions of future contractual cash flows after taking account of the investment return expected on assets relating to the relevant short-term business provisions. Any deficiency is immediately recognised to the statement of profit or loss by establishing a provision for losses arising from liability adequacy test (the unexpired risk provision).

Long-term insurance

Long-term 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 considers that all its long-term products are insurance contracts.

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

Long-term insurance contracts issued by the Group are classified into the following main categories:

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

This type of contracts 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 long-term insurer. The bonus is derived from the DPF eligible surplus available arising mainly from upon revaluation of backing assets.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Insurance contracts (cont'd)

Long-term insurance (cont'd)

(i) Long-term insurance contracts without fixed terms and with discretionary participating feature (DPF) (cont'd)

The Group 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.

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 consolidated and separate statements of 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 best estimate assumptions at each reporting date. The assumptions do not include a margin for adverse deviation. The Group's independent Actuaries review contract liabilities and carry out the liability adequacy test.

(ii) Long-term insurance contracts with fixed-guaranteed terms

These contracts insure human life events (for example death or survival) over a long duration.

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 Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Insurance contracts (cont'd)

Long-term insurance (cont'd)

(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 Group 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

(iv) Insurance benefits and claims

a) Insurance benefits and claims incurred under insurance contracts include death and disablement insurance, maturity, surrender and annuities 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.

b) Outstanding claims provisions are made up of the costs of claims admitted or intimated but not yet settled at the end of reporting period.

Some delays may occasionally be experienced in the notification and settlement of certain types of claims, particularly in respect of death and disablement claims.

(v) Provision for unearned premiums

The provision for unearned premiums represents the proportion of gross premiums relating to periods of insurance risks subsequent to the end of the reporting period calculated on a daily pro-rata basis (365th method). The provision for unearned premiums represents that portion of defined benefit premiums received or receivable that relates to risks that have not yet expired at the reporting date.

The change in this provision is taken to the consolidated statement of profit or loss and other comprehensive income in the line item 'Change in gross unearned premiums'.

2.16 Equity holder's share of surplus

For Swan Life Ltd, a subsidiary, the shareholders transfers is made up of shareholders share of bonus declarations from the with-profit book, profits arising on the non-profit book profits, a release of previously held back profits arising on the non-profit book, interest allocated and dividends from Swan Pensions Ltd and Swan Financial Solutions Ltd.

2.17 Retirement benefit obligations

(i) Defined Benefit Plan

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

(ii) Defined Contribution Plan

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

The Group and the Company contribute to a multi-employer defined contribution retirement plan, with Swan Defined Contribution Pension Scheme (SDCPS), for all its qualifying employees (new entrants and their dependents). Payments to deferred contribution retirement plans are charged as an expense, in the profit or loss within the line item ''Marketing and administrative expenses'', as they fall due.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Retirement benefit obligations (cont'd)

(iii) Termination benefits

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

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

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

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

(a) when the employee accepts the offer; and

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

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

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

(iv) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the 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 using the projected unit credit method (refer to 2.17 (i)) and provided for similarly to the defined benefit plan of the Group and the Company. The obligations arising under this item are not funded. Refer to note 21 for further details.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Foreign currencies

(i) Functional and presentation currency

The consolidated and separate financial statements are presented in Mauritian rupees, which is the presentation currency. The Company's functional currency is the Mauritian rupees.

(ii) Transactions and balances

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

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

(iii) Translation of foreign entities

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

(a) assets and liabilities are translated at the end of the reporting period rate;
(b) 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
(c) the resulting exchange differences are recognised in the "Other reserves", as a separate component of equity.

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

2.19.1 Leases- as lessee

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

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

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;

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19.1 Leases- as lessee (cont'd)

Identifying Leases (cont'd)

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

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

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

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

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's and the Company's incremental borrowing rate on commencement of the lease is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

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

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19.1 Leases- as lessee (cont'd)

Identifying Leases (cont'd)

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

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

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

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

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19.2 Leases - as Lessor

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

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

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

2.20 Provisions

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

2.21 Dividend payable

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

2.22 Share Capital

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

2.23 Commissions payable

Commissions are mainly paid to agents and brokers and are accounted under accrual basis.

2.24 Marketing and administrative expenses

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

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

3.1 Insurance risk

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

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

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

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

(a) Insurance contracts

(i) Frequency and severity of claims

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

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

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

(ii) Concentration of insurance risk

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(ii) Concentration of insurance risk (cont'd)
Short-term insurance

THE GROUP

	Outstanding claims					
	2020			2019		
Class of Business	No of Claims	Gross	Net	No of Claims	Gross	Net
		Rs'000	Rs'000		Rs'000	Rs'000
Fire & Allied Perils	358	93,927	22,154	428	67,316	14,452
Motor	3,694	247,787	227,902	4,086	228,174	215,721
Health	8,462	213,585	201,393	4,776	142,391	74,324
Others	903	171,646	78,355	1,629	177,394	86,914
	13,417	726,945	529,804	10,919	615,275	391,411
IBNR		117,402	48,238		109,048	64,531
		844,347	578,042		724,323	455,942

THE COMPANY

	Outstanding claims					
	2020			2019		
Class of Business	No of Claims	Gross	Net	No of Claims	Gross	Net
		Rs'000	Rs'000		Rs'000	Rs'000
Fire & Allied Perils	353	91,965	20,192	418	66,683	13,819
Motor	3,694	247,787	227,902	4,086	202,303	189,850
Health	8,462	213,585	201,393	3,990	142,391	74,324
Others	740	165,236	71,944	1,330	147,527	66,800
	13,249	718,573	521,431	9,824	558,904	344,793
IBNR		100,219	45,370		95,803	62,570
		818,792	566,801		654,707	407,363

Long-term insurance contracts

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.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

Long-term insurance contracts (cont'd)

Concentration, frequency and severity of claims (cont'd)

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

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

Concentration of insurance risk

Long-term insurance

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

Benefits assured per life assured at end of:

	The Group – Total benefits insured			
	2020		2019	
	Before reinsurance			
	Rs'000	%	Rs'000	%
Rs'000				
0-1000	**32,023,949**	**28%**	34,768,258	32%
1000-2000	**14,637,135**	**13%**	15,269,650	14%
>2000	**67,241,147**	**59%**	59,361,006	54%
	113,902,231	**100%**	109,398,914	100%

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

Concentration of insurance risk (cont'd)

Long term insurance contracts (cont'd)

Annuities payable per annum per life insured

	THE GROUP			
	2020		2019	
	Rs'000	%	Rs'000	%
Rs'000				
0 -10	**6,237**	**1%**	6,577	1%
10 - 20	**20,287**	**3%**	20,618	3%
20 - 30	**24,509**	**4%**	25,495	4%
30 - 50	**47,011**	**7%**	48,400	7%
50 - 100	**93,146**	**15%**	97,623	15%
100+	**443,803**	**70%**	465,446	70%
	634,993	**100%**	664,159	100%

The table below shows the estimated impact of reinsurance on the Gross Premium Reserve.

	THE GROUP – Gross Premium Reserve	
	2020	2019
	Rs'000	Rs'000
Total Gross Liability	**40,274,435**	36,166,683
Reinsurance	**59,867**	60,717
Total Net Liability	**40,334,302**	36,227,400

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(iii) Sources of uncertainty in the estimation of future claim payments - Short-term insurance

Claims are payable on a claims-occurrence basis. The Group and the Company are liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury by employees (for employer liability covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(iii) Sources of uncertainty in the estimation of future claim payments - Short term insurance (cont'd)

	THE GROUP				
	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
Average claim cost					
2020	**5%**	**42,217**	**13,315**	**(28,902)**	**(24,567)**
2019	5%	36,216	13,419	(22,797)	(19,378)

	THE COMPANY				
	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
Average claim cost					
2020	**5%**	**40,940**	**12,600**	**(28,340)**	**(24,089)**
2019	5%	32,735	12,367	(20,368)	(17,313)

Sources of uncertainty in the estimation of future payments and premium receipts - Long term insurance

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(iv) Claims development table

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

THE GROUP

GROSS	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Estimate of ultimate claim costs:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At end of claim year	130,915	189,496	303,730	250,919	309,417	383,428	538,236	410,663	320,703	454,877	**3,292,384**
- one year later	70,878	59,655	84,299	55,896	87,150	53,679	180,823	151,666	69,804	-	**813,850**
- two years later	43,666	34,530	31,735	28,235	55,280	24,166	30,200	48,022	-	-	**295,834**
- three years later	29,723	17,158	20,795	24,217	29,191	18,670	15,235	-	-	-	**154,989**
- four years later	24,417	11,605	19,703	20,741	26,469	15,942	-	-	-	-	**118,877**
- five years later	10,358	11,644	1,072	15,438	24,960	-	-	-	-	-	**63,472**
- six years later	11,315	1,414	2,394	14,643	-	-	-	-	-	-	**29,766**
- seven years later	2,336	1,171	10,153	-	-	-	-	-	-	-	**13,660**
- eight years later	3,733	7,613	-	-	-	-	-	-	-	-	**11,346**
- nine years later	3,666	-	-	-	-	-	-	-	-	-	**3,666**
Current estimate of cumulative claims	616,130	621,139	1,042,410	926,771	1,070,289	1,297,446	1,533,125	1,771,932	1,544,654	1,671,737	**12,095,633**
Less Cumulative payments to date	612,464	613,526	1,032,257	912,128	1,045,329	1,281,504	1,517,890	1,723,910	1,474,850	1,216,860	**11,430,718**
Liability recognised in the statements of financial position	3,666	7,613	10,153	14,643	24,960	15,942	15,235	48,022	69,804	454,877	**664,915**
Liability in respect of prior years											**413,635**
											1,078,550
IBNR											**117,402**
Gross liability at year end											**1,195,952**

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(iv) Claims development table (cont'd)

THE GROUP (cont'd)

NET	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Estimate of ultimate claim costs:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At end of claim year	59,647	80,794	115,553	108,798	166,163	178,385	195,610	219,041	215,653	360,161	**1,699,805**
- one year later	24,362	31,269	35,473	29,087	48,184	39,527	29,745	37,388	50,432	-	**325,467**
- two years later	23,212	17,498	20,914	20,155	31,328	18,856	17,115	18,913	-	-	**167,991**
- three years later	17,337	9,624	14,617	19,323	23,582	15,886	12,017	-	-	-	**112,386**
- four years later	14,072	9,864	13,801	16,139	22,245	14,200	-	-	-	-	**90,321**
- five years later	10,063	10,083	11,634	13,414	22,350	-	-	-	-	-	**67,544**
- six years later	11,077	6,644	7,084	12,990	-	-	-	-	-	-	**37,795**
- seven years later	7,106	5,426	6,544	-	-	-	-	-	-	-	**19,076**
- eight years later	3,066	5,299	-	-	-	-	-	-	-	-	**8,365**
- nine years later	3,428	-	-	-	-	-	-	-	-	-	**3,428**
Current estimate of cumulative claims	266,336	311,621	465,912	480,319	616,073	860,218	978,365	1,036,475	1,098,545	1,531,460	**7,645,324**
Less Cumulative payments to date	262,908	306,322	459,368	467,329	593,723	846,018	966,348	1,017,562	1,048,113	1,170,999	**7,138,690**
Liability recognised in the statements of financial position	3,428	5,299	6,544	12,990	22,350	14,200	12,017	18,913	50,432	360,461	**506,634**
Liability in respect of prior years											**351,697**
											858,331
IBNR											**48,238**
Net liability at year end											**906,569**

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(iv) Claims development table (cont'd)

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

THE COMPANY

GROSS	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Estimate of ultimate claim costs:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At end of claim year	130,915	189,496	303,730	250,919	309,417	383,428	538,236	410,663	320,703	454,877	**3,292,384**
- one year later	70,878	59,655	84,299	55,896	87,150	53,679	180,823	151,666	69,804	-	**813,850**
- two years later	43,666	34,530	31,735	28,235	55,280	24,166	30,200	48,022	-	-	**295,834**
- three years later	29,723	17,158	20,795	24,217	29,191	18,670	15,235	-	-	-	**154,989**
- four years later	24,417	11,605	19,703	20,741	26,469	15,942	-	-	-	-	**118,877**
- five years later	10,358	11,644	1,072	15,438	24,960	-	-	-	-	-	**63,472**
- six years later	11,315	1,414	2,394	14,643	-	-	-	-	-	-	**29,766**
- seven years later	2,336	1,171	10,153	-	-	-	-	-	-	-	**13,660**
- eight years later	3,733	7,613	-	-	-	-	-	-	-	-	**11,346**
- nine years later	3,666	-	-	-	-	-	-	-	-	-	**3,666**
Current estimate of cumulative claims	616,130	621,139	1,042,410	926,771	1,070,289	1,297,446	1,533,125	1,771,932	1,544,654	1,671,737	**12,095,633**
Less Cumulative payments to date	612,464	613,526	1,032,257	912,128	1,045,329	1,281,504	1,517,890	1,723,910	1,474,850	1,216,860	**11,430,718**
Liability recognised in the statements of financial position	3,666	7,613	10,153	14,643	24,960	15,942	15,235	48,022	69,804	454,877	**664,915**
Liability in respect of prior years											**53,658**
											718,573
IBNR											**100,219**
Gross liability at year end (notes 24/32(a))											**818,792**

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(iv) Claims development table (cont'd)

THE COMPANY (cont'd)

NET	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Estimate of ultimate claim costs:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At end of claim year	59,647	80,794	115,553	108,798	166,163	178,385	195,610	219,041	215,653	360,161	**1,699,805**
- one year later	24,362	31,269	35,473	29,087	48,184	39,527	29,745	37,388	50,432	-	**325,467**
- two years later	23,212	17,498	20,914	20,155	31,328	18,856	17,115	18,913	-	-	**167,991**
- three years later	17,337	9,624	14,617	19,323	23,582	15,886	12,017	-	-	-	**112,386**
- four years later	14,072	9,864	13,801	16,139	22,245	14,200	-	-	-	-	**90,321**
- five years later	10,063	10,083	11,634	13,414	22,350	-	-	-	-	-	**67,544**
- six years later	11,077	6,644	7,084	12,990	-	-	-	-	-	-	**37,795**
- seven years later	7,106	5,426	6,544	-	-	-	-	-	-	-	**19,076**
- eight years later	3,066	5,299	-	-	-	-	-	-	-	-	**8,365**
- nine years later	3,428	-	-	-	-	-	-	-	-	-	**3,428**
Current estimate of cumulative claims	266,336	311,621	465,912	480,319	616,073	860,218	978,365	1,036,475	1,098,545	1,531,460	**7,645,324**
Less Cumulative payments to date	262,908	306,322	459,368	467,329	593,723	846,018	966,348	1,017,562	1,048,113	1,170,999	**7,138,690**
Liability recognised in the statements of financial position	3,428	5,299	6,544	12,990	22,350	14,200	12,017	18,913	50,432	360,461	**506,634**
Liability in respect of prior years											**14,797**
											521,431
IBNR											**45,370**
Net liability at year end (notes 24/32(a))											**566,801**

(v) The Company has in place adequate reinsurance set up to cover for losses on these contracts.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk

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

The most important components of this financial risk are:

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

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

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

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

3.2 Market risk

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

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

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

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

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

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

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

THE GROUP		Equivalent in Rs'000			
At December 31, 2020	**Rs'000**	**USD**	**Euro**	**Others***	**Total**
Financial and insurance assets					
- Investment in financial assets:					
· Held-to-Maturity	12,716,365	1,753,584	-	-	14,469,949
· Available-for-sale	11,350,405	12,934,602	707,069	102,162	25,094,238
- Loans and receivables	6,733,394	-	-	-	6,733,394
- Non current receivables	7,594	-	-	-	7,594
- Trade and other receivables	2,630,082	143,172	51,715	59,971	2,884,940
- Bank balances, deposits and cash	2,534,532	917,344	50,461	50,466	3,552,803
	35,972,372	15,748,702	809,245	212,599	52,742,918
Less allowances for credit impairment					(211,305)
Total					52,531,613
Financial and Insurance liabilities					
- Technical Provisions:					
· Life assurance fund	45,084,339	-	-	-	45,084,339
· Outstanding claims and IBNR	1,161,864	200	45	33,843	1,195,952
- Lease liabilities	18,941	1,362	-	-	20,303
- Non current payables	161,067	-	-	-	161,067
- Dividend payable	119,171	-	-	-	119,171
- Trade and other payables	1,042,653	26,037	28,957	26,943	1,124,590
	47,588,035	27,599	29,002	60,786	47,705,422

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

THE GROUP (cont'd)

		Equivalent in Rs'000			
At December 31, 2019	Rs'000	USD	Euro	Others*	Total Restated
Financial and insurance assets					
- Investment in financial assets:					
- Held-to-Maturity	13,896,095	452,758	-	5,332	14,354,185
- Available-for-sale	14,137,325	11,264,994	912,753	79,980	26,395,052
- Loans and receivables	4,648,046	-	-	-	4,648,046
- Non-current receivables	5,444	-	-	-	5,444
- Trade and other receivables	3,229,574	167,055	51,589	63,933	3,512,151
- Bank balances, deposits and cash	2,420,700	1,182,993	38,835	50,835	3,693,363
	38,337,184	13,067,800	1,003,177	200,080	52,608,241
Less allowances for credit impairment					(172,414)
Total					52,435,827
Financial and Insurance liabilities					
- Technical Provisions:					
- Life Assurance Fund	45,166,453	-	-	-	45,166,453
- Outstanding claims and IBNR	935,888	145	-	49,386	985,419
- Lease liabilities	24,341	-	-	1,656	25,997
- Non-current payables	161,901	-	-	-	161,901
- Dividend payable	119,171	-	-	-	119,171
- Trade and other payables	1,522,835	35,030	101,736	27,255	1,686,856
	47,930,589	35,175	101,736	78,297	48,145,797

THE COMPANY

		Equivalent in Rs'000			
At December 31, 2020	**Rs'000**	**USD**	**Euro**	**Others**	**Total**
Financial and insurance assets					
- Investment in financial assets:					
- Held-to-Maturity	**221,756**	-	-	-	**221,756**
- Available-for-sale	**335,878**	**1,400,921**	-	-	**1,736,799**
- Loans and receivables	**92,227**	-	-	-	**92,227**
- Non-current receivables	-	-	-	-	-
- Trade and other receivables	**2,019,372**	**62,751**	**12,760**	**499**	**2,095,382**
- Bank balances, deposits and cash	**177,788**	**430,076**	**12,924**	**940**	**621,728**
	2,847,021	**1,893,748**	**25,684**	**1,439**	**4,767,892**
Less allowances for credit impairment					**(74,460)**
Total					**4,693,432**

*Others consist of the ZAR, SCR and GBP

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

THE COMPANY

		Equivalent in Rs'000			
At December 31, 2020	**Rs'000**	**USD**	**Euro**	**Others***	**Total**
Financial and Insurance liabilities					
- Technical Provisions:					
- Outstanding claims and IBNR	**818,792**	-	-	-	**818,792**
- Lease liabilities	**10,721**	-	-	-	**10,721**
- Non-current payables	**107,646**	-	-	-	**107,646**
- Dividend payable	**119,171**	-	-	-	**119,171**
- Trade and other payables	**398,893**	**10,488**	**8,491**	**12**	**417,884**
	1,455,223	**10,488**	**8,491**	**12**	**1,474,214**

THE COMPANY

		Equivalent in Rs'000			
At December 31, 2019	Rs'000	USD	Euro	Others*	Total Restated
Financial and insurance assets					
- Investment in financial assets:					
- Held-to-Maturity	246,980	-	-	-	246,980
- Available-for-sale	634,070	774,370	58,784	285	1,467,509
- Loans and receivables	101,813	-	-	-	101,813
- Non-current receivables	47,036	-	-	-	47,036
- Trade and other receivables	2,657,363	50,455	3,424	920	2,712,162
- Bank balances, deposits and cash	322,884	142,962	9,605	112	475,563
	4,010,146	967,787	71,813	1,317	5,051,063
Less allowances for credit impairment					(71,550)
Total					4,979,513
Financial and Insurance liabilities					
- Technical Provisions:					
- Outstanding claims and IBNR	654,707	-	-	-	654,707
- Borrowings	179,728	-	-	-	179,728
- Lease liabilities	13,493	-	-	-	13,493
- Non-current payables	108,234	-	-	-	108,234
- Dividend payable	119,171	-	-	-	119,171
- Trade and other payables	578,161	12,452	74,429	768	665,810
	1,653,494	12,452	74,429	768	1,741,143

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity

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

THE GROUP	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on profit:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2020				
- Investment in financial assets	**734,409**	**(734,409)**	**35,353**	**(35,353)**
- Bank balances, deposits and cash	**45,867**	**(45,867)**	**2,523**	**(2,523)**
- Trade and other receivables	**7,159**	**(7,159)**	**2,586**	**(2,586)**
- Trade and other payables	**(1,302)**	**1,302**	**(1,448)**	**1,448**
- Outstanding claims and IBNR	**(10)**	**10**	**(2)**	**2**
At December 31, 2019				
- Investment in financial assets	585,888	(585,888)	45,638	(45,638)
- Bank balances, deposits and cash	59,150	(59,150)	1,942	(1,942)
- Trade and other receivables	8,353	(8,353)	2,579	(2,579)
- Trade and other payables	(1,752)	1,752	(5,087)	5,087
- Outstanding claims and IBNR	(7)	7	-	-

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE GROUP	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on equity:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2020				
- Investment in financial assets	**734,409**	**(734,409)**	**35,353**	**(35,353)**
- Bank balances, deposits and cash	**45,867**	**(45,867)**	**2,523**	**(2,523)**
- Trade and other receivables	**7,159**	**(7,159)**	**2,586**	**(2,586)**
- Trade and other payables	**(1,302)**	**1,302**	**(1,448)**	**1,448**
- Outstanding claims and IBNR	**(10)**	**10**	**(2)**	**2**
At December 31, 2019				
- Investment in financial assets	585,888	(585,888)	45,638	(45,638)
- Bank balances, deposits and cash	59,150	(59,150)	1,942	(1,942)
- Trade and other receivables	8,353	(8,353)	2,579	(2,579)
- Trade and other payables	(1,752)	1,752	(5,087)	5,087
- Outstanding claims and IBNR	(7)	7	-	-

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE COMPANY	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on profit:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2020				
- Investment in financial assets	**70,046**	**(70,046)**	**-**	**-**
- Bank balances, deposits and cash	**21,504**	**(21,504)**	**646**	**(646)**
- Trade and other receivables	**3,138**	**(3,138)**	**638**	**(638)**
- Trade and other payables	**(524)**	**524**	**(425)**	**425**
At December 31, 2019				
- Investment in financial assets	38,719	(38,719)	2,939	(2,939)
- Bank balances, deposits and cash	7,148	(7,148)	480	(480)
- Trade and other receivables	2,523	(2,523)	171	(171)
- Trade and other payables	(623)	623	(3,721)	3,721

THE COMPANY	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on equity:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2020				
- Investment in financial assets	**70,046**	**(70,046)**	**-**	**-**
- Bank balances, deposits and cash	**21,504**	**(21,504)**	**646**	**(646)**
- Trade and other receivables	**3,138**	**(3,138)**	**638**	**(638)**
- Trade and other payables	**(524)**	**524**	**(425)**	**425**
At December 31, 2019				
- Investment in financial assets	38,719	(38,719)	2,939	(2,939)
- Bank balances, deposits and cash	7,148	(7,148)	480	(480)
- Trade and other receivables	2,523	(2,523)	171	(171)
- Trade and other payables	(623)	623	(3,721)	3,721

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk

Interest rate risk arises from the Group's and Company's investments in long-term debt securities and Held-to-Maturity investments (excluding fixed income securities), cash and cash equivalents, short-term deposits, and borrowings which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short-term business is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustained low-interest rates is also regularly monitored. The interest rates on finance leases are fixed and not material and have not been disclosed in the below table.

Short-term insurance liabilities are not directly sensitive to the level of market interest rates as they are undiscounted and contractually non-interest bearing. However, due to the time value of money and the impact of interest rates on the level of bodily injury-related claims incurred by certain insurance contract holders, a reduction for interest rates would normally produce a higher insurance liability. The Group and the Company review their estimation in respect of these claims on a regular basis and ensures that adequate cash flow is available at all times.

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 subsidiary, Swan Life Ltd matches all the assets on which the unit prices are based with assets in the portfolio.

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.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest Rate risk (cont'd)

Sensitivity

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit and equity.

THE GROUP	Impact on profit/ (loss) :		Impact on equity:	
	+1%	-1%	+1%	-1%
At December 31, 2020	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Financial assets:				
- Held-to-maturity investments	**20,353**	**(20,353)**	**20,353**	**(20,353)**
- Loans and receivables	**35,378**	**(35,378)**	**35,378**	**(35,378)**
- Short-term deposits	**8,112**	**(8,112)**	**8,112**	**(8,112)**
- Cash and cash equivalents	**1,293**	**(1,293)**	**1,293**	**(1,293)**
Financial liabilities:				
- Borrowings	**(19)**	**19**	**(19)**	**19**
At December 31, 2019	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Financial assets:				
- Held-to-maturity investments	29,024	(29,024)	29,024	(29,024)
- Loans and receivables	35,368	(35,368)	35,368	(35,368)
- Short-term deposits	2,451	(2,451)	2,451	(2,451)
- Cash and cash equivalents	840	(840)	840	(840)
Financial liabilities:				
- Borrowings	(42)	42	(42)	42

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest Rate risk (cont'd)

THE COMPANY	Impact on profit/ (loss):		Impact on equity:	
	+1%	-1%	+1%	-1%
At December 31, 2020	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Financial assets:				
- Held-to-maturity investments	**6**	**(6)**	**6**	**(6)**
- Loans and receivables	**48**	**(48)**	**48**	**(48)**
- Short term deposits	**4**	**(4)**	**4**	**(4)**
- Cash and cash equivalents	**-**	**-**	**-**	**-**
Financial liabilities:				
- Borrowings	**(19)**	**19**	**(19)**	**19**
- Lease liabilities	**-**	**-**	**-**	**-**
At December 31, 2019	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets:				
- Held-to-maturity investments	14	(14)	14	(14)
- Loans and receivables	59	(59)	59	(59)
- Short term deposits	6	(6)	6	(6)
- Cash and cash equivalents	-	-	-	-
Financial liabilities:				
- Borrowings	(42)	42	(42)	42
- Lease liabilities	-	-	-	-

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(iii) Equity price risk

The Group and the Company are subject to price risk due to daily changes in the market values of their equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risks, catastrophes risks, and reinsurance ceded.

The Investment Committee actively monitors equity assets owned directly by the Group and the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group and the Company holds diversified portfolios of local and foreign investments in various sectors of the economy.

Sensitivity

The impact on OCI and equity had the equity market values increased/decreased by 13% (2019: 10%) with other assumptions left unchanged would have been as follows:

THE GROUP	Impact on equity		Impact on OCI	
	+13%	-13%	+13%	-13%
At December 31, 2020	**Rs'm**	**Rs'm**	**Rs'm**	**Rs'm**
- Available-for-sale financial assets	**2,998**	**(2,998)**	**2,998**	**(2,998)**
	+10%	-10%	+10%	-10%
At December 31, 2019	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	2,529	(2,529)	2,529	(2,529)

THE COMPANY	Impact on equity		Impact on OCI	
	+13%	-13%	+13%	-13%
At December 31, 2020	**Rs'm**	**Rs'm**	**Rs'm**	**Rs'm**
- Available-for-sale financial assets	**217**	**(217)**	**217**	**(217)**
	+10%	-10%	+10%	-10%
At December 31, 2019	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	139	(139)	139	(139)

* There is no impact on profit or loss as the fair value movement of available-for-sale investments are accounted through OCI.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet all or part of their obligations. The Group's and the Company'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;
- amounts due from insurance intermediaries;
- investment in held to maturity financial assets;
- cash and cash equivalents; and
- loans and receivables.

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 its 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.

The Group and the Company have defined policies and procedures in respect of overdue balances for monitoring and follow-up on a timely basis.

Reinsurance credit exposures

The Group and the Company are however exposed to concentrations of risks with respect to their reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Group and the Company are exposed to the possibility of default by their reinsurers in respect of share of insurance liabilities and refunds in respect of claims already paid.

The Group and the Company manage their reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Group's largest reinsurance counterparty is Swiss Re. At December 31, 2020, the reinsurance assets recoverable for the Group and the Company was Rs 691m (2019: Rs 1,048m) and Rs 578m (2019: Rs 954m) respectively.

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 Group and the Company will arise.

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

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

Short-term deposits and cash and cash equivalents

Short-term deposits and cash and cash equivalents include cash held with local banks as well as internationally renowned banks and cash equivalents in the form of short-term treasury bills. The Directors have assessed that the credit risk is low as cash and cash equivalents are held with reputable institutions duly licensed and rated investment grade by credit rating agencies.

Investment in held to maturity financial assets and available-for-sale debt securities

The Group's and the Company's investment in held-to-maturity instruments comprises mainly of investment in deposits, bills, notes, and bonds issued by governments and corporates. Prior to any investment, a credit assessment is undertaken by the Group's and Company's Investment Managers based on information gathered from the institutions, the public domain as well as credit rating agencies. These investments are held primarily with reputable and credit-worthy institutions comprising of the Government of Mauritius, Bank of Mauritius, other local and international financial and non-financial entities.

The available-for-sale debt securities comprise of preference shares issued by reputable institutions.

For loans, all borrowers undergo a credit assessment undertaken by credit specialists of the Group and the Company. The credit assessment is based on a credit scoring model that takes into account the qualitative and quantitative metrics of the borrowers. The metrics are derived from historical and forecasted information gathered from the borrowers, external parties including credit rating agencies, exchanges, and the public domain. In mitigating credit risk, the Group and the Company ensure that the credit assessment is based on informed and thorough research, that borrower's debt service capacity is established, and that loans are secured through guarantees and/or adequate security interests.

Receivables arising from insurance contracts

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, sold directly or via a larger number of agents and brokers. The Group and the Company have policies in place to ensure that sales of services are made to clients, with sound credit history. In addition to that, contract terms provide for contracts being paid up in case of long outstanding payments for premium receivable from individuals.

For long-term contracts, credit risks relating to premiums receivable on Group Schemes (Defined benefits and Defined contributions) are closely assessed by the Group's credit control department. Furthermore, regular monitoring are made by the Group's Pension administration department to ensure that the sponsoring employers service their premium contribution obligations on a timely basis. Premiums on group schemes are assessed for impairment when the schemes are referred to the governing body, the FSC, as prescribed by the 'The Private Pension Schemes (Administration) rules 2014'.

For short-term contracts, the Group and Company regularly assess the recoverability of its insurance receivables (which is part of trade and other receivables) for general insurance business. Management's impairment assessment of trade receivables is based on a number of factors which include ageing of overdue trade receivables, customers' repayment history, customers' financial position, and current market conditions.

The concentration of receivables arising from insurance contracts between individuals and schemes are disclosed in note 15.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

Reinsurance credit exposures (cont'd)

The following table provides information regarding the carrying value of financial assets that have been impaired and the ageing of financial assets that are past due but not impaired.

THE GROUP		Past due but not impaired					
	Neither past due nor impaired	1m - 3m	3m - 6m	6m - 1yr	> 1 yr	Impaired and impairment charge	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020							
- Available-for-sale financial assets (debts)	**324,450**	-	-	-	-	-	**324,450**
- Held-to-maturity financial assets	**14,469,949**	-	-	-	-	-	**14,469,949**
- Non-current receivables	**7,594**	-	-	-	-	-	**7,594**
- Loans and receivables	**6,444,586**	-	-	-	-	**195,192**	**6,639,778**
- Trade and other receivables							
Insurance receivables	**801,284**	**395,332**	**268,970**	**136,308**	**63,293**	**89,269**	**1,754,456**
Reinsurance Assets	**667,715**	**6,578**	-	**37**	**8,334**	**5,125**	**687,789**
Other receivables	**292,091**	**3,971**	**352**	**911**	**9,906**	**17,775**	**325,006**
	1,761,090	**405,881**	**269,322**	**137,256**	**81,533**	**112,169**	**2,767,251**
- Short-term deposits and cash and cash equivalents	3,552,803	-	-	-	-	-	3,552,803
2019							
- Available-for-sale financial assets (debts)	253,505	-	-	-	-	-	253,505
- Held-to-maturity financial assets	14,354,185	-	-	-	-	-	14,354,185
- Non-current receivables	5,444	-	-	-	-	-	5,444
- Loans and receivables	4,361,871	-	-	-	-	192,614	4,554,485
- Trade and other receivables							
Insurance receivables	859,904	395,580	377,725	164,076	18,342	45,518	1,861,145
Reinsurance Assets	1,020,329	-	-	-	-	27,763	1,048,092
Other receivables	518,177	-	-	-	312	5,572	524,061
	2,398,410	395,580	377,725	164,076	18,654	78,853	3,433,298
- Short-term deposits and cash and cash equivalents	3,693,363	-	-	-	-	-	3,693,363

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

Reinsurance credit exposures (cont'd)

The following table provides information regarding the carrying value of financial assets that have been impaired and the ageing of financial assets that are past due but not impaired.

THE COMPANY		Past due but not impaired					
	Neither past due nor impaired	1m - 3m	3m - 6m	6m - 1yr	> 1 yr	Impaired and impairment charge	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020							
- Available-for-sale financial assets (debts)	-	-	-	-	-	-	-
- Held-to-maturity financial assets	221,756	-	-	-	-	-	221,756
- Non-current receivables	-	-	-	-	-	-	-
- Loans and receivables	92,227	-	-	-	-	-	92,227
- Trade and other receivables							
Insurance receivables	331,700	366,213	264,891	128,870	61,804	61,847	1,215,325
Reinsurance Assets	569,219	-	-	-	-	5,125	574,344
Other receivables	223,765	-	-	-	-	7,488	231,253
	1,124,684	366,213	264,891	128,870	61,804	74,460	2,020,922
- Short-term deposits and cash and cash equivalents	621,728	-	-	-	-	-	621,728
2019							
- Available-for-sale financial assets (debts)	-	-	-	-	-	-	-
- Held-to-maturity financial assets	246,980	-	-	-	-	-	246,980
- Non-current receivables	47,036	-	-	-	-	-	47,036
- Loans and receivables	101,813	-	-	-	-	-	101,813
- Trade and other receivables							
Insurance receivables	374,165	373,110	354,901	162,896	16,070	43,787	1,324,929
Reinsurance Assets	926,528	-	-	-	-	27,763	954,291
Other receivables	361,392	-	-	-	-	-	361,392
	1,662,085	373,110	354,901	162,896	16,070	71,550	2,640,612
- Short-term deposits and cash and cash equivalents	475,563	-	-	-	-	-	475,563

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk

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

THE GROUP

Maturity analysis of financial and insurance assets and liabilities:

		Undiscounted cash flows				
At December 31, 2020	Carrying Amount	< 1 year	1 to 5 years	> 5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	25,094,238	-	-	-	25,094,238	25,094,238
- Held-to-maturity financial assets	14,469,949	2,981,992	4,825,816	6,688,291	-	14,496,099
- Loans and receivables	6,733,394	820,037	193,595	5,719,762	-	6,733,394
- Non-current receivables	7,594	-	7,594	-	-	7,594
- Trade and other receivables	2,884,940	2,884,940	-	-	-	2,884,940
- Short-term deposits and cash and cash equivalents	3,552,803	3,552,803	-	-	-	3,552,803
	52,742,918	10,239,772	5,027,005	12,408,053	25,094,238	52,769,068
Less allowances for credit impairment	(211,305)					
Total	52,531,613					
Financial and insurance liabilities						
- Technical Provisions:						
· Life Assurance Fund *	45,084,339	1,254,127	4,506,539	11,384,316	27,939,357	45,084,339
· Outstanding claims and IBNR	1,195,952	874,542	321,410	-	-	1,195,952
- Lease liabilities	20,303	6,333	13,970	-	-	20,303
- Non-current payables	161,067	-	161,067	-	-	161,067
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	1,124,590	1,124,590	-	-	-	1,124,590
	47,705,422	3,378,763	5,002,986	11,384,316	27,939,357	47,705,422

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE GROUP (CONT'D)

Maturity analysis of financial and insurance assets and liabilities: (cont'd)

At December 31, 2019	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	> 5 years	No stated Maturity	Total
	Rs'000 Restated	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	26,395,052	-	-	-	26,395,052	26,395,052
- Held-to-maturity financial assets	14,354,185	2,446,390	6,149,610	5,787,282	-	14,383,282
- Loans and receivables	4,648,046	216,072	955,131	3,476,843	-	4,648,046
- Non-current receivables	5,444	-	5,444	-	-	5,444
- Trade and other receivables	3,512,151	3,512,151	-	-	-	3,512,151
- Short term deposits and cash and cash equivalents	3,693,363	3,693,363	-	-	-	3,693,363
	52,608,241	9,867,976	7,110,185	9,264,125	-	52,637,338
Less allowances for credit impairment	(172,414)					
Total	52,435,827					
Financial and insurance liabilities						
- Technical Provisions:						
· Life Assurance Fund *	45,166,453	1,453,358	4,361,915	10,602,088	28,749,092	45,166,453
· Outstanding claims and IBNR	985,419	724,323	261,096	-	-	985,419
- Lease liabilities	25,997	6,286	19,711	-	-	25,997
- Non-current payables	161,901	-	161,901	-	-	161,901
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	1,686,856	1,686,856	-	-	-	1,686,856
	48,145,797	3,989,994	4,804,623	10,602,088	28,749,092	48,145,797

* The maturity profile of the Group's Life Assurance Fund is based on contractual discounted cashflows.

** Outstanding claims for long-term insurance contracts have been classified within the '1-5 years' bucket as it represents the normal payment cycle of those contracts.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE COMPANY

Maturity analysis of financial and insurance assets and liabilities: (cont'd)

At December 31, 2020	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	> 5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	1,736,799	-	-	-	1,736,799	1,736,799
- Held-to-maturity financial assets	221,756	18,950	35,159	167,647	-	221,756
- Loans and receivables	92,227	6,110	21,306	64,811	-	92,227
- Trade and other receivables	2,095,382	2,095,382	-	-	-	2,095,382
- Short-term deposits and cash and cash equivalents	621,728	621,728	-	-	-	621,728
	4,767,892	2,742,170	56,465	232,458	1,736,799	4,767,892
Less allowances for credit impairment	(74,460)					
Total	4,693,432					
Financial and insurance liabilities						
- Technical Provisions:						
· Outstanding claims and IBNR	818,792	818,792	-	-	-	818,792
- Lease liabilities	10,721	2,931	7,790	-	-	10,721
- Non-current payables	107,646	-	107,646	-	-	107,646
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	417,884	417,884	-	-	-	417,884
	1,474,214	1,358,778	115,436	-	-	1,474,214

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE COMPANY (CONT'D)

Maturity analysis of financial and insurance assets and liabilities: (cont'd)

At December 31, 2019	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	> 5 years	No stated Maturity	Total
	Rs'000 Restated	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	1,467,509	-	-	-	1,467,509	1,467,509
- Held-to-maturity financial assets	246,980	29,681	50,166	167,133	-	246,980
- Loans and receivables	101,813	2,580	15,320	83,913	-	101,813
- Non-current receivables	47,036	-	47,036	-	-	47,036
- Trade and other receivables	2,712,162	2,712,162	-	-	-	2,712,162
- Short-term deposits and cash and cash equivalents	475,563	475,563	-	-	-	475,563
	5,051,063	3,219,986	112,522	251,046	1,467,509	5,051,063
Less allowances for credit impairment	(71,550)					
Total	4,979,513					
Financial and insurance liabilities						
- Technical Provisions:						
· Outstanding claims and IBNR	654,707	654,707	-	-	-	654,707
- Borrowings	179,728	179,728	-	-	-	179,728
- Lease Liabilities	13,493	2,772	10,721	-	-	13,493
- Non-current payables	108,234	-	108,234	-	-	108,234
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	665,810	665,810	-	-	-	665,810
	1,741,143	1,622,188	118,955	-	-	1,741,143

All of the above financial and insurance assets/liabilities disclosures exclude property and equipment, right-of-use assets, investment properties, intangible assets, investments in subsidiary companies, investment in associated companies, deferred tax assets, seized properties, current tax assets, prepayments, gross unearned premiums, retirement benefit obligations, and current tax liabilities.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.4 Capital Risks Management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern and also comply with applicable laws and regulations.

The Group and the Company have established the following capital management objectives, policies, and approach to managing the risks that affect their capital position:

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

  This is a risk-based capital method of measuring the minimum amount appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The calculation is based on applying capital factors to amongst others, the Company's assets, outstanding claims, unearned premium liability, and assets above a certain concentration limit.

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

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

- to maintain the required level of stability of the Group and the Company thereby providing a degree of security to policyholders.

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

The Group and the Company manage their capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 2019.

The operations of the Group and the Company are also subject to regulatory requirements within the jurisdictions in which they operate. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for the statement of financial position as per Rule 6, capital required for investment above concentration limit as per Rule 7, capital required for policy liabilities as per Rule 8, capital required for catastrophes as per Rule 9 and capital required for reinsurance ceded under Rule 10.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.4 Capital Risks Management (cont'd)

Under the Insurance (Long-Term Insurance Business Solvency) Rules 2007, the minimum capital requirement for long-term business is determined by the actuary, which is the higher of:

(a) a stress test requirement determined in accordance with guidelines issued by the Financial Services Commission to ensure that the Company remains solvent; or

(b) the higher of:
an amount of Rs 25 million; or
an amount representing 13 weeks' operating financial services, with operating expenses as defined and reported in the annual statutory return submitted to the Financial Services Commission.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Financial Services Commission (FSC). These regulatory capital tests are based upon required levels of solvency, capital, and a series of prudent assumptions in respect of the type of business written.

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

For the year ended 31 December 2020 and 31 December 2019, the Group and Company have satisfied the minimum capital requirements.

Approach to capital management

The Group and the Company seek to optimise the structure and sources of capital to ensure that they consistently maximises returns to the shareholders and policyholders.

The Group's and the Company's approach to managing capital involves managing assets, liabilities, and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis, and taking appropriate actions to influence the capital position of the Group and the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Group's and the Company's overall capital management process is the setting of target risk-adjusted rates of return, which are aligned to performance objectives and ensure that the Group and the Company are focused on the creation of value for shareholders.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.5 Fair value estimation

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Group and the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Group and the Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Only available-for-sale investments have been fairly valued in the consolidated and separate financial statements.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, and other premia used in estimating discount rates, bond, and equity prices, foreign currency exchange rates, equity index prices, and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

3.2 Financial risk (cont'd)

3.2.6 Financial instruments by category and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

				THE GROUP				THE COMPANY			
				2020		2019		2020		2019	
	IAS 39 Financial Instruments: Recognition and Measurement classification	Fair value Hiearchy	Notes	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
				Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's
Financial and insurance assets											
Investments in financial assets											
-Quoted securities	Available-for-sale	Level 1	11	**22,756,340**	**22,756,340**	25,014,398	25,014,398	**1,648,295**	**1,648,295**	1,368,854	1,368,854
-Investment funds	Available-for-sale	Level 2	11	**302,968**	**302,968**	281,112	281,112	**21,192**	**21,192**	19,975	19,975
-Unquoted securities	Available-for-sale	Level 3	11	**2,034,930**	**2,034,930**	1,099,542	1,099,977	**67,312**	**67,312**	78,680	78,680
-Held-to-maturity investments	Held-to-maturity	NA	11	**14,469,949**	**16,684,088**	14,354,185	15,770,236	**221,756**	**333,733**	246,980	316,741
Loans and receivables	Loans and receivables	NA	12	**6,639,778**	**6,639,778**	4,554,485	4,554,485	**92,227**	**92,227**	101,813	101,813
Non-current receivables	Loans and receivables	NA	13	**7,594**	**7,594**	5,444	5,444	**-**	**-**	47,036	47,036
Trade and other receivables	Loans and receivables	NA	15	**2,767,251**	**2,767,251**	3,433,298	3,433,298	**2,020,922**	**2,020,922**	2,640,612	2,640,612
Short-term deposits and Cash and cash equivalents	Loans and receivables	NA	31	**3,552,803**	**3,552,803**	3,693,363	3,693,363	**621,728**	**621,728**	475,563	475,563
				52,531,613	**54,745,752**	52,435,827	53,852,313	**4,693,432**	**4,805,409**	4,979,513	5,049,274
Financial and insurance liabilities											
Lease liabilities	Financial liabilities at amortised cost	NA	5B	**20,303**	**20,303**	25,997	25,997	**10,721**	**10,721**	13,493	13,493
Borrowings	Financial liabilities at amortised cost	NA	20	**-**	**-**	-	-	**-**	**-**	179,728	179,728
Dividend payable	Financial liabilities at amortised cost	NA	28	**119,171**	**119,171**	119,171	119,171	**119,171**	**119,171**	119,171	119,171
Trade and other payables	Financial liabilities at amortised cost	NA	22	**1,124,590**	**1,124,590**	1,686,856	1,686,856	**417,884**	**417,884**	665,810	665,810
				1,264,064	**1,264,064**	1,832,024	1,832,024	**547,776**	**547,776**	978,202	978,202

All of the above financial and insurance assets/liabilities disclosures exclude property and equipment, right-of-use assets, investment properties, intangible assets, investments in subsidiary companies, investment in associated companies, deferred tax assets, seized properties, current tax assets, prepayments, gross unearned premiums, retirement benefit obligations and current tax liabilities.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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 uncertainty inherent in the financial statements of the Group and the Company arises principally in respect of the technical provisions. The technical provisions of the Group and the Company include provision for unearned premiums and outstanding claims (including IBNR).

(i) Estimates of future claims payments - Short-term insurance

Outstanding claims provision is determined based upon knowledge of events, terms, and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases and historical claims payment trends are also relevant.

The Group and the Company employ a variety of techniques and a number of different bases to determine appropriate provisions. These include:

- terms and conditions of the insurance contracts;
- knowledge of events;
- court judgement;
- economic conditions;
- previously settled claims;
- triangulation claim development analysis;
- estimates based upon a projection of claims numbers and average cost; and
- expected loss ratios.

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjuster's recommendations or based on management's experience.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provision and having due regard to collectability.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

4.1 Insurance contracts (cont'd)

(ii) Estimates of future liabilities - Long-term insurance

Long term business technical provisions are computed using statistical or mathematical methods. The computations are made by the Group's Actuaries on the basis of recognized 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 professionals undertaking the valuation.

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Group. Estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. The Group bases these estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Group'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 Group is exposed to longevity risk.

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

Under certain contracts, where the Group 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.

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. The major assumptions used are interest rate and equity and property market values, lapses and surrender rates, mortality and mobility rate, expenses, and bonus.

The main risks that the Group are exposed to are as follows:

(i) Mortality risk – risk of loss arising due to policyholder death experience being different than expected
(ii) Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
(iii) Longevity risk – risk of loss arising due to the annuitant living longer than expected
(iv) Investment return risk – risk of loss arising from actual returns being different than expected
(v) Expense risk – risk of loss arising from expense experience being different than expected
(vi) Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

All contracts are subject to a liability adequacy test reflecting management's best estimate of current estimate of cash flow.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

4.1 Insurance contracts (cont'd)

(iii) 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 Group to assess the most significant assumptions and monitor the emerging variations accordingly.

The results of the sensitivity testing are presented in the table below. It shows the impact of changing one item of the basis while keeping all other items in line with the base run:

	THE GROUP			
	2020			
	Total Assets	**Total Liabilities**	**Surplus**	**Change from central value**
	Rs '000	**Rs '000**	**Rs '000**	**%**
Central	**45,076,618**	**36,087,697**	**4,246,605**	**NA**
All interest rates -1% but not CPI	**45,076,618**	**39,293,775**	**3,188,974**	**-45.30%**
CPI -1%	**45,076,618**	**36,042,073**	**4,230,854**	**1.30%**
Equity & Property market values -10%	**43,268,555**	**35,922,824**	**4,246,605**	**-34.60%**
Lapses -10%	**45,076,618**	**36,108,068**	**4,289,960**	**-1.30%**
Mortality & Morbidity -5%	**45,076,618**	**36,218,279**	**4,263,861**	**-3.10%**
Expenses -10%	**45,076,618**	**36,034,184**	**4,228,517**	**1.50%**
Terminal Bonus +10%	**45,076,618**	**36,087,697**	**4,362,793**	**-2.50%**
Reversionary Bonus +10%	**45,076,618**	**36,087,697**	**4,527,230**	**-5.90%**
	2019			
	Total Assets	**Total Liabilities**	**Surplus**	**Change from central value**
	Rs '000	**Rs '000**	**Rs '000**	**%**
Central	45,188,544	36,227,400	8,961,144	NA
All interest rates -1% but not CPI	45,188,544	37,501,276	7,687,268	-14.20%
CPI -1%	45,188,544	36,167,773	9,020,771	0.70%
Equity & Property market values -10%	43,973,037	35,929,853	8,043,184	-10.30%
Lapses -10%	45,188,544	36,282,120	8,906,425	-0.60%
Mortality & Morbidity -5%	45,188,544	36,329,752	8,858,793	-1.10%
Expenses -10%	45,188,544	36,149,200	9,039,344	0.90%
Terminal Bonus +10%	45,188,544	36,351,829	8,836,715	-1.40%
Reversionary Bonus +10%	45,188,544	36,571,526	8,671,018	-3.80%

The impact on P&L and equity cannot be determined as the profit is determined at the end of the year by the actuaries.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

4.1 Insurance contracts (cont'd)

(iv) Uncertainties and judgement

The uncertainty arising under insurance contracts may be characterised under a number of specific headings, such as:

- uncertainty as to whether an event has occurred which would give rise to a policy holder suffering an insured loss;
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring;
- uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks. For certain classes of policy, the maximum value of the settlement of a claim may be specified under the policy terms while for other classes, the cost of a claim will be determined by an actual loss suffered by the policyholder.

There may be some reporting lags between the occurrence of the insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends, unreported information. etc.

4.2 Reinsurance

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

4.3 Impairment of available-for-sale financial assets

The Group and the Company follow the guidance of IAS 39 Financial Instruments: Recognition and Measurement on determining when a financial asset is 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. Please refer to note 11 for further details.

4.4 Significant influence over associates and joint venture

The Directors assessed whether or not the Group and the Company have significant influence over their associates and joint ventures. In making their judgment, the Directors considered the nature and structure of the relationship and other facts and circumstances. The Directors have concluded that the Group and the Company have significant influence over their associates and joint ventures as detailed in note 9.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

4.5 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.4(i).

4.6 Impairment of financial assets

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

4.7 Pension obligations

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

The Group and the Company determine the appropriate discount rate at the end of the year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group and the Company consider the interest rate of high-quality corporate bond will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

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

Additional information is disclosed in Note 21.

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

4.8 Fair value of security 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.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

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

4.9 Asset lives and residual values

Property and equipment and intangible assets (except for goodwill) are depreciated and amortised respectively over their estimated useful lives taking into account residual values, where appropriate. The estimated lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing the estimated useful life an asset, factors such as technological innovation, product life cycles, and maintenance 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. The depreciation/amortisation rates and methods have been disclosed in note 2.2 and note 2.4.

4.10 Involvement with unconsolidated structured entities

The Group and the Company have concluded that portfolio companies in which they invest, but that they do not consolidate, meet the definition of structured entities because:

- the voting rights in the entities are not dominant rights in deciding who controls them because they relate to administrative tasks only; and
- the investee's activities are restricted by its prospectus.

Refer to note 8(g) for details of involvement with unconsolidated structured entities.

4.11 Control over subsidiaries

The Directors assessed whether or not the Group has control over the above subsidiaries based on whether the Group has the practical ability to direct their relevant activities unilaterally. In making their judgment, the directors considered the Group's absolute size of holding in these subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the Group has sufficient dominant voting interest to direct the relevant activities of these subsidiaries and therefore the Group has control over them. Note 8 describes all the entities that have been identified as subsidiaries of the Group.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

5. PROPERTY AND EQUIPMENT

	Note	Freehold land and buildings	Motor vehicles	Furniture & fittings	Office equipment	Total
THE GROUP		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At January 1, 2019		446,669	36,008	137,014	198,185	817,876
Additions		294	13,988	3,967	11,180	29,429
Exchange differences		(4,935)	(530)	(284)	(334)	(6,083)
Transfer to intangible assets*	7	-	-	-	(1,231)	(1,231)
Disposals		-	(3,608)	-	-	(3,608)
Write-off		-	-	-	(861)	(861)
At December 31, 2019		442,028	45,858	140,697	206,939	835,522
Additions		116	10,263	5,225	27,085	42,689
Exchange differences		(10,692)	(1,217)	(590)	(1,082)	(13,581)
Disposals		-	(8,674)	(848)	(725)	(10,247)
Write-off		-	-	(15,270)	(11,683)	(26,953)
At December 31, 2020		**431,452**	**46,230**	**129,214**	**220,534**	**827,430**
DEPRECIATION						
At January 1, 2019		104,354	23,416	112,190	156,119	396,079
Charge for the year		8,683	3,769	6,396	18,639	37,487
Exchange differences		(64)	(370)	(244)	(261)	(939)
Transfer to intangible assets*	7	-	-	-	(410)	(410)
Disposal adjustment		-	(2,706)	-	-	(2,706)
Write-off		-	-	-	(53)	(53)
At December 31, 2019		112,973	24,109	118,342	174,034	429,458
Charge for the year		8,472	4,250	6,400	26,642	45,764
Exchange differences		1,022	(945)	(473)	(629)	(1,025)
Disposal adjustment		-	(3,057)	(848)	(718)	(4,623)
Write-off		-	-	(15,270)	(11,683)	(26,953)
At December 31, 2020		**122,467**	**24,357**	**108,151**	**187,646**	**442,621**
CARRYING AMOUNT						
At December 31, 2020		**308,985**	**21,873**	**21,063**	**32,888**	**384,809**
At December 31, 2019		329,055	21,749	22,355	32,905	406,064
At January 01, 2019		342,315	12,592	24,824	42,066	421,797

For both 2020 and 2019, all additions have been financed by cash and there were no transactions under finance lease.

* The transfer to intangible assets refers to an asset which was wrongly classified in property and equipment instead of intangible assets. Since amount was insignificant, no prior year restatement was made.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

5. PROPERTY AND EQUIPMENT (CONT'D)

THE COMPANY	Buildings Rs'000	Motor vehicles Rs'000	Furniture & fittings Rs'000	Office equipment Rs'000	Total Rs'000
COST					
At January 1, 2019	86,475	14,193	37,937	134,719	273,324
Additions	-	-	277	5,029	5,306
Disposals	-	(1,993)	-	-	(1,993)
At December 31, 2019	86,475	12,200	38,214	139,748	276,637
Additions	-	-	-	6,311	6,311
At December 31, 2020	**86,475**	**12,200**	**38,214**	**146,059**	**282,948**
DEPRECIATION					
At January 1, 2019	29,387	8,560	32,514	107,745	178,206
Charge for the year	1,729	958	1,560	10,319	14,566
Disposal adjustment	-	(1,495)	-	-	(1,495)
At December 31, 2019	31,116	8,023	34,074	118,064	191,277
Charge for the year	1,729	666	1,501	12,376	16,272
At December 31, 2020	**32,845**	**8,689**	**35,575**	**130,440**	**207,549**
CARRYING AMOUNT					
At December 31, 2020	**53,630**	**3,511**	**2,639**	**15,619**	**75,399**
At December 31, 2019	55,359	4,177	4,140	21,684	85,360
At January 01, 2019	57,088	5,633	5,423	26,974	95,118

For both 2020 and 2019, all additions have been financed by cash and there were no transactions under finance lease.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

5A. RIGHT-OF-USE-ASSETS

	THE GROUP		
	Land and buildings Rs'000	Machinery and motor vechicles Rs'000	Total Rs'000
At January 1, 2019	-	-	-
Recognition on initial application of IFRS 16	23,699	-	23,699
Additions	-	6,821	6,821
Depreciation	(4,963)	(289)	(5,252)
Exchange differences	(69)	-	(69)
Carrying amount at December 31, 2019	18,667	6,532	25,199
Additions	755	-	755
Depreciation	(5,320)	(1,376)	(6,696)
Exchange differences	(130)	(253)	(383)
Carrying amount at December 31, 2020	**13,972**	**4,903**	**18,875**

	THE COMPANY		
	Land and buildings Rs'000	Machinery and motor vechicles Rs'000	Total Rs'000
At January 1, 2019	-	-	-
Recognition on initial application of IFRS 16	9,491	-	9,491
Additions	-	5,669	5,669
Depreciation	(1,690)	(190)	(1,880)
Carrying amount at December 31, 2019	7,801	5,479	13,280
Depreciation	(1,863)	(1,134)	(2,997)
Carrying amount at December 31, 2020	**5,938**	**4,345**	**10,283**

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

5B. LEASE LIABILITIES

	THE GROUP		
	Land and buildings	Machinery and motor vechicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2019	-	-	-
Recognition on initial application of IFRS 16	23,699	-	23,699
Additions	-	6,821	6,821
Interest expense	1,156	95	1,251
Lease payments	(5,775)	(358)	(6,133)
Exchange differences	150	209	359
At December 31, 2019	19,230	6,767	25,997
Additions	755	-	755
Interest expense	974	406	1,380
Lease payments	(6,142)	(1,936)	(8,078)
Exchange differences	(49)	298	249
At December 31, 2020	**14,768**	**5,535**	**20,303**

Analysed as:	2020	2019
	Rs'000	Rs'000
Current	**6,546**	6,286
Non-current	**13,757**	19,711
	20,303	25,997

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

5B. LEASE LIABILITIES (CONT'D)

	THE COMPANY		
	Land and buildings	Machinery and motor vechicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2019	-	-	-
Recognition on initial application of IFRS 16	9,491	-	9,491
Additions	-	5,669	5,669
Interest expense	443	53	496
Lease payments	(1,945)	(218)	(2,163)
At December 31, 2019	7,989	5,504	13,493
Interest expense	394	282	676
Lease payments	(2,146)	(1,302)	(3,448)
At December 31, 2020	**6,237**	**4,484**	**10,721**

Analysed as:	2020	2019
	Rs'000	Rs'000
Current	**2,931**	2,772
Non-current	**7,790**	10,721
	10,721	13,493

(a) Nature of leasing activities (in the capacity as lessee)

The Group and the Company lease a number of properties in the jurisdictions from which they operate. In some jurisdictions, it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions, property leases the periodic rent is fixed over the lease term.

The Group and the Company lease a number of office space in the following regions in Mauritius; Black River, Goodlands, Rose Belle, Quatre Bornes, and Ebène.

The Group and the Company also lease certain items of plant and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of property, equipment, and vehicles comprise only fixed payments over the lease terms.

(b) Extension and termination options

There is no extension and termination options included in property and equipment leases across the Group and the Company.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

5B. LEASE LIABILITIES (CONT'D)

(c) Lease term

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

For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group and the Company are typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group and the Company are typically reasonably certain to extend (or not terminate);
- Otherwise, the Group and the Company consider other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

No extension options in offices and vehicles leases have been included in the lease liability because the Group and the Company could replace the assets without significant cost or business disruption.

(d) Interest expense

Interest expense	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense (included in finance cost)	**1,380**	1,251	**676**	496

The total cash outflow for leases in 2020 was Rs'000 9,369(2019:Rs'000 6,133) for the Group and Rs'000 3,448 (2019:Rs'000 2,163) for the Company.

(e) The maturity analysis of the lease liabilities have been disclosed in the note 3.2.3

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

6 (a). INVESTMENT PROPERTIES

	THE GROUP
	Rs'000
COST	
At January 1, 2019	593,301
Additions	2,679
Disposals	(58,076)
At December 31, 2019	537,904
Additions	1,171
At December 31, 2020	**539,075**
DEPRECIATION	
At January 1, 2019	114,405
Charge for the year	9,015
Disposal adjustment	(18,707)
At December 31, 2019	104,713
Charge for the year	9,045
At December 31, 2020	**113,758**
CARRYING AMOUNT	
At December 31, 2020	**425,317**
At December 31, 2019	433,191
At January 01, 2019	478,896

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At December 31,	**1,563,835**	1,454,050

The investment properties were revalued in November 2020 by Messrs Noor Dilmohamed & Associates, an independent professionally qualified valuer. The fair value was determined on an open market value basis by reference to market evidence of transaction prices for similar properties using comparative cost approach and income capitalisation approach. The valuation is performed every 3 years. The Directors have reassessed the fair values of the investment properties at December 31, 2020.

The valuation of the investment properties has been valued using unobservable inputs and are classified under level 3 hierarchy in the fair value hierarchy table.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

6 (a). INVESTMENT PROPERTIES (CONT'D)

(ii) The following have been recognised in the statements of profit or loss and other comprehensive income.

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Rental income	**42,326**	46,722
Direct operating expenses from investment properties that generate rental income	**11,850**	13,518
Direct operating expenses from investment properties that do not generate rental income	**14,089**	21,448

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Less than one year	**27,640**	26,059
One to two years	**22,663**	20,527
Two to three years	**15,255**	20,286
Three to four years	**9,513**	15,255
Four to five years	**8,458**	9,513
More than five years	**42,437**	50,895
Total	**125,966**	142,535

6(b). SEIZED PROPERTIES

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At January 1,	**55,489**	55,338
Additions	**8,829**	698
Disposals	**(1,721)**	(547)
Impairment	**(9,359)**	-
At December 31,	**53,238**	55,489

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

7. INTANGIBLE ASSETS

THE GROUP	Goodwill	Computer software	VOBA	Customer list	Other intangibles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At January 1, 2019	62,310	66,740	28,477	55,375	51,090	263,992
Acquisition of subsidiary (note 30)	3,841	-	-	-	-	3,841
Additions	-	26,357	-	-	-	26,357
Reclassified from property and equipment	-	1,231	-	-	-	1,231
At December 31, 2019	66,151	94,328	28,477	55,375	51,090	295,421
Additions	-	30,524	-	-	-	30,524
Impairment*	(2,485)	-	-	-	-	(2,485)
Write off	-	(3,152)	-	-	-	(3,152)
Adjustment**	2,683	-	-	-	-	2,683
Exchange difference	-	(58)	-	-	-	(58)
At December 31, 2020	**66,349**	**121,642**	**28,477**	**55,375**	**51,090**	**322,933**
AMORTISATION						
At January 1, 2019	-	39,853	17,084	33,226	42,650	132,813
Charge for the year	-	9,838	1,898	5,538	-	17,274
Reclassified from property and equipment	-	410	-	-	-	410
At December 31, 2019	-	50,101	18,982	38,764	42,650	150,497
Charge for the year	-	26,746	1,898	5,537	7,220	41,401
Impairment	-	(3,152)	-	-	-	(3,152)
Exchange difference	-	(58)	-	-	-	(58)
At December 31, 2020	**-**	**73,637**	**20,880**	**44,301**	**49,870**	**188,688**
CARRYING AMOUNT						
At December 31, 2020	**66,349**	**48,005**	**7,597**	**11,074**	**1,220**	**134,245**
At December 31, 2019	66,151	44,227	9,495	16,611	8,440	144,924
At January 01, 2019	62,310	26,887	11,393	22,149	8,440	131,179

* Impairment of goodwill relates to Swan Digital Ltd. This has been assessed as not material to the Financial Statements.

** It relates to goodwill on acquisition of Swan Actuarial Services Ltd where the amount was understated in the prior year and the impact is not material.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY

	Computer software	Other intangibles	Total
	Rs'000	Rs'000	Rs'000
COST			
At January 1, 2019	46,996	14,990	61,986
Additions	25,468	-	25,468
At December 31, 2019	72,464	14,990	87,454
Additions	30,022	-	30,022
At December 31, 2020	**102,486**	**14,990**	**117,476**
AMORTISATION			
At January 1, 2019	23,179	14,990	38,169
Charge for the year	7,538	-	7,538
At December 31, 2019	30,717	14,990	45,707
Charge for the year	24,551	-	24,551
At December 31, 2020	**55,268**	**14,990**	**70,258**
CARRYING AMOUNT			
At December 31, 2020	**47,218**	**-**	**47,218**
At December 31, 2019	41,747	-	41,747
At January 01, 2019	23,817	-	23,817

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

8. INVESTMENTS IN SUBSIDIARY COMPANIES

(a) The Company

	2020	2019
	Total	Total
	Rs'000	Rs'000
At January 1,	**557,087**	530,871
Additions (note (ii))	**11,440**	28,750
Impairment losses (note (iii)/27(b))	**(2,653)**	(2,534)
At December 31,	**565,874**	557,087

(i) The market value of the subsidiary company, Swan Life Ltd based on the DEM bid price at December 31, 2020, amounted to Rs.3.3bn (2019: Rs.2.5bn).

(ii) During the year, the Company acquired 1,200 additional ordinary shares in Swan Digital Ltd for Rs 1.2m while also purchasing the remaining non-controlling interest for Rs 0.2m.

Afresure Reinsurance Brokers Ltd was incorporated during the year with share capital of Rs 10m.

In prior year, additions includes the acquisition of 25,000 additional ordinary shares in Swan Special Risks Company Limited for cash of Rs.25m while the other Rs.3.8m relates to the incorporation of Swan Wealth International Ltd on the 2nd of April 2019.

(iii) During the year, the Company impaired its investment in its subsidiary company, Dolberg Rentals (Pty) Ltd by Rs 2.7m while Swan Digital Ltd was impaired by Rs 2.5m in December 31, 2019, based on its recoverable amount.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The financial statements of the following subsidiaries have been included in the consolidated and separate financial statements for the year ended December 31, 2020 and 2019.

Name of subsidiaries	Class of shares held	Stated Capital	Nominal value of investment		Proportion of ownership interest Direct		Proportion of ownership interest Indirect		Other group companies		Proportion of ownership held by non-controlling interests		Place of Business/ Country of incorporation	Main Business
		2020	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
		Rs'000	Rs'000	Rs'000	%	%	%	%	%	%	%	%		
· Swan Life Ltd	Ordinary	26,322	**239,435**	239,435	**82.72**	82.72	-	-	-	-	**17.28**	17.28	Mauritius	· Life insurance, pensions, actuarial and investment business
· Swan Corporate Affairs Ltd	Ordinary	1,000	**500**	500	**50.00**	50.00	-	-	**41.36**	41.36	**8.64**	8.64	Mauritius	· Provision of secretarial services to the Group
· Swan International Co Ltd	Ordinary	156	**80**	80	**51.00**	51.00	-	-	**40.53**	40.53	**8.47**	8.47	Mauritius	· Reinsurance Brokers and Consultants
· Swan Reinsurance PCC (8c)	Core and Cellular	250,000	**250,000**	250,000	**100.00**	100.00	-	-	-	-	-	-	Mauritius	· Reinsurance of long term and short term business
· Société Brugassur S.A	Ordinary	346	-	-	**100.00**	100.00	-	-	-	-	-	-	Madagascar	· Insurance agency
· Dolberg Rental (Pty) Ltd	Ordinary	18,319	**6,788**	9,441	**100.00**	100.00	-	-	-	-	-	-	South Africa	· Leasing of office and other related equipments
· Swan Financial Solutions Ltd	Ordinary	586,876	-	-	-	-	-	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Investment holding
· Manufacturers' Distributing Station Limited (8d)	Ordinary	961	-	-	-	-	-	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Swan Pensions Ltd	Ordinary	4,100	-	-	-	-	-	-	**82.72**	82.72	**17.28**	17.28	Mauritius	· Pension fund administration
· Swan Wealth Managers Ltd	Ordinary	1,600	-	-	-	-	-	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Fund management and investment
· Swan Securities Ltd	Ordinary	10,000	-	-	-	-	-	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Stockbroking
· Swan Corporate Advisors Ltd	Ordinary	1,300	-	-	-	-	-	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Advisory
· Société de La Croix (8d)	Parts	2,500	-	-	-	-	-	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Société de La Montagne (8d)	Parts	45,604	-	-	-	-	-	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Société de La Rivière (8d)	Parts	2,500	-	-	-	-	-	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Swan Pensions Rwanda(SPR) Ltd	Ordinary	2,485	-	-	-	-	-	-	**49.63**	49.63	**50.37**	50.37	Rwanda	· Pension and fund administration
· Swan Foundation **	Limited by guarantee	1	-	-	**50.00**	50.00	-	-	**50.00**	50.00	-	-	Mauritius	· Management of Swan Group CSR fund (not consolidated)
· Swan Special Risks Company Limited	Ordinary	50,000	**50,000**	50,000	**100.00**	100.00	-	-	-	-	-	-	Mauritius	· Underwriter of short term and fronting business
· Aprica Investments Co Ltd	Ordinary	30	-	-	**100.00**	100.00	-	-	-	-	-	-	Mauritius	· Investment holding
· Swan Wealth Structured Products Ltd **	Ordinary	1	**1**	1	**100.00**	100.00	-	-	-	-	-	-	Mauritius	· Provider of structured solutions
· Swan Digital Ltd	Ordinary	1,300	**1,440**	-	**100.00**	60.00	-	-	-	-	-	40.00	Mauritius	· Software developper
· Swan Comoros SA	Ordinary	3,879	**3,879**	3,879	**100.00**	100.00	-	-	-	-	-	-	Comoros	· Underwriter of short term and fronting business
· Swan Smart Achiever Notes Ltd **	Ordinary	1	**1**	1	**100.00**	100.00	-	-	-	-	-	-	Mauritius	· Provider of structured solutions
· Swan General Insurance Company Zambia Limited (8g)	Ordinary	37,073	-	-	**47.96**	47.96	**49.51**	49.51	-	-	**2.53**	2.53	Zambia	· Underwriter of short term business
· Swan Wealth International Ltd	Ordinary	7,500	**3,750**	3,750	**50.00**	50.00	-	-	**41.36**	41.36	**8.64**	8.64	Mauritius	· Investment holding
· Swan Actuarial Services Ltd *	Ordinary	1,107	-	-	-	-	-	-	**82.72**	82.72	**17.28**	17.28	Mauritius	· Actuarial services
· Afresure Reinsurance Brokers Ltd (8f)	Ordinary	10,000	**10,000**	-	**100.00**	-	-	-	-	-	-	-	Mauritius	· Reinsurance Brokers and Consultants
			565,874	557,087										

*Swan Actuarial Services Ltd (previously known as RCAS Actuarial Ltd) was acquired by Swan Life Ltd in 2019 for a cash consideration of Rs 8.5m
** Swan Foundation, Swan Wealth Structured Products Ltd, and Swan Smart Achiever Notes Ltd are not consolidated. Refer to note 8 (h) for details.
*** The amounts are based on unaudited financial statements.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) The Company consolidates the activities of the Core cell only.

(d) These Sociétés are consolidated in the financial statements of Swan Life Ltd, by holding 99.80% of the three Sociétés through Manufacturers' Distributing Station Limited.

(e) The financial year end is 31st December for all companies.

(f) The company was incorporated during the year.

(g) The company has changed its name from Diamond General Insurance Limited to Swan General Insurance Company Zambia Limited

(h) Interest in structured entities not consolidated

(I) Swan Wealth Structured Products Ltd

Swan Wealth Structured Products Ltd's (SWSPL) principal aim is to provide comprehensive structured financial solutions. Last year, the company launched the Smart Dynamic Notes through the issue of debentures which will be matched to its assets which are classified as Held to Maturity investments.

Held to Maturity investments consist of various fixed deposits with reputable banks and financial institutions. The respective terms and conditions of the investments have been disclosed to the noteholders who bear all the benefits and risks associated with the products. The financial liabilities of the notes issued by the company consist of two distinct obligations, the capital guarantee, and the minimum guaranteed return. The financial liabilities have been measured at amortised cost using the effective interest rate methods.

	2020	2019
The financial position of SWSPL is as follows:	**Rs'000**	**Rs'000**
Financial assets at fair value through profit or loss	-	11,080
Financial assets at amortised cost	**233,607**	220,966
Other assets	**2,957**	218
Total assets	**236,564**	232,264
Other financial liabilities	**236,547**	233,211
Other liabilities	**164**	248
Equity	**(147)**	(1,195)
	236,564	232,264

The Group's maximum exposure to loss from its interests in Swan Wealth Structured Products Ltd as at December 31, 2020, is described above.

During the year ended December 31, 2020, the Group and the Company did not provide any financial support to the unconsolidated structured entity and has no intention of providing financial or other support.

The financial statements of Swan Wealth Structured Products Ltd (SWSPL) are not included in the consolidated financial statements since Swan General Ltd does not have any control over the operation of the entity.

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) Interest in structured entities not consolidated (cont'd)

(II) Swan Smart Achiever Notes

Swan Smart Achiever Notes Ltd (SSANL) is a special purpose vehicle (SVP) with the principal aim of issuing and launching Smart Achiever Notes through the issue of debentures.

The proceeds being invested in Warrants from JP. Morgan Structured Products, 364 Days Treasury Bills, 10 Year Government Bonds, and rights & benefits attributable to 20 Year Government Bonds from Swan Life Ltd and Swan General Ltd. Investors in Smart Achiever Notes will recover

(i) at the first anniversary, an income of 6.0%,

(ii) at the third anniversary, an income of 4.0% only if held until respective payments are made, and

(iii) at maturity, 100% of their initial investment if held until maturity only. The investors benefit from the participation in the positive performance of Reference instruments from JP Morgan Structured Products (Namely: Yield Enhancer Mutual Fund Basket and STOXX Emerging Markets Select 100 Index) and as such do not participate in any negative performance in the Reference Instruments which is the case for this Financial Year where both reference instruments underperformed.

	2020	2019
The financial position of SSANL is as follows:	Rs'000	Rs'000
Financial assets at fair value through profit or loss	1,771	90
Financial assets at amortised cost	225,032	228,417
Cash and cash equivalents	23,150	9,112
Total assets	249,953	237,619
Other financial liabilities	238,828	226,955
Other liabilities	8,618	8,630
Equity	2,506	2,034
	249,952	237,619

The Group's maximum exposure to loss from its interests in Swan Smart Achiever Notes Ltd as at December 31, 2020, is described above.

During the year December 31, 2020, the Group and the Company did not provide any financial support to the unconsolidated structured entity and has no intention of providing financial or other support.

The financial statements of Swan Smart Achiever Notes Ltd (SSANL) are not included in the consolidated financial statements since Swan General Ltd does not have any control over the operation of the entity.

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) Interest in structured entities not consolidated (cont'd)

(III) Swan Foundation

Swan Foundation is a non-profit and limited by guarantee organisation.

Being a guarantee company, Swan Foundation does not have share capital nor shareholders, but instead has members who act as guarantors.

As at December 31, 2020, both Swan Life Ltd and Swan General Ltd have made a capital injection of Rs. 500 to Swan Foundation, which represents the group's maximum exposure to loss from their interests in Swan Foundation.

The main activity of the company is to collect Corporate Social Responsibility (CSR) contributions from the group companies in order to donate to approved Non-Governmental Organisations (NGO) and other approved corporate partners. Swan Foundation is governed by CSR guidelines.

Yearly contribution made to Swan Foundation represents 50% of CSR amount (equivalent to 2% of Taxable profit of Group Companies). The amount paid is recognised as an expense within the 'Income tax expense' in the Statement of Profit and Loss and accrued as 'Other payables' within Current Liabilities in the Statement of Financial Position.

During the year December 31, 2020, the Group and the Company did not provide any financial support to the unconsolidated structured entity and have no intention of providing financial or other support.

Name of Entity	Country of incorporation
Swan Foundation	Mauritius

Contributors	Amount	Holdings
Swan General Ltd	Rs.500	50%
Swan Life Ltd	Rs.500	50%

Below are the summarised results and financial position of the unconsolidated structured entity:

	2020	2019
	Rs'000	Rs'000
Revenue	1,385	1,702
Surplus for the year	262	45
Current Assets	991	683
Current Liabilities	990	682
Total Equity	1	1

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(i) Details for subsidiaries are as follows:

Name of subsidiaries	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests as at December 31,
	Rs'000	Rs'000
2020		
• Swan Life Ltd (Group)	130,836	492,740
• Swan Corporate Affairs Ltd	83	694
• Swan International Co Ltd	(2,566)	(6,677)
• Swan Digital Ltd	389	-
• Swan General Insurance Company Zambia Limited	140	2,140
• Swan Wealth International Ltd	(1)	599
	128,881	489,496
2019		
• Swan Life Ltd (Group)	94,540	409,331
• Swan Corporate Affairs Ltd	75	611
• Swan International Co Ltd	753	2,956
• Swan Digital Ltd	(189)	(148)
• Swan General Insurance Company Zambia Limited	(166)	2,305
• Swan Wealth International Ltd	(48)	600
	94,965	415,655

Notes to the Consolidated and Separate Financial Statements

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(j) Summarised financial information on subsidiaries

(a) The summarised statements of financial position and statement of profit or loss and other comprehensive income for the subsidiaries are shown below:

Name of subsidiaries	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Gross premium/ revenue	Profit/ (loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non controlling interests
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020									
Swan Life Ltd (Group)	7,495,652	40,938,738	945,642	45,672,533	4,718,991	557,468	(16,612)	540,856	(17,605)
Swan International Co Ltd	6,281	32,685	3,400	-	-	(18,441)	(22,746)	(41,187)	-
Swan Corporate Affairs Ltd	10,298	2,080	4,344	-	4,290	956	-	956	-
Swan Reinsurance PCC	61,623	248,141	6,178	-	871	4,999	(15,379)	(10,380)	-
Société Brugassur S.A	292	-	526	-	-	2,239	-	2,239	-
Dolberg Rental Pty Ltd	30,777	7,222	14,369	12,754	-	9,791	-	9,791	-
Aprica Investments Co Ltd	1,484	-	16,406	-	-	2,200	-	2,200	-
Swan Special Risks Company Limited	201,447	23,809	62,451	82,270	171,146	6,902	(562)	6,340	-
Swan Digital Ltd	2,047	-	737	-	1,553	463	-	463	-
Swan Comoros SA *	11,049	-	5,143	785	6,706	156	-	156	-
Swan General Insurance Company Zambia Limited	63,036	70,576	25,450	97,136	150,055	5,573	(161)	5,412	-
Swan Wealth International Limited *	7,500	-	560	-	-	(6)	-	(6)	-
Afresure Reinsurance Brokers Ltd	10,000	-	87	-	-	(87)	-	(87)	-
2019									
Swan Life Ltd (Group)- restated	6,738,170	41,460,393	1,113,914	45,652,648	4,859,658	419,512	(3,700)	415,812	(17,303)
Swan International Co Ltd	11,924	102,124	2,733	46,361	12,166	8,893	-	8,893	(210)
Swan Corporate Affairs Ltd	9,375	1,944	4,241	-	4,447	866	-	866	-
Swan Reinsurance PCC	54,271	246,271	7,488	145	14,423	5,129	15,102	20,231	-
Société Brugassur S.A	2,517	739	5,704	-	-	(8)	-	(8)	-
Dolberg Rental Pty Ltd	26,968	13,036	28,015	11,207	-	(2,048)	-	(2,048)	-
Aprica Investments Co Ltd	39,654	-	56,961	-	-	(1,854)	-	(1,854)	-
Swan Special Risks Company Limited	199,253	19,055	68,091	76,022	143,967	6,711	1,698	8,409	-
Swan Digital Ltd	1,242	-	920	675	2,946	(472)	-	(472)	-
Swan Comoros SA	8,429	-	3,281	952	7,074	(429)	-	(429)	-
Swan General Insurance Company Zambia Limited	61,009	66,042	16,456	93,417	107,287	(6,557)	(466)	(7,023)	-
Swan Wealth International Limited	7,500	-	554	-	-	(554)	-	(554)	-

*These amounts are based on unaudited financial statements

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

(b) Summarised Cash flow information

Name of subsidiaries	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
	Rs'000	Rs'000	Rs'000	Rs'000
2020				
Swan Life Ltd (Group)	**1,890,708**	**(2,294,600)**	**(194,944)**	**(598,836)**
Swan International Co Ltd	**660**	**(3,051)**	**-**	**(2,391)**
Swan Corporate Affairs Ltd	**885**	**-**	**-**	**885**
Swan Reinsurance PCC	**19,747**	**(2,549)**	**-**	**17,198**
Société Brugassur S.A	**151**	**-**	**-**	**151**
Dolberg Rental (Pty) Ltd	**3,969**	**-**	**-**	**3,969**
Aprica Investments Co Ltd	**28,365**	**-**	**-**	**28,365**
Swan Special Risks Company Limited	**15,143**	**1,024**	**-**	**16,167**
Swan Digital Ltd	**909**	**-**	**(1,200)**	**(291)**
Swan Comoros SA *	**1,697**	**-**	**-**	**1,697**
Swan General Insurance Company Zambia Limited	**1,321**	**5,076**	**3,224**	**9,621**
Swan Wealth International Limited *	**-**	**-**	**-**	**-**
Afresure Reinsurance Brokers Ltd	**-**	**-**	**-**	**-**
2019				
Swan Life Ltd (Group)- restated	2,250,718	(1,626,172)	(3,245)	621,301
Swan International Co Ltd	2,071	(1,463)	(2,476)	(1,868)
Swan Corporate Affairs Ltd	485	-	-	485
Swan Reinsurance PCC	66	9,027	-	9,093
Société Brugassur S.A	-	-	-	-
Dolberg Rental (Pty) Ltd	1,522	-	-	1,522
Aprica Investments Co Ltd	28,938	-	-	28,938
Swan Special Risks Company Limited	(30,610)	314	25,000	(5,296)
Swan Digital Ltd	282	(193)	-	89
Swan Comoros SA	(5,344)	-	-	(5,344)
Swan General Insurance Company Zambia Limited	(8,768)	1,095	6,940	(733)
Swan Wealth International Limited	-	-	-	-

* These amounts are based on unaudited financial statements
The summarised financial information above is the amount before intra-group eliminations.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

9. INVESTMENTS IN ASSOCIATED COMPANIES

		Note	THE GROUP 2020	THE GROUP 2019
			Rs'000	Rs'000
(a)	**Group's share of net assets in associated companies**			
	At January 1,		**160,886**	151,358
	Additions		**-**	1,463
	Share of results of associated companies		**37,594**	26,488
	Dividends		**-**	(2,618)
	Share of other comprehensive income		**722**	1,899
	Exchange differences on translation		**(40,340)**	(17,704)
	At December 31,		**158,862**	160,886

	Note	THE COMPANY 2020	THE COMPANY 2019
		Rs'000	Rs'000
At January 1,		**34,009**	34,009
Additions		**104,304**	-
Impairment losses	27 (b)	**(36,172)**	-
At December 31,		**102,141**	34,009

(b) Details of the associates at the end of the reporting period are as follows:

Name	Year end	Principal place of business/country of incorporation	Proportion of ownership interest and voting rights (direct)	Proportion of ownership interest and voting rights (indirect)	Nature of business
2020			%	%	
SACOS Group Limited	**Dec 31**	**Seychelles**	**18.61**	**8.08**	**Insurance activities**
BK General Insurance Company Limited	**Dec 31**	**Rwanda**	**30.00**	**-**	**Insurance activities**
2019			%	%	
SACOS Group Limited	Dec 31	Seychelles	0.05	26.67	Insurance activities
BK General Insurance Company Limited	Dec 31	Rwanda	30.00	-	Insurance activities

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(i) The above associates are accounted for using the equity method.

(ii) In 2019, SACOS Group Limited was held by the Group through its subsidiary, Swan International Co Ltd (SIL). The Directors of SIL considered that they exercised significant influence in SACOS Group Limited and was thus accounted for as an investment in associated company. During 2020, the Company acquired additional shares in SACOS Group Limited and thus increased its percentage holding held directly in the investee.

(iii) The carrying value of SACOS Group Limited at December 31, 2020, reflects the share of net assets at December 31, 2020. SACOS Group Limited is a public company listed on the Seychelles Stock Exchange. The market price at December 31, 2020, is Rs 190 (2019: Rs 297) and the market value of the associate is Rs 101m (2019: Rs 159m).

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

Name	Current assets	Non-current assets	Technical provision	Current liabilities	Non-current liabilities	Revenue	Profit after tax	Dividend received during the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020								
SACOS Group Limited	**486,909**	**1,091,257**	**1,145,599**	**130,644**	**11,778**	**542,045**	**156,382**	-
BK General Insurance Company Limited	**576,011**	**18,010**	**255,540**	**67,379**	-	**352,403**	**66,812**	-
2019								
SACOS Group Limited	696,505	1,442,491	1,626,441	114,682	14,449	674,447	58,183	2,618
BK General Insurance Company Limited	362,166	90,589	189,779	68,193	-	267,753	47,592	-

(d) Reconciliation of summarised financial information

Name	At January 1,	Additions	Profit for the year	Other comprehensive income for the year	Dividend	Closing net assets	Ownership interest	Interest in associates	Excess net assets acquired	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2020										
SACOS Group Limited	**383,424**	-	**64,998**	**(157,905)**	-	**290,517**	**26.69**	**77,539**	-	**77,539**
BK General Insurance Company Limited	**194,783**	-	**67,487**	**8,807**	-	**271,077**	**30.00**	**81,323**	-	**81,323**
2019										
SACOS Group Limited	310,207	-	58,183	25,103	(10,069)	383,424	26.72	102,451	-	102,451
BK General Insurance Company Limited	167,635	-	47,592	(20,444)	-	194,783	30.00	58,435	-	58,435

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

10. INVESTMENT IN JOINT VENTURE

		THE GROUP	
		2020	2019
(a)	**Group's share of net assets in joint venture**	**Rs'000**	**Rs'000**
	At January 1,	**2,907**	2,395
	Share of results	**574**	512
	At December 31,	**3,481**	2,907

		THE COMPANY	
(b)	**The Company**	2020	2019
		Rs'000	**Rs'000**
	At January 1 and December 31	**500**	500

(c) **Details of the joint venture at the end of the reporting period are as follows:**

Name of joint venture	**Country of incorporation and place of business**	**Proportion of interest and voting rights held**	**Principal Activity**
Processure Compagnie Limitée	Mauritius	50%	Insurance Back Office

Processure Compagnie Limitée is a jointly controlled entity by Swan General Ltd and Tessi S.A, a company incorporated in France.

Notes to the Consolidated and Separate Financial Statements

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10. INVESTMENT IN JOINT VENTURE (CONT'D)

(d) Summarised Financial information

Summarised financial information in respect of the Group's joint venture is set out below. The summarised information below represents the amount as shown in the joint venture's financial statements prepared in accordance with IFRS, adjusted for equity accounting purposes such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

Summarised financial information in respect of each of the joint venture is set out below:

Name	Current assets	Current liabilities	Profit after tax	Other Comprehensive income	Total comprehensive income for the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020					
Processure Compagnie Limitée	**12,464**	**5,501**	**1,148**	**-**	**1,148**
2019					
Processure Compagnie Limitée	8,816	3,002	1,024	-	1,024

(e) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the financial statements is shown below:

Name	Opening net assets	Profit for the year	Closing net assets	Unrecognised losses	Carrying value
2020	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Processure Compagnie Limitée	**5,813**	**1,148**	**6,961**	**-**	**3,481**
2019					
Processure Compagnie Limitée	4,789	1,024	5,813	-	2,907

Notes to the Consolidated and Separate Financial Statements

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11. INVESTMENTS IN FINANCIAL ASSETS

(a)

	THE GROUP							
	2020				2019			
	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,								
- As previously stated	**14,566,318**	**65,137**	**13,715,291**	**28,346,746**	13,094,659	145,744	13,938,731	27,179,134
- Effect of prior year adjustments (note 36)	**(217,465)**	**188,368**	**-**	**(29,097)**	(33,518)	-	-	(33,518)
- As restated	**14,348,853**	**253,505**	**13,715,291**	**28,317,649**	13,061,141	145,744	13,938,731	27,145,616
Additions	**1,008,900**	**61,605**	**1,358,027**	**2,428,532**	3,171,899	199,195	1,010,810	4,381,904
Reclassification (to)/from foreign securities	**(61,250)**	**-**	**1,544**	**(59,706)**	-	-	-	-
Increase/(decrease) in fair value*	**96**	**20,298**	**(3,237,113)**	**(3,216,719)**	-	(75,585)	(430,531)	(506,116)
Disposals	**-**	**(10,958)**	**(886,304)**	**(897,262)**	(20,000)	(15,849)	(782,753)	(818,602)
Maturity	**(2,351,857)**	**-**	**-**	**(2,351,857)**	(1,962,576)	-	-	(1,962,576)
Movement in accrued interest	**(82,669)**	**-**	**-**	**(82,669)**	87,975	-	-	87,975
Exchange differences	**12,106**	**-**	**-**	**12,106**	10,414	-	(20,966)	(10,552)
At December 31,	**12,874,179**	**324,450**	**10,951,445**	**24,150,074**	14,348,853	253,505	13,715,291	28,317,649
Foreign Securities								
At January 1,								
- As previously stated	**5,332**	**-**	**12,426,256**	**12,431,588**	5,043	-	9,161,671	9,166,714
- Effect of prior year adjustments (note 36)	**-**	**-**	**-**	**-**	-	-	-	-
- As restated	**5,332**	**-**	**12,426,256**	**12,431,588**	5,043	-	9,161,671	9,166,714
Reclassification from/(to) local securities	**61,250**	**-**	**(1,544)**	**59,706**	-	-	-	-
Reclassification to investment in associates	**-**	**-**	**(198)**	**(198)**	-	-	-	-
Additions	**1,568,014**	**-**	**4,703,272**	**6,271,286**	807	-	1,470,326	1,471,133
Increase in fair value*	**-**	**-**	**2,445,304**	**2,445,304**	-	-	2,891,143	2,891,143
Disposals	**(35,524)**	**-**	**(5,765,366)**	**(5,800,890)**	-	-	(1,127,814)	(1,127,814)
Maturity	**(9,017)**	**-**	**-**	**(9,017)**	-	-	-	-
Movement in accrued interest	**(1,064)**	**-**	**-**	**(1,064)**	-	-	-	-
Exchange differences	**6,779**	**-**	**10,619**	**17,398**	(518)	-	30,930	30,412
At December 31,	**1,595,770**	**-**	**13,818,343**	**15,414,113**	5,332	-	12,426,256	12,431,588
Total	**14,469,949**	**324,450**	**24,769,788**	**39,564,187**	14,354,185	253,505	26,141,547	40,749,237

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b)

	THE COMPANY							
	2020				2019			
	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Local Securities								
At January 1,	246,980	-	633,946	880,926	250,615	-	676,605	927,220
Additions	-	-	-	-	22,000	-	33,046	55,046
Decrease in fair value*	-	-	(116,447)	(116,447)	-	-	(42,112)	(42,112)
Disposals	-	-	(182,818)	(182,818)	(20,000)	-	(33,593)	(53,593)
Maturity	(25,035)	-	-	(25,035)	(5,973)	-	-	(5,973)
Movement in accrued interest	(189)	-	-	(189)	338	-	-	338
At December 31,	221,756	-	334,681	556,437	246,980	-	633,946	880,926
Foreign Securities								
At January 1,	-	-	833,563	833,563	-	-	580,834	580,834
Reclassification to investment in associates	-	-	(198)	(198)	-	-	-	-
Additions	-	-	812,190	812,190	-	-	353,697	353,697
Increase in fair value*	-	-	162,580	162,580	-	-	208,114	208,114
Disposals	-	-	(406,017)	(406,017)	-	-	(309,082)	(309,082)
At December 31,	-	-	1,402,118	1,402,118	-	-	833,563	833,563
Total	221,756	-	1,736,799	1,958,555	246,980	-	1,467,509	1,714,489

Notes to the Consolidated and Separate Financial Statements

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

	THE GROUP		THE COMPANY	
	2020	2019 Restated *	2020	2019
Analysed as follows:	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Available-for-sale	25,094,238	26,395,052	1,736,799	1,467,509
Held-to-maturity	11,508,757	11,907,795	202,806	217,299
	36,602,995	38,302,847	1,939,605	1,684,808
Current				
Held-to-maturity	2,961,192	2,446,390	18,950	29,681
	39,564,187	40,749,237	1,958,555	1,714,489
Cumulative accrued interests	442,823	528,506	6,286	6,475

	THE GROUP				THE COMPANY			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2020								
Available-for-sale	22,756,340	302,968	2,034,930	25,094,238	1,648,295	21,192	67,312	1,736,799
At December 31, 2019								
Available-for-sale - Restated	25,014,398	281,112	1,099,542	26,395,052	1,368,854	19,975	78,680	1,467,509

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Debenture Stocks, Notes, Treasury Bills, Corporate Bonds and Deposits with interest rates varying from 1.70% to 12.25% (2019: 2.56% to 12.75%).

(d) Available-for-sale financial assets comprise of quoted and unquoted financial assets.

(e) None of the financial assets are past due.

(f) Currency analysis of financial assets is disclosed in note 3.2.1.(i).

(g) The maturity of financial assets is disclosed in note 3.2.3.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(h) The table below shows the changes in level 3 instruments for the year ended December 31, 2020:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	1,099,542	1,151,787	78,680	89,662
Additions	1,132,349	76,582	-	-
Transfer from level 1	3,527	-	-	-
Disposals	(80,486)	(12,924)	(13,988)	-
(Decrease)/increase in fair value	(120,002)	(115,903)	2,620	(10,982)
At December 31,	2,034,930	1,099,542	67,312	78,680

(i) The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

During the financial year, there were transfers from level 1 to level 3 amounting to Rs'000. 3,527 for the Group (2019: Nil) and nil for the Company (2019: Nil). There was no other transfer during the year.

The transfers relate to the following:

1) Air Mauritius Ltd - During the financial year, Air Mauritius Ltd went into voluntary administration.

2) Eagle Insurance Ltd - The entity withdrew itself from the Stock Exchange Market of Mauritius since 15th July 2020.

(j) Out of total disposal, Rs'000s. 13,988 is considered as non-cash at Company level.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(k) The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

THE GROUP

Fair value at December 31, 2020

Description	Rs'000	Valuation technique	Unobservable inputs	Range(weighted average)	Sensitivity to changes in significant unobservable inputs
A.	237,177	Dividend yield multiple	(i) Market multiple	2.28x - 4.05x	A decrease in market multiple by 10% would increase value of the unquoted investment by Rs000's. 26,354 while an increase in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 21,479.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 2,185 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 2,138.
B.	164,069	Price-Earning multiple	(i) Market multiple	8.62x -8.97x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's. 17,647 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 16,408.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 1,825 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,825.
C.	57,382	Price Book Value	(i) Market multiple	0.45x - 0.88x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's. 5,725 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 5,738.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's 556 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 573.
D.	112,213	Discounted net asset value (NAV)	(i) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's 1,218 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,218.
E.	1,464,089	Price of recent transaction	No unobservable input is used	NA	NA
	2,034,930				

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

THE GROUP (cont'd)

Fair value at December 31, 2019

Description	Rs'000	Valuation technique	Unobservable inputs	Range(weighted average)	Sensitivity to changes in significant unobservable inputs
A.	151,662	Dividend yield multiple	(i) Market multiple	2.19x	A decrease in market multiple by 10% would increase value of the unquoted investment by Rs000's. 16,852 while an increase in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 13,787.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's.1,391 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,366.
B.	328,470	Price-Earning multiple	(i) Market multiple	8.97x -23.28x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's.32,866 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 32,825.
			(ii) Discount rate	10%/50%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 15,197 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 15,239.
C.	28,717	Price Book Value	(i) Market multiple	0.86x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's. 2,872 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 2,872.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's 319 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 319.
D.	24,740	Discounted net asset value (NAV)	(i) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's 275 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 275.
E.	565,953	Price of recent transaction	No unobservable input is used	NA	NA
	1,099,542				

Notes to the Consolidated and Separate Financial Statements

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

THE COMPANY

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Fair value at December 31, 2020

Description	Rs'000	Valuation technique	Unobservable inputs	Range(weighted average)	Sensitivity to changes in significant unobservable inputs
A.	65,001	Dividend yield multiple	(i) Market multiple	8.40x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's. 6,573 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 7,487.
			(ii) Discount rate	8.40x	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 1,709 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 264.
B.	2,311	Price-Earning multiple	No unobservable input is used	NA	NA
	67,312				

Fair value at December 31, 2019

Description	Rs'000	Valuation technique	Unobservable inputs	Range(weighted average)	Sensitivity to changes in significant unobservable inputs
A.	62,280	Price-Earning multiple	(i) Market multiple	8.40x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's.6,229 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 6,227.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 691 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 692.
B.	16,400	Price-Earning multiple	No unobservable input is used	NA	NA
	78,680				

Notes to the Consolidated and Separate Financial Statements

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(l) Available for sale investments consist of Investments in funds which are classified as Level 2 within the fair value hierarchy. It is based on the net assets value of the funds and amounts to Rs. 302.9m (2019: Rs. 281.1m) and Rs.21.2m (2019: Rs. 19.9m) for the Group and the Company respectively. The net asset value is based on the market price of the underlying quoted securities as at December 31, 2020. There has been no change in the valuation technique.

(m) The exchange differences arising on local investment, relate to held-to-maturity investments held by Swan Life Ltd with local financial institutions but denominated in foreign currencies and fixed deposits held in MUR held by Swan Re PCC.

12. LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	**4,554,485**	4,612,981	**101,813**	115,586
Loans granted	**2,429,697**	976,055	**6,324**	350
Loans recovered	**(371,452)**	(1,033,070)	**(17,210)**	(14,123)
Reclassification of loan on call from Cash & Cash equivalents	**1,300**	-	**1,300**	-
Increase in accrued interest	**25,803**	5,110	**-**	-
Increase in provision for impairment (see note (i) below)	**(55)**	(6,591)	**-**	-
	6,639,778	4,554,485	**92,227**	101,813
Finance lease receivables (see note(a) below)	**-**	16,250	**-**	-
Finance lease receivables accounted for as operating leases	**-**	(16,250)	**-**	-
At December 31,	**6,639,778**	4,554,485	**92,227**	101,813
Analysed as follows:				
Non-current	**5,819,741**	4,338,413	**86,117**	99,233
Current	**820,037**	216,072	**6,110**	2,580
	6,639,778	4,554,485	**92,227**	101,813

(a) Finance lease receivables relate to finance leases granted by Dolberg Rental (Pty) Ltd.

Dolberg Rental (Pty) Ltd leases office equipment to customers. During the financial year 2018, it accounted for the leasing of office and related equipment in terms of a finance lease. This was changed in the 2019 financial year as the terms of the leases were reviewed. All lease agreements were seen as operating leases.

(b) The rates of interest on the above loans varied between 3.125% and 14.95% for 2020 (2019: 4.25% and 14.00%).

12. LOANS AND RECEIVABLES (CONT'D)

(c) There is no concentration of credit risk with respect to loans and receivables since exposures 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) Currency analysis of loans and receivables is disclosed in note 3.2.1.(i).

(f) The ageing of loans and receivables is disclosed in note 3.2.2.

(g) The maturity of loans and receivables is disclosed in note 3.2.3.

(h) Interest income accrued on non-performing loans amounted to Rs 5.5m and nil during the year for the Group and the Company respectively (2019: Rs 6.0m for the Group and nil for the Company).

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At January 1,	**93,561**	86,970
Charge for the year	**5,582**	19,271
Recoveries	**(5,527)**	(12,680)
At December 31,	**93,616**	93,561

13. NON-CURRENT RECEIVABLES

		THE GROUP		THE COMPANY	
	Note	2020	2019	2020	2019
		Rs'000	Rs'000	Rs'000	Rs'000
Loans to group companies (i)		**-**	-	**-**	100,396
Interest and other receivables (ii)		**7,594**	5,444	**-**	-
Impairment losses		**-**	-	**-**	(52,835)
		7,594	5,444	**-**	47,561
Less current portion:					
Loans to group companies	15	**-**	-	**-**	(525)
		7,594	5,444	**-**	47,036

(a) The interest rates on loans to group companies ranges from interest-free to 2% for 2019.

In 2019, included in loan to group companies is an amount granted for investment in Swan General Insurance Company Zambia Limited, a company incorporated in Zambia. The acquisition was concluded in February 2018. The initial loan granted amount to Rs 52.8m which has been impaired in 2018 and 2019.

(b) The non-current other receivables are due and payable within 10 years from the end of the reporting period.

Notes to the Consolidated and Separate Financial Statements

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14. DEFERRED TAX ASSETS

(a) Deferred taxes are calculated on all temporary differences under the liability method at 17% (2019: 17%). The movement on deferred tax account is as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	**57,282**	61,884	**43,147**	41,719
(Credited)/charged to profit or loss (note 23)	**(2,511)**	4,086	**702**	3,231
Other comprehensive income (note 18)	**8,652**	(1,885)	**8,174**	(1,803)
Exchange differences	**(3,232)**	(6,803)	**-**	-
At December 31,	**60,191**	57,282	**52,023**	43,147

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets	**74,483**	64,074	**53,771**	45,405
Deferred tax liabilities	**(14,292)**	(6,792)	**(1,748)**	(2,258)

* Unrecognised deferred tax assets for the Group has been disclosed in note 23 (f).

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

14. DEFERRED TAX ASSETS (CONT'D)

(c) Deferred tax assets and liabilities credited to the statement of profit or loss and other comprehensive income are attributable to the following items:

	THE GROUP						
	At January 1, 2020	Credited to profit or loss	Credited to other comprehensive income	Exchange differences	At December 31, 2020	Deferred tax assets	Deferred tax liabilities
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets							
Retirement benefit obligations	44,490	756	8,580	-	**53,826**	53,826	-
Assessed losses and provisions	3,279	(1,059)	-	(2,218)	**2**	2	-
Accumulated tax losses	24,836	(1,418)	-	(7,124)	**16,294**	16,294	-
Lease liability	2,146	(316)	-	-	**1,830**	1,830	-
Investments in equity instruments	-	(110)	72	120	**82**	82	-
Other temporary differences	-	590	-	(294)	**296**	296	-
Expected credit losses	-	1,686	-	-	**1,686**	1,686	-
	74,751	129	8,652	(9,516)	**74,016**	74,016	-
Deferred tax liabilities							
Rights-of-use assets	(2,109)	206	-	26	**(1,877)**	-	(1,877)
Accelerated tax depreciation	(1,380)	(3,587)	-	2,484	**(2,483)**	467	(2,950)
Intangible assets	(2,901)	741	-	645	**(1,515)**	-	(1,515)
Revaluation surplus	(11,079)	-	-	3,129	**(7,950)**	-	(7,950)
	(17,469)	(2,640)	-	6,284	**(13,825)**	467	(14,292)
Deferred tax assets/(liabilities)						**74,483**	**(14,292)**

	THE COMPANY			
	At January 1, 2020	Credited to profit or loss	Credited to other comprehensive income	At December 31, 2020
Deferred tax assets	Rs'000	Rs'000	Rs'000	Rs'000
Retirement benefit obligations	42,366	940	8,174	**51,480**
Accelerated tax depreciation	745	(276)	-	**469**
Lease liability	2,294	(472)	-	**1,822**
	45,405	192	8,174	**53,771**
Deferred tax liability				
Rights-of-use assets	(2,258)	510	-	**(1,748)**

Notes to the Consolidated and Separate Financial Statements

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15. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019 Restated	2020	2019 Restated
	Rs'000	Rs'000	Rs'000	Rs'000
Insurance receivables				
Due from contract holders	829,173	893,635	701,287	759,150
Due from brokers and agents	577,585	612,531	575,991	612,531
Due from schemes	442,593	403,462	-	-
	1,849,351	1,909,628	1,277,278	1,371,681
Amount written off not previously provided for	(106)	-	(106)	-
Reduction in allowance of impairment losses (b)	-	(2,965)	-	(2,965)
	1,849,245	1,906,663	1,277,172	1,368,716
Less provision for impairment (b)	(94,789)	(45,518)	(61,847)	(43,787)
	1,754,456	1,861,145	1,215,325	1,324,929
Due from reinsurers/reinsurance assets				
- Share of outstanding claims (Note 24/32(a))	220,219	240,691	197,142	214,111
- Share of unearned premiums (Note 24/32(b))	370,913	624,984	294,860	569,047
- Incurred but not reported (Note 24/32(a))	69,164	44,517	54,849	33,233
- Commission and other receivables	32,618	165,663	32,618	165,663
- Provision for impairment of reinsurance assets	(5,125)	(27,763)	(5,125)	(27,763)
Other receivables				
Receivable from related parties	-	-	34,165	27,114
Prepayments	77,501	71,737	9,147	18,140
Other receivables	342,781	529,633	204,576	333,753
- Provision for impairment of other receivables	(17,775)	(5,572)	(7,488)	-
	2,844,752	3,505,035	2,030,069	2,658,227
Add current portion of:				
- Loans to group companies (note 13)	-	-	-	525
	2,844,752	3,505,035	2,030,069	2,658,752

(a) The ageing of trade and other receivables is disclosed in note 3.2.2.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

15. TRADE AND OTHER RECEIVABLES (cont'd)

(b) Movements on the provision for impairment on insurance receivables are as follows:

	Note	THE GROUP		THE COMPANY	
		2020	2019	2020	2019
		Rs'000	Rs'000	Rs'000	Rs'000
At January 1,		45,518	34,327	43,787	34,327
Charge for the year	27 (b)	50,059	14,156	18,060	12,425
Reduction in allowance of impairment losses		-	(2,965)	-	(2,965)
Exchange differences		(788)	-	-	-
At December 31,		94,789	45,518	61,847	43,787

(c) Movements on the provision for impairment on due from reinsurers/reinsurance assets are as follows:

	Note	THE GROUP		THE COMPANY	
		2020	2019	2020	2019
		Rs'000	Rs'000	Rs'000	Rs'000
At January 1,		27,763	26,172	27,763	26,172
Charge for the year	27 (b)	3,534	1,591	3,534	1,591
Reduction in allowance of impairment losses	27 (b)	(26,172)	-	(26,172)	-
At December 31,		5,125	27,763	5,125	27,763

(d) Movements on the provision for impairment on other receivables are as follows:

	Note	THE GROUP		THE COMPANY	
		2020	2019	2020	2019
		Rs'000	Rs'000	Rs'000	Rs'000
At January 1,		5,572	5,000	-	-
Charge for the year	27 (b)	12,203	572	7,488	-
At December 31,		17,775	5,572	7,488	-

(e) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

(f) The Group and the Company do not hold any collateral as security for trade and other receivables.

(g) The carrying amounts of non-insurance trade and other receivables which are receivable within one year approximate their fair values.

Notes to the Consolidated and Separate Financial Statements

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16. LIFE ASSURANCE FUND

THE GROUP	Actuarial Liabilities	Fair value reserve	Other reserves	Actuarial gains/(losses)	Total
2020					
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,					
- As previously stated	35,553,546	9,754,436	-	(108,178)	45,199,804
- Effect of prior year adjustments (note 36)	(33,351)	-	-	-	(33,351)
- As restated	35,520,195	9,754,436	-	(108,178)	45,166,453
Movement in Life Assurance Fund for the year	2,775,799	(2,818,262)		(39,651)	(82,114)
At December 31,	38,295,994	6,936,174	-	(147,829)	45,084,339

THE GROUP	Actuarial Liabilities	Fair value reserve	Other reserves	Actuarial gains/(losses)	Total
2019					
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,					
- As previously stated	33,244,077	7,966,258	-	(112,027)	41,098,308
- Effect of prior year adjustments (note 36)	(33,518)	-	-	-	(33,518)
- As restated	33,210,559	7,966,258	-	(112,027)	41,064,790
Movement in Life Assurance Fund for the year - Restated	2,281,703	1,788,178	-	3,849	4,073,730
Transfer from retirement benefit obligations (Note 21)	27,933	-	-	-	27,933
At December 31,	35,520,195	9,754,436	-	(108,178)	45,166,453

The Life Assurance Fund pertains to net assets attributable to the policyholders and shareholders for long-term insurance. Refer to 4.1 for the sensitivity analysis around the Life Assurance Fund.

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17. SHARE CAPITAL

	THE GROUP AND THE COMPANY 2020	2019
	Rs'000	Rs'000
At January 1 & December 31,	41,379	41,379

The total authorised number of ordinary shares is 9,600,000 (2019: 9,600,000 shares) with a par value of Rs.5 per share (2019: Rs.5 per share). The number of shares issued is 8,275,769 (2019: 8,275,769 shares) which are fully paid.

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

18. OTHER COMPREHENSIVE INCOME

THE GROUP	Retained Earnings	Fair value reserve	Other reserves	Non - controlling interests	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020						
- Change in value of available- for-sale financial assets	-	(769,162)	-	(2,349)	-	(771,511)
- Release on disposal of available- for-sale financial assets	-	(2,204,976)	-	(24)	-	(2,205,000)
- Movement for the year	-	-	(33,819)	(1,343)	-	(35,162)
- Remeasurements of RBO	-	-	-	(460)	(88,799)	(89,259)
- Deferred tax impact (note 14)	-	72	-	-	8,580	8,652
- Transfer to life assurance fund (note 16)	-	2,818,262	-	-	39,651	2,857,913
	-	(155,804)	(33,819)	(4,176)	(40,568)	(234,367)

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18. OTHER COMPREHENSIVE INCOME (CONT'D)

THE GROUP (cont'd)	Fair value reserve	Other reserves	Non - controlling interests	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2019					
- Change in value of available- for-sale financial assets	2,384,738	-	289	-	2,385,027
- Release on disposal of available- for-sale financial assets	(488,095)	-	-	-	(488,095)
- Movement for the year	-	2,025	(17)	-	2,008
- Remeasurements of RBO	-	-	-	14,077	14,077
- Deferred tax impact (note 14)	-	-	-	(1,885)	(1,885)
- Transfer to life assurance fund (note 16)	(1,788,178)	-	-	(3,849)	(1,792,027)
	108,465	2,025	272	8,343	119,105

For the subsidiary, Swan Life Ltd, 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 and then transferred to the 'Life Assurance Fund' through the 'Movement in Life Assurance Fund' as shown in the consolidated statement of profit or loss and other comprehensive income.

For the Company and the subsidiaries, with the exception of Swan Life Ltd, 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 and hence, booked in the below Reserves categories:

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Other reserves

Other reserves comprise of all the movements arising in the reserves of associates and any translation reserves from translating the financial statements of foreign operations. The group's share of its associates' post acquisition other comprehensive income movements are recognised in other reserves.

Actuarial gains/(losses)

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

Amalgamation reserve

The amalgamation reserves relates to the amalgamation of Cim Insurance Ltd (CIL) with and into the Company on June 30, 2012, whereby the Company issued 908,087 new ordinary shares of Rs. 5 each to Rogers and Company Limited (RCL) in consideration for the net assets of CIL.

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18. OTHER COMPREHENSIVE INCOME (CONT'D)

Amalgamation reserve (cont'd)

THE COMPANY	Fair value reserve	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000
2020			
- Change in value of available-for-sale financial assets	**46,133**	**-**	**46,133**
- Release on disposal of available-for-sale financial assets	**(186,573)**	**-**	**(186,573)**
- Remeasurement of retirement benefit obligations (note 21)	**-**	**(48,079)**	**(48,079)**
- Deferred tax impact (note 14)	**-**	**8,174**	**8,174**
	(140,440)	**(39,905)**	**(180,345)**
2019			
- Change in value of available-for-sale financial assets	166,002	-	166,002
- Release on disposal of available-for-sale financial assets	(75,445)	-	(75,445)
- Remeasurement of retirement benefit obligations (note 21)	-	10,607	10,607
- Deferred tax impact (note 14)	-	(1,803)	(1,803)
	90,557	8,804	99,361

19. NON-CONTROLLING INTERESTS

	Note	THE GROUP	
		2020	2019
		Rs'000	Rs'000
At January 1,		**415,655**	363,612
Effect on issue of shares		**-**	648
Share of profit (note 8(i))		**128,881**	94,965
Share of dividend		**(44,623)**	(44,530)
Movement in other comprehensive income		**(4,176)**	272
Other movement		**(207)**	688
Effect of reduction of minority interest in associate		**(6,034)**	-
At December 31,		**489,496**	415,655

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20. BORROWINGS

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Current				
Loans from related parties (a)	-	-	-	179,728
	-	-	-	179,728
Total Borrowings	-	-	-	179,728

(a) The loans from related parties were unsecured and bear interest rate of 2.9%.

(b) The carrying value of current borrowings approximate their amortised cost.

21. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Amounts recognised in the statements of financial position				
- Defined pension benefits (a)(ii)	313,544	188,919	189,426	126,493
- Other post retirement benefits (b)(i)	90,238	88,609	54,306	52,801
	403,782	277,528	243,732	179,294
Analysed as follows:				
Non-current liabilities	403,782	277,528	243,732	179,294
Amounts recognised in the statements of profit or loss :				
- Defined pension benefits (a)(v)	30,221	34,655	13,542	16,140
- Other post retirement benefits (b)(iii)	11,059	42,474	6,330	6,285
	41,280	77,129	19,872	22,425
Amounts recognised in the statements of other comprehensive income :				
- Defined pension benefits (a)(vi)	98,689	(11,474)	52,904	(8,385)
- Other post retirement benefits (b)(iv)	(9,430)	(2,603)	(4,825)	(2,222)
	89,259	(14,077)	48,079	(10,607)

Notes to the Consolidated and Separate Financial Statements

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits**

(i) The Group and the Company contribute to a defined benefit pension. The plan is a defined benefit arrangement, with benefits based on salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The assets of which are held and administered by Swan Life Ltd. The most recent actuarial valuation of the present value of the defined benefits obligations were carried out at December 31, 2020. 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.

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

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligations	776,620	621,170	389,023	309,340
Fair value of plan assets	(463,076)	(432,251)	(199,597)	(182,847)
Liability in the statements of financial position	313,544	188,919	189,426	126,493

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	188,919	224,730	126,493	147,899
Charged to profit or loss	30,221	34,655	13,542	16,140
Charged/(credited) to other comprehensive income	98,689	(11,474)	52,904	(8,385)
Transfer to Life Assurance Fund	-	(27,933)	-	-
Contributions paid	(4,285)	(31,059)	(3,513)	(29,161)
Net defined obligation at At December 31,	313,544	188,919	189,426	126,493

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	RS'000	RS'000	RS'000	RS'000
At January 1,	**621,170**	616,692	**309,340**	320,939
Current service cost	**24,873**	22,605	**11,291**	7,768
Net interest cost	**29,965**	33,534	**14,390**	15,858
Actuarial gains/(losses) arising from:				
- financial assumptions	**80,794**	(10,908)	**42,206**	(6,041)
- experience adjustment	**19,818**	(2,674)	**11,796**	(2,674)
Benefits paid	**-**	(38,079)	**-**	(26,510)
Present value of defined obligation at December 31,	**776,620**	621,170	**389,023**	309,340

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	**432,251**	391,962	**182,847**	173,040
Expected return on plan assets	**24,617**	24,033	**12,139**	8,858
Losses on pension scheme assets	**-**	(1,372)	**-**	(1,372)
Actuarial gains/(losses)	**1,923**	(2,108)	**1,098**	(330)
Transfer from Life Assurance Fund	**-**	27,933	**-**	-
Contributions by employer	**4,285**	27,231	**3,513**	25,333
Benefits paid	**-**	(34,251)	**-**	(22,682)
Scheme expenses	**-**	(1,177)	**-**	-
Fair value of plan assets at December 31,	**463,076**	432,251	**199,597**	182,847
Actual return on plan assets	**23,053**	27,043	**9,750**	8,528

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits**

(v) The amounts recognised in the consolidated and separate statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	**24,873**	22,605	**11,291**	7,768
Net interest cost	**5,348**	9,501	**2,251**	7,000
Scheme expenses	**-**	1,177	**-**	-
Losses on pension scheme assets	**-**	1,372	**-**	1,372
Total included in staff costs	**30,221**	34,655	**13,542**	16,140

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Actuarial (gains)/losses recognised during the year				
(Gains)/losses on pension scheme assets	**(1,923)**	2,108	**(1,098)**	330
Liability experience losses/(gains)	**19,818**	(2,261)	**11,796**	388
Changes in assumption underlying the present value of the scheme	**-**	(7,548)	**-**	(7,548)
Liability losses/(gains) due to change in financial assumptions	**80,794**	(3,773)	**42,206**	(1,555)
	98,689	(11,474)	**52,904**	(8,385)

The assets of the plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for the Group Pension Schemes. It is a long-term Investment policy that 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.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	%	%	%	%
Discount rate	**1.80 - 2.60**	4.60 - 5.00	**1.80**	4.60
Future salary increases	**2.00**	4.00	**2.00**	4.00
Future guarantee pension increases	**Up to 3.00**	Up to 3.00	**3.00**	3.00
NPS ceiling increase	**4.00**	4.00	**4.00**	4.00
Post-retirement annuity rates	**Swan Life Ltd rates/ RMPRF Rates 2020**	Swan Life Ltd rates/ RMPRF Rates 2019	**Swan Life Ltd rates/ RMPRF Rates 2020**	Swan Life Ltd rates/ RMPRF Rates 2019

(viii) Sensitivity analysis on defined benefit obligations to changes in the weighted principal assumptions is:

December 31, 2020	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Future salary growth rate (1% increase)	**40,799**	**35,970**	**21,471**	**19,134**
Discount rate (1% increase)	**40,442**	**35,173**	**20,658**	**25,523**

December 31, 2019	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Future salary growth rate (1% increase)	56,436	-	20,216	-
Discount rate (1% increase)	-	48,246	-	18,522

The sensitivity above has been determined based on a method that extrapolates the impact on net defined obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

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

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YEAR ENDED DEC 31, 2020

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

(viii) Sensitivity analysis on defined benefit obligations to changes in the weighted principal assumptions (cont'd)

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

There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

(ix) The defined benefit pension plan exposes the Group and the Company to actual risks, such as investment, interest, longevity and salary risks.

(i) Investment risk

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

(ii) Interest risk

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

(iii) Longevity risk

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

(iv) Salary risk

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

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

(xi) The Group and the Company expect to pay Rs.37.6m and Rs 21.8m contributions respectively to its post-employment benefit plans for the year ending December 31, 2020.

(xii) The weighted average duration of the defined benefit obligation is 4 - 17 years for the Group at end of the reporting period (2019: 5 - 17 years) and 6 - 14 years for the Company (2019: 9 years).

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(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, 2020.

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	**88,609**	49,467	**52,801**	49,467
Charged to profit or loss	**11,059**	42,474	**6,330**	6,285
Amount recognised in other comprehensive income	**(9,430)**	(2,603)	**(4,825)**	(2,222)
Employer contributions	**-**	(729)	**-**	(729)
At December 31,	**90,238**	88,609	**54,306**	52,801

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	**88,609**	49,467	**52,801**	49,467
Current service cost	**6,856**	4,446	**3,900**	3,633
Interest expense	**4,203**	3,197	**2,430**	2,652
Past service cost	**-**	34,831	**-**	-
Benefits paid	**-**	(729)	**-**	(729)
Actuarial (gains)/losses	**(9,430)**	(2,603)	**(4,825)**	(2,222)
At December 31,	**90,238**	88,609	**54,306**	52,801

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	**6,856**	4,446	**3,900**	3,633
Past service cost	**-**	34,831	**-**	-
Interest on net defined benefit liability	**4,203**	3,197	**2,430**	2,652
Total included in staff costs	**11,059**	42,474	**6,330**	6,285

Notes to the Consolidated and Separate Financial Statements

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

(iv) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Liability experience losses/(gains) due to change in financial assumptions	**13,331**	(2,603)	**7,811**	(2,222)
Liability experience (gains)/losses	**(22,761)**	-	**(12,636)**	-
	(9,430)	(2,603)	**(4,825)**	(2,222)

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
Discount rate	**1.80 to 2.70%**	4.60 to 5.00%	**1.80 %**	4.60 %
Rate of salary increases	**2.00 %**	4.00 %	**2.00 %**	4.00 %
Average retirement age	**60 years**	60 years	**60 years**	60 years
Post retirement annuity rates	**Swan Rates 2020 or RPF Rates 2020**	Current Swan/ RMPRF Rates 2019	**Swan Rates 2020 or RPF Rates 2020**	Current Swan/ RMPRF Rates 2019

(vi) Sensitivity analysis on defined benefit obligation at end of period

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	**15,434**	13,600	**8,256**	7,012
Decrease due to 1% increase in discount rate	**12,481**	11,160	**6,685**	5,764

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

(vii) The weighted average duration of the defined benefit obligation is 6 - 14 years for the Company (2019: 9 years) and 5 - 17 years for the Group at end of the reporting period (2019: 5 - 17 years).

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

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22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Insurance payables		Restated		Restated
Reinsurance liabilities	**134,723**	511,976	**89,716**	460,380
Insurance contracts	**310,862**	213,554	**71,726**	68,840
Other payables				
Accrued expenses	**96,823**	60,353	**73,754**	57,665
Amount payable to subsidiary companies	**-**	-	**118,542**	26,904
Other payables	**743,249**	1,062,874	**171,792**	160,255
	1,285,657	1,848,757	**525,530**	774,044
Less non-current portion:				
Other payables	**(161,067)**	(161,901)	**(107,646)**	(108,234)
	1,124,590	1,686,856	**417,884**	665,810

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

(b) The carrying amounts of non-insurance trade and other payables which are payable within one year approximate their fair values.

Notes to the Consolidated and Separate Financial Statements

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23. INCOME TAX

(a)

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
Net current tax liabilities	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	**18,757**	21,603	**8,080**	11,914
Effect of acquisition of subsidiary (note 30)	**-**	319	**-**	-
Amount paid during the year	**(8,531)**	(21,757)	**(7,743)**	(8,486)
Current tax on the adjusted profit for the year at 15% (2019:15%)	**31,099**	54,891	**14,927**	21,453
Payment under Advance Payment System (APS)	**(23,506)**	(38,744)	**(11,694)**	(15,901)
Tax deducted at source on rental income	**(58)**	(56)	**(58)**	(56)
(Over)/under provision in prior year	**(8,104)**	(1,473)	**326**	(1,123)
Foreign tax credit	**(201)**	(277)	**(201)**	(277)
Corporate Social Responsibility tax expense	**2,359**	7,279	**1,990**	2,860
Corporate Social Responsibility tax paid	**(1,977)**	(2,434)	**(1,954)**	(2,304)
Advances from Government (WAS)	**284**	-	**-**	-
Exchange differences	**346**	(594)	**-**	-
Balance at December 31,	**10,468**	18,757	**3,673**	8,080
Current tax assets	**(2,923)**	(3,204)	**-**	-
Current tax liabilities	**13,391**	21,961	**3,673**	8,080

(b)

	THE GROUP		THE COMPANY	
Tax reconciliation				
Profit or loss charge				
Current tax on the adjusted profit for the year at 15% (2019:15%)	**31,099**	54,891	**14,927**	21,453
Deferred tax (note 14)	**2,511**	(4,086)	**(702)**	(3,231)
(Over)/under provision in prior year	**(8,104)**	(1,473)	**326**	(1,123)
Corporate Social Responsibility tax at 2% (2019: 2%)	**2,359**	7,279	**1,990**	2,860
	27,865	56,611	**16,541**	19,959

	THE GROUP & THE COMPANY	
Tax rates applicable in:	2020	2019
Mauritius (The Company and Subsidiaries)	**15%**	15%
Comores (Subsidiary)	**35%**	35%
Madagascar (Subsidiary)	**20%**	20%
Rwanda (Subsidiary)	**30%**	30%
South Africa (Subsidiaries)	**28%**	28%
Zambia (Subsidiary)	**35%**	35%

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23. INCOME TAX (CONT'D)

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before taxation	792,978	717,413	295,216	316,019
Less: Surplus not taxable *	(428,258)	(338,578)	-	-
Add: dividend income from related parties	176,895	180,023	-	-
Less share of profit of associates and joint venture	38,168	(27,000)	-	-
	579,783	531,858	295,216	316,019

* Based on current tax laws, profit of its subsidiary, Swan life Ltd, i.e. attributable to the shareholders are not taxable.

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Tax calculated at rate of 15% (2019: 15%)	86,967	81,483	44,282	49,107
Effect of different tax rates in other countries	2,402	2,293	-	-
Income not subject to tax (e)	(105,823)	(69,121)	(57,106)	(44,916)
Expenses not deductible for tax purposes (e)	51,131	35,112	27,049	14,031
Capital Gains tax effects	27	-	-	-
Tax losses for which no deferred income tax asset was recocgnised	459	1,627	-	-
Utilisation of previously recognised tax losses	(1,553)	(589)	-	-
(Over)/under provision in prior year	(8,104)	(1,473)	326	(1,123)
Corporate Social Responsibility tax at 2% (2019: 2%)	2,359	7,279	1,990	2,860
Tax charge for the year	27,865	56,611	16,541	19,959

(d) The subsidiary, Swan Life Ltd:

The subsidiary, Swan Life Ltd provides services related to long-term insurance business and it is liable to income tax at a rate of 15% (2019: 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, Swan Life Ltd will have no taxable income in the foreseeable future. No deferred tax asset has also been recognised due to unpredictability of future taxable income to utilise these losses.

Notes to the Consolidated and Separate Financial Statements

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23. INCOME TAX (CONT'D)

(d) The subsidiary, Swan Life Ltd: (cont'd)

Following a change in legislation, as from the year of assessment 2021/22, a company carrying out life insurance business will have to pay tax at the rate of 10% of its relevant profit or its income tax payable as computed under the current tax rules, whichever is the higher. The relevant profit of Swan Life Ltd, a subsidiary, is the annual profit, adjusted for any capital gain or loss, attributable to the shareholders of the subsidiary included in the statement profit or loss as capital gain or loss is disregarded for tax purposes.

Relevant profit relates to profit attributable to shareholders in respect of an income year:

(i) as reduced by capital gain attributable to shareholders where such gain has been credited to the separate statement of profit and loss; and

(ii) as increased by any capital loss attributable to shareholders where such loss has been debited to the separate statement of profit and loss.

No deferred tax asset will arise as relevant profit which is attributable to the shareholders cannot be offset against the unused tax losses, attributable to the insurance business. Refer to note 23(f).

No deferred tax asset will arise as relevant profit which is attributable to the shareholders cannot be offset against the unused tax losses.

(e) Non-deductible expenses comprise mostly of depreciation of property and equipment, amortisation of intangible assets, and loss on foreign exchange and surplus not taxable which mainly includes dividends received and interest income.

(f) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom.

	THE GROUP			
	2020		2019	
	Gross amount	Tax effect	Gross amount	Tax effect
	Rs'000	Rs'000	Rs'000	Rs'000
Deductible temporary differences	268,721	45,683	231,355	39,330
Tax losses	4,439,246	754,672	4,873,303	828,462
	4,707,967	800,355	5,104,658	867,792

Notes to the Consolidated and Separate Financial Statements

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23. INCOME TAX (CONT'D)

(d) The subsidiary, Swan Life Ltd: (cont'd)

(g) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Year 1	-	-
Year 2	1,002,438	962,507
Year 3	2,021,202	2,172,086
Year 4	-	-
Year 5	2,852,880	2,809,604
Lapsed during the year	(1,437,274)	(1,070,894)
	4,439,246	4,873,303

* The tax losses expire on a rolling basis over 5 years.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

24. INSURANCE LIABILITIES AND REINSURANCE ASSETS

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
		Restated		Restated
Gross	Rs'000	Rs'000	Rs'000	Rs'000
- Claims reported and loss adjustment expenses (notes 3.1 (iv), 32(a))	1,078,550	876,371	718,573	558,904
- Unearned premiums (note 32(b))	1,479,881	1,469,443	1,340,867	1,329,894
- Claims incurred but not reported (IBNR) (note 32(a))	117,402	109,048	100,219	95,803
Total gross insurance liabilities	2,675,833	2,454,862	2,159,659	1,984,601
Recoverable from reinsurers				
- Claims reported and loss adjustment expenses (notes 15,32(a))	220,219	240,691	197,142	214,111
- Unearned premiums (notes 15,32(b))	370,913	624,984	294,860	569,047
- Claims incurred but not reported (IBNR) (notes 15,32(a))	69,164	44,517	54,849	33,233
Total reinsurers' share of insurance liabilities	660,296	910,192	546,851	816,391
Net				
- Claims reported and loss adjustment expenses (notes 3.1 (iv), 32(a))	858,331	635,680	521,431	344,793
- Unearned premiums (note 32(b))	1,108,968	844,459	1,046,007	760,847
- Claims incurred but not reported (IBNR) (note 32(a))	48,238	64,531	45,370	62,570
	2,015,537	1,544,670	1,612,808	1,168,210
Total net insurance liabilities	2,015,537	1,544,670	1,612,808	1,168,210
Gross outstanding claims and IBNR (group excluding life)	868,300	724,323	818,792	654,707
Gross outstanding claims (life business)	327,652	261,096	-	-
	1,195,952	985,419	818,792	654,707

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

25. INVESTMENT INCOME

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
		Restated		Restated
	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	1,072,899	1,142,452	18,288	18,017
Dividend income	125,088	403,488	137,557	150,537
	1,197,987	1,545,940	155,845	168,554

Out of Rs'000s. 155,845, Rs'000s. 2,287 relates to a non cash transaction at Company level.

26. OTHER INCOME

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
		Restated		
	Rs'000	Rs'000	Rs'000	Rs'000
(Loss)/profit on disposal of financial assets	(817,721)	206,730	(39,917)	3,529
Reclassification adjustment from fair value reserve	2,205,000	488,095	186,573	75,445
(Loss)/profit on disposal of Investment Properties	(927)	50,496	-	-
Loss on disposal of property and equipment	-	(675)	-	(359)
Lease and rental income	59,378	46,722	1,124	1,124
Others	173,340	405	27,476	17,532
	1,619,070	791,773	175,256	97,271

Others relates mainly to realised foreign exchange gain on disposal of financial assets for the Group and gain on restructuring of an associate for the Company.

27. ADMINISTRATIVE EXPENSES AND IMPAIRMENT CHARGES

(a)

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
Marketing and administrative expenses mainly include:		Restated		Restated
	Rs'000	Rs'000	Rs'000	Rs'000
- Internal audit fees	1,899	1,370	224	464
- Staff costs (c)	647,339	673,611	350,256	318,573
- Management fees	-	-	6,331	5,841

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

27. ADMINISTRATIVE EXPENSES AND IMPAIRMENT CHARGES (CONT'D)

(b) Impairment losses:

		THE GROUP		THE COMPANY	
		2020	2019	2020	2019
			Restated		Restated
		Rs'000	Rs'000	Rs'000	Rs'000
(i)	Impairment:				
	- Investment in subsidiary companies (note 8)	-	-	2,653	2,534
	- Investment in associates (note 9)	-	-	36,172	-
	- Loans and receivables	10,349	-	-	-
	- Insurance receivables (note 15)	106	16,206	106	2,965
	- Reinsurance assets (note 15)	26,172	-	26,172	-
	- Other receivables	18,882	28,321	8,894	31,309
	- Intangibles assets(note 7)	2,485	-	-	-
	- Seized properties (note 6(b))	9,359	-	-	-
		67,353	44,527	73,997	36,808
(ii)	Provision for impairment:				
	- Insurance receivables (note 15)	50,059	14,156	18,060	12,425
	- Reinsurance assets (note 15)	(22,638)	1,591	(22,638)	1,591
	- Other receivables (note 15)	12,203	572	7,488	-
	- Loans and receivables (note 12)	55	6,591	-	-
		39,679	22,910	2,910	14,016

(c) Analysis of staff costs

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
- Salaries and wages	455,553	439,682	281,797	239,525
Retirement benefit obligation costs:				
- Defined pension benefits (note 21)	41,280	77,129	19,872	22,425
- Defined contribution plan	16,564	12,912	6,468	4,837
- Other costs*	133,942	143,888	42,119	51,786
	647,339	673,611	350,256	318,573

*Other costs consist mainly of travelling benefits, staff insurances and staff welfare cost

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

28. DIVIDENDS

	THE COMPANY	
	2020	2019
Declared and payable	Rs'000	Rs'000
Final dividend of Rs.14.40 payable per ordinary share (2019: Rs14.40 per share)	119,171	119,171

During the year, total dividend of Rs. 119,171,074 has been declared (2019: Rs. 119,171,074).

29. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
Earnings per share		Restated		Restated
Profit attributable to equity holders of the Company (Rs'000)	636,232	565,837	278,675	296,060
Weighted average number of ordinary shares	8,275,769	8,275,769	8,275,769	8,275,769
Basic and diluted earnings per share (Rs/cs)	76.88	68.37	33.67	35.77

The calculation of basic earnings per share has been based on the basic profit attributable to equity holders of the Company and weighted average number of ordinary shares outstanding.

There are no dilutive instruments and therefore basic and diluted earnings per share are the same.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

30. BUSINESS COMBINATION

Acquisition of subsidiary

On September 12, 2019, Swan Life 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.

	2019
	Rs.'000
Consideration paid	
Cash and cash equivalents	8,500
Total consideration paid	8,500
	2019
Recognition amounts of identifiable assets acquired and liabilities assumed	Rs.'000
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
	2019
Net cash outflow on acquisition of subsidiary	Rs.'000
Consideration paid in cash	8,500
Less: cash and cash equivalent balances acquired	(2,011)
Total consideration net of cash	6,489

The residual goodwill of Rs 3,841k represents future synergies expected to arise in the combined operations, the value of new business from new customers going forward, and the value of the workforce and management and other future business not included in the intangibles and the existing business.

The identifiable net assets of Swan Actuarial Services Ltd were overstated by Rs000's. 2,683 which has led to an understatement of goodwill in prior year and the impact is not material. Refer to note 7(a).

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

31. NOTES TO THE STATEMENTS OF CASH FLOWS

(a)

	Notes	THE GROUP 2020	THE GROUP 2019 Restated	THE COMPANY 2020	THE COMPANY 2019 Restated
		Rs'000	Rs'000	Rs'000	Rs'000
Cash generated from operations					
Profit before taxation		**792,978**	717,413	**295,216**	316,019
Adjustments for:					
Transfer to Life Assurance Fund	16	**2,775,799**	2,281,703	**-**	-
Depreciation on property and equipment and investment property	5/6	**54,809**	46,502	**16,272**	14,566
Depreciation of right-of-use assets	5A	**6,696**	5,252	**2,997**	1,880
Amortisation of intangible assets	7	**41,401**	17,274	**24,551**	7,538
Net gains on exchange		**(165,203)**	(57,304)	**(14,590)**	(7,288)
Loss on sale of property and equipment	26	**927**	675	**-**	359
Write off of property and equipment	5	**-**	808	**-**	-
Profit on disposal of investment properties	26	**-**	(50,496)	**-**	-
Loss/(profit) on sale of seized properties		**191**	(13)	**-**	-
Release from fair value reserve on disposal of financial assets	26	**(2,205,000)**	(488,095)	**(186,573)**	(75,445)
Loss/(profit) on disposal of financial assets	26	**817,721**	(206,730)	**39,917**	(3,529)
Investment income	25	**(1,197,987)**	(1,545,940)	**(153,558)**	(168,554)
Finance costs		**4,308**	2,442	**2,566**	4,735
Retirement benefit obligations	21	**36,995**	45,341	**16,359**	(7,465)
Impairment of insurance receivable	27(b)	**106**	16,206	**106**	2,965
Impairment of reinsurance receivable	15/27(b)	**26,172**	-	**26,172**	-
Impairment of loan and receivables	27(b)	**10,349**	-	**-**	-
Provision for impairment - insurance receivables	15/27(b)	**50,059**	14,156	**18,060**	12,425
Provision for impairment - reinsurance assets	15/27(b)	**(22,638)**	1,591	**(22,638)**	1,591
Provision for impairment - Loans and receivable	27(b)	**55**	6,591	**-**	-
Provision for impairment - other receivables	27(b)	**12,203**	572	**7,488**	-
Impairment of intangibles	27(b)	**2,485**	-	**-**	-
Impairment of seized properties	27(b)	**9,359**	-	**-**	-
Impairment of investment in subsidiary companies and joint venture	8/9	**-**	-	**38,825**	2,534
Impairment of non-current receivables	13/27(b)	**-**	-	**-**	-
Impairment of other receivables	27(b)	**18,882**	28,321	**8,894**	31,309

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

31. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

	Notes	THE GROUP 2020	THE GROUP 2019 Restated	THE COMPANY 2020	THE COMPANY 2019 Restated
		Rs'000	Rs'000	Rs'000	Rs'000
Other movement	7	**(2,683)**	-	**(205)**	-
Bargain purchase		**-**	-	**(14,296)**	-
Change in gross unearned premiums	32(b)	**10,438**	45,127	**10,973**	98,121
Share of profit of associated companies and joint venture	9/10	**(38,168)**	(27,000)	**-**	-
Changes in working capital:					
- Trade and other receivables		**549,076**	(257,743)	**580,752**	(127,445)
- Trade and other payables		**(545,366)**	547,432	**(286,302)**	190,247
- Outstanding claims and IBNR	24/32(a)	**223,645**	(223,980)	**164,085**	(217,631)
- Finance lease receivables	12	**-**	16,250	**-**	-
Cash generated from operating activities		**1,267,609**	936,355	**575,071**	76,932

(b)

Cash and cash equivalents	THE GROUP 2020	THE GROUP 2019 Restated	THE COMPANY 2020	THE COMPANY 2019 Restated
	Rs'000	Rs'000	Rs'000	Rs'000
Short-term deposits	**832,864**	1,395,940	**36,376**	148,080
Bank balances and cash	**2,719,939**	2,297,423	**585,352**	327,483
Cash and cash equivalents	**3,552,803**	3,693,363	**621,728**	475,563

The interest rates on short-term local deposits ranges from nil to 0.50% (2019: nil to 4.50%).

Notes to the Consolidated and Separate Financial Statements

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31. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(c) **Non cash transactions**

The principal non-cash transactions are the acquisition of right-of-use assets (Note 5A).

(d) **Reconciliation of liabilities arising from financing activities**

	THE GROUP							
	As at January 1, 2020	Additions	Net Cash flows	Foreign exchange movement	Accrued interest	Transfer to Current	Amortisation of non-current payable	As at December 31, 2020
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Long-term borrowings	181,612	64	-	(246)	(588)	(5,772)	(246)	174,824
Short-term borrowings	6,286	866	(9,391)	923	2,090	5,772	-	6,546
Total liabilities from financing activities	187,898	930	(9,391)	677	1,502	-	(246)	181,370

	THE GROUP					
	As at January 1, 2019	Recognised on adoption of IFRS 16 *Leases*	Net Cash flows	Foreign exchange movement	Accrued interest	As at December 31, 2019
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Long-term borrowings	171,217	19,711	(8,206)	(114)	(996)	181,612
Short-term borrowings	4,419	6,286	(4,358)	(61)	-	6,286
Total liabilities from financing activities	175,636	25,997	(12,564)	(175)	(996)	187,898

Long-term borrowings comprise of non-current payables and long-term lease liabilities.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

31. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(d) **Reconciliation of liabilities arising from financing activities (cont'd)**

	THE COMPANY				
	As at 1 January 2020	Net Cash flows	Accrued interest	Transfer to current	As at December 31, 2020
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Long-term borrowings	118,955	-	(588)	(2,931)	115,436
Short-term borrowings	182,500	(184,390)	1,890	2,931	2,931
Total liabilities from financing activities	301,455	(184,390)	1,302	-	118,367

	THE COMPANY				
	As at 1 January 2019	Recognised on adoption of IFRS 16 *Leases*	Net Cash flows	Accrued interest	As at December 31, 2019
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Long-term borrowings	108,822	10,721	-	(588)	118,955
Short-term borrowings	95,489	2,772	80,000	4,239	182,500
Total liabilities from financing activities	204,311	13,493	80,000	3,651	301,455

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

32. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS

(a) Outstanding claims

THE GROUP	2020			2019		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,						
- Notified claims						
- As previously stated	865,527	(240,691)	624,836	1,113,563	(454,869)	658,694
- Effect of prior year adjustments (note 36(a))	10,844	-	10,844	8,332	-	8,332
- As restated	876,371	(240,691)	635,680	1,121,895	(454,869)	667,026
Portfolio transfer	-	67,716	67,716	-	-	-
Exchange differences	(12,575)	(4,804)	(17,379)	-	-	-
Increase in liabilities due to the notification of additional claims	5,300,241	(280,256)	5,019,985	5,375,900	(605,920)	4,769,980
Cash paid for claims settled in the year	(5,085,487)	237,816	(4,847,671)	(5,621,424)	820,098	(4,801,326)
	1,078,550	(220,219)	858,331	876,371	(240,691)	635,680
Incurred but not reported			-			
(IBNR) (note 24)	117,402	(69,164)	48,238	109,048	(44,517)	64,531
At December 31,	1,195,952	(289,383)	906,569	985,419	(285,208)	700,211
Cash paid for claims settled						
in the year	-	-	4,847,671	-	-	4,801,326
Portfolio transfer	-	(67,716)	(67,716)	-	-	-
Movement in outstanding claims/ IBNR	223,645	889	224,534	(223,980)	195,265	(28,715)
Movement in expected recovery	(5,481)	-	(5,481)	(16,966)	-	(16,966)
	218,164	(66,827)		(240,946)	195,265	
Net claims incurred			4,999,008			4,755,645
Total claims and benefits paid						
Claims (group excluding life)			1,589,721			1,050,758
Claims and benefits (life)			3,409,287			3,704,887
			4,999,008			4,755,645

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

32. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONT'D)

(a) Outstanding claims (cont'd)

THE COMPANY	2020			2019		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
At January 1,	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
As previously stated	548,060	(214,111)	333,949	779,728	(435,378)	344,350
Effect of prior year adjustment	10,844	-	10,844	8,332	-	8,332
As restated	558,904	(214,111)	344,793	788,060	(435,378)	352,682
Portfolio transfer	-	67,716	67,716	-	-	-
Increase in liabilities due to the notification of additional claims	1,735,140	(172,882)	1,562,258	1,589,302	(564,736)	1,024,566
Cash paid for claims settled in the year	(1,575,471)	122,135	(1,453,336)	(1,818,458)	786,003	(1,032,455)
	718,573	(197,142)	521,431	558,904	(214,111)	344,793
Incurred but not reported (IBNR) (note 24)	100,219	(54,849)	45,370	95,803	(33,233)	62,570
At December 31,	818,792	(251,991)	566,801	654,707	(247,344)	407,363
Claims settled during the year			1,453,336			1,032,455
Movement in outstanding claims/IBNR	164,085	(4,647)	159,438	(217,631)	216,371	(1,260)
Portfolio transfer	-	(67,716)	(67,716)	-	-	-
Movement in expected recovery	(5,481)	-	(5,481)	(16,966)	-	(16,966)
	158,604	(72,363)		(234,597)	216,371	
Net claims incurred			1,539,577			1,014,229

Expected recovery amounts to Rs 47.8m as at December 31, 2020 (2019: Rs 42.3m).

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YEAR ENDED DEC 31, 2020

32. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONT'D)

(b) Provision for unearned premiums

	THE GROUP					
	2020			2019		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,						
- As previously stated	1,478,114	(609,944)	868,170	1,422,934	(571,553)	851,381
- Effect of prior year adjustments (note 36(a))	(8,671)	(15,040)	(23,711)	1,382	(14,077)	(12,695)
- As restated	1,469,443	(624,984)	844,459	1,424,316	(585,630)	838,686
Portfolio transfer	-	264,327	264,327	-	-	-
Net increase in liabilities due to premium being earned	19,670	(7,733)	11,937	47,329	(46,255)	1,074
Exchange differences	(9,232)	(2,523)	(11,755)	(2,202)	6,901	4,699
At December 31,(note 24)	1,479,881	(370,913)	1,108,968	1,469,443	(624,984)	844,459

	THE COMPANY					
	2020			2019		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,						
As previously stated	1,313,557	(554,007)	759,550	1,230,389	(519,241)	711,148
Effect of prior year adjustment	16,337	(15,040)	1,297	1,383	(14,077)	(12,694)
As restated	1,329,894	(569,047)	760,847	1,231,772	(533,318)	698,454
Portfolio transfer	-	264,327	264,327	-	-	-
Net increase during the year	10,973	9,860	20,833	98,122	(35,729)	62,393
At December 31,(note 24)	1,340,867	(294,860)	1,046,007	1,329,894	(569,047)	760,847

Notes to the Consolidated and Separate Financial Statements

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33. COMMITMENTS AND CONTINGENCIES

(a)

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Financial Commitments				
Outstanding commitments for the following:-				
Investments in financial assets	544,354	540,000	-	-
Loans to be granted	97,841	130,240	-	-

The amounts above represents the group and the company's maximum exposure to credit risk.

(b)

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Contingent Liabilities				
Bank guarantees	20,600	20,600	8,000	8,000
Letter of credit	2,500	2,500	-	-
	23,100	23,100	8,000	8,000

The amounts above represents the Group and the Company's maximum exposure to credit risk.

Bank guarantees

At December 31, 2020, the Group and the Company had contingent liabilities in respect of bank and other guarantees amounting to Rs. 20,600,000 arising in the ordinary course of business, from which it is anticipated that no material liabilities would arise.

The guarantee has not materialised during the year and accordingly is not material.

Letter of credit

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 Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

34. SEGMENT INFORMATION - THE GROUP

(a) Operating segment

	2020			
	Life	General	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	4,703,165	3,373,256	(44,531)	8,031,890
Net earned premiums	4,531,717	2,376,475	(44,531)	6,863,661
Underwriting surplus	1,170,101	686,612	(44,531)	1,812,182
Investment income	1,168,029	161,579	(131,621)	1,197,987
Operating profit	2,338,130	848,191	(176,152)	3,010,169
Other income	1,454,785	214,809	(50,524)	1,619,070
	3,792,915	1,063,000	(226,676)	4,629,239
Marketing and administrative expenses	(473,339)	(631,841)	55,593	(1,049,587)
Finance costs	(1,580)	(2,728)	-	(4,308)
Movement in allowances for credit impairment	(34,952)	(4,727)	-	(39,679)
Impairment of financial and insurance assets	(10,349)	(83,985)	38,825	(55,509)
Impairment of non-financial assets	(9,359)	-	(2,485)	(11,844)
Depreciation and amortisation	(50,222)	(53,809)	1,125	(102,906)
Net gain on exchange	133,560	31,643	-	165,203
Share of results of associated companies and joint venture	(9,268)	(413)	47,849	38,168
Movement in Life Assurance Fund	(2,775,799)	-	-	(2,775,799)
Profit before taxation	561,607	317,140	(85,769)	792,978
Income tax expense	(3,981)	(23,879)	(5)	(27,865)
Profit for the year	557,626	293,261	(85,774)	765,113

	2020			
	Life	General	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	48,446,395	6,337,019	(918,067)	53,865,347
Total liabilities	(46,625,059)	(3,392,826)	401,117	(49,616,768)
Total equity	1,821,336	2,944,193	(516,950)	4,248,579
Capital expenditure	45,011	38,202	-	83,213
Depreciation and amortisation	50,222	53,809	(1,125)	102,906

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

34. SEGMENT INFORMATION - THE GROUP (CONT'D)

(a) Operating segment (cont'd)

	2019			
	Life	General	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	4,805,926	3,207,071	-	8,012,997
				-
Net earned premiums	4,688,070	1,621,989	-	6,310,059
				-
Underwriting surplus	1,047,551	647,891	-	1,695,442
Investment income	1,505,676	175,101	(134,837)	1,545,940
Operating profit	2,553,227	822,992	(134,837)	3,241,382
Other income	715,940	110,258	(34,425)	791,773
	3,269,167	933,250	(169,262)	4,033,155
Marketing and administrative expenses	(475,810)	(541,371)	37,745	(979,436)
Finance costs	(1,747)	(695)	-	(2,442)
Movement in allowances for credit impairment	(7,163)	(17,330)	1,583	(22,910)
Impairment of financial and insurance assets	(62,210)	(37,711)	55,394	(44,527)
Depreciation and amortisation	(43,349)	(26,710)	1,031	(69,028)
Net gain on exchange	52,050	5,254	-	57,304
Share of results of associated companies and joint venture	5,747	12,166	9,087	27,000
Movement in Life Assurance Fund	(2,281,703)	-	-	(2,281,703)
Profit before taxation	454,982	326,853	(64,422)	717,413
Income tax expense	(35,899)	(20,685)	(27)	(56,611)
Profit for the year	419,083	306,168	(64,449)	660,802

	2019			
	Life	General	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	48,185,426	6,642,348	(1,024,272)	53,803,502
Total liabilities	(46,770,944)	(3,684,042)	533,465	(49,921,521)
Total equity	1,414,482	2,958,306	(490,807)	3,881,981
Capital expenditure	27,113	38,871	-	65,984
Depreciation and amortisation	43,242	26,817	(1,031)	69,028

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

34. SEGMENT INFORMATION - THE GROUP (CONT'D)

(a) Operating segment (cont'd)

(i) The operating segments were incorrectly presented in prior year and have been restated to comply with the requirements of IFRS 8 *Operating segments.* Directors have reassessed the relevant segments to be Life and General and these are consistent with internal reporting provided to management.

(ii) The operating segments are strategic business units offering services under:

- Life: long-term insurance undertaken by Swan Life Ltd and Swan Comoros SA.

- General: short-term insurance undertaken by Swan General Ltd, Swan Reinsurance PCC and Swan Special Risks Company Ltd and Swan General Insurance Company Zambia Limited.

(iii) The types of products and services from which each reportable segment generates revenue are disclosed in note 2.16.

(iv) Unallocated includes retirement benefit obligations, deferred tax liabilities, current tax liabilities and dividend payable.

35. RELATED PARTY TRANSACTIONS

	Sale of services	Investment income	Claims paid	Financial assets	Amount receivable from related parties	Amount payable to related parties	Short term loan payable	Loans receivable	Claims outstanding
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020									
Shareholders with significant influence	253,513	108,515	56,662	2,453,359	110,223	-	-	3,167,647	28,451
Enterprises on which the Group exerts significant influence	930,712	-	-	102,641	72,008	-	-	-	-
Directors and Key Management Personnel	2,502	217	1,350	-	505	7	-	15,718	638
Other related entities	7,953	40	-	2,087	2,952	14	107,646	-	-
	1,194,680	108,772	58,012	2,558,087	185,688	21	107,646	3,183,365	29,089
2019									
Shareholders with significant influence	267,229	155,634	65,297	2,412,253	123,674	17,300	-	1,601,734	21,512
Enterprises on which the Group exerts significant influence	1,018,142	-	-	34,509	82,688	34,073	-	-	-
Directors and Key Management Personnel	2,059	251	1,541	-	355	7	-	10,916	202
Other related entities	6,167	-	-	1,880	18,512	14	108,234	-	-
	1,293,597	155,885	66,838	2,448,642	225,229	51,394	108,234	1,612,650	21,714

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

35. RELATED PARTY TRANSACTIONS (CONT'D)

(b)

	Sale of services	Investment income	Management fees paid	Claims paid	Financial assets	Loans receivables	Loans payables	Claims outstanding	Amount receivable from related parties	Amount owed to related parties
THE COMPANY	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020										
Subsidiary companies	25,990	129,336	8,288	11,917	565,874	-	-	4,025	55,511	118,542
Shareholders with significant influence	176,300	209	-	56,662	46,686	-	-	28,451	88,637	-
Enterprises on which the Company exerts significant influence	-	-	-	-	102,641	-	-	-	-	-
Directors and Key Management Personnel	1,684	-	-	1,350	-	5,657	-	638	505	-
Other related entities		-	-	-	-	-	107,646	-	-	-
	203,974	129,545	8,288	69,929	715,201	5,657	107,646	33,114	144,653	118,542
2019										
Subsidiary companies	24,987	130,634	6,220	13,933	557,087	47,561	179,728	1,362	45,512	26,904
Shareholders with significant influence	184,395	2,594	-	65,297	95,800	-	-	21,512	107,366	-
Enterprises on which the Company exerts significant influence	-	-	-	-	34,509	-	-	-	-	-
Directors and Key Management Personnel	1,262	-	-	1,541	-	7,047	-	202	355	-
Other related entities	-	-	-	-	-	-	108,234	-	-	-
	210,644	133,228	6,220	80,771	687,396	54,608	287,962	23,076	153,233	26,904

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	128,120	99,452	67,358	49,325
Post-employment benefits	4,590	3,089	2,239	1,560
	132,710	102,541	69,597	50,885

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. For the year ended December 31, 2020, the Group and the Company have not recorded any impairment of receivables relating to amounts owed by related parties (2019: Nil). There have been no guarantees provided for any related party receivables or payables.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS

In preparing the financial statements for the year ended December, 31 2020, the Group and the Company identified prior-year restatements and made necessary corrections. Restatements were made to the financial statements, presentation and disclosures of certain transactions and balances, in accordance with International Accounting Standard, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. They refer to the comparatives for January 01, 2019, and December 31, 2019, unless where specified.

THE GROUP

(A) Impact on the consolidated financial statements

Restatement of impact lines of the financial statements for prior periods are as follows:

Consolidated statement of financial position

		DECEMBER 31, 2019			JANUARY 01, 2019		
	See note below	Previously stated	Prior year adjustment	Restated	Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS							
Non-current assets							
Property and equipment		406,064	-	406,064	421,797	-	421,797
Right-of-use assets		25,199	-	25,199	-	-	-
Investment properties		433,191	-	433,191	478,896	-	478,896
Intangible assets		144,924	-	144,924	131,179	-	131,179
Investments in associated companies		160,886	-	160,886	151,358	-	151,358
Investment in joint venture		2,907		2,907	2,395		2,395
Investment in financial assets	a	38,331,944	(38,331,944)	-	35,038,410	(35,038,410)	-
Available-for-sale financial assets	a	-	26,206,684	26,395,052	-	23,246,146	23,246,146
	h	-	188,368	-	-	-	-
Held-to-maturity financial assets	a	-	12,125,260	11,907,795	-	11,792,264	11,758,746
	i	-	(29,097)	-	-	(33,518)	-
	h	-	(188,368)	-	-	-	-
Loans and receivables		4,338,413	-	4,338,413	4,080,404	-	4,080,404
Non-current receivables		5,444	-	5,444	-	-	-
Deferred tax assets		64,074	-	64,074	66,992	-	66,992
Total non-current assets		43,913,046	(29,097)	43,883,949	40,371,431	(33,518)	40,337,913

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Consolidated statement of financial position (cont'd)

		DECEMBER 31, 2019			JANUARY 01, 2019		
	See note below	Previously stated	Prior year adjustment	Restated	Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Current assets							
Investment in financial assets	a	2,446,390	(2,446,390)	-	1,307,438	(1,307,438)	-
Held-to-maturity financial assets	a	-	2,446,390	2,446,390	-	1,307,438	1,307,438
Loans and receivables		216,072		216,072	548,827		548,827
Trade and other receivables		3,292,371		3,505,035	3,250,080		3,319,725
	g	-	40,240	-	-	16,318	-
	j	-	134,705	-	-	27,895	-
	k	-	13,537	-	-	-	-
	n	-	(13,241)	-	-	-	-
	o	-	71,200	-	-	46,854	-
	p	-	1,316	-	-	752	-
	r	-	(11,645)	-	-	-	-
	s	-	(23,448)	-	-	(22,174)	-
Seized properties		55,489	-	55,489	55,338	-	55,338
Current tax assets		3,204	-	3,204	2,026	-	2,026
Short-term deposits		1,395,940	-	1,395,940	1,184,305	-	1,184,305
Cash and cash equivalents	j	2,078,698	218,725	2,297,423	1,682,991	109,790	1,792,781
Total current assets		9,488,164	431,389	9,919,553	8,031,005	179,435	8,210,440
Total assets		53,401,210	402,292	53,803,502	48,402,436	145,917	48,548,353

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Consolidated statement of financial position (cont'd)

	See note below	DECEMBER 31, 2019			JANUARY 01, 2019		
		Previously stated	Prior year adjustment	Restated	Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital		41,379	-	41,379	41,379	-	41,379
Retained earnings	o	2,938,306	9,001	2,922,998	2,480,928	3,633	2,476,980
	p	-	10,701	-	-	10,663	-
	q	-	(20,229)	-	-	(18,244)	-
	r	-	(11,645)	-	-	-	-
	t	-	(3,136)	-	-	-	-
Other reserves		501,949		501,949	383,116	-	383,116
Attributable to owners of the parent		3,481,634	(15,308)	3,466,326	2,905,423	(3,948)	2,901,475
Non-controlling interests		415,655	-	415,655	363,612	-	363,612
Total equity		3,897,289	(15,308)	3,881,981	3,269,035	(3,948)	3,265,087
Technical provisions							
Life Assurance Fund	u/i	45,199,804	(29,097)	45,166,453	41,098,308	(33,518)	41,064,790
	u/k	-	11,574	-	-	-	-
	u/l	-	25,008	-	-	-	-
	u/m	-	(27,595)	-	-	-	-
	u/n	-	(13,241)	-	-	-	-
Outstanding claims and IBNR	p	974,575	(9,385)	985,419	1,211,785	(9,911)	1,220,118
	q	-	20,229	-	-	18,244	-
Gross unearned premiums	l	1,478,114	(25,008)	1,469,443	1,422,934	-	1,424,316
	o	-	39,785	-	-	23,556	-
	s	-	(23,448)	-	-	(22,174)	-
Total technical provisions		47,652,493	(31,178)	47,621,315	43,733,027	(23,803)	43,709,224

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENT (CONT'D)

THE GROUP (CONT'D)

Consolidated statement of financial position (cont'd)

	See note below	DECEMBER 31, 2019			JANUARY 01, 2019		
		Previously stated	Prior year adjustment	Restated	Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Non-current liabilities							
Borrowings		-	-	-	8,320	-	8,320
Lease liabilities		19,711	-	19,711	-	-	-
Retirement benefit obligations		277,528	-	277,528	274,197	-	274,197
Deferred tax liabilities		6,792	-	6,792	5,108	-	5,108
Non-current payables		161,901	-	161,901	162,897	-	162,897
Total non-current liabilities		465,932	-	465,932	450,522	-	450,522
Current liabilities							
Trade and other payables	g	1,238,078	40,240	1,686,856	921,804	16,318	1,095,472
	j	-	353,430	-	-	137,685	-
	k	-	1,963	-	-	-	-
	m	-	27,595	-	-	-	-
	o	-	22,414	-	-	19,665	-
	t	-	3,136	-	-	-	-
Borrowings		-		-	4,419	-	4,419
Lease liabilities		6,286	-	6,286	-	-	-
Current tax liabilities		21,961	-	21,961	23,629	-	23,629
Dividend payable		119,171	-	119,171	-	-	-
Total current liabilities		1,385,496	448,778	1,834,274	949,852	173,668	1,123,520
Total equity and liabilities		53,401,210	402,292	53,803,502	48,402,436	145,917	48,548,353

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Consolidated statement of profit or loss and other comprehensive income.

	See note below	DECEMBER 31, 2019 Previously stated Rs'000	Prior year adjustment Rs'000	Restated Rs'000
Gross written premiums	k	**8,105,672**	13,537	**8,012,997**
	o	-	23,384	-
	p	-	(102,993)	-
	s	-	(26,603)	-
Premiums ceded to reinsurers	m	**(1,673,971)**	(27,595)	**(1,701,864)**
	o	-	(298)	-
		-	-	-
Change in gross unearned premiums	l	**(57,383)**	25,008	**(47,329)**
	o	-	(16,229)	-
	s	-	1,275	-
Change in reinsurers share of unearned premiums	o	**45,292**	963	**46,255**
Net earned premiums		**6,419,610**	(109,551)	**6,310,059**
Gross claims paid	p	**(5,732,707)**	103,557	**(5,621,424)**
	r	-	(11,645)	-
	s	-	19,371	-
Claims recovered from reinsurers		**820,098**	-	**820,098**
Movement in gross outstanding claims and IBNR	p	**243,459**	(528)	**240,946**
	q	-	(1,985)	-
Movement in gross outstanding claims recoverable from reinsurers		**(195,265)**	-	**(195,265)**
Net claims incurred		**(4,864,415)**	108,770	**(4,755,645)**
Commissions receivable from reinsurers	o	**338,737**	314	**339,051**
Commissions paid to agents and brokers	k	**(453,787)**	(1,963)	**(458,515)**
	o	-	(2,765)	-
Net commissions		**(115,050)**	(4,414)	**(119,464)**

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Consolidated statement of profit or loss and other comprehensive income (cont'd)

	See note below	DECEMBER 31, 2019 Previously stated Rs'000	Prior year adjustment Rs'000	Restated Rs'000
Fee income on insurance and investment contracts	f	**512,291**	(183,728)	**328,563**
Fees payable	f	**(251,799)**	183,728	**(68,071)**
Underwriting surplus		**1,700,637**	(5,195)	**1,695,442**
Investment income	i	**1,544,655**	4,421	**1,545,940**
	t		(3,136)	
Operating profit		**3,245,292**	(3,910)	**3,241,382**
Other income	e	**757,334**	34,439	**791,773**
		4,002,626	30,529	**4,033,155**
Marketing and administrative expenses	e	**(953,969)**	(34,439)	**(980,008)**
	c	-	2,442	-
	s	-	5,958	-
Finance costs	c	-	(2,442)	**(2,442)**
Impairment losses	b	**(53,624)**	53,624	-
Movement in Allowances for credit impairment	b	-	(22,338)	**(22,338)**
Impairment of financial assets	b	-	(31,286)	**(44,527)**
	n	-	(13,241)	-

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Consolidated statement of profit or loss and other comprehensive income (cont'd)

	See note below	DECEMBER 31, 2019 Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000
Depreciation and amortisation		(69,028)	-	(69,028)
Net gain on exchange		57,304	-	57,304
Movement in Life Assurance Fund	u	(2,281,536)	(167)	(2,281,703)
Share of results of associated companies and joint venture, net of tax		27,000	-	27,000
Profit before taxation		728,773	(11,360)	717,557
Income tax expense		(56,611)	-	(56,611)
Profit for the year		672,162	(11,360)	660,946
Other comprehensive income, net of tax:				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit obligations		12,192	-	12,192
Items that may be reclassified subsequently to profit or loss:				
Change in value of available-for-sale financial assets		2,385,027	-	2,385,027
Release on disposal of available-for-sale financial assets		(488,095)	-	(488,095)
Net movement in other reserves		2,008	-	2,008
		1,898,940	-	1,898,940
Movement in Life Assurance Fund		(1,792,027)	-	(1,792,027)
Other comprehensive income for the year, net of tax		119,105	-	119,105
Total comprehensive income for the year		791,267	(11,360)	780,051
Profit for the year				
Attributable to:				
Owners of the parent		577,197	(11,360)	565,837
Non-controlling interests		94,965	-	94,965
		672,162	(11,360)	660,802
Total comprehensive income for the year				
Attributable to:				
Owners of the parent		696,030	(11,360)	684,670
Non-controlling interests		95,237	-	95,237
		791,267	(11,360)	779,907
Basic and diluted earnings per share				
(Rupees and cents)		69.75	(1.37)	68.37

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Consolidated Statement of cashflows

	See note below	DECEMBER 31, 2019 Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000
Net cash generated from operating activities	d	761,710	(1,251)	869,394
	j	-	108,935	-
Net cash used in investing activities		(202,539)	-	(202,539)
Net cash used in financing activities	d	(18,907)	1,251	(17,656)
Increase in cash and cash equivalents		540,264	108,935	649,199
Movement in cash and cash equivalents				
At January 1,	j	2,867,296	109,790	2,977,086
Increase during the year		540,264	108,935	649,199
Effects of exchange rate changes		67,078	-	67,078
At December 31,	j	3,474,638	218,725	3,693,363

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS

THE GROUP (CONT'D)

The details of the corrections made in the consolidated financial statements are as follows:

Reclassification and presentation restatements

According to IAS 1 'presentation of financial statements', transactions with different nature or functions, use of difference measurement bases for different classes of assets, should be presented as separate line item:

a Previously 'Available-for-sale financial assets' and 'Held to maturity financial assets' were presented as 'Investment in Financial assets' in the consolidated statement of financial position. Management has determined that separately presenting would be more appropriate. This has led to reclassifying Rs000's. 26,206,684 (January 01, 2019: Rs000's 23,246,146) to 'Available-for-sale financial assets' and Rs000's. 14,571,650 (January 01, 2019: Rs000's. 13,099,702) to 'Held-to-maturity financial assets', out of which Rs000's. 2,446,390 (January 01, 2019: Rs000's. 1,307,438) is classified within current assets.

The above reclassifications have no impact on basic/diluted earnings per share, consolidated statements of cash flows, Life Assurance Fund, profit and tax.

b 'Provision for bad debts and impairment loss' of Rs000's. 53,624 in the year ended December 31, 2019, has been split into 'Movement in allowances for credit impairment' and 'Impairment of financial assets' amounting to Rs000's. 22,338 and Rs000's. 31,286 respectively to reflect the classification.

The above reclassifications have no impact on basic/diluted earnings per share, consolidated statements of cash flows, Life Assurance Fund, profit and tax.

c Finance cost of Rs000's. 2,442 in the year ended December 31, 2019, which was previously disclosed under 'marketing and administrative expenses', has been now been reclassified to 'Finance costs' in the consolidated statement of profit or loss.

The above corrections have no impact on basic/diluted earnings per share, consolidated statements of cash flows, Life Assurance Fund and tax.

d Finance cost paid on Lease liabilities amounting to Rs000's. 1,251 for the financial year ended December 31, 2019, which was previously incorrectly presented within 'principles paid on lease liabilities' within financing activities, has now been corrected by restating the prior year amounts and presenting it within the separate line item 'Interest paid' within operating activities.

The above corrections have no impact on basic/diluted earnings per share, Life Assurance Fund and tax.

Impact on the consolidated cash flows are as follows:

	December 31, 2019		
	As previously stated	Restatement	As restated
	Rs000's.	Rs000's.	Rs000's.
Cash generated from operating activities	827,420	(1,251)	826,169
Net cash (used in) / generated from financing activities	(18,907)	1,251	(17,656)

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENT (CONT'D)

THE GROUP (CONT'D)

Reclassification and presentation restatements (cont'd)

e Rental expense amounting to Rs000's. 34,439 for the financial year ended December 31, 2019, were previously netted off with Rental income and presented on a net basis. Rental expense has now been reclassified into 'Marketing and administrative expense' in the consolidated statement of profit or loss. Accordingly, rental income for the year ended December 31, 2019, shown within "other income" has increased by Rs000's. 34,439.

The above reclassification have no impact on basic/diluted earnings per share, consolidated statements of cash flows, Life Assurance Fund, profit and tax.

f An amount of Rs000's. 183,728 representing inter-fund transactions were incorrectly treated within 'Fees payable' on the consolidated statement of profit or loss. The amount has now been reclassified, resulting in a decrease of Rs000's. 183,728 in 'Fee income on insurance and investment contracts' and a decrease of Rs000's. 183,728 in 'Fees payable'.

The above corrections have no impact on basic/diluted earnings per share, consolidated statements of cash flows, Life Assurance Fund, profit and tax.

g In prior years, the Group received excess from policy-holders which were incorrectly offset against trade and other receivables. Given that these do not pertain to the same contract and legally the Group cannot offset a surplus received from one policy-holder against the amount due from another policy-holder, the negative balances of Rs000's. 40,240 (January 01, 2019: Rs000's. 16,318) have been reclassified from trade and other receivables to trade and other payables.

The error has been corrected by restating the amounts by reflecting the Trade and other receivables gross of these negative amounts and including the negative amounts as 'Trade and other payables'.

The above corrections have no impact on basic/diluted earnings per share, consolidated statements of cash flows and tax.

h As per IAS 39, financial assets are classified as either fair value through profit & loss, available for sale, held to maturity, and loans and receivables. The Group had incorrectly classified an available for sale equity instrument of Rs000's. 188,368 as Held-to-maturity financial assets as at December 31, 2019.

Correction has been made to increase Available-for-sale financial assets by Rs000's. 188,368 and decrease Held- to-maturity financial assets by Rs000's. 188,368. The fair value adjustment on the available for sale financial assets was not material and hence not adjusted for.

The above corrections have no impact on basic/diluted earnings per share, consolidated statements of cash flows, Life Assurance Fund, profit, and tax.

Other prior-year restatements

i The Group did not measure Held-to-maturity financial assets at amortised cost in line with the requirements of IAS 39 for the year ended December 31, 2019, and December 31, 2018. The error has now been rectified to recognise the Held-to-maturity financial assets at amortised cost, with retrospective adjustments of Rs000's. 33,518 at January 01, 2019, and Rs000's. 29,097 at December 31, 2019.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Other prior year restatements (cont'd)

i The adjustment of Rs000's. 33,518 at January 01, 2019, and Rs000's. 29,097 at December 31, 2019, has an impact on the Life Assurance Fund as of same date.

Interest income on held-to-maturity financial assets were previously being accrued using a straight-line approach (i.e pro-rata basis based on number of days). Adjustment of Rs000's. 4,421 has been recognised within "investment income" line item in the consolidated statement of profit or loss, to reflect the use of amortised cost measurement, i.e. interest income recognised using the effective interest rate method.

j The Group accounted within cash and cash equivalents as at December 31, 2019, an amount of Rs000's. 218,725 (January 01, 2019: Rs000's.109,790) which represents reconciling items namely unpresented cheques and outstanding deposits.

An amount of Rs000's. 134,705 at December 31, 2019 (Rs000's.27,895 at January 01, 2019) did not meet the definition of 'Cash and cash equivalents' and hence reclassified to 'Trade and other receivables' on the consolidated statement of financial position.

An amount of Rs000's. 353,430 at December 31, 2019 (Rs000's. 137,685 at January 01, 2019) represented unpresented cheques. These unpresented cheques represent cheques which have been written and accounted for but not yet paid out by the bank. Since the amount was not yet paid out by the bank, the derecognition criteria for financial liabilities is not met, and hence the amounts have been reclassified to 'Trade and other payables' on the consolidated statement of financial position.

The above adjustments resulted in an increase in cash balance at January 01, 2019, of Rs000's. 109,790 and of Rs000's 218,725 on the cash movements for year ended December 31, 2019. Hence, impact on cash and cash equivalents at December 31, 2019, amounts to Rs000's. 259,865 as shown on the consolidated statement of cash flows.

k During the financial year ended December 31, 2019, premiums of Rs000's. 13,537 and commissions payable of Rs000's. 1,963 relating to the month of November 2019, was omitted from the consolidated financial statements. The figures for the financial year December 31, 2019, has been restated accordingly to reflect the adjustments.

Gross premiums' and 'Trade and other receivables' have increased by Rs000's. 13,537 whilst 'Commission payable to agents and brokers' and 'Trade and other payables' have increased by Rs000's. 1,963.

l Gross unearned premiums of Rs000's. 25,008 were understated in the financial year December 31, 2019, which has consequently led to an understatement in Gross Earned Premiums. Restatements have been effected to account for the adjustment in the correct period. "Gross Earned Premiums' on the separate statement of profit or loss has been increased by Rs000's. 25,008 and 'Gross unearned premiums' on the consolidated statement of financial position has been decreased by Rs'000's. 25,008.

m Premiums ceded to the reinsurer were due and payable in 2019 but were incorrectly recognised in 2020. As a result, the premiums ceded to reinsurers and trade and other payables line items were understated by Rs000's. 27,595. This amount has therefore been adjusted retrospectively. 'Premium ceded to reinsurers' on the consolidated statement of profit or loss has been decreased by Rs000's. 27,595 and 'Trade and other payables' on the consolidated statement of financial position has increased by Rs000's. 27,595.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE GROUP (CONT'D)

Other prior year restatements (cont'd)

n Premiums were accrued in respect of an insurance contract. However, there was objective evidence available that indicated that the amounts due from the insuree would not be received. As a result the premiums receivable were overstated and impairments understated by Rs000's. 13,241. This was corrected by recognising an impairment in relation to the premiums receivable under that insurance contract. Accordingly, 'Impairment of financial assets' on the consolidated statement of profit or loss has been increased by Rs000's. 13,241 and 'Trade and other receivables' on the consolidated statement of financial position has been decreased by Rs000's. 13,241.

o During the year, part of the premium for the corresponding year has been recorded in the incorrect accounting period and has been reclassified accordingly. This was not in line with the accrual accounting as per the Conceptual Frame work for Financial Reporting (Conceptual Framework) and the Company's accounting policy.

The impact on the financial statements as a result of the above correction has been disclosed in Note 36 (A).

There is no impact on the consolidated statement of cash flows.

The net impact of the above on the consolidated profit before tax is an increase of Rs 5.4m and impact on Earnings Per Share (EPS) is Rs 0.55.

p The Company has entered into a Provident Fund contract whereby it has been appointed to administer and manage a medical scheme. This contract is not an insurance contract as per IFRS 4 and the related premiums and claims arising on this Providend Fund should not be recognised by the Company. Only the related administrative fees received should be recorded in line with IFRS 15, Revenue from Contracts with Customers. The Company incorrectly recorded the premiums and claims on Provident Fund in prior years.

The impact on the financial statements as a result of the above correction has been disclosed in Note 36 (A).

There is no impact on the consolidated statement of cash flows.

The net impact of the above on consolidated profit before tax is an increase of Rs'000s. 36 and impact on Earnings Per Share (EPS) is Rs 0.004.

q Included in outstanding claims and IBNR are salvage values on claims which are recoverable. For salvage values already recovered in prior years, these amounts were not reversed from outstanding claims and IBNR figures in prior years which is not in line with the accruals concept of the Conceptual Framework for Financial Reporting (Conceptual Framework).

The impact on the financial statements are as follows:

- Movement in gross outstanding claims and IBNR decreased by Rs000's. 1,985.
- The retained earnings as at January 01, 2019, decreased by Rs000's. 18,244 and the outstanding claims and IBNR increased by Rs000's. 18,244.
- The retained earnings as at December 31, 2019, decreased by Rs000's. 20,229 and the outstanding claims and IBNR increased by Rs000's. 20,229.

The net impact of the above on profit before tax is a decrease of Rs000's. 1,985 and impact on Earnings Per Share (EPS) is Rs 0.20.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (cont'd)

Other prior year restatements (cont'd)

r During the year, it was noted that gross claims paid relating to the year 2019 was incorrectly recorded in 2020. This prior period error has an impact on 2019 figures only.

The impact on the financial statements are as follows:

Gross claims paid, trade and other receivables, and retained earnings decreased by Rs'000s. 11,645.

The net impact of the above on profit before tax is a decrease of Rs'000s. 11,645 and impact on Earnings Per Share (EPS) is Rs 1.20.

s IFRS 4 clarifies that self-insurance is not an insurance contract. This is because the entity retains the risk that could have been covered by insurance (i.e. there is no insurance contract because there is no agreement with another party). The Company has a contract with Swan General Ltd, being both the insurer and policyholder. This was incorrectly recorded as an insurance contract. Therefore, transactions in relation to this contract have been reversed.

The impact on the financial statements as a result of the above correction has been disclosed in Note 36 (A).

All of the above corrections have no impact on consolidated profit before tax and Earnings Per Share (EPS)

t During the year ended December 31, 2019, a journal entry was incorrectly booked in relation a trade payable account. The trade payable account was incorrectly reversed (debited) with the corresponding double entry incorrectly credited to interest income. This resulted in an overstatement of interest income recorded in the investment income line item in the consolidated statement of profit or loss and an understatement of trade and other payables in the consolidated statement of financial position.

As a result of this restatement, the retained earnings decreased by Rs000's. 3,136 and the trade and other payables increased by Rs'000s. 3,136. The investment income and the profit for the year decreased by Rs000's. 3,136.

The net impact of the above on profit before tax is a decrease of Rs000's. 3,136 and impact on Earnings Per Share (EPS) is Rs 0.32.

u The adjustments (b), (c), (e), (f), (h), (i), (j), (k), (l), (m) and (n) for the year ended December 31, 2019, has had the following impact:

- a net impact of Rs'000s 167 on the 'Movement in Life Assurance Fund"" on the consolidated statement of profit or loss. There is no resulting impact on tax.
- a net impact of Rs'000s. 33,518 on the 'Life Assurance Fund' on the consolidated statement of financial position at January 01, 2019.
- a net impact of Rs'000s. 33,351 on the 'Life Assurance Fund' on the consolidated statement of financial position at December 31, 2019, which includes the impact of Rs'000s. 33,518 at January 01, 2019.
- no impact on basic/diluted earnings per share

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (cont'd)

Statement of financial position

THE COMPANY

(B) Impact on the separate financial statements

Restatement of impact lines of the financial statements for prior periods are as follows:

Separate statement of financial position

		DECEMBER 31, 2019			JANUARY 01, 2019		
	See note below	Previously stated	Prior year adjustment	Restated	Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS							
Non-current assets							
Property and equipment		85,360	-	85,360	95,118	-	95,118
Right-of-use assets		13,280	-	13,280	-	-	-
Intangible assets		41,747	-	41,747	23,817	-	23,817
Investments in subsidiary companies		557,087	-	557,087	530,871	-	530,871
Investments in associated companies		34,009	-	34,009	34,009	-	34,009
Investment in joint venture		500	-	500	500	-	500
Investment in financial assets	a	1,684,808	(1,684,808)	-	1,502,012	(1,502,012)	-
Available-for-sale financial assets	a	-	1,467,509	1,467,509	-	1,257,439	1,257,439
Held-to-maturity financial assets	a	-	217,299	217,299	-	244,573	244,573
Loans and receivables		99,233	-	99,233	112,205	-	112,205
Non-current receivables		47,036	-	47,036	79,174	-	79,174
Deferred tax assets		45,405	-	45,405	41,719	-	41,719
Total non-current assets		2,608,465	-	2,608,465	2,419,425	-	2,419,425

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE COMPANY (CONT'D)

Separate statement of financial position (cont'd)

	See note below	DECEMBER 31, 2019			JANUARY 01, 2019		
		Previously stated	Prior year adjustment	Restated	Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Current assets							
Investment in financial assets	a	**29,681**	(29,681)	-	**6,042**	(6,042)	-
Held-to-maturity financial assets	a		29,681	**29,681**		6,042	**6,042**
Loans and receivables		**2,580**		**2,580**	**3,381**		**3,381**
Trade and other receivables	o	**2,511,349**	71,200	**2,658,752**	**2,349,973**	46,854	**2,416,457**
	g		40,240			16,318	
	p		1,316			752	
	f		69,740			24,734	
	r		(11,645)			-	
	s		(23,448)			(22,174)	
Short-term deposits		**148,080**		**148,080**	**105,653**		**105,653**
Cash and cash equivalents	f	**368,623**	(41,140)	**327,483**	**253,785**	19,171	**272,956**
Total current assets		**3,060,313**	106,263	**3,166,576**	**2,718,834**	85,655	**2,804,489**
Total assets		**5,668,778**	106,263	**5,775,041**	**5,138,259**	85,655	**5,223,914**

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENT (CONT'D)

THE COMPANY (CONT'D)

Separate statement of financial position (cont'd)

	See note below	DECEMBER 31, 2019			JANUARY 01, 2019		
		Previously stated	Prior year adjustment	Restated	Previously stated	Prior year adjustment	Restated
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital		**41,379**	-	**41,379**	**41,379**	-	**41,379**
Retained earnings	o	**2,055,767**	9,001	**2,040,459**	**1,867,518**	3,633	**1,863,570**
	p	-	10,701	-	-	10,663	-
	r	-	(11,645)	-	-	-	-
	q	-	(20,229)	-	-	(18,244)	-
	t		(3,136)	-	-	-	-
Other reserves		**432,534**	-	**432,534**	**333,173**	-	**333,173**
Total equity		**2,529,680**	-15,308	**2,514,372**	**2,242,070**	-3,948	**2,238,122**
Technical provisions							
Outstanding claims and IBNR	p	**643,863**	(9,385)	**654,707**	**864,007**	(9,911)	**872,340**
	q	-	20,229	-	-	18,244	-
Gross unearned premiums	o	**1,313,557**	39,785	**1,329,894**	**1,230,389**	23,556	**1,231,771**
	s	-	(23,448)	-	-	(22,174)	-
Total technical provisions		**1,957,420**	27,181	**1,984,601**	**2,094,396**	9,715	**2,104,111**
Non-current liabilities							
Lease liabilities		**10,721**	-	**10,721**	-	-	-
Retirement benefit obligations		**179,294**	-	**179,294**	**197,366**	-	**197,366**
Deferred tax liabilities		**2,258**	-	**2,258**	-	-	-
Non-current payables		**108,234**	-	**108,234**	**108,822**	-	**108,822**
Total non-current liabilities		**300,507**	-	**300,507**	**306,188**	-	**306,188**
Current liabilities							
Trade and other payables	g	**571,420**	40,240	**665,810**	**388,202**	16,318	**468,090**
	f	-	28,600	-	-	43,905	-
	o	-	22,414	-	-	19,665	-
	t	-	3,136	-	-		-
Borrowings		**179,728**	-	**179,728**	**95,489**	-	**95,489**
Lease liabilities		**2,772**	-	**2,772**	-	-	-
Current tax liabilities		**8,080**	-	**8,080**	**11,914**	-	**11,914**
Dividend payable		**119,171**	-	**119,171**	-	-	-
Total current liabilities		**881,171**	94,390	**975,561**	**495,605**	79,888	**575,493**
Total equity and liabilities		**5,668,778**	106,263	**5,775,041**	**5,138,259**	85,655	**5,223,914**

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE COMPANY (CONT'D)

Separate statement of profit or loss and other comprehensive income

	See note below	DECEMBER 31, 2019 Previously stated Rs'000	Prior year adjustment Rs'000	Restated Rs'000
Gross written premiums		3,060,119		2,953,907
	o	-	23,384	-
	p	-	(102,993)	-
	s	-	(26,603)	-
Premiums ceded to reinsurers	o	(1,344,683)	(298)	(1,344,981)
Change in gross unearned premiums	o	(83,168)	(16,229)	(98,122)
	s	-	1,275	-
Change in reinsurers share of unearned premiums	o	34,766	963	35,729
Net earned premiums		1,667,034	(120,501)	1,546,533
Gross claims paid		(1,929,741)		(1,818,458)
	p	-	103,557	-
	r	-	(11,645)	-
	s	-	19,371	-
Claims recovered from reinsurers		786,003		786,003
Movement in gross outstanding claims and IBNR	p	237,110	(528)	234,597
	q	-	(1,985)	-
Movement in gross outstanding claims recoverable from reinsurers		(216,371)		(216,371)
Net claims incurred		(1,122,999)	(11,731)	(1,014,229)

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE COMPANY (CONT'D)

Separate statement of profit or loss and other comprehensive income (cont'd)

	See note below	DECEMBER 31, 2019 Previously stated Rs'000	Prior year adjustment Rs'000	Restated Rs'000
Commissions receivable from reinsurers	o	310,229	314	310,543
Commissions paid to agents and brokers	o	(251,689)	(2,765)	(254,454)
Net commissions		58,540	(14,182)	56,089
Underwriting surplus		602,575	(14,182)	588,393
Investment income	t	171,690	(3,136)	168,554
Operating profit		774,265	(17,318)	756,947
Other income		97,271		97,271
		871,536	(17,318)	854,218
Marketing and administrative expenses	s	(476,637)	5,958	(465,944)
	c	-	4,735	-
Finance costs	c	-	(4,735)	(4,735)
Impairment losses	b	(50,824)	50,824	-
Movement in Allowances for credit impairment	b	-	(36,808)	(36,808)
Impairment of financial assets	b	-	(14,016)	(14,016)
Depreciation and amortisation		(23,984)	-	(23,984)
Net gain on exchange		7,288	-	7,288
Profit before taxation		327,379	(11,360)	316,019
Income tax expense		(19,959)	-	(19,959)
Profit for the year		307,420	(11,360)	296,060

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE COMPANY (CONT'D)

Separate statement of profit or loss and other comprehensive income (cont'd)

	See note below	DECEMBER 31, 2019 Previously stated Rs'000	Prior year adjustment Rs'000	Restated Rs'000
Other comprehensive income, net of tax:				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit obligations		8,804	-	8,804
Items that may be reclassified subsequently to profit or loss:				
Change in value of available-for-sale financial assets		166,002	-	166,002
Release on disposal of available-for-sale financial assets		(75,445)	-	(75,445)
Net movement in other reserves		-		-
		90,557	-	90,557
Movement in Life Assurance Fund		-	-	
Other comprehensive income for the year, net of tax		99,361	-	99,361
Total comprehensive income for the year		406,781	(11,360)	395,421
Profit for the year				
Attributable to:				
Owners of the parent		307,420	(11,360)	296,060
Non-controlling interests		-	-	-
		307,420	(11,360)	296,060
Total comprehensive income for the year				
Attributable to:				
Owners of the parent		406,781	(11,360)	395,421
Non-controlling interests		-	-	-
		406,781	(11,360)	395,421
Basic and diluted earnings per share				
(Rupees and cents)		37.15	(1.38)	35.77

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

THE COMPANY (CONT'D)

Separate statement of cashflows

	See note below	DECEMBER 31, 2019 Previously stated Rs'000	Prior year adjustment Rs'000	Restated Rs'000
Net cash generated from operating activities	d	110,219	(496)	49,412
	f		(60,311)	
Net cash used in investing activities		(38,079)	-	(38,079)
Net cash used in financing activities	d	77,837	496	78,333
Increase in cash and cash equivalents		149,977	(60,311)	89,666
Movement in cash and cash equivalents				
At January 1,	f	359,438	19,171	378,609
Increase during the year		149,977	(60,311)	89,666
Effects of exchange rate changes		7,288	-	7,288
At December 31,	f	516,703	(41,140)	475,563

The details of the corrections made in the consolidation and separate financial statements are as follows:

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENTS (CONT'D)

Reclassification and presentation statements

a Previously 'Available-for-sale financial assets' and 'Held to maturity financial assets' were presented as 'Investment in Financial assets' in the consolidated statement of financial position. Management has determined that separately presenting would be more appropriate. This has led to reclassifying Rs000's. 1,467,509 (January 01, 2019: Rs000's 1,257,439) to 'Available-for-sale financial assets' and Rs000's. 246,980 (January 01, 2019: Rs000's. 250,615) to 'Held-to-maturity financial assets', out of which Rs000's. 29,681 (January 01, 2019: Rs000's. 6,042) is classified within current assets.

The above reclassifications have no impact on basic/diluted earnings per share, statements of cash flows, life assurance fund and tax.

b Provision for bad debts and impairment loss' of Rs000's. 50,824 in the year ended December 31, 2019, has been split into 'Movement in allowances for credit impairment' and 'Impairment of financial assets' amounting to Rs000's. 14,016 and Rs000's. 36,808 respectively to reflect the classification.

The above reclassifications have no impact on basic/diluted earnings per share, statements of cash flows and tax.

c Finance cost for year ended December 31, 2019, amounting to Rs000's. 4,735 which was previously disclosed under 'marketing and administrative expenses', has been now been reclassified to 'Finance costs' in the statement of profit or loss.

The above corrections have no impact on basic/diluted earnings per share, statements of cash flows and tax.

d Finance cost paid on Lease liabilities amounting to Rs000's. 496 for the financial year ended December 31, 2019, which was previously incorrectly presented within 'principles paid on lease liabilities' within financing activities, has now been corrected by restating the prior year amounts and presenting it within the separate line item 'Interest paid' within operating activities.

The above corrections have no impact on basic/diluted earnings per share and tax.

Impact on the consolidated cash flows are as follows:

	December 31, 2019		
	As previously stated	Restatement	As restated
	Rs000's.	Rs000's.	Rs000's.
Cash generated from operating activities	137,243	(496)	136,747
Net cash (used in)/generated from financing activities	77,837	496	78,333

e In prior years, the Company received excess from policyholders which were incorrectly offset against trade and other receivables. Given that these do not pertain to the same contract and legally the Company cannot offset a surplus received from one policyholder against the amount due from another policyholder, the negative balances have been reclassified from trade and other receivables to trade and other payables.

The error has been corrected by restating the amounts by reflecting the Trade and other receivables gross of these negative amounts and including the negative amounts as 'Trade and other payables'.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENT (CONT'D)

Other prior year restatements

f The Company accounted within cash and cash equivalents as at December 31, 2019, an amount of Rs000's. 41,140 (January 01, 2018: Rs000's. 19,171) which represents reconciling items namely unpresented cheques and outstanding deposits.

An amount of Rs000's. 69,740 at December 31, 2019 (Rs000's. 24,734 at January 01, 2019) did not meet the definition of 'Cash and cash equivalents' and hence reclassified to 'Trade and other receivables' on the separate statement of financial position.

An amount of Rs000's. 28,600 at December 31, 2019, (Rs000's. 43,905 at January 01, 2019) represented unpresented cheques. These unpresented cheques represent cheques which have been written and accounted for but not yet paid out by the bank. Since the amount was not yet paid out by the bank, the derecognition criteria for financial liabilities is not met, and hence the amounts have been reclassified to 'Trade and other payables' on the separate statement of financial position.

The above adjustments resulted in an increase in cash balance at January 01, 2019, of Rs000's. 19,171 and a decrease of Rs000's 41,140 on the cash movements for year ended December 31, 2019. Hence, impact on cash and cash equivalents at December 31, 2019, amounts to Rs000's. 41,140 as shown on the separate statement of cash flows.

o During the year, part of the premium for the corresponding year has been recorded in the incorrect accounting period and has been reclassified accordingly. This was not in line with the accrual accounting as per the Conceptual Framework for Financial Reporting (Conceptual Framework) and the Company's accounting policy.

The impact on the financial statements as a result of the above correction has been disclosed in Note 36 (B).

There is no impact on the statement of cash flows.

The net impact of the above on profit before tax is an increase of Rs 5.4m and impact on Earnings Per Share (EPS) is Rs 0.55.

p The Company has entered into a Provident Fund contract whereby it has been appointed to administer and manage a medical scheme. This contract is not an insurance contract as per IFRS 4 and the related premiums and claims arising on this Providend Fund should not be recognised by the Company. Only the related administrative fees received should be recorded in line with IFRS 15, Revenue from Contracts with Customers. The Company incorrectly recorded the premiums and claims on Provident Fund in prior years.

The impact on the financial statements as a result of the above correction has been disclosed in Note 36 (B).

There is no impact on the statement of cash flows.

The net impact of the above on consolidated profit before tax is an increase of Rs'000s. 36 and impact on Earnings Per Share (EPS) is Rs 0.004.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

36. PRIOR YEAR RESTATEMENT (CONT'D)

Other prior year restatements (cont'd)

q Included in outstanding claims and IBNR are salvage values on claims which are recoverable. For salvage values already recovered in prior years, these amounts were not reversed from outstanding claims and IBNR figures in prior years which is not in line with the accruals concept of the Conceptual Framework for Financial Reporting (Conceptual Framework).

The impact on the financial statements are as follows:

Movement in gross outstanding claims and IBNR decreased by Rs000's. 1,985.

The retained earnings as at January 01, 2019, decreased by Rs000's. 18,244 and the outstanding claims and IBNR increased by Rs000's. 18,244.

The retained earnings as at December 31, 2019, decreased by Rs000's. 20,229 and the outstanding claims and IBNR increased by Rs000's. 20,229.

The net impact of the above on profit before tax is a decrease of Rs000's. 1,985 and impact on Earnings Per Share (EPS) is Rs 0.20.

r During the year, it was noted that gross claims paid relating to the year 2019 was incorrectly recorded in 2020. This prior period error has an impact on 2019 figures only.

The impact on the financial statements are as follows:

Gross claims paid, trade and other receivables, and retained earnings decreased by Rs'000s. 11,645.

The net impact of the above on profit before tax is a decrease of Rs'000s. 11,645 and impact on Earnings Per Share (EPS) is Rs 1.20.

s IFRS 4 clarifies that self-insurance is not an insurance contract. This is because the entity retains the risk that could have been covered by insurance (i.e. there is no insurance contract because there is no agreement with another party). The Company has a contract with Swan General Ltd, being both the insurer and policyholder. This was incorrectly recorded as an insurance contract. Therefore, transactions in relation to this contract have been reversed.

The impact on the financial statements as a result of the above correction has been disclosed in Note 36 (B).

All of the above corrections have no impact on profit before tax and Earnings Per Share (EPS).

t During the year ended December 31, 2019, a journal entry was incorrectly booked in relation a trade payable account. The trade payable account was incorrectly reversed (debited) with the corresponding double entry incorrectly credited to interest income. This resulted in an overstatement of interest income recorded in the investment income line item in the separate statement of profit or loss and an understatement of trade and other payables in the separate statement of financial position.

As a result of this restatement, the retained earnings decreased by Rs000's. 3,136 and the trade and other payables increased by Rs'000s. 3,136. The investment income and the profit for the year decreased by Rs000's. 3,136.

The net impact of the above on profit before tax is a decrease of Rs000's 3,136 and impact on Earnings Per Share (EPS) is Rs 0.32.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

37. GOING CONCERN AND COVID-19

The COVID-19 virus and its variants continue to pose a serious public health issue globally, keeping many regions under lock-down conditions, and weighing on social and economic activities. However, while economies sustained severe losses in the first half of 2020, an improvement was observed during the last quarter, with important catchups projected for 2021. In addition, the gradual availability of vaccines, combined with the initiation of massive vaccination campaigns, indicate that the world may be in a better position to cope and live with the virus.

Effect of COVID-19

International equity markets quickly recovered from the COVID panic and even hit new all-time highs following massive stimulus deployed across the globe. On the local side, despite recovering some grounds in the last quarter of 2020, the stock market closed the year significantly lower than at the beginning of 2020.

Small, insular, yet open economies like Mauritius, despite their sector diversification, are vulnerable as they remain highly dependent on international customers for their development and growth. As a result, they will continue to be adversely impacted until and unless their economic arteries are re-oxygenated sustainably. The government's support to industries and its social measures have been important in holding the economic and social fabrics. However, as long as our frontiers remain closed, one of our most important industries, hotels & leisure, will continue to weigh on economic growth.

Whether our economy will weather this storm will greatly depend on the government's ability to continue supporting the weaker industries, on how long our frontiers are kept closed while quarantine formalities remain heavy, as well as the private sector's ability to adapt to the new economic context.

Despite these challenges, and provided that the world does not experience other major shocks, we are optimistic that the global economy and financial markets will improve further in 2021 on the back of massive fiscal and monetary policy support globally.

The Group and the Company do 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 minimum required by the Insurance Act 2005. The Group and the Company do not foresee any pressure on its solvency ratio in the near term based on the different stress tests carried out. The Group and the Company also believe that their 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.

38. EVENTS AFTER REPORTING PERIOD

There have been no material events after the reporting date which would require disclosures or adjustments in the consolidated and separate financial statements for the year ended December 31, 2020.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

39. THREE YEAR SUMMARY

(a)

THE GROUP	2020	2019	2018*
		Restated	Restated
	Rs'000	Rs'000	Rs'000
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS			
Gross premiums	**8,031,890**	8,012,997	7,561,743
Net earned premiums	**6,863,661**	6,310,059	5,925,149
Underwriting surplus	**1,812,182**	1,695,442	1,748,543
Operating profit	**3,010,169**	3,241,382	3,349,216
Profit before taxation	**792,978**	717,413	773,458
Income tax expense	**27,865**	56,611	60,861
Profit for the year	**765,113**	660,802	712,597
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit for the year	**765,113**	660,802	712,597
Other comprehensive income for the year	**(234,367)**	119,105	(154,038)
Total comprehensive income	**530,746**	779,907	558,559
Attributable to:			
Owners of the parent	**406,041**	684,670	457,462
Non-controlling interest	**124,705**	95,237	101,097
	530,746	779,907	558,559
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Non-current assets	**43,630,402**	43,883,949	40,337,913
Current assets	**10,234,945**	9,919,553	8,210,440
	53,865,347	53,803,502	48,548,353
Owners' interest	**3,759,083**	3,466,326	2,901,475
Non-controlling interest	**489,496**	415,655	363,612
Life Assurance Fund	**45,084,339**	45,166,453	41,064,790
Gross unearned premiums	**1,479,881**	1,469,443	1,424,316
Outstanding claims & IBNR	**1,195,952**	985,419	1,220,118
Non-current liabilities	**592,898**	465,932	450,522
Current liabilities	**1,263,698**	1,834,274	1,123,520
	53,865,347	53,803,502	48,548,353
Dividends per share (rupees and cents)	**14.40**	14.40	12.00
Earnings per share (rupees and cents)	**76.88**	68.37	59.69
Net assets value per share (rupees and cents)	**454.23**	418.85	350.60
Number of shares used in calculation	**8,275,769**	8,275,769	8,275,769

* The figures presented in the statements of profit or loss and other comprehensive income for the year ended December 31, 2018, exclude the effects of prior year adjustments.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DEC 31, 2020

39. THREE YEAR SUMMARY (CONT'D)

(b)

THE COMPANY	2020	2019	2018*
		Restated	Restated
	Rs'000	Rs'000	Rs'000
SEPARATE STATEMENTS OF PROFIT OR LOSS			
Gross premiums	**3,051,387**	2,953,907	2,931,938
Net earned premiums	**2,297,335**	1,546,533	1,631,724
Underwriting surplus	**639,377**	588,394	560,936
Operating profit	**795,222**	756,947	720,644
Profit before taxation	**295,216**	316,019	297,870
Income tax expense	**16,541**	19,959	26,443
Profit for the year	**278,675**	296,060	271,427
SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit for the year	**278,675**	296,060	271,427
Other comprehensive income for the year	**(180,345)**	99,361	(140,200)
Total comprehensive income	**98,330**	395,421	131,227
	2020	2019	2018
		Restated	Restated
	Rs'000	Rs'000	Rs'000
SEPARATE STATEMENTS OF FINANCIAL POSITION			
Non-current assets	**2,880,908**	2,608,465	2,419,425
Current assets	**2,676,857**	3,166,576	2,804,489
	5,557,765	5,775,041	5,223,914
Owners' interest	**2,493,531**	2,514,372	2,238,122
Gross unearned premiums	**1,340,867**	1,329,894	1,231,771
Outstanding claims and IBNR	**818,792**	654,707	872,340
Non-current liabilities	**360,916**	300,507	306,188
Current liabilities	**543,659**	975,561	575,493
	5,557,765	5,775,041	5,223,914
Dividends per share (rupees and cents)	**14.40**	14.40	12.00
Earnings per share (rupees and cents)	**33.67**	35.77	35.01
Net assets value per share (rupees and cents)	**301.31**	303.82	270.44
Number of shares used in calculation	**8,275,769**	8,275,769	8,275,769

* The figures presented in the statements of profit or loss and other comprehensive income for the year ended December 31, 2018, exclude the effects of prior year adjustments.

Other Statutory Disclosures
(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

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 Mauritius Companies Act.

DIRECTORS' REMUNERATION AND BENEFITS

The total remuneration and benefits received, due and receivable:

(i) by each Director of Swan Life Ltd from the Company and its subsidiaries are as follows:

	From the Company		From the Subsidiaries	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
Mr. J. M. Louis Rivalland	6,052	5,682	14,110	13,249
Mr. Michel Thomas	11,994	10,456	627	546
Non-executive Directors				
Mr. Nicolas Maigrot	175	175	175	175
Mr. Sébastien Mamet	90	90	90	90
Mr. Arif Fakhruddin Currimjee	140	140	140	140
Mr. Henri Harel	120	120	120	120
Mr. Gopallen Mooroogen	160	160	240	240
Mr. Victor Seevaye	140	140	180	180
Mr. René Leclézio	90	90	90	90
Mr. Philippe Espitalier-Noël	90	90	90	90
Mr. Hector Espitalier-Noël	90	90	90	90
	19,141	17,233	15,952	15,010

Other Statutory Disclosures
(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

DIRECTORS' SERVICE CONTRACTS (CONT'D)

(ii) by the Directors of Subsidiaries who are not Directors of the Company are provided below:

	From the Subsidiaries	
	2020	2019
	Rs'000	Rs'000
Swan International Ltd		
Directors fees - Non-Executive Director		
Mr. Jaiyansing SOOBAH	20	20
Swan Corporate Affairs Ltd		
Directors fees - Non -Executive Director		
Mr. Jaiyansing Soobah	20	20
Swan Special Risks Ltd		
Directors fees - Non-Executive Director		
Mr. Pierre Dinan	20	20
Swan Reinsurance PCC		
Directors fees - Non-Executive Director		
Mr. Pierre Dinan	20	20
Swan Pensions Ltd		
Directors fees - Executive Director		
Mr. Alan Goder	20	20
Swan Wealth Managers Ltd		
Directors fees - Executive Director		
Mr. Nitish Benimadhu	20	20
Swan Securities Ltd		
Directors fees - Non-Executive Directors		
Mr. Veenaye Busgeeth	-	5
Mrs. Karine Morel	20	15
Mr. Jaiyansing Soobah	20	20
	40	40

Other Statutory Disclosures

(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

DIRECTORS' SERVICE CONTRACTS (CONT'D)

(ii) by the Directors of Subsidiaries who are not Directors of the Company are provided below:

	From the Subsidiaries	
	2020	2019
	Rs'000	Rs'000
Swan Financial Solutions Ltd		
Directors fees - Executive Director		
Mr. Nitish Benimadhu	**10**	10
Directors fees - Non-Executive Director		
Mr. Ashley Coomar Ruhee	**10**	10
	20	20
Manufacturer's Station Distribution Ltd		
Directors fees - Non-Executive Director		
Mr. Jaiyansing Soobah	**20**	20
Swan Actuarial Services Ltd		
Directors fees - Executive Director		
Mr. Richard Li Ting Chung	**30**	30
Directors fees - Non-Executive Director		
Mr. Jaiyansing Soobah	**30**	30
	60	60

DONATIONS

DONATIONS	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	-	3,200	-	350
Charitable donations	**30**	341	**15**	-
	30	3,541	**15**	350

Other Statutory Disclosures

(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

AUDITORS' FEES AND FEES FOR OTHER SERVICES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- KPMG	**5,750**	-	**2,875**	-
- BDO & Co	**1,700**	4,664	**-**	1,600
- Other firms	**1,519**	1,344	**-**	-
	8,969	6,008	**2,875**	1,600
Fees paid for other services provided by*:				
- KPMG	**1,150**	-	**575**	-
- BDO & Co	**2,381**	2,011	**920**	1,045
	3,531	2,011	**1,495**	1,045
*The breakdown of other services provided are as follows:				
Statutory services:				
-Review of insurance return	**778**	401	**345**	155
-Review of risk management framework	**577**	230	**230**	60
	1,355	631	**575**	215
Other services:				
-Review of quarterly consolidated accounts	**336**	580	**-**	180
-Review of year-end consolidated accounts	**-**	800	**-**	650
-Preparation of Financial statements	**1,840**	-	**920**	-
	2,176	1,380	**920**	830
	3,531	2,011	**1,495**	1,045

CONTRACT OF SIGNIFICANCE

During the year under review, there was no contract of significance to which the Company or one of its subsidiaries was a party and in which a Director of the Company was materially interested either directly or indirectly.

Other Statutory Disclosures

(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

DIRECTORS OF THE COMPANY

Mr. M. E. Nicolas MAIGROT - Chairperson
Mr. J. M. Louis RIVALLAND - Group Chief Executive
Mr. A. Michel THOMAS - Chief Operations Officer
Mr. M. D. Henri HAREL
Mr. J. Sébastien MAMET
Mr. M. M. Hector ESPITALIER-NOËL
Mr. M. H. Philippe ESPITALIER-NOËL
Mr. J. M. René LECLÉZIO (Resigned on 30 June 2021)
Mr. P. Gopallen MOOROOGEN
Mr. Victor C. SEEYAVE
Mr. Arif CURRIMJEE

DIRECTORS OF SUBSIDIARY COMPANIES

Swan Life Ltd	Mr. M. E. Nicolas MAIGROT - Chairperson Mr. J. M. Louis RIVALLAND - Group Chief Executive Mr. M. D. Henri HAREL Mr. J. Sébastien MAMET Mr. M. M. Hector ESPITALIER-NOËL Mr. M. H. Philippe ESPITALIER-NOËL Mr. J. M. René LECLÉZIO (Resigned on 30 June 2021) Mr. P. Gopallen MOOROOGEN Mr. Victor C. SEEYAVE Mr. Arif CURRIMJEE
Swan International Co Ltd	Mr. J. M. Louis RIVALLAND Mr. Jaiyansing SOOBAH
Manufacturers' Distributing Station Limited	Mr. J. M. Louis RIVALLAND Mr. Jaiyansing SOOBAH
Swan Pensions Ltd	Mr. J. M. Louis RIVALLAND Mr. P. Gopallen MOOROOGEN Mr. J. M. Alan GODER

Other Statutory Disclosures

(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

DIRECTORS OF SUBSIDIARY COMPANIES (CONT'D)

Processure Compagnie Ltée	Mr. Olivier JOLLAND Mr. Olivier Jean Albert DEVIN Mr. J. M. Louis RIVALLAND Mr. J. M. Alan GODER
Swan Reinsurance PCC	Mr. J. M. Louis RIVALLAND Mr. A. Michel THOMAS Mr. P. Gopallen MOOROOGEN Mr. M. D. Pierre DINAN, G.O.S.K. Mr. Victor C. SEEYAVE Mr. T. K. Philippe LO FAN HIN Mr. Neelkamal RAGOO
Swan Corporate Affairs Ltd	Mr. J. M. Louis RIVALLAND Mr. Jaiyansing SOOBAH
Swan Foundation	Mr. J. M. Louis RIVALLAND Mr. Jaiyansing SOOBAH
Swan Wealth Managers Ltd	Mr. J. M. Louis RIVALLAND Mr. P. Gopallen MOOROOGEN Mr. Nitish BENI MADHU (Resigned on January 29, 2021) Mr. Gianduth JEEAWOCK (Appointed on March 29, 2021)
Swan Securities Ltd	Mr. Jaiyansing SOOBAH Mrs. Karine MOREL
Swan Financial Solutions Ltd	Mr. J. M. Louis RIVALLAND Mr Nitish BENI MADHU (Resigned on January 29, 2021) Mr. Ashley Coomar RUHEE Mr. Alan GODER (Appointed on May 21, 2021)
Dolberg Rental (Pty) Ltd	Mr. J. M. Louis RIVALLAND Mr. Nitish BENI MADHU (Resigned on January 29, 2021)
Societé Brugassur (SA)	Mr. Jaiyansing SOOBAH Mr. M. G. M. Patrice BASTIDE

Other Statutory Disclosures
(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

DIRECTORS OF SUBSIDIARY COMPANIES (CONT'D)

Aprica Investment Co Ltd	Mr. J. M. Louis RIVALLAND Mr. M. G. M. Patrice BASTIDE Mr. Andrew S. LEE Mr. M. H. Philippe ESPITALIER-NOËL Mr. J. M. René LECLÉZIO Mr. M. E. Nicolas MAIGROT
Swan Special Risks Company Limited	Mr. J. M. Louis RIVALLAND Mr. T. K. Philippe LO FAN HIN Mr. P. Gopallen MOOROOGEN Mr. M. D. Pierre DINAN, G.O.S.K Mr. Victor C. SEEYAVE Mr. A. Michel THOMAS Mrs. Karine MOREL
Swan Wealth Structured Products Ltd	Mr. J. M. Louis RIVALLAND Mr. Nitish BENI MADHU (Resigned on January 29, 2021) Mr. Gianduth JEEAWOCK (Appointed on March 29, 2021)
Swan Digital Ltd	Mr. J. M. Louis RIVALLAND Mr. Nitish BENI MADHU (Resigned on January 29, 2021) Mr. J. M. Alan GODER Mr. Amal Leckraj BHOLAH (Resigned on September 2, 2020) Mr. Kemley BEHAREE (Resigned on September 2, 2020)
Swan Corporate Advisors Ltd	Mr. Jaiyansing SOOBAH Mr. Gianduth JEEAWOCK

Other Statutory Disclosures
(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

DIRECTORS OF SUBSIDIARY COMPANIES (CONT'D)

Swan Wealth International Ltd	Mr. J. M. Louis RIVALLAND Mrs. Karine MOREL Mr. Nitish BENI MADHU (Resigned on January 29, 2021) Mr. Gianduth JEEAWOCK
Swan Actuarial Services Ltd	Mr. Richard LI TING CHUNG Mr. Jaiyansing SOOBAH
Swan Pensions Rwanda (SPR) Ltd	Mr. J. M. Alan GODER Mr. Jean Pierre Mubiigi KANAMUGIRE Mr. J. M. Louis RIVALLAND Mrs. Charisma. D. ROOPUN
Swan General Insurance Company Zambia Limited *previously Diamond General Insurance Limited*	Mr. Larry Feston KALALA Mr. William Paul SAUNDERS Mr. Ewan WHEELER Mr. Andrew LEE Mr. Patrice BASTIDE
Swan Smart Achiever Notes Ltd	Mr. Jaiyansing SOOBAH Mr. Gianduth JEEAWOCK
BK General Insurance Company Ltd	Mr. Patrice Bastide Mrs. Sandra RWAMUSHAIJA Ms. Nathalie MPAKA Mr. Jack Nkusi KAYONGA Mr. Yves GATSIMBANYI Mr. Shehzad NOORDALLY Mr. Jean Enock HABIYAMBERE Mr. Ephraim TURAHIRWA (Retired on March 12, 2020)

Other Statutory Disclosures

(pursuant to Section 221 of the Mauritius Companies Act)

YEAR ENDED DEC 31, 2020

DIRECTORS OF SUBSIDIARY COMPANIES (CONT'D)

Swan Comoros SA	Mr. Patrice BASTIDE Mr. Bernard KISHTOO Mr. Gaël ALIPHON
Afresure Reinsurance Brokers Ltd	Mr. Neelkamal RAGOO Mr. T. K. Philippe LO FAN HIN

Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders (the "Meeting") of Swan General Ltd (the "Company") will be held on 29 September 2021 at 10:00 a.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 2020 Annual Report of the Company.
2. To receive the report of KPMG, 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 31st December 2020.
4. To confirm the appointment of Miss Grace Sarah Leung Shing as Director of the Company.
5. To re-appoint KPMG as auditors of the Company for the ensuing year in compliance with Section 40(3) of the Insurance Act 2005 and to authorise the Board of Directors to fix their remuneration.
6. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2020.

BY ORDER OF THE BOARD

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

24 August 2021

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 30 August 2021.

Proxy Form

I/We,

of

being a member/members of Swan General 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 29 September 2021 at 10:00 a.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 2020 Annual Report of the Company.			
2. To receive the report of Messrs. KPMG, the auditors of the Company.			
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2020.			
4. To confirm the appointment of Miss Grace Sarah Leung Shing as Director of the Company.			
5. To re-appoint KPMG as auditors of the Company for the ensuing year in compliance with Section 40(3) of the Insurance Act 2005 and to authorise the Board of Directors to fix their remuneration.			
6. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2020.			

Signed this ..... day of .... 2021. 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.

Notes

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SWAN

Swan General Ltd

Swan Centre
10 Intendance Street
Port Louis, Mauritius

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F (230) 208 6898
W swanforlife.com