SWAN

Swan General Ltd

ANNUAL REPORT **2021**

A LEAGUE OF OUR OWN

SWAN

ANNUAL REPORT 2021

"Winning is not everything, but making the effort to win is." - *Vince Lombardi*

Our life is driven by passion and performance, with a people-centered game plan inspiring us to go further together.

We are a team dedicated to helping our people break their own records. Competitive about those who put their trust in us, we are not afraid to push our own limits and walk the extra mile.

Hard work and perseverance are our strengths, as success does not come without sacrifice. Our skilled coaches and star players are committed to lead the way to victory.

So whenever you are ready to get ahead in life, get set and let's go.

ANNUAL REPORT **2021**

SWAN

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Swan General Ltd for the year ended December 31, 2021.

This report was approved by the Board of Directors on April 22, 2022.

Nicolas Maigrot
Chairperson

Louis Rivalland
Director and
Group Chief Executive

CONTENTS

SWAN

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

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

OUR PHILOSOPHY

Our 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

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT

LOUIS RIVALLAND
DIRECTOR & GROUP CHIEF EXECUTIVE

NICOLAS MAIGROT
CHAIRPERSON

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 2021.

2021 was yet another year during which COVID-19 continued to impact our society in general and our organisation in particular. With the pandemic still raging in 2021, the safety of our employees and visiting customers remained at the centre of our concerns. As soon as more vaccines became available, we supported employees in their efforts to get vaccinated. During the second half of the year, we were unfortunately faced with the dire reality of increasing COVID-19 positive cases among employees. With the help of a medical partner, SWAN provided them with testing services in case of suspected infection and medical assistance to those who tested positive to COVID-19. We also set up an on-premises testing service to screen staff who were not fully vaccinated and who had to attend work on our premises. All these measures largely helped in minimising the risk of contamination at work and ensured business continuity.

With the pandemic operating model where working from home has become the 'new normal', cybersecurity threats were more prevalent causing us to raise our level of cybersecurity and implement robust mitigation measures. Besides ongoing regular security training and phishing campaigns, we have implemented several initiatives for increased security namely penetration tests, risk assessments, improving access management controls and tightening infrastructure security. Although these preventive measures are important, there is also a need for cyberattack detection, response and recovery capabilities. More robust measures will be implemented in 2022 to ensure resiliency and high availability of our systems and process.

Latest economic statistics indicate that the global economy is recovering, albeit at a slower pace than initially envisaged. As stressed by the IMF, the emergence of deadlier variants could prolong the crisis and induce renewed economic disruptions. Overall, activity levels in 2022 should be upheld by a recovery across all sectors. A noteworthy rebound is expected in most sectors with positive spill-over effects on world economy.

SHORT-TERM OPERATIONS

The world, our business, and people's lives are constantly changing and as the leading insurer on the island, we strive to continuously adapt ourselves as we face new risks. In 2021, we have continued to deal with the consequences of the global pandemic on all our stakeholders, be it major corporates, families and individuals. We have also faced the headwinds of catastrophe events, like cyclones, floods, and macro-economic instability as well as the devaluation of the rupee, all of which have impacted us as an insurer.

Amidst this challenging economic environment, Swan General Ltd reported a strong operating result for 2021 as we posted an Underwriting Surplus of MUR 739.2m for the year, compared to MUR 639.4m in 2020. Growth was a challenge across most of our business units. Nevertheless, Swan General Ltd recorded a top line growth of 6%, from MUR 3.05bn in 2020 to MUR 3.23bn in 2021. The Net Earned Premium, followed a similar growth trend reaching MUR 2.40bn in 2021, from MUR 2.29bn in 2020. On the other hand, we experienced a more normalised claims environment compared to the hard lockdown of 2020. Swan General Ltd achieved a growth of 13% in operating profit to reach MUR 899.8m in 2021.

We traded well in our Property and Casualty (P&C) lines throughout the year, delivering growth despite the prolonged periods of lockdown where new business dropped significantly. Retention of clients as well as businesses were a key objective and has held up well. In contrast, average premiums have fallen as the risk mix has reduced, with some clients having to review their insurance spend downwards. Amidst these trends, the P&C segment fared nevertheless well on top line growth as well as in its contribution to bottom line.

In this journey, SWAN continues to uphold the contribution of the various intermediaries in bringing innovative or customised insurance solutions for their clients. We remain focused on our main goals to achieve a sustainable top-line growth, practising a risk-commensurate underwriting as well as a risk-adequate pricing and optimising on our reinsurance programme, as we navigate in these rough tides.

On the personal lines business, the operating environment was extremely challenging. Our teams were faced with a multitude of complex and unprecedented challenges, all of which had to be evaluated and acted upon in a remote work context. The critical role of our advisers and agents was efficiently delivered as we digitally enabled them with various innovative front-end solutions to better meet the needs of our individual clients.

SWAN has demonstrated resilience with a sustainable gross premium growth for the personal lines business, 7.5% higher than the prior year. Claims ratios were lower than in 2020 due to the impact of reduced activity during the period and also as a result of continued improvements in both underwriting and claims management.

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT *(cont'd)*

SHORT-TERM OPERATIONS (CONT'D)

The motor class achieved satisfactory underwriting performance in both the intermediated and direct distribution channels. The market returned to relatively normal levels following the economic turmoil caused by the COVID-19 crisis, as the top line grew by 3% in 2021. While claim frequency on the motor portfolio came back gradually to more normalised levels, SWAN faced tremendous challenges following the devaluation of the Mauritian Rupee vis-à-vis the main currencies, coupled with a galloping inflation on labour and material costs, following worldwide supply chain disruptions. The immediate effect was a sharp shoot up of claim severity to unprecedented levels. Although the loss ratio was significantly impacted, we, nonetheless, reported a satisfactory underwriting result, on account of a stringent claims management as well as a robust recovery framework in place.

In August 2021, SWAN launched an innovative technology-based application called SWAN SafeDrive. This became the first telematics application to be used for insurance purposes in Mauritius. SWAN SafeDrive employs cutting-edge technology which combines the use of a mobile phone application and a telematics tag to deliver reliable and meaningful driving data. Each drive is analysed to provide feedback that helps the driver improve his driving behaviour. Through the SWAN SafeDrive programme, over MUR 250,000 has been paid back to clients in the form of rewards for good driving allowing them to constantly sharpen their driving skills while staying engaged with SWAN. The key objective is to create safer roads by building a community of responsible drivers, in so doing allowing SWAN to promptly assist its clients during an accident or an unanticipated event.

On the health segment, SWAN continued to perform strongly in 2021, growing its market share, and managed to deliver a resilient financial performance in this difficult environment. Total revenue increased by 8% in 2021, yielding a net underwriting result of MUR 259.6m, which demonstrates the continued operational efficiency gains in that particular segment. The health portfolio continued to demonstrate stability with low withdrawals and limited plan downgrades, despite the economic challenges.

SWAN continued to drive COVID-19 initiatives aimed at assisting its insured members at large by offering an exclusive cover for COVID-19 related medical expenses, following admission at clinics or on an outpatient care. SWAN also pursued its extensive investment in technology and data analytics to develop its digital healthcare ecosystem, enhancing the healthcare quality and experience for its members, notably through the mySWAN smartphone application as well. Several other product enhancements were launched in 2021, with a focus on healthcare system digitisation, guarantee of payments (cashless facilities) and broadened access to care through the "Medical Assistance on site" service.

Medical inflation continues to be a serious concern, consistently well above consumer price index inflation. The primary driver of medical inflation is the hiking cost of claims, resulting from the ever-increasing cost of medical consumables, given the augmented freight cost as well as the depreciation of the rupee vis-à-vis the hard currencies. Continuing medical inflation requires the development of innovative alternative reimbursement models wherever possible, like managed schemes and the like, to mitigate and manage costs, while maintaining affordability for our members. This is critical in ensuring that our members have continued access to the highest possible quality of healthcare.

On the reinsurance side, there were indications of a significant hardening of the rates, following the pandemic as well as significant global catastrophe events in 2021. SWAN has a well-structured reinsurance program and risk retention capacities, enabling us to optimise net underwriting results, even in an environment of increased reinsurance premium rates.

Overall SWAN registered a profit after tax of MUR 294.2m, compared to MUR 278.6m in 2020, which demonstrates the sustainability of our bottom-line results even in a challenging year. The capability delivered, as SWAN looks to transition from technology transformation into business transformation, underpins the improvement in the current year profitability and provides a platform for growth, underwriting improvements and cost efficiencies. Through increased digitalisation and self-serve, we aim to deliver significant customer and efficiency improvements. In addition, greater pricing sophistication, client retention and stringent claims management initiatives are key to sustaining the improvement in the bottom-line results.

A major business transformation programme was kicked-off, in view of improving various components of our operating model including business processes, organisational structure, customer experience, employee engagement, innovation and standardisation of products. This programme also paves the way for implementing a new core digital insurance platform that will support our lean operations in the digital era and deliver more customer value.

LONG-TERM OPERATIONS

Despite strong headwinds, Swan Life Ltd ('SLL') managed to achieve a growth rate of more than 8% both in terms of revenue and profit before taxation. The profit after tax has however seen a marginal increase due to the introduction this year of the Alternative Minimum Tax applicable to long term insurance companies.

Individual Life Business

Throughout 2021, our focus for SLL's individual business was to keep our employees and sales resources abreast of the new developments and we have maintained close contact with our teams and distribution channels, growing their skills through training and regular meetings which were increasingly being delivered online. We also launched a multi-function sales platform that has equipped our sales teams with online tools to better service their clients. They have been provided with a financial needs analysis platform that will add value to the service they deliver. In 2022, our energy will be focused on delivering even more value-added solutions via digitally enabled distribution channels.

Group Pension

During 2021, the pensions team pursued its endeavours to ensure our processes and systems are improved and some of these initiatives included the migration of private pension schemes to a revamped administration system and the completion of an electronic platform that will allow employers to send us information seamlessly.

In April 2021, the Financial Services Commission released the Guidelines for the conversion or Shift of Defined Benefit Pension Schemes to Defined Contribution Pension Schemes. These guidelines have provided the industry with a comprehensive list of all the requirements that must be met and has greatly helped us in assisting our clients on what must be done as part of this change process. During 2021, we noted a sharp increase in the number of requests received from companies seeking assistance in helping them set up their pension scheme. A move that was mainly driven by the fact that employers still prefer contributing to their own pension arrangement instead of having to contribute to the Portable Retirement Gratuity Fund.

Swan Actuarial Services Limited

Swan Actuarial Services Ltd (SASL) is an actuarial consultancy firm which provides consulting services on pension, insurance, risk management and expected credit losses under IFRS9. The company prepares Retirement Benefit Obligations 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 firm's client base includes insurance companies, banks as well as Global Business companies.

With the COVID-19 restrictions, the current economic conditions and the inflationary environment, 2021 has been very challenging for our clients resulting in the postponement of actuarial projects and pressure to keep down actuarial fees. Despite these challenges, SASL has reported solid results with increased income and profitability, characterised by a record number of employers requesting our expertise to shift their Defined Benefit pension scheme to a Defined Contribution Scheme in order to control their pension costs.

In 2022, we expect the shift away from existing Defined Benefit pension scheme to continue, as well as a resumption of many actuarial projects. We are already seeing higher demand for actuarial skills and we anticipate that the main challenge for 2022 will be to retain our skilled resources, whilst remaining competitive in the market.

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT *(cont'd)*

LONG-TERM OPERATIONS (CONT'D)

Swan Pensions Ltd

Swan Pensions Ltd (SPL) provides administration services to over 1,200 companies with total membership reaching nearly 85,000 lives regrouped under 26 private pension schemes. Nearly 700 of these companies are participants under the two large multi-employer pensions schemes sponsored by Swan Life Ltd.

In spite of the difficult financial environment and increased competition noted during 2021, SPL has managed to maintain its revenue at par with that of last year. Profitability, though still healthy, has decreased mainly due to higher operating costs. The main challenge remains scarce skilled resources and high staff 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 market leader, paying particular attention in ensuring our clients overcome the increasingly sophisticated challenges they face in the local pensions space.

We are continuing to work on the streamlining of our processes and have started a pilot project to enable our clients to transfer membership data efficiently and securely through a web-based platform.

INTERNATIONAL

Despite the foreign exchange losses that resulted from the sharp and unprecedented appreciation of the local currencies to the USD in Zambia and Seychelles during the first semester of 2021, our subsidiaries including that in Rwanda maintained a generally healthy performance with a combined overall PAT of USD 6.2m and a growth of 19% of Gross Written Premiums, notwithstanding the local economies having suffered an important contraction from the impact of COVID-19.

In 2022 we expect to experience a recovery in all our markets as local Governments continue to take steps to relaunch local economies as well as the social and business environments in the aftermath of the pandemic. In Zambia however, the insurance industry faces a series of new regulatory measures which while they are still at discussion stage, may upon implementation, harden the market and create a different environment with new dynamics, which we are already gearing up to address.

CAPITAL MARKETS

Swan Wealth Managers Ltd (SWM) is a leading provider of asset management services in Mauritius and at 31 December 2021, managed investments worth more than Rs 74 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 achieved a remarkable year despite major challenges consequential to the second national lockdown and a marked reduction in the supply of foreign currencies due to a faltering tourism sector. Management put in place key strategic initiatives to fend off these challenges and managed to record not only substantial growth, but ultimately, increased profits. The upward trajectory was sustained as revenue, earnings, and reserves kept growing on the back of higher Assets Under Management, robust investment returns and a blossoming customer base. Investment solutions that were launched in the previous years thrived and attracted significant client interest.

CAPITAL MARKETS (CONT'D)

Swan Securities Ltd (SSL), the licensed Investment Dealer, recorded a strong year in terms of brokerage revenue and captured market share especially in the equity segment. Client retention and growth was at the core of our strategic initiatives in 2021 which yielded positive end results over the year. SSL actively hosted investment promotion calls to its foreign clients and network to showcase Mauritius and attracted flows during the year. On the revenue diversification side, SSL registered a laudable international trading revenue stream fully implemented to cater for its institutional and retail clientele. SSL is now fully integrated as a gateway to access local and domestic instruments across global stock markets (equities, bonds, ETFs, ETNs, CFDs, etc.). The team was restructured to ensure efficient service delivery and costs were further optimised during the year pursuing our post COVID-19 strategy of resilience and fortifying reserves. Swan Corporate Advisors Ltd won the mandate for a Note raising for a listed issuer for Rs. 800 million and SSL acted as placement agent and sponsoring broker for the listing of the Notes on the Stock Exchange of Mauritius.

After a thorough strategic review, SWM and SSL shall re-position themselves under a new brand, Swan Capital Solutions, regrouping also Swan Corporate Advisors, and the loans department of Swan Life. Swan Capital Solutions will be a gateway to offering innovative financial solutions by way of combined product suites. Through this new approach, we seek to prolong growth across metrics, improve operations and resource utilisation, deploy new and attractive financial solutions and further increase market penetration.

Swan General Ltd / Annual Report 2021

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT *(cont'd)*

COMPLIANCE

2021 was marked by the removal of Mauritius from the Financial Action Task Force (FATF) grey list. The FATF endorsed the substantial and expeditious progress made by Mauritius to consolidate the jurisdiction's AML/CFT regime. This will again position Mauritius as a leading jurisdiction in the global financial services industry.

In line with its supervisory objectives, the Financial Services Commission conducted a series of onsite and offsite inspections of SWAN entities which seized this opportunity to further reinforce its AML/CFT compliance framework. We have now moved towards the automated screening of our clients through Refinitiv World Check One Tool. Our clients are now screened on an ongoing basis and client due diligence documentation are sought using the risk-based approach matrix which has been extended to most entities of SWAN. These entities have also performed a business risk assessment to enable them to allocate their resources in the most efficient and effective way and to determine their appetite and tolerance for risk. In line with its digitalisation strategy, SWAN is now moving towards more reliance on end-to-end technological solutions and throwing limelight on the role of Compliance, by being pitched more as a business enabler which is solution-focused. The aim for 2022 is to adopt a comprehensive compliance technology architecture to support an integrated approach to compliance risk management, with lesser dependence on human intervention. We will also be running a series of effective compliance awareness campaigns to strengthen the compliance culture at SWAN.

HUMAN RESOURCE

Following the launch of our new all-in-one HR system in 2020, we went live for 2 modules in 2021, namely, Core HR & Absence Management followed by Goal & Performance Management. These implementations were carried out after an in-depth review of all related processes. We also sought expert advice to ensure that we were aligned to the global best practices. Our internal Learning and Development team provided online training to staff to speed up the learning process and to ensure a high level of user adoption.

During the last quarter of 2021, we carried out an employee experience survey. While we came out with a better overall score than the previous survey held in 2018, we also received important feedback on our strengths as well as the areas for improvement. This information will be used in 2022 to set up HR strategies that will aim at offering a better employee experience at SWAN. In 2022, we will also focus on the implementation of the Recruitment module on our HR system. This will enable a more efficient sourcing of talents and will also contribute to accelerate the talent acquisition process. We have also planned the launching of the Learning module. At a time when there is an urgent need to reskill employees, the digitalisation of the learning and development process will enable us to achieve a swifter transfer of knowledge and skills to our employees.

The pandemic has forced us to change the way we work and live. While employees have generally shown resilience in the face of adversity, there are some who are going through challenging situations which are impacting their wellbeing. We have therefore decided to give due attention to mental health in 2022. We have planned to sensitise our employees on this important aspect of our wellbeing. We will also provide expert advice and coaching to those who have been unable to get over the difficult and at times, traumatic situations they went through.

At SWAN we believe in harnessing change through thoughtful projects and initiatives in order to achieve our goals. This trend will continue at a more pronounced scale in 2022, as we transform our businesses for the future.

During 2021, Messrs Hector Espitalier-Noël, René Leclézio and Victor Seeyave left the Board and we wish to place on record their enormous contribution to SWAN. Our appreciation also goes to the remaining Board Directors for their valued guidance and relentless contribution.

We heartily thank our employees for their unwavering dedication and continued hard work, as much as we owe our business partners our sincere gratitude during such a trying year for all. Last, we cannot thank enough each and every single customer for their renewed loyalty and trust in our organisation.

Nicolas Maigrot
Chairperson

Louis Rivalland
Group Chief Executive

SWAN

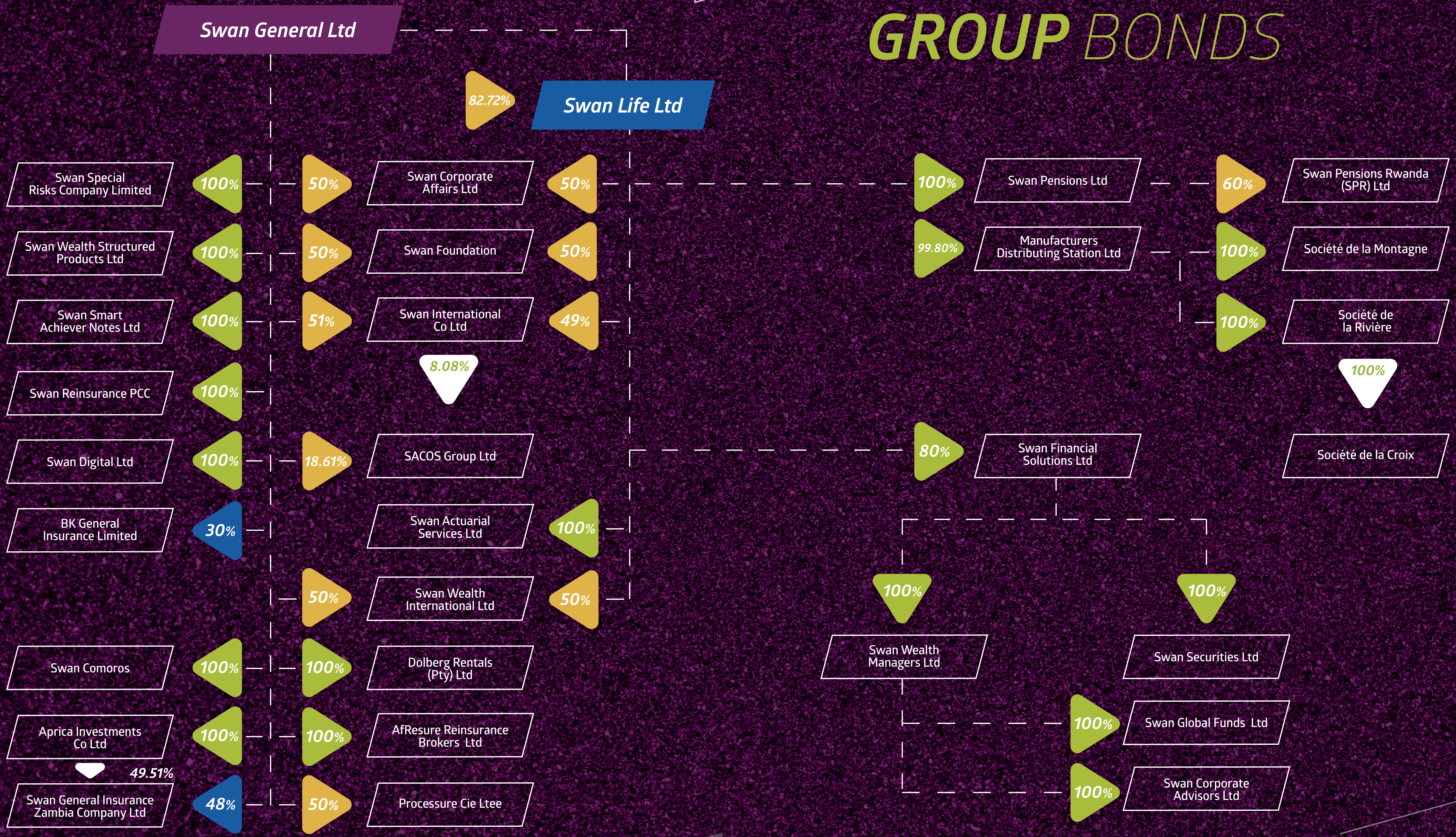
"I really think a champion is defined not by their wins, but by how they can recover when they fall."

SERENA WILLIAMS

SERENA WILLIAMS

Serena Williams, world renowned tennis player and four-time Olympic gold medallist has re-invented the face of women's tennis. With remarkable athleticism, she delivers power-packed performances, elevating her among the all-time great women tennis players.

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%
8.08%
Swan Reinsurance PCC
100%
Swan Digital Ltd
100%
18.61%
SACOS Group Ltd
BK General Insurance Limited
30%
Swan Actuarial Services Ltd
100%
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 Ltee
100%
Swan Pensions Ltd
60%
Swan Pensions Rwanda (SPR) Ltd
99.80%
Manufacturers 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
- **Y2021 - 8,975,070**
- Y2020 - 8,157,438

The Company
- **Y2021 - 3,246,476**
- Y2020 - 3,051,387

Net Earned Premiums

The Group
- **Y2021 - 7,500,268**
- Y2020 - 6,865,213

The Company
- **Y2021 - 2,408,649**
- Y2020 - 2,297,335

Profit Before Tax

The Group
- **Y2021 - 929,200**
- Y2020 - 799,096

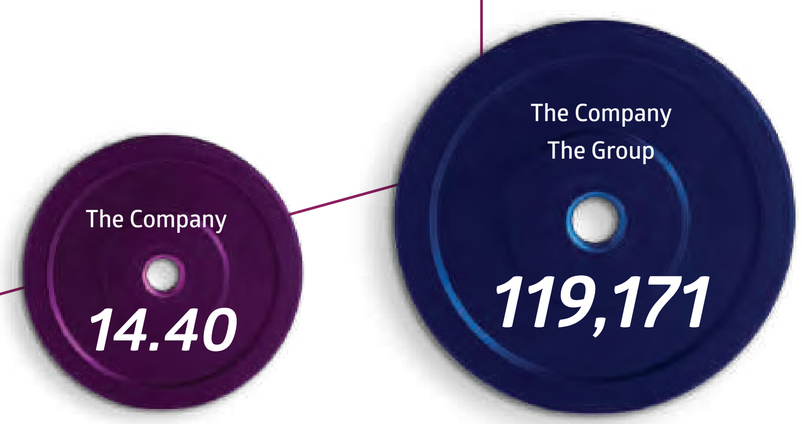
The Company
- **Y2021 - 313,003**
- Y2020 - 295,216

Earnings per share

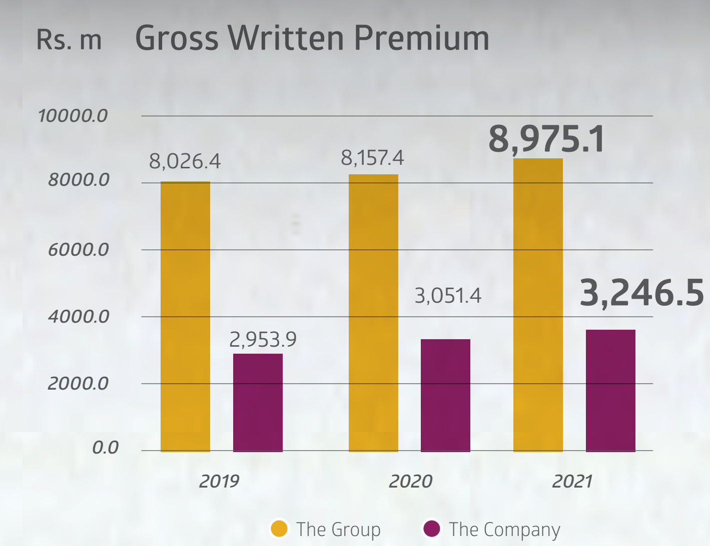
The Group
- **Y2021 - 83.68**
- Y2020 - 77.60

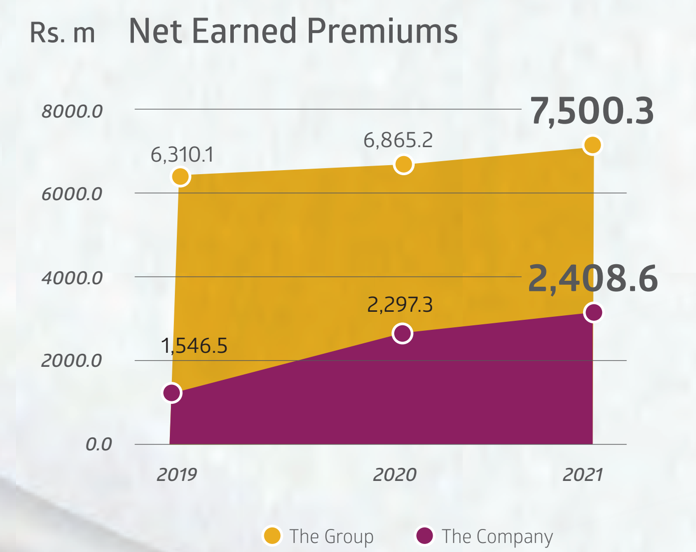
The Company
- **Y2021 - 35.55**
- Y2020 - 33.67

All amounts are in Rs'000 (except Earnings per share and Dividend per share)

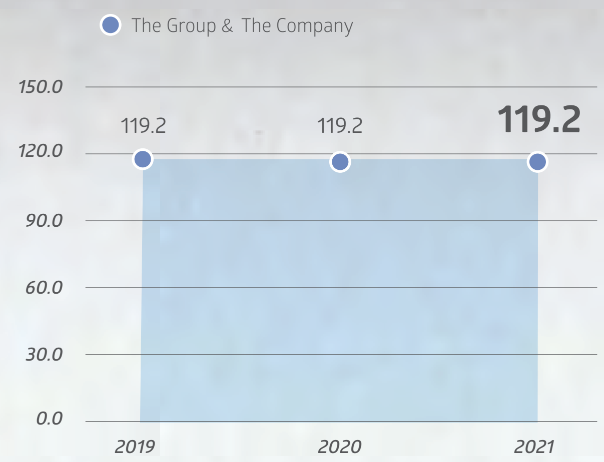


- Dividends per share
- Dividends Paid

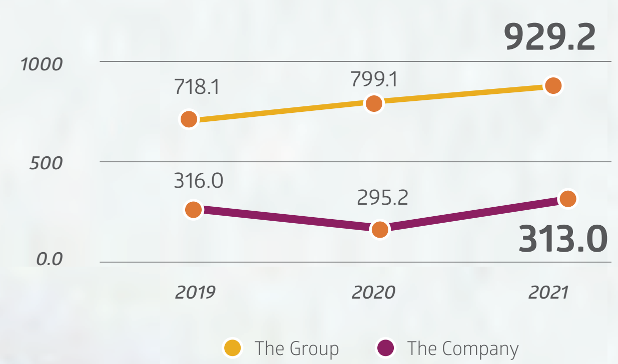




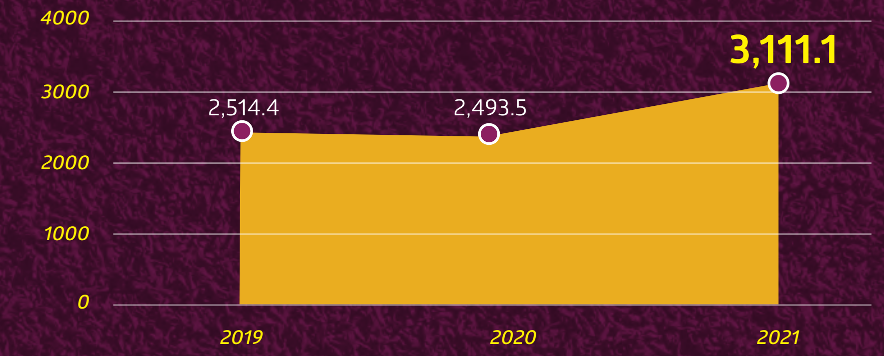
Rs. m Dividends Declared



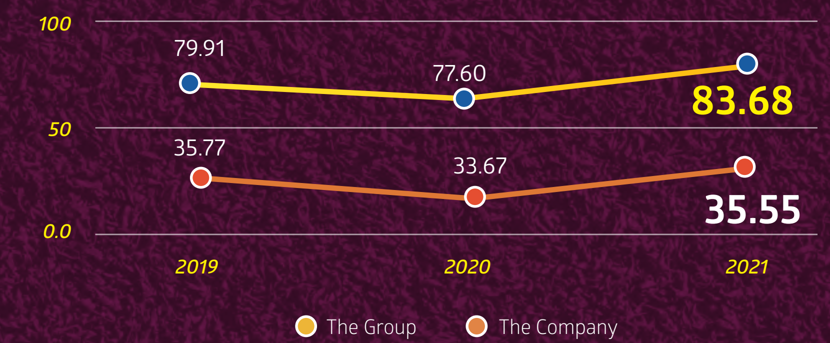
Rs. m Profit Before Income Tax Expense



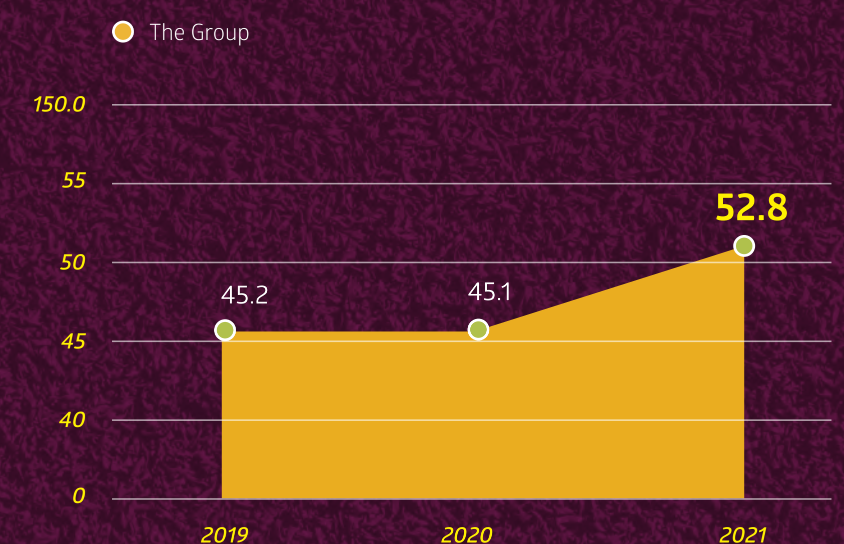
Rs. m Reserves (Company)



(Rs./cents) Earnings per Share



Rs. bn Life Assurance Fund (Group)



"Never forget the power of practice."

MIKE *TROUT*

MIKE TROUT

Mike Trout, American baseball player and star of the Los Angeles Angels is regarded as one of the most outstanding young players in the history of baseball. With remarkable strength, speed and defence, Trout is a ten-time MLB All-Star, three-time American League Most Valuable Player, and an eight-time winner of the Silver Slugger Award.

CORPORATE SOCIAL RESPONSIBILITIES

Assisting NGOs to strengthen social and economic recovery

SWAN has long understood the value of Corporate Social Responsibility (CSR) to actively engage in the Mauritian society, while making the world a better place. SWAN has been working diligently to determine the focus of its CSR policy so as not to fall into the trap of being seen as simply doing the right thing, rather than putting in real efforts. A well-chosen and properly executed program is a "win/win" situation for SWAN and society as a whole.

In 2021, whilst the society continued to bear the consequences of the COVID-19 pandemic, with a major impact on the cost of living and employment, Swan Foundation devoted its funding and resources to enhance the life of the underprivileged. Rs 1,669,884 was disbursed to help esteemed NGOs alter the impecunious situations of families and continue to educate, empower, and equip children, among other social activities. In this difficult period, we address, once again, our appreciation and respect to the commendable work of NGOs. We could not be more delighted to play an active part in their worthy causes.

Joining our forces to alleviate inequalities

The socio-economic consequences of the pandemic have turned NGOs' work on its head, forcing them to adapt to sustain their activities. The main source of concern undoubtedly remained the decline in private donations. As a socially responsible corporate entity, we could not turn a blind eye on their plea. At SWAN, our investments in the community have always gone beyond any mandatory legal and statutory requirements. By investing our CSR efforts in critical groups who also contribute to nation building and the economy, we enable stakeholders and communities to rise.

31% of our CSR funding were distributed to NGOs focused on socio-economic development during the fiscal year under review. We think, as corporate citizens, that improving the living conditions of our society's underprivileged is critical to the overall well-being of the community.

Paving the way for younger generations to foster our engagement

A well-defined CSR program gives our employees the belief that they are working for a great cause, hence increasing their sense of commitment. Furthermore, this desire to serve a cause of public interest is shown to be increasingly pronounced among younger generations entering the workforce, who want to work for companies with a purpose that appear considerate and committed to using their resources and influence to bring about positive change. This was clearly shown when our staff were mobilized to help collection of new and unused clothing as well as household textiles to hand them over to The Good Shop, as part of our Go Green initiative, which aims to achieve Sustainable Development Goals.

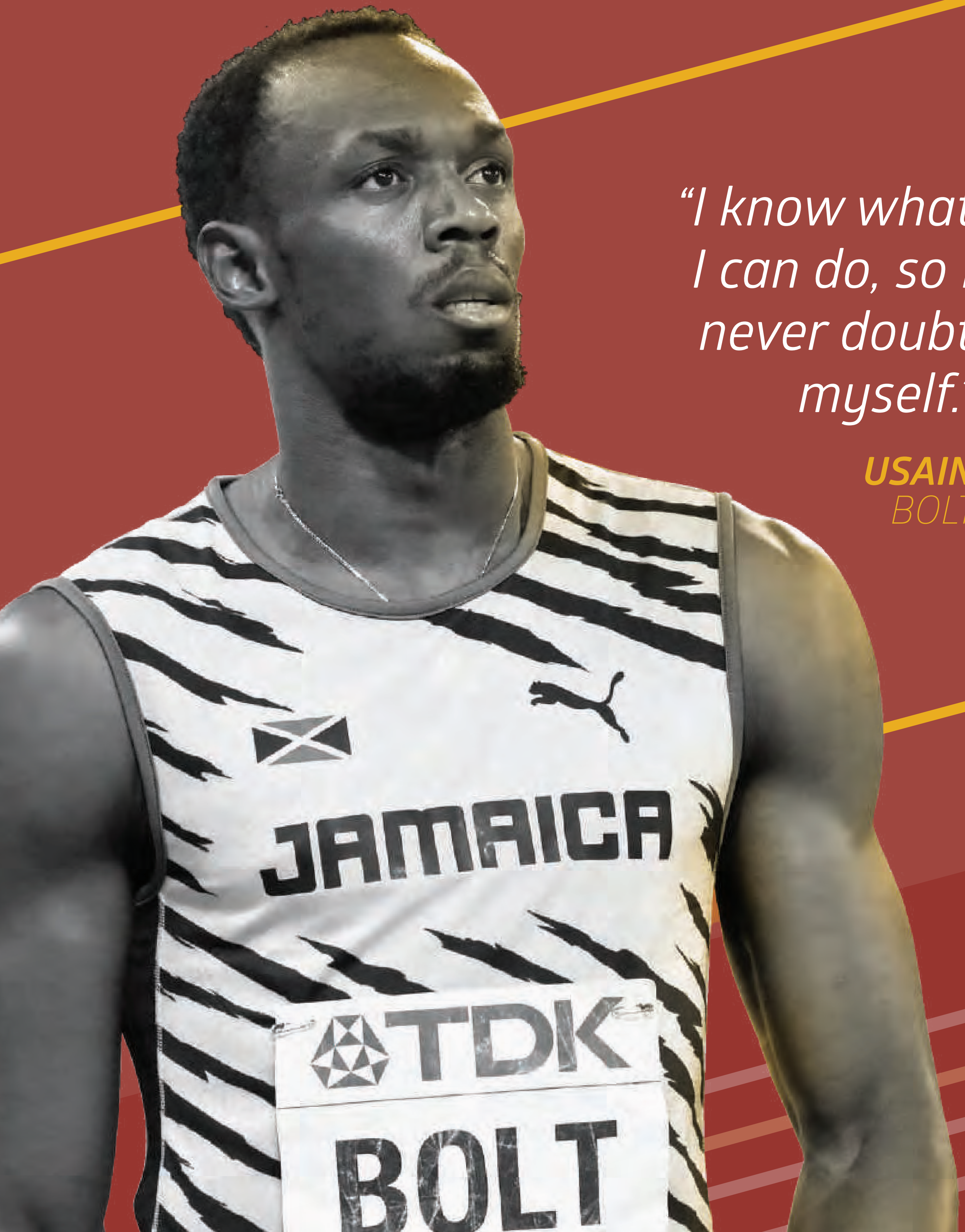
CSR can also improve customers' perception of our brand. Standing out from competition alone is not enough in today's business world. With brand-conscious customers, it has become quite challenging as businesses are judged not only for the products and services but what they do on the social and environmental grounds as well as their political values. At SWAN we understand more than ever that taking social responsibility seriously can position us ahead in the market. We are convinced that we can reap myriad benefits in reputation, employee engagement and talent acquisition through our mindful CSR engagements.

We trust the younger generation to bring our CSR to new heights and pursue our commitment to cater for the needs of the society.

In 2021, Swan Foundation has helped the following organizations:

- The Global Rainbow Foundation
- PAWS
- Terrain for Interactive Pedagogy through Arts
- Association Ensam
- Elle C Nous Association
- Young Spirit Association
- Will Fly Mauritius
- Ti Diams
- Enn Rev Enn Sourir
- Association Kinouete
- Chrysalide
- Muscular Dystrophy Association
- APEIM
- Special Education Needs Society
- Etoile du Berger
- Le Pont du Tamarinier
- Mouvement Forces Vives Quartier EDC Rose Belle
- Association Quartier de Lumiere
- Council of Religions
- Fondation Cours Jeanne D'Arc
- Eco Sud
- Faucon Flacq Sporting Club

SWAN



"I know what I can do, so I never doubt myself."

USAIN
BOLT

USAIN BOLT

Usain Bolt, Jamaican sprinter and Olympic legend, holds the title of the fastest man alive. It is through his phenomenal performances at the 2008, 2012 and 2016 Summer Olympic Games that he became the first man in history to set three world records in Olympic competitions.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2021

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 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.

The organigram, code of ethics and main clauses of the constitution have been published on the website of the Company. Profile of the senior management team is at Annex 1 and 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 ten directors. The Board consists of executive, non-executive and independent non-executive directors. Members of the Board have a diverse set of skills, knowledge and come from different spheres of the business community. There is one female independent director on the Board. Collectively, the Board is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the 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 and the Companies Act. 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 (Resigned on 7 December 2021)
Grace Leung Shing (Appointed on 2 August 2021)

Non-executive

Eric Espitalier-Noël (Appointed on 8 October 2021)
Hector Espitalier-Noël (Resigned on 29 July 2021)
Philippe Espitalier-Noël
Henri Harel
René Leclézio (Resigned on 30 June 2021)
Nicolas Maigrot (Chairperson)
Sébastien Mamet

Profiles of the directors are at Annex 2.
All profiles are on the website.

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

Board Committees

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

Audit & Risks Committee

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

The Board satisfies itself that the Chairperson of the Committee has the relevant financial experience, ideally with a professional qualification from one of the professional accountancy bodies. The Board has the power at any time to remove any members from the Committee and to fill any vacancies created by such removal. Though the current Chairperson of the Audit & Risks Committee has served for more than 9 years, the Board considers Mr. Mooroogen to still be independent. The Board does not insist that all the criteria set in the Code be cumulatively met. The Board is satisfied that Mr. Mooroogen is able to, and in fact, exercises independence of mind and judgement in his duties of director and Chairperson of the Committee.

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

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

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

In performing its duties, the Committee maintains effective working relationships with the Board, management and the external and internal auditors. To perform his or her duties, each Committee member will need to develop and maintain his skills and knowledge, including an understanding of the Committee's responsibilities and of the 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, reappointment 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 decides 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.

k) 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.

l) Review any representation letter(s) requested by the external auditor before they are signed by management.

m) Review the management letter and management's response to the auditor's findings and recommendations.

n) Reviewing progress on implementation of auditors' recommendations.

o) 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 and the Group.

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 and the Group have followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;

v. The clarity and completeness of disclosure in the Company's and the Group'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 financial statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provide the information necessary for shareholders and other stakeholders to assess the 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 provides appropriate advice and recommendations to develop and implement strategies, policies, procedures and controls to manage the material risks. In this respect, the duties of the Committee shall include:

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

i. defining and, at least annually, reviewing the risk appetite statements and tolerance levels;

ii. reviewing the design, completeness and effectiveness of the risk management framework;

iii. defining and reviewing the risk management strategy;

iv. receiving and reviewing reports and dashboards from Management for risk monitoring;

v. reviewing the 3-year rolling business plan;

vi. reviewing the Own Risk and Solvency Assessment report;

vii. reviewing risk policies; and

viii. receiving the auditors' and actuary's report on the compliance and effectiveness of the risk management framework and to recommend necessary actions.

b) Ensuring the economy, efficiency and effectiveness of the 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.

CORPORATE
GOVERNANCE REPORT (cont'd)

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.

As at 31st December 2021, the Committee consisted of four non-executive directors, three of whom are independent, including the Chairperson. The members are:

a) Mr. Arif Currimjee (independent non-executive)

b) Mr. Henri Harel (non-executive)

c) Mr. Gopallen Mooroogen (Chairperson) (independent non-executive)

d) Mr. Victor Seeyave (independent non-executive) [Resigned on 7 December 2021]

e) Miss Grace Leung Shing (independent non-executive) [Appointed on 2 August 2021]

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 as there were no such request from either party, given that there were no material issues to be discussed.

During the year, the Committee met five times and also took certain decisions through written resolutions. 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 management letter;

c) Abridged quarterly accounts - consideration and recommendation to the Board for approval and publication;

d) Internal audit–consideration of internal audit reports and internal audit plan;

e) Approval of auditors' fees for audit and non-audit services for the Company and subsidiaries;

f) Risk management – consideration of risk appetite;

g) Statements, own risk and solvency assessment, actuary's effectiveness report and auditors' compliance report;

h) Appointment of PWC as service provider for internal audit services for the Company and all its relevant subsidiaries.

Corporate Governance Committee

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

a) Determining, agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;

b) assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executives and senior management;

c) putting in place plans for succession;

d) making recommendations to the Board on all new Board appointments; and

e) determining the level of emoluments of executive, non-executive, independent non-executive directors and Board Committee members.

The Committee consists of the following non-executive directors:

a) Mr. Arif Currimjee (independent non-executive)

b) Mr. Nicolas Maigrot (Chairperson, non-executive)

c) Mr. Gopallen Mooroogen (independent non-executive)

d) Mr. Victor Seeyave (independent non-executive - Resigned on 7 December 2021)

e) Grace Leung Shing (independent non-executive - Appointed on 2 August 2021)

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

There were no meetings of the Corporate Governance Committee during the year. Attendance of the Directors at Board meetings and Audit & Risks Committee meetings for 2021 were as follows:

DIRECTORS	Board Meetings	Audit & Risks Committee
Number of Meetings Held	2	6
Arif Currimjee	2	6
Eric Espitalier-Noël (Appointed on 08 October 2021)	1	N/A
Hector Espitalier-Noël (Resigned on 29 July 2021)	1	N/A
Philippe Espitalier-Noël	2	N/A
Henri Harel	2	5
René Leclézio (Resigned on 30th June 2021)	1	N/A
Grace Sarah Leung Shing (Appointed on 2nd August 2021)	1	2
Sébastien Mamet	2	N/A
Nicolas Maigrot (Chairperson)	2	N/A
Gopallen Mooroogen	2	6
Victor Seeyave (Resigned on 7th December 2021)	1	5
Louis Rivalland (not as member for Audit & Risks Committee)	2	N/A
Michel Thomas	2	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 two directors appointed during the year were provided with the induction pack.

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.

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	No. of shares	%
Henri Harel	33	0
Grace Leung Shing	8,265	0.100

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

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 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.

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CORPORATE *GOVERNANCE REPORT (cont'd)*

4. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (cont'd)

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

Directors	From the Company (Rs)	From subsidiaries (Rs)
Executive Directors		
Rivalland Louis	6,005,473	13,855,092
Thomas Michel	13,832,005	723,263
Non-Executive Directors		
Espitalier-Noël Hector [Resigned on 31.07.2021]	60,000	60,000
Espitalier-Noël Philippe	90,000	90,000
Espitalier-Noël Eric [Appointed on 08.10.2021]	22,500	22,500
Harel Henri	120,000	120,000
Leclézio René [Resigned on 30.06.2021]	45,000	45,000
Leung Shing Grace [Appointed on 02.08.2021]	58,300	58,300
Maigrot Nicolas	175,000	175,000
Mamet Sébastien	90,000	90,000
Currimjee Arif	140,000	140,000
Gopallen Mooroogen	160,000	240,000
Seeyave Victor [Resigned on 07.12.2021]	140,000	180,000

It has been agreed that the Company and the Group will conduct board evaluation every 3 years. A board evaluation was conducted during the period under review through questionnaires and appropriate actions if required, would be taken in due course. No independent evaluator was appointed, as the Board considers that a self-evaluation through questionnaires was sufficient.

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 their business and compliance with laws and regulations. Management is directly responsible for implementing the strategies and policies adopted by the Board, and for managing all of the 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. The Board, through the Audit & Risks Committee and senior management, is regularly apprised of the assessment of internal control. Deficiencies, if any, are promptly considered by management and action plans devised to address all such deficiencies. Internal and external auditors also have access to the Board.

CORPORATE
GOVERNANCE REPORT (cont'd)

6. REPORTING WITH INTEGRITY

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

a) An overview and history of the Company and Group;

b) Ownership, structure and principal activities of the Company and the Group;

c) Values of the Company and Group;

d) Financial statements, risk report, report from the Group Chief Executive and Chairperson;

e) Details on our corporate social responsibility, information and profile of our senior management team.

The Board considers that the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the 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 was 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 & Risks 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. Up to 17 March 2021, Ernst & Young (EY) was the internal auditor. EY resigned due to an independence issue. PwC was subsequently appointed as internal auditor.

The Internal Auditors are responsible for providing assurance to the Board, through the Audit & Risks Committee, regarding the implementation, operation and effectiveness of internal control and risks management. An Internal Audit Charter is in place.

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

The Internal Auditors have a direct reporting line to the Audit & Risks Committee and maintain an open and constructive communication with executive management. They also have direct access to the Chairperson of the Committees and of the Board. This reporting structure allows the Internal Auditors to remain independent and report all items of significance to the Board/Audit and Risks Committee.

They have unrestricted access to the records, management and employees. They act as a source of constructive advice and best practice, assisting the Audit & Risks Committee in its responsibility to improve the processes by which risks are identified and managed. Internal audit reports are sent to the Audit & Risks Committee. During the year 2020 and 2021, internal audit covered the following areas:

a) IT access rights review

b) Review of payment process

c) AML/CFT compliance review

d) Follow up on previous audits (Commission, Bancassurance and Individual Business Marketing)

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.

Before the approval of yearly audited financial statements, external auditors meet with the Audit & Risks Committee. During the meeting, key audit matters are discussed. The Audit & Risks Committee did not meet with external auditors without management presence as there was no such request from external auditors.

KPMG was re-appointed as auditors of the Company during the annual meeting of the Shareholders in September 2021.

During 2021, the following fees (excl. VAT) apply to KPMG:

For audit services	Rs 7,000,000
For other audit related services	Rs 500,000

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

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 2021, the controlling and substantial shareholders of the Company were:

Shareholder	*No of shares*	*% holding*
Intendance Holding Ltd	2,771,082	33.48
Rogers and Company Limited	2,439,235	29.47
Excelsior United Development Companies Limited	1,126,413	13.61

A summary by shareholder category:

Category	*Count*	*No of shares*	*% holding*
Individuals	1,107	983,032	11.878
Insurance & Assurance Companies	1	900	0.011
Pension & Providence Funds	14	189,739	2.293
Investment & Trust Companies	6	3,219	0.039
Other Corporate Bodies	97	7,098,879	85.779
TOTAL	1,225	8,275,769	100.00

Breakdown of ownership by size:

Size	*No of shareholders*	*No of shares*	*% holding*
1-500	861	108,510	1.311
501-1000	115	89,904	1.086
1,001-5000	180	421,611	5.095
5,001-10,000	39	276,624	3.343
10,001-50,000	23	467,005	5.643
50,001-100,000	3	250,812	3.031
100,001-250,000	-	-	-
250,001-500,000	1	324,573	3.921
Over 500,000	3	6,336,730	76.570
TOTAL	1,225	8,275,769	100.00

The 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, during the year are set out below:

January	Payment of dividend (for year ended 31 December 2020)
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 year ended December 31,2021)

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

22nd April 2022

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 2021, to the best of the Board's knowledge the Company and the Group have complied with the National Code of Corporate Governance for Mauritius (2016) (the Code). The Company and the Group have applied all of the principles set out in the Code and explained how these principles have been applied.

Nicolas Maigrot
Chairperson

Louis Rivalland
Director

SWAN

MEGAN RAPINOE

“All my dedication and hard work has prepared me for this moment.”

MEGAN
RAPINOE

Megan Anna Rapinoe, American soccer champion is an unshakeable force on and off the field. An Olympic gold medallist she was awarded the title of FIFA's Women's World Player 2019. That same year, she won two World Cup tiles, the Golden Boot and the Golden Ball, for scoring the most goals and for being the top player in the tournament. Devoted activist, Megan leads the fight for LGBTQ rights and equal pay between men and women footballers.

SENIOR MANAGEMENT TEAM

ANNEX 1

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 (IBU and SME), Affinity partners, IBU Sales inc. Branches, Agents, Brokers, and Bancassurance (short-term).

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.

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.

DEVSINGH (DEV) SOBHA

BA (Eco), MBA, Adv Dip CILA - Claims (w.e.f 01 January 2022)

Born in 1977, he is a member of the Chartered Institute of Loss Adjusters and holds a Master in Business Administration. He started his career with Mauritius Union Assurance Co Ltd in 2000 and 8 years later joined Munich Re (Mauritius), managing claims for Sub-Saharan Africa.

He joined Swan in 2014 as Loss Adjuster in the Technical Dept. In 2018 he joined the Claims Department as Principal Claims Manager and was promoted to Senior Manager in 2022. In this role, he overlooks all matters relating to the Motor and Non-Motor Claims.

SENIOR MANAGEMENT TEAM

ANNEX 1

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.

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 44 years. During the past 27 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 AfResure Reinsurance Brokers Ltd since 2020.

HERBERT MADANAMOOTHOO

Maîtrise de Droit – Customer Relations, Complaints, CS , MLRO (w.e.f 01 December 2021)

Born in 1960, Herbert holds a Maîtrise en Droit from Bordeaux University, France, and a Postgraduate Certificate in English Law from Warwick University, UK.

Herbert was recruited in 1995 to set up a legal department within SWAN, where he was appointed as Manager in 2001. He was subsequently appointed as Money Laundering Reporting Officer in 2007 & since then, he has also occupied the positions of Compliance Officer & Data Protection Officer at Swan, & Complaints Co-ordinator at Swan Life. Since January 2022 he is the Senior Manager, Customer Relations and Complaints Co-ordinator & Corporate Social Responsibility. He is also the Money Laundering Reporting Officer. Herbert is also a member of the Motor Vehicle Insurance Arbitration Committee.

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

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.

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.

JULIEN RIVET

Corporate Business

Born in 1979, Julien joined Swan Insurance Company Limited in 2000 as a trainee Underwriter in the then Fire and Accident Department and was promoted Commercial Underwriter in 2005 until 2014 when he was further promoted to a Managerial Position within the Corporate Business (Property and Casualty) Unit.

He is a member of the Chartered Insurance Institute (UK) and the Mauritius Institute of Directors (MIoD).

Throughout his career, Julien has successfully evolved through the technical sphere (underwriting and claims) as well as client-management and leadership roles and has been heading since July 2018 our Corporate Business Unit and oversees the operations of our Property and Casualty, Specialty Risks, Marine, Travel, Documentation and Processing Business Units.

JAIYANSING (SHAILEN) SOOBAH

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

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

In 2009, he joined CIM Group, and was subsequently appointed as Senior Manager Compliance of the insurance and investment cluster. He joined SWAN with the merger of the insurance businesses of Swan and CIM in June 2012. He is currently Senior Manager – Group Company Secretary and Group Risk Officer. He also holds directorship positions in the subsidiaries of Swan Group. He is also a Non-Executive Director of The Stock Exchange of Mauritius Ltd and of Central Depository & Settlement Co. Ltd.

SENIOR MANAGEMENT TEAM

ANNEX 1

GEERIJESHSING (SUJIT) WOOZAGEER

Hon. Degree in Information Technology - Business Transformation & Solutions (w.e.f 01 March 2022)

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

Sujit started his career in the early 90s in the textile industry as Head of IT before moving to other managerial roles to become the Operations Manager at Momentum Ltd., then at Medscheme Ltd. He was later promoted to General Manager and to finally be appointed as Managing Director of Medscheme (Mtius) Ltd., Medscheme International Ltd. & Afrocentric International Ltd., all headquartered in South Africa. He assumed the latter role for 6 years before accepting the position of Chief Officer: Shared Services & Innovation and C-Care Ltd. He joined Swan in February 2021 as a Digital Transformation Consultant and was appointed as Senior Manager Business Transformation and Solutions in March 2022.

IVAN THOMAS

Health

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

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

He was selected to join the Health & Travel Department in 1992 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 in 2020.

JEAN-YVES VIOLETTE - *Complaints and Customer Relationship (Up to 8 December 2021)*

Directorate Annex II

Coaching for Success

01
Arif Currimjee
Independent Non-Executive

02
Eric Espitalier-Noël
Non-Executive

03
Philippe Espitalier-Noël
Non-Executive

04
Henri Harel
Non-Executive

05
Grace Sarah Leung Shing
Independent Non-Executive

06
Nicolas Maigrot
Chairperson, Non-Executive

07
Sebastien Mamet
Non-Executive

08
Gopallen Mooroogen
Independent Non-Executive

09
Louis Rivalland
Group Chief Executive

10
Michel Thomas
Chief Operations Officer

DIRECTORATE

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	Type 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

ERIC ESPITALIER-NOËL

Non-Executive

Born in 1959, Eric Espitalier-Noël joined the ENL group in 1986 and is currently the Chief Executive Officer of ENL Commercial Limited. He has previously worked with De Chazal Du Mée & Co, Chartered Accountants in Mauritius.

He has an extensive experience in the commercial and hospitality sectors being board member of various companies evolving in those sectors. He is also a member of the Corporate Governance Committee.

Companies	Type of Directorship
Adnarev Ltd	Director
Agrex Limited	Director
Agria Limited	Director
Automatic System Ltd	Director
Avipro Co Ltd	Director
Axess Limited	Director
Box Manufacturing Company Limited	Director
Case Noyale Limitée	Director
Cashverdure Limitée	Director
Commercial Investment Property Fund Limited	Director
Emerald (Mauritius) Limited	Director
Emblem Paints Limited	Director
ENL Agri Limited	Director
ENL Commercial Limited	Director
ENL Corporate Services Limited	Director
ENL Foundation	Director

ERIC ESPITALIER-NOËL (CONT'D)

ENL Limited	Director
ENL Portfolio Managers Limited	Director
ENL Property Limited	Director
ENL Secretarial Services Limited	Director
Ensport Limited	Director
ESP Landscapers Ltd	Director
Espral International Ltd	Director
Field Good Limited	Director
Formation Recrutement Et Conseil Informatique Limitée	Director
Freight Link Limited	Director
Grewals (Mauritius) Limited	Director
Hyperdist IO (Mauritius) Limited	Director
Interex SA	Director
Joinery and Metal Distribution International Limited	Director
La Sablonniere Holding Limited	Director
L'Accord Limited	Director
Les Moulins de la Concorde Ltée	Director
Les Villas de Bel Ombre Amenities Ltd	Director
Les Villas de Bel Ombre Ltée	Director
Livestock Feed Limited	Director
Management & Development Co Ltd	Director
Maurisoft Solutions Ltd	Director
Moka City Limited	Director
Mon Desert Alma Sugar Milling Company Limited	Director
Habridas International Limited	Director
Habridas Ltd	Director
Oficea Company Limited	Director
Plaine Des Papayes Properties Limited	Director
Plastinax Austral Limited	Director
Rennel Limited	Director
Rogers & Company Limited	Director
Rogers Consolidated Shareholding Limited	Director
Seven Colors Spa Ltd	Director
South West Tourism Development Company Limited	Director
St.Pierre Properties Limited	Director
Suntricity Company Limited	Director
Superdist Limited	Director
Swan Life Ltd	Director
Tambourissa Limited	Director
The Savannah Sugar Milling Company Ltd	Director
Tropical Paradise Co Ltd	Director
VLH Ltd	Director
VLH Training Ltd	Director

DIRECTORATE *(cont'd)*

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	Type of Directorship
Agrïa Limited	Director
Ascencia Limited	Director
Bagaprop Limited	Director
Bagatelle Hotel Operations Company Limited	Director
Bioculture Mauritius Ltd	Director
Biofarms Limited	Director
BlueAlize Ltd	Director
Cap Abondance Ltd	Director
Case Noyale Limitée	Director
Cashverdure Limitée	Director
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
Mautourco Holdings Ltd	Director
Mautourco Ltd	Director
Reliance Security Services Ltd	Director
Reliance Facilities Ltd	Director
Restaurants Operation Company Limited	Director
Rogers & Company Limited	Director
Rogers Consolidated Shareholding Limited	Director
Rogers Corporate Services Ltd	Director
Rogers Capital Corporate Services Ltd	Director
Rogers Capital Finance Ltd	Director
Rogers Capital Investment Advisors Ltd	Director
Rogers Capital Ltd	Director
Rogers Capital Management Services Ltd	Director
Rogers Capital Outsourcing Ltd	Director

PHILIPPE ESPITALIER-NOËL (CONT'D)

Rogers Capital Technology Services Ltd	Director
Rogers Aviation Holding Company Limited	Director
Rogers Foundation Ltd	Director
Rogers Hospitality Group Ltd	Director
Rogers Hospitality Management Company Ltd	Director
Rogers Hospitality Property Fund Ltd	Director
Rogers Hospitality Operations 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

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	Type 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

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DIRECTORATE *(cont'd)*

HENRI HAREL (CONT'D)

Terra Services Ltd	Director
Terragen Ltd	Director
Terragen Management Ltd	Director
Terrarock Ltd	Director
Terravest Holding Ltd	Director
Amco Solutions Limited	Director
Anytime Investment Ltd	Director
Aquasantec International Limited	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
Thermal Valorisation Co Ltd	Director
United Investments Ltd	Director

GRACE SARAH LEUNG SHING

Independent Non-Executive

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

She is the Executive Director of Golden Fund Management Services, a Collective Investment Scheme (CIS) Manager licensed by the Financial Services Commission and a Director on The Mauritius Development Investment Trust Company, a Closed-End fund listed on the Stock Exchange of Mauritius. Grace was part of the Mergelance Accelerator, a Milestone Maker at the NASDAQ Entrepreneurial Center, a Zera-Allen Scholar and is currently a Beta Gamma Sigma Member.

Companies	Type of Directorship
Golden Foundation Limited	Director
Golden Fund Management Services Ltd	Director
Milepost Ltd	Director
Luminary Investment Ltd	Director
The Mauritius Development Investment Trust Company Limited	Director
Swan Life Ltd	Director

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 (knits and knitwear division) and Ireland Blyth Limited.

Companies	Type of Directorship
Beau Plan Cellars Ltd	Director
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

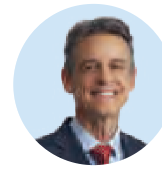
DIRECTORATE *(cont'd)*

SEBASTIEN MAMET

Non-Executive

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

Companies	Type 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



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	Type 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 Co Ltd	Director
Swan Wealth International Ltd	Director
Swan Wealth Managers Ltd	Director
Swan Wealth Structured Products Ltd	Director

DIRECTORATE *(cont'd)*

GOPALLEN MOOROOGEN
Independent Non-Executive

Born in 1959, Gopallen Mooroogen is a fellow of the Association of Chartered Certified Accountants (FCCA).

He also holds an MBA from the University of Wales/ Manchester Business School. He has been a director on the Board of the Stock Exchange of Mauritius (SEM) and the Central Depository Services Ltd (CDS) for a number of years and has been the Chairman of the SEM for a few years. He is currently Head-Accounting in Mauritius Telecom.

Companies	Type 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

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. List of other directorships is annexed.

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

MANAGEMENT *TEAM*

ANNEX 3

01 Javed BUROKUR - BBA, ACCA – Investments / **02** Ashley NUCKCHADY - Motor / **03** Bruno NALLETAMBY - ACII, ACIS, ACI Arb - Marine / **04** Carine ADELSON - BA, MA - Group Marketing / **05** Christel LIM SHIN CHONG - BA (Hons) - Group Human Resources / **06** Armand MARTINET - Branch & Affinity (as from 01 February 2022)

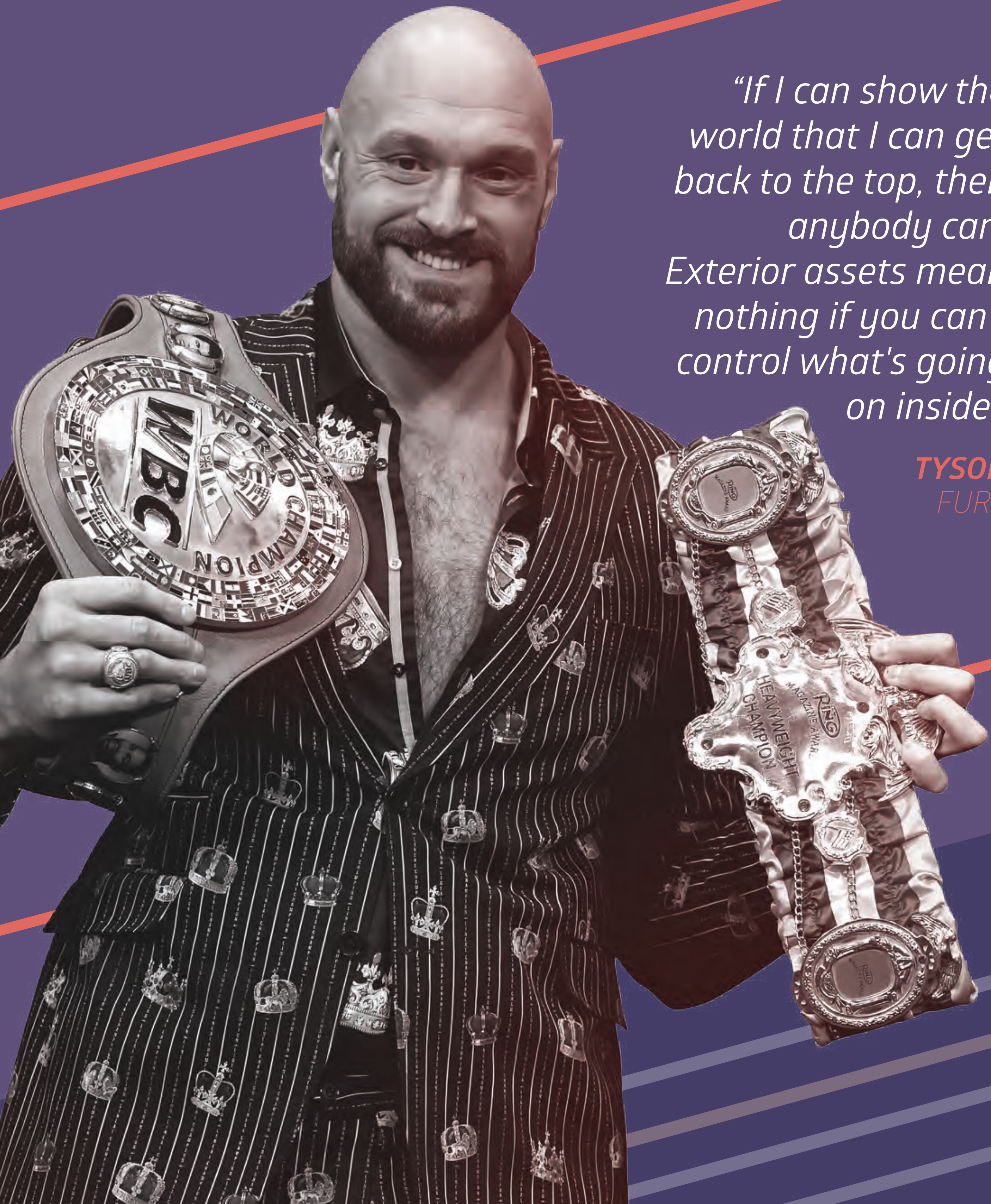
07 Jean Francois CATEAUX - BSc MORSE, AIA - International Development / **08** Didier ADRIEN - Diploma in Information Technology - Business Transformation & Solutions / **09** Clotilde DOMINGUE - LLB (Hons) - Compliance (as from 01 January 2022) / **10** Jean-Marc LECKNING - Group Credit Control / **11** Isabelle PADAYACHY - Health / **12** Jonathan ACKING - Maîtrise en Droit des Affaires, Master of Laws, Post Graduate Diploma in Bar Training - Legal

MANAGEMENT TEAM

ANNEX 3

13 Leong LAI MAN CHUN - BSc (Hons) - Business Transformation & Solutions / **14** Mary Jane KWOK-HIN - Dip CII - Individual Business / **15** Mylene HENRY - Marine / **16** Nathalie LO WING KWAN - Certified Accounting Technician, ACCA Diploma in Accounting and Business - Finance & Accounts (as from 01 July 2021) / **17** Nathalie TONG SAM - ACII - Documentation and Policy Processing / **18** Randhir MUNGRA - MSc, MBA - Project Office / **19** Dave LUCHMUN - Group Facilities

20 Sonia CHAROUX - ACII, MBA - Reinsurance and Statistics / **21** Stéphanie TADDEBOIS - FCII, MBA - Claims / **22** Stephanie MARECHAL - Diploma in Business Practice - Procurement (as from 17 Feb 2021) / **23** Twayyab TAUJOO - ACII, FCCA, MSc - Finance / **24** Vashish REETOO - BEng (Hons) - Specialty Risks, Property & Liability / **25** Sonia KALACHAND-CANABADY - BA (Hons), MA - Group Human Resources



"If I can show the world that I can get back to the top, then anybody can. Exterior assets mean nothing if you can't control what's going on inside."

TYSON
FURY

TYSON FURY

Tyson Luke Fury, British boxer and two-time WBC Heavyweight Champion of the world, lives up to his name. With his extreme strength, the "Gypsy King" dominates the boxing scene, going undefeated with an impressive record of 32 wins, including 23 knock-outs and 1 draw out of 33 fights.

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.

Similar to 2020, 2021 was also affected by the COVID-19. Despite the almost miraculous development of effective vaccines against COVID-19 in 2020, the virus continued to spread and mutate. After the short, sharp shock of Omicron, the pandemic phase of COVID-19 seems to be ending for most locations, unless a significant and severe new variant emerges. Prospects for the future hinge on the questions of whether and when future variants will emerge. SWAN continued to enforce sanitary protocols and encouraged 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 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 external auditors are KPMG in 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.

Before the approval of yearly audited financial statements, external auditors meet with the Audit & Risks Committee. During the meeting, key audit matters are discussed. The Audit & Risks Committee did not meet with external auditors without management presence as there was no such request from external auditors.

KPMG was re-appointed as auditors of the Company during the annual meeting of the shareholders in September 2021.

During 2021, the following fees (excl. VAT) apply:

Responsibility of the Board

Risk Management Function

Risk Appetite Statement

Risk Management Strategy

3-Year Business Plan

Liquidity Policy

Own Risk Solvency Assessment (ORSA)

Independent Review

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.

RISK MANAGEMENT REPORT (cont'd)

OUR RISK MANAGEMENT FUNCTION

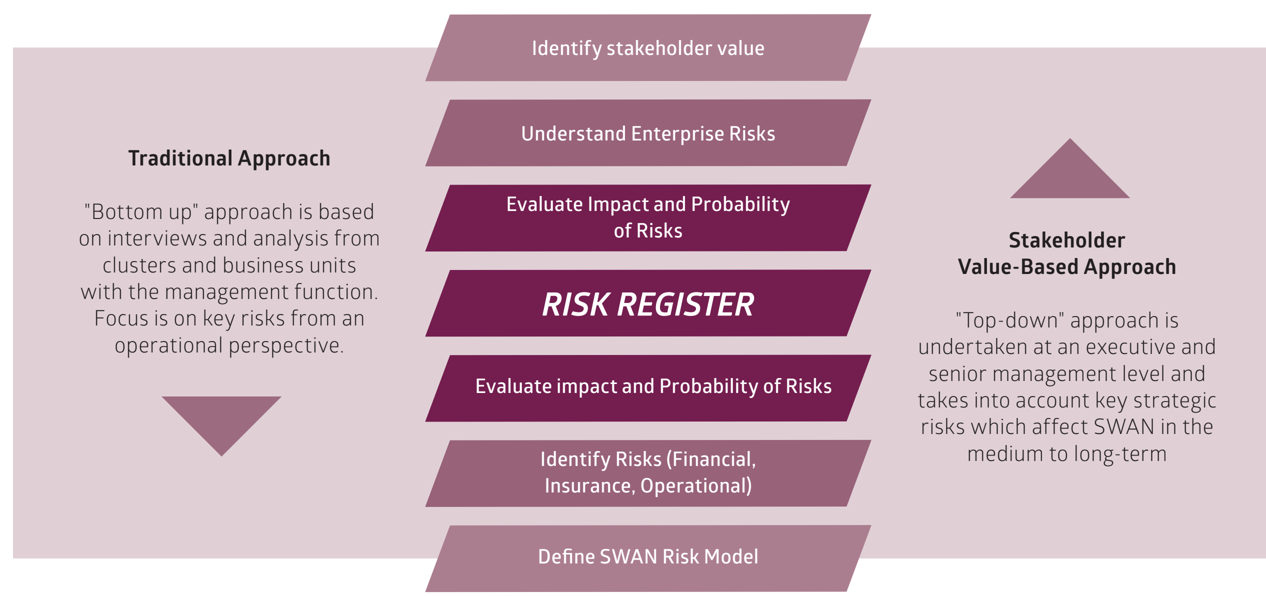
SWAN has adopted the 'three-lines-of-defence' model where ownership for risk management is taken at all levels within SWAN. This model is widely adopted by financial services companies globally. It clearly sets out the risk management responsibilities across the business and is consistent with the current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

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 recognize its strategic and operational risks. Risk registers are reviewed and updated in conjunction with SWAN's business strategy and as and when there are new events which could possibly change our risk exposure. The risks that have been identified have been logged, owners have been allocated and progress to mitigate each risk is recorded.



RISK MANAGEMENT REPORT *(cont'd)*

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 for which we have formulated Risk Appetite Statements (RAS) and their Risk Mitigation Strategies (RMS):

Capital Risks

- Review reinsurance programme
- Inject capital

Investment Risks

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

Group Risks

- Crisis committee
- Ensure communication lines

Liquidity Risks

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

Reinsurance Risks

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

Insurance Risks

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

Operational Risks

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

Compliance Risks

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

Outsourcing Risks

- Enforce Service Level Agreements (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 is validated by the board, executives and operations.

Discussions are held from senior levels to the technical team about strategic objectives such as new ventures and growth.

Assumptions are established:

- Experience analysis
- Technical reserves
- Emerging risks

The Income Statement and Balance sheet are projected over the next three years, together with our future solvency positions.

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

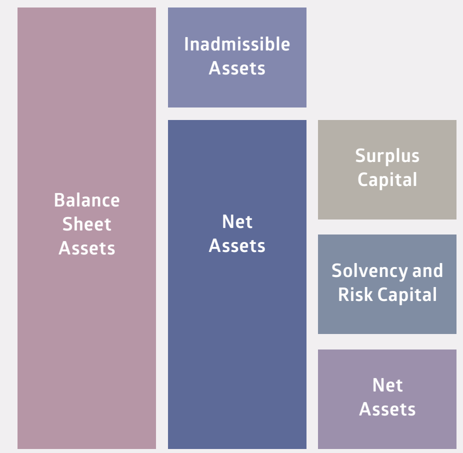
All the assumptions, emerging risks and strategic objectives are documented.

LIQUIDITY POLICY

We have devised a policy since the 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.



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

BUSINESS CONTINUITY MANAGEMENT (BCM)

Business Continuity exists 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 2021, we have implemented guidelines and policies with respect to business continuity management and we continue in the implementation of the BCM by putting in place a proper governance framework. During 2021, just as 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 DIRECTOR'S RESPONSIBILITIES

Directors acknowledge their responsibilities for:

a) Adequate accounting records and maintenance of effective internal control systems;

b) 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);

c) 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:

a) Adequate accounting and an effective system of internal controls and risk management have been maintained;

b) Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

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

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

Nicolas Maigrot
Chairperson

Louis Rivalland
Director and
Group Chief Executive

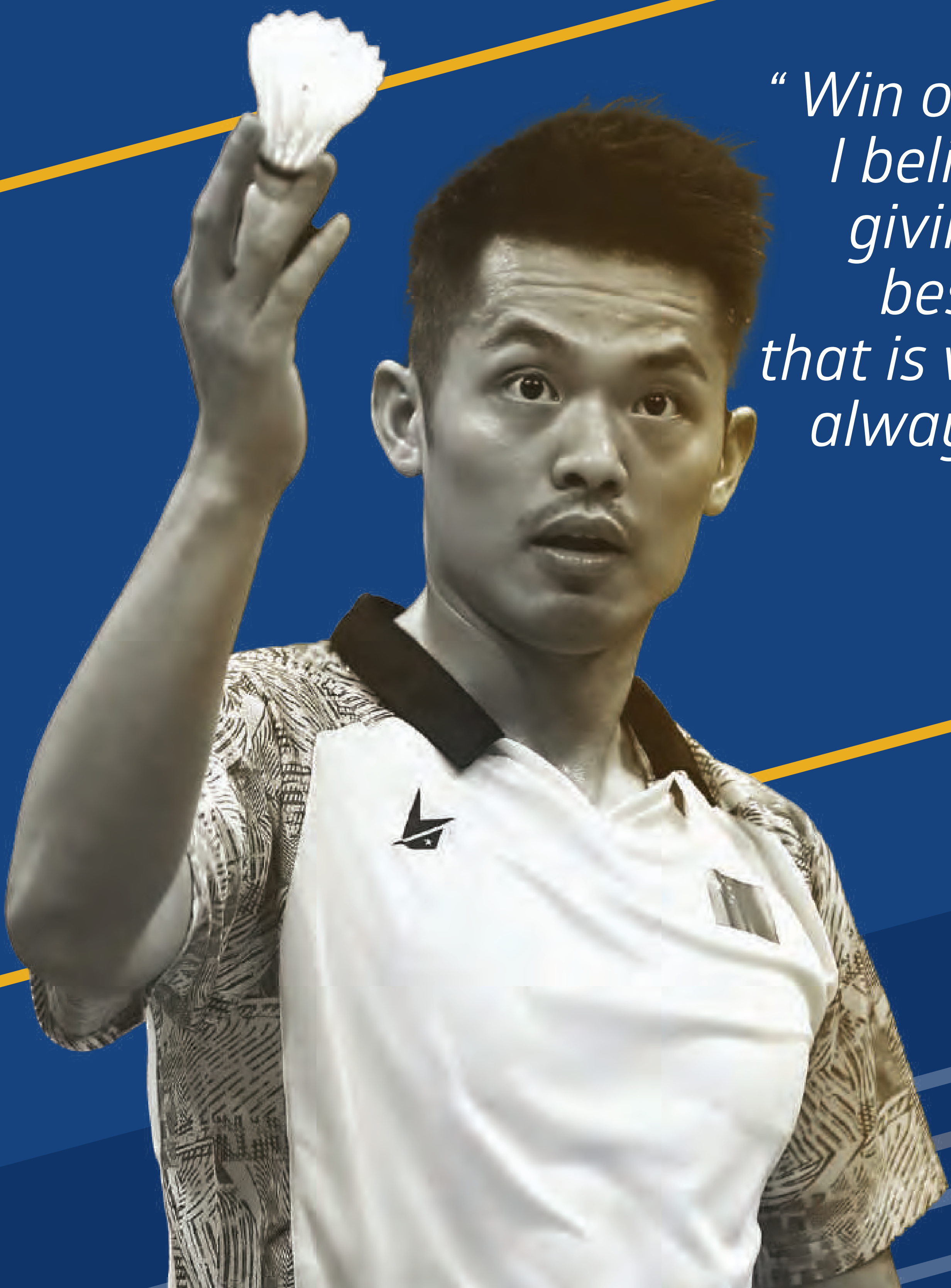
COMPANY SECRETARY'S CERTIFICATE

For the year ended 31 December 2021

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: 22nd April 2022



" Win or lose, I believe in giving my best and that is what I always do."

LIN DAN

LIN DAN

Chinese professional badminton player, Lin Dan is considered the greatest of all times in his discipline. Nicknamed "Super Dan", he is the sole player to have ever fulfilled the extraordinary "Super Grand Slam", winning all nine of the major badminton tournaments available, including The Olympic Games, World Championships, World Cup, Thomas Cup, Sudirman Cup, Super Series Masters Finals, All England Open, Asian Games, and Asian Championships.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Swan General Ltd (the Group and Company), which comprise the consolidated and separate statements of financial position at 31 December 2021 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 96 to 245.

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 at 31 December 2021, 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 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 (short term insurance)

This key audit matter applies to both the consolidated and separate financial statements.
Refer to significant accounting policies on note 2.13 and note 26 to the consolidated and separate financial statements.

Key Audit Matters	How the matter was addressed in our audit
Gross written premiums for general insurance comprise of premiums written for fire & allied perils, motor, health and other short term insurance. The Group and Company recognise gross premiums in line with the requirements of IFRS 4, Insurance Contracts ("IFRS 4"). We identified gross written premiums as a key audit matter because of: • The inherent risk of error which exists due to the volume of transactions; and • The possibility for management to overstate revenue in respect of premiums received 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; • 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 2021 had not been subsequently cancelled; and • 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 and note 26 to the consolidated and separate financial statements.

Key Audit Matters	How the matter was addressed in our audit
Gross premiums comprise of premiums received from individuals, corporates in terms of defined benefit schemes ("DB Schemes") and defined contribution schemes ("DC Schemes"). Gross premiums also comprise of premiums received from Group Credit Insurance ("GCI"). Consideration for annuities is also considered as revenue for the Group. The Group recognise gross premiums in line with the requirements of IFRS 4, Insurance Contracts ("IFRS 4"). We identified gross premiums written and consideration from annuities in the life insurance business as a key audit matter because of: • The inherent risk of error which exists due to the volume of transactions; and • The possibility for management to overstate revenue in respect of premiums received from individuals, corporates (in terms of defined benefit schemes, defined contribution schemes) and consideration for annuities to meet specific targets or expectations.	Our audit procedures included the following: • Obtained an overall understanding of the respective processes for the different sources of premiums, including any updates from the prior year; • We evaluated the design and implementation of the controls related to premiums. For new products issued during the year: 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 corporates (DB Schemes and DC Schemes) and consideration for annuities, we: • Agreed the premiums for the year, on a sample basis to the respective policy contracts/invoices/actuarial report and traced premium receipts to the bank statements; • Ensured that premiums have been recognised in the correct accounting period based on the terms of the contracts; • Obtained confirmations from Swan Defined Contribution Pension Scheme with respect to DC premiums paid to the Group for the year ended 31 December 2021; • Assessed the existence of the premiums recognised against the actuarial review report of each DB Scheme, wherever applicable. For premiums received with respect to GCI, we: • Inspected the agreements with the counterparties; • Agreed premiums received to the bank statements; • Obtained independent confirmations from the counterparties for the premiums received during the year; and • Ensured that premiums have been recognised in the correct accounting period based on the terms of the contracts.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD (cont'd)

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

Key Audit Matters (cont'd)

Impairment of insurance receivables and recoveries from third parties – general insurance

This key audit matter applies to both the consolidated and separate financial statements.
Refer to significant accounting policies on note 2.9 (f) and 2.13, credit risk on note 3.2.2 and notes 15 and 27(b) to the consolidated and separate financial statements

Key Audit Matters	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 the 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. Recoveries from third parties involve judgements and estimates and is complex. There is risk that the assumptions and estimates used are not reflective of the actual market conditions and the actual amount being recovered from third parties is lower. We identified assessing the impairment of insurance receivables including expected recoveries 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 audit procedures included the following: For insurance receivables we: • Obtained an understanding of the process relating to the impairment of insurance receivables and whether there has been any updates in the process compared to prior year; • Evaluated the appropriateness of the accounting policies based on IAS 39, Financial instruments: recognition and measurement requirements, our business understanding and industry practice; • Reviewed management's methodology and judgement used in the impairment assessment of insurance receivables and challenged the assumptions applied; • Tested the ageing of the insurance receivables to ensure recorded in the correct ageing profile based on the period overdue. We further verified the reasonableness of the impairment recognised; • Assessed the impairment recognised in the past against amounts subsequently recovered to evaluate the accuracy of the methodology applied in the determination of the impairment required to be recognised. For recoveries from third parties, we: • Obtained an understanding of the process of recognising recoveries from third parties; • Performed a review of the accuracy of the recoveries from third parties by comparing the recovery rate applied during the year to the historical recoveries received; • Assessed and evaluated the methods and assumptions used by management to recognise the recoveries from third parties; and • Reviewed management's assessment of the recoverability of the recoveries from third parties.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD (cont'd)

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 – incurred but not reported (IBNR) claims and outstanding claims

This key audit matter applies to both the consolidated and separate financial statements.
Refer to accounting policy on note 2.15, insurance risk on note 3.1 (a), critical accounting estimates and judgements note 4, note 24 and note 31 (a) to the consolidated and separate financial statements.

Key Audit Matters	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 claims 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; The determination of claims to be paid is complex due to the volume of claims processed and involves the use of assumptions and subjective judgement. There is a risk that the amount paid to policy holders is not accurate. 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's estimate of the settlement outcome; • Evaluated that the claims notification is within the policy conditions; • Ensured that claims have been recognised in the correct accounting period. 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;

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD (cont'd)

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 – incurred but not reported (IBNR) claims and oustanding claims

This key audit matter applies to both the consolidated and separate financial statements.
Refer to accounting policy on note 2.15, insurance risk on note 3.1 (a), critical accounting estimates and judgements note 4, note 24 and note 31 (a) to the consolidated and separate financial statements.

Key Audit Matters	How the matter was addressed in our audit
	• 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; • Tested the completeness and accuracy of underlying claims data that was utilised by the external statutory actuary in estimating the IBNR; and • Considered the solvency position of the Company, and whether this is in line with the regulatory requirements.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD (cont'd)

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 ("LAF")

This key audit matter applies to the consolidated financial statements.
Refer to accounting policies on note 2.11 and 2.15, critical accounting estimates and judgements note 4 and note 16 to the consolidated and separate financial statements.

Key Audit Matters	How the matter was addressed in our audit

The valuation of insurance contract liabilities is considered to be significant to the Group due to the complexity, judgements and estimates involved.
 	
Actuarial assumptions and methodologies involve judgment 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 area in respect to the insurance contract liabilities is thus linked to the following:
 	
• The appropriateness of the actuarial assumptions (as set out in note 4.1(ii), methodology and models used in the calculation of the liabilities; and
• The underlying data used in the valuation of the liabilities.
 	
We therefore identified the valuation of insurance contract liabilities as a key audit matter because of significant judgements and assumptions used in assessing the valuation of the liabilities.
	Our audit 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 and operating effectiveness 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 an actuary, and accordingly we assessed their competence and capabilities. We also obtained an understanding of the work performed by the actuary 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;
	  • 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 Company, and whether this is in line with the regulatory requirements; and
	  • Assessed the reasonableness of the actuarial liabilities as at 31 December 2021.
	• 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 (cont'd)

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 3.2.6 and note 11 to the consolidated and separate financial statements.

Key Audit Matters	How the matter was addressed in our audit
At 31 December 2021, the aggregate carrying value of the Group's unquoted available-for-sale financial assets classified as level 3 investments under IFRS 13, Fair value measurement amounted to Rs2.1 billion. The valuation of these financial assets is based on models which often require significant judgement due to the complexity and estimates involved. The fair value of the level 3 available-for-sale financial assets was assessed by the Investment Committee which is considered to be management's expert. Where observable data is not readily available, as in the case of all the available for sale financial assets – level 3, estimates are developed which involves significant management judgement. We have identified the fair value of the available-for-sale financial assets, classified as level 3 as a key audit matter because of the significant degree of complexity involved in valuing these financial assets and the significant degree of judgement exercised by management in determining the inputs used in the valuation models.	Our audit procedures included the following: • Obtained an overall understanding of the respective processes followed and assumptions applied in the valuation of the level 3 available-for-sale financial assets; • Evaluated the design and implementation and operating effectiveness of the controls related to the review of the level 3 available-for-sale financial assets; • Assessed the competence and capabilities of management's expert who are responsible for the valuation of the investments held; • Evaluated the appropriateness of the valuation methods, assumptions and judgements used. We involved our own corporate finance specialist to evaluate the investment valuation performed by management's expert against an appropriate range of values. Furthermore, the unobservable inputs were corroborated through benchmarking against available market data; and • Evaluated the impairment assessment provided by management by making use of both qualitative and quantitative factors to assess whether any indication of impairment existed.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD (cont'd)

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

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Governance Report, Risk Management Report, Statement of Compliance and Other Statutory Disclosures and the Secretary's Certificate, 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.

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/or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD (cont'd)

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

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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

  We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD (cont'd)

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)

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 (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritius Companies Act

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

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

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

Insurance Act

The 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 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 financial statements, the Group and Company have, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

KPMG

KPMG
Ebène, Mauritius

Varsha Bishundat
Licensed by FRC

Date: 22 April 2022

CONSOLIDATED AND SEPARATE
STATEMENTS OF FINANCIAL POSITION

Year ended 31 December 2021

	Notes	THE GROUP			THE COMPANY	
		December 31, 2021	December 31, 2020	January 01, 2020	December 31, 2021	December 31, 2020
		Rs'000	Rs'000 Restated *	Rs'000 Restated *	Rs'000	Rs'000
ASSETS						
Non-current assets						
Property and equipment	5	377,448	384,809	406,064	68,461	75,399
Right-of-use assets	5A	13,072	18,875	25,199	7,286	10,283
Investment properties	6A	422,105	425,317	433,191	-	-
Intangible assets	7	114,570	134,245	144,924	28,933	47,218
Investments in subsidiary companies	8	-	-	-	565,874	565,874
Investments in associated companies	9	222,295	158,862	160,886	103,989	102,141
Investment in joint venture	10	4,135	3,481	2,907	500	500
Available-for-sale financial assets	11	31,987,893	25,094,238	26,395,052	2,771,104	1,736,799
Held-to-maturity financial assets	11	15,415,648	11,508,757	11,907,795	218,151	202,806
Loans and receivables	12	5,530,075	5,819,741	4,338,413	73,365	86,117
Non-current receivables	13	4,895	7,594	5,444	-	-
Deferred tax assets	14(b)	78,485	74,483	64,074	56,212	53,771
		54,170,621	43,630,402	43,883,949	3,893,875	2,880,908
Current assets						
Held-to-maturity financial assets	11	1,524,996	2,961,192	2,446,390	11,915	18,950
Loans and receivables	12	1,158,958	820,037	216,072	5,902	6,110
Trade and other receivables	15	3,460,937	2,985,449	3,524,787	2,238,889	2,030,069
Seized properties	6B	45,441	53,238	55,489	-	-
Current tax assets	23	-	2,734	3,204	-	-
Short-term deposits	30(b)	1,182,549	832,864	1,395,940	130,263	36,376
Cash and cash equivalents	30(b)	1,773,878	2,719,939	2,297,423	81,230	585,352
		9,146,759	10,375,453	9,939,305	2,468,199	2,676,857
Total assets		63,317,380	54,005,855	53,823,254	6,362,074	5,557,765
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	17	41,379	41,379	41,379	41,379	41,379
Retained earnings		4,025,587	3,452,120	2,923,531	2,374,961	2,199,963
Other reserves		862,858	272,057	501,949	694,767	252,189

The notes on pages 103 to 245 form an integral part of these financial statements.
Auditors' report on pages 84 to 95.

CONSOLIDATED AND SEPARATE
STATEMENTS OF FINANCIAL POSITION *(cont'd)*

Year ended 31 December 2021

	Notes	THE GROUP			THE COMPANY	
		December 31, 2021	December 31, 2020	January 01, 2020	December 31, 2021	December 31, 2020
		Rs'000	Rs'000 Restated *	Rs'000 Restated *	Rs'000	Rs'000
EQUITY AND LIABILITIES (cont'd)						
Capital and reserves						
Attributable to owners of the parent		4,929,824	3,765,556	3,466,859	3,111,107	2,493,531
Non-controlling interests	19	601,041	489,496	415,655	-	-
Total equity		5,530,865	4,255,052	3,882,514	3,111,107	2,493,531
Technical provisions						
Life Assurance Fund	16	52,790,703	45,084,339	45,166,453	-	-
Outstanding claims and IBNR	24/31(a)	1,284,948	1,212,011	988,680	875,091	818,792
Gross Unearned Premiums & Additional Unexpired risk reserve	24/31(c)	1,673,383	1,562,148	1,476,318	1,419,722	1,340,867
		55,749,034	47,858,498	47,631,451	2,294,813	2,159,659
Non-current liabilities						
Borrowings	20	-	-	-	-	-
Lease liabilities	5B	7,453	13,757	19,711	4,798	7,790
Retirement benefit obligations	21	418,619	403,782	277,528	242,758	243,732
Deferred tax liabilities	14(b)	21,168	14,292	6,792	1,238	1,748
Non-current payables	22	160,233	161,067	161,901	107,058	107,646
		607,473	592,898	465,932	355,852	360,916
Current Liabilities						
Trade and other payables	22	1,254,456	1,160,197	1,695,826	426,968	417,884
Borrowings	20	-	-	-	50,000	-
Lease liabilities	5B	6,923	6,546	6,286	3,100	2,931
Current tax liabilities	23	49,458	13,493	22,074	1,063	3,673
Dividend payable	28	119,171	119,171	119,171	119,171	119,171
		1,430,008	1,299,407	1,843,357	600,302	543,659
Total equity and liabilities		63,317,380	54,005,855	53,823,254	6,362,074	5,557,765

* 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: April 22, 2022.

Louis Rivalland
Director

Michel Thomas
Director

The notes on pages 103 to 245 form an integral part of these financial statements.
Auditors' report on pages 84 to 95.

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

Year ended 31 December 2021

	Notes	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000 Restated *	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Gross written premiums	26	**8,975,070**	8,157,438	**3,246,476**	3,051,387
Premiums ceded to reinsurers		**(1,403,368)**	(1,281,840)	**(787,095)**	(733,219)
Change in gross unearned premiums	31(b)	**(95,741)**	(93,510)	**(78,855)**	(10,973)
Change in reinsurers share of unearned premiums	31(b)	**24,307**	83,125	**28,123**	(9,860)
Net earned premiums	2.13	**7,500,268**	6,865,213	**2,408,649**	2,297,335
Gross claims paid	31(a)	**(5,555,230)**	(5,116,841)	**(1,794,417)**	(1,575,471)
Claims recovered from reinsurers	31(a)	**357,521**	269,170	**158,451**	122,135
Movement in gross outstanding claims and IBNR	31(a)	**(4,139)**	(230,963)	**(1,206)**	(158,604)
Movement in gross outstanding claims recoverable from reinsurers	31(a)	**101,152**	79,626	**86,399**	72,363
Net claims incurred		**(5,100,696)**	(4,999,008)	**(1,550,773)**	(1,539,577)
Movement in Additional unexpired risk reserve	31(c)	**(412)**	(1,552)	**-**	-
Commissions receivable from reinsurers		**349,991**	343,087	**209,383**	195,288
Commissions paid to agents and brokers		**(586,902)**	(545,543)	**(328,048)**	(313,669)
Net commissions		**(236,911)**	(202,456)	**(118,665)**	(118,381)
Fee income on insurance contracts		**313,250**	262,562	**-**	-
Fees payable		**(129,948)**	(106,300)	**-**	-
Underwriting surplus		**2,345,551**	1,818,459	**739,211**	639,377
Investment income	25	**1,491,734**	1,197,987	**160,612**	155,845
Operating profit		**3,837,285**	3,016,446	**899,823**	795,222
Other income	26	**1,061,671**	1,619,070	**73,527**	175,256
		4,898,956	4,635,516	**973,350**	970,478
Marketing and administrative expenses	27(a)	**(1,214,311)**	(1,049,746)	**(631,293)**	(566,559)
Finance costs		**(1,408)**	(4,308)	**(711)**	(2,566)
Movement in allowances for credit impairment of financial assets	27(b)(ii)	**(9,781)**	(39,679)	**(2,163)**	(2,910)
Impairment of financial/non financial/insurance assets	27(b)(i)	**(19,045)**	(67,353)	**(17,333)**	(73,997)
Movement in allowances for credit impairment of non-financial assets		**(197)**	-	**-**	-
Depreciation and amortisation	5/5A/6(a)/7	**(88,107)**	(102,906)	**(40,087)**	(43,820)
Net gains on exchange		**287,439**	165,203	**31,240**	14,590
Movement in Life Assurance Fund	16	**(2,938,075)**	(2,775,799)	**-**	-
Share of results of associated companies and joint venture, net of tax	9/10	**13,729**	38,168	**-**	-
Profit before income tax expense		**929,200**	799,096	**313,003**	295,216
Income tax expense	23	**(83,080)**	(28,043)	**(18,834)**	(16,541)
Profit for the year		**846,120**	771,053	**294,169**	278,675

The notes on pages 103 to 245 form an integral part of these financial statements.
Auditors' report on pages 84 to 95.

CONSOLIDATED AND SEPARATE **STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** *(cont'd)*

Year ended 31 December 2021

	Notes	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000 Restated *	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Remeasurements of retirement benefit obligations, net of tax	18	**(7,217)**	(80,679)	**(13,189)**	(39,905)
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets - net change in fair value	18	**5,288,355**	(2,976,439)	**455,767**	(140,440)
Share of associate reserves	9/18	**1,370**	722	**-**	-
Exchange differences on translating foreign entities	18	**81,660**	(35,884)	**-**	-
	18	**5,371,385**	(3,011,601)	**455,767**	(140,440)
Movement in Life Assurance Fund:					
Remeasurements of retirement benefit obligations	16	**(2,059)**	39,651	**-**	-
Available-for-sale financial assets - net change in fair value	16	**(4,766,230)**	2,818,262	**-**	-
		(4,768,289)	2,857,913	**-**	-
Other comprehensive income for the year, net of tax		**595,879**	(234,367)	**442,578**	(180,345)
Total comprehensive income for the year		**1,441,999**	536,686	**736,747**	98,330
Profit for the year					
Attributable to:					
Owners of the parent		**692,505**	642,172	**294,169**	278,675
Non-controlling interests	19	**153,615**	128,881	**-**	-
		846,120	771,053	**294,169**	278,675
Total comprehensive income for the year					
Attributable to:					
Owners of the parent		**1,283,431**	411,981	**736,747**	98,330
Non-controlling interests	19	**158,568**	124,705	**-**	-
		1,441,999	536,686	**736,747**	98,330
Basic and diluted earnings per share					
(Rupees and cents)	29	**83.68**	77.60	**35.55**	33.67

* Refer to prior year restatement note 36

The notes on pages 103 to 245 form an integral part of these financial statements.
Auditors' report on pages 84 to 95.

CONSOLIDATED AND SEPARATE **STATEMENTS OF CHANGES IN EQUITY**

Year ended 31 December 2021

THE GROUP

	Notes	Attributable to owners of the parent								
		Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Amalga-mation Reserves	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, 2021										
- As previously stated		**41,379**	**145,401**	**(3,003)**	**3,445,647**	**267,477**	**(137,818)**	**3,759,083**	**489,496**	**4,248,579**
- Effect of prior year adjustments	36	**-**	**-**	**-**	**6,473**	**-**	**-**	**6,473**	**-**	**6,473**
- As restated		**41,379**	**145,401**	**(3,003)**	**3,452,120**	**267,477**	**(137,818)**	**3,765,556**	**489,496**	**4,255,052**
Profit for the year		**-**	**-**	**-**	**692,505**	**-**	**-**	**692,505**	**153,615**	**846,120**
Other comprehensive income for the year	18		**5,286,451**	**81,353**	**-**	**-**	**(8,589)**	**5,359,215**	**4,953**	**5,364,168**
Transfer to life assurance fund	16	**-**	**(4,766,230)**	**-**	**-**	**-**	**(2,059)**	**(4,768,289)**	**-**	**(4,768,289)**
Total other comprehensive income for the year		**-**	**520,221**	**81,353**	**-**	**-**	**(10,648)**	**590,926**	**4,953**	**595,879**
Total comprehensive income for the year		**-**	**520,221**	**81,353**	**692,505**	**-**	**(10,648)**	**1,283,431**	**158,568**	**1,441,999**
Other movements			**(125)**	**-**	**133**	**-**	**-**	**8**	**-**	**8**
Transaction with the owners of the Company:-										
Dividends	19/28	**-**	**-**	**-**	**(119,171)**	**-**	**-**	**(119,171)**	**(47,023)**	**(166,194)**
Total transactions with owners of the parent		**-**	**(125)**	**-**	**(119,038)**	**-**	**-**	**(119,163)**	**(47,023)**	**(166,186)**
Balance at December 31, 2021		**41,379**	**665,497**	**78,350**	**4,025,587**	**267,477**	**(148,466)**	**4,929,824**	**601,041**	**5,530,865**
At January 1, 2020										
- As previously stated		41,379	301,372	30,350	2,922,998	267,477	(97,250)	3,466,326	415,655	3,881,981
- Effect of prior year adjustments	36	-	-	-	533	-	-	533	-	533
- As restated		41,379	301,372	30,350	2,923,531	267,477	(97,250)	3,466,859	415,655	3,882,514
Profit for the year-restated		-	-	-	642,172	-	-	642,172	128,881	771,053
Other comprehensive income for the year	18	-	(2,974,066)	(33,819)	-	-	(80,219)	(3,088,104)	(4,176)	(3,092,280)
Transfer to life assurance fund	16	-	2,818,262	-	-	-	39,651	2,857,913	-	2,857,913
Total other comprehensive income for the year		-	(155,804)	(33,819)	-	-	(40,568)	(230,191)	(4,176)	(234,367)
Total comprehensive income for the year		-	(155,804)	(33,819)	642,172	-	(40,568)	411,981	124,705	536,686
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)
Transaction with the owners of the Company:-										
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)	3,452,120	267,477	(137,818)	3,765,556	489,496	4,255,052

The notes on pages 103 to 245 form an integral part of these financial statements.
Auditors' report on pages 84 to 95.

CONSOLIDATED AND SEPARATE **STATEMENTS OF CHANGES IN EQUITY** (cont'd)

Year ended 31 December 2021

THE COMPANY

	Notes	Attributable to owners of the parent						
		Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Amalgamation Reserves	Actuarial Gains/ (Losses)	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021		**41,379**	**121,446**	**43,099**	**2,199,963**	**220,593**	**(132,949)**	**2,493,531**
Profit for the year		**-**	**-**	**-**	**294,169**	**-**	**-**	**294,169**
Other comprehensive income for the year	18	**-**	**455,767**	**-**		**-**	**(13,189)**	**442,578**
Total comprehensive income for the year		**-**	**455,767**	**-**	**294,169**	**-**	**(13,189)**	**736,747**
Total transactions with owners of the parent:								
Dividends	28	**-**	**-**	**-**	**(119,171)**	**-**	**-**	**(119,171)**
Balance at December 31, 2021		**41,379**	**577,213**	**43,099**	**2,374,961**	**220,593**	**(146,138)**	**3,111,107**
At January 1, 2020		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

The notes on pages 103 to 245 form an integral part of these financial statements.
Auditors' report on pages 84 to 95.

CONSOLIDATED AND SEPARATE **STATEMENTS OF CASH FLOW**

Year ended 31 December 2021

	Notes	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000 Restated *	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Cash flows from operating activities					
Cash generated from operations	30(a)	939,595	1,289,416	17,809	575,071
Interest paid		(1,408)	(4,308)	(517)	(676)
Tax paid	23	(39,192)	(33,989)	(21,694)	(21,650)
Net cash generated from/(used in) operating activities		898,995	1,251,119	(4,402)	552,745
Cash flows from investing activities					
Purchase of property and equipment	5	(23,319)	(42,689)	(4,996)	(6,311)
Purchase of investment properties	6A	(2,594)	(1,171)	-	-
Purchase of seized properties	6B	(44)	(8,829)	-	-
Purchase of intangible assets	7	(15,379)	(30,524)	(7,350)	(30,022)
Proceeds from sale of property and equipment		1,327	4,697	241	-
Proceeds from sale of investment properties		-	-	-	-
Proceeds from sale of seized properties		6,671	1,530	-	-
Additional interest acquired in subsidiary		-	-	-	(240)
Disposal of subsidiary, net of cash	35	1,423	-	-	-
Additional interest acquired in associate	9	(1,848)	-	(1,848)	-
Purchase of financial assets		(10,933,566)	(8,699,818)	(954,711)	(812,190)
Proceeds from disposal and maturity of financial assets		7,998,053	8,241,305	431,883	559,969
Loans granted		(869,184)	(2,430,997)	-	(6,324)
Loans recovered		806,481	361,103	12,960	17,210
Investment income received		1,543,014	1,267,077	159,524	160,887
Net cash used in investing activities		(1,488,965)	(1,338,316)	(364,297)	(117,021)
Cash flows from financing activities					
Payments on borrowings		-	(1,313)	(70,782)	(182,206)
Proceeds from borrowings		-	-	120,000	-
Principal paid on lease liabilities	5B	(7,029)	(6,698)	(2,823)	(2,772)
Dividends paid to Company's shareholders	28	(119,171)	(119,171)	(119,171)	(119,171)
Dividends paid to non-controlling interests		(47,023)	(61,925)	-	-
Net cash used in financing activities		(173,223)	(189,107)	(72,776)	(304,149)
(Decrease)/increase in cash and cash equivalents		(763,193)	(276,304)	(441,475)	131,575
Movement in cash and cash equivalents					
At January 1,		3,552,803	3,693,363	621,728	475,563
(Decrease)/increase during the year		(763,193)	(276,304)	(441,475)	131,575
Effects of foreign exchange rate changes on cash & cash equivalents		166,817	135,744	31,240	14,590
At December 31,	30(b)	2,956,427	3,552,803	211,493	621,728

* Refer to prior year restatement note 36

The notes on pages 103 to 245 form an integral part of these financial statements.
Auditors' report on pages 84 to 95.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

1. GENERAL INFORMATION

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

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

2. 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 requirements of 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 financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The consolidated and separate financial statements are presented in Mauritian Rupees which is the Company's functional currency and all values are rounded to the nearest thousand (Rs'000). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The consolidated and separate financial statements are prepared under the historical cost convention except for:

(i) financial assets and liabilities measured at amortised cost;
(ii) available-for-sale financial assets that are stated at their fair values; and
(iii) the liability for defined benefit obligations is recognised as the fair value of plan assets less the present value of the defined benefit obligations 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 2021.

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:

(i) 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;
(ii) 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
(iii) Additional disclosure requirements have been included.

The Group and the Company plan to defer the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17) of January 1, 2023, opting for the temporary exemption from applying IFRS 9 by the amendments to IFRS 4.

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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)
Standards and interpretations effective and adopted during the year (cont'd)

COVID-19-Related Rent Concessions (Amendment to IFRS 16)

Effective January 01, 2020, further to IFRS 16 amendment to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The Directors have made an assessment and concluded that the application of this standard did not have any significant 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 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.

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 Financial 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:

(i) 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
(ii) 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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

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.

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

(i) 12-month ECLs: these are ECLs that result from possible default events within the 12 months after reporting date; and
(ii) 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:

(i) The determination of the business model within which a financial asset is held;
(ii) 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 January 01, 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 01, 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 31 December 2021

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 beyond June 30, 2021 (Amendment to IFRS 16)

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:

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

Lessees applying the practical expedient are required to disclose:

(i) 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
(ii) 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 June 30, 2021, with earlier application permitted.

The Directors do not expect any significant impact 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. The Directors have assessed that this standard will not impact the consolidated and separate financial statements as the subsidiaries have already adopted IFRS as their reporting framework.
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. The Directors have assessed that the standard will not have any significant impact on the consolidated and separate financial statements until the adoption of IFRS 9.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

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)

IFRS 16 *Leases*	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. The Directors do not expect any significant impact on the consolidated and separate 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:

(i) costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
(ii) 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 have assessed that the adoption of this standard will not have a material impact on the consolidated and separate financial statements.

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

The amendment has:

(i) updated IFRS 3 Business Combinations so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
(ii) 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
(iii) added to IFRS 3 Business Combinations an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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)

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, unless the Group and the Company have a business combination. As of date the consolidated and separate financial statements, there was no business combination.

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:

(i) Reinsurance contracts held;
(ii) Direct participating contracts; and
(iii) Investment contracts with discretionary participation features.

Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

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. Consequently, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.

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 31 December 2021

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:

(i) The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
(ii) 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);
(iii) 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;
(iv) 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;
(v) 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;
(vi) 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.

Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group and the Company plan to adopt the new standard on January 01, 2023, the required effective date.

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 (ii) for more details.*
Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Group and the Company plan to adopt the new standard on January 01, 2023, the required effective date.

The Group and the Company established an IFRS 17 implementation programme to coordinate these efforts and deliver the required models, systems and processes of the Group and the Company.

A financial impact assessment was undertaken. This was a high-level exercise to estimate and evaluate the impact of IFRS 17 on the December 31, 2019, and 2020 balance sheet, as well as other statement impacts for 2019 and 2020. The exercise included products throughout the Group and the Company but was not a complete exercise, therefore it was subject to a number of limitations and exclusions. Due to these limitations and exclusions, the Group and the Company are not yet in a position to publish the quantitative impact of implementing IFRS 17.

The group level, policy and methodology decisions are in progress. The finalisation of product level, accounting policy choices and actuarial valuation bases, in particular for purposes of transition, will be a key focus area during 2022. This will include decisions on the transition approaches that will be adopted for specific product groups and entities. The transition approaches will vary depending on the availability of the relevant data across the Group. Other key focus areas for 2022 include the on-boarding of management teams and audit committees and progressing the necessary review from external auditors.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)
Standards and interpretations issued but not yet effective (cont'd)
Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements)

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.

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 September 11, 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, have assessed that there is no impact at this stage on the consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

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 have assessed that the adoption of the standard will not have a significant impact on the consolidated and separate financial statements.

Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

(i) The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
(ii) Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
(iii) Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
(iv) IASB clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
(v) A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Group and the Company applies the amendments. The directors do not expect any significant impact on the consolidated and separate financial statements.

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (''IASB'').

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)
Standards and interpretations issued but not yet effective (cont'd)
Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (cont'd)

IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

(i) requiring companies to disclose their material accounting policies rather than their significant accounting policies;
(ii) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
(iii) accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
(iv) the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material and are effective for periods beginning on or after January 01, 2023, with earlier application permitted. The directors do not expect any significant impact in the consolidated and separate financial statements.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted.

The directors do not expect any significant impact 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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property and equipment (cont'd)

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.

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.*

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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).

Expenses related to acquiring new subsidiaries are charged to profit or loss in the period in which they are incurred and not included in goodwill. Income and expenses of acquired businesses are included in profit or loss from the date of acquisition.

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

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

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

(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. VOBA is subsequently amortised over the expected life of the contracts as the profits of the related contracts emerge. It is tested through the liability adequacy test *(Refer to Note 2.15 (i)*) and written down. VOBA is derecognised when the related contracts are terminated, settled or disposed.

(iv) Customer portfolio

Customer portfolio represents the value of the customer list. It is recorded in intangible asset and being amortised, on a straight line basis, over a period of 15 years. The customer portfolio follows the same policy as VOBA.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Goodwill and intangible assets (cont'd)

Amortisation of intangible assets

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

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

Impairment

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

Impairment is normally recognised in profit or loss in the line item "Impairment of financial/non-financial/insurance 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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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 financial/non-financial/insurance 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(i).

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.

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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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 loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. 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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 (b) Investment in joint ventures

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

2.8 Investment in structured entities

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

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

2.9 Financial instruments

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

- Available for sale financial assets (AFS);
- 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 the Group and the Company intend and are 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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

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

Held to Maturity financial assets (cont'd)

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 the Group and the Company sell 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.

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 rate 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, non-current payables, lease liabilities, borrowings and dividend payable and 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 rate 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 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (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 participant 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.

Financial assets at amortised cost

Financial assets at amortised cost include loans and receivables, held to maturity financial assets, non-current receivables, 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

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

Financial assets at amortised cost (cont'd)

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.

(h) Specific instruments

Cash and cash equivalents and short-term deposits

Cash comprises cash in hand, cash held at banks, short-term deposits 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 hort-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 Taxation

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Taxation (cont'd)

Deferred tax

Deferred 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 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 date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is not recognised for:

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

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

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

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. The company should remit 75% of the fund respectively to the Mauritian Tax Authorities and 25% to Swan Foundation. This practice is being interpreted and classified as taxation in the consolidated and separate financial statements (excluding foreign subsidiaries).

2.11 Life Assurance Fund (the 'Fund')

The Life Assurance Fund (LAF) represents the net assets of Swan Life Ltd, a subsidiary, attributable to its policy holders and shareholders. At each reporting date, the amount of the liabilities of the Life Assurance Fund are estimated/valued and the adequacy of the fund is determined by actuarial valuation.

Additional disclosures surrounding insurance contracts are disclosed in note 2.15.

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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Life Assurance Fund (the 'Fund') (cont'd)

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).

The fair value gains/losses in available-for-sale financial assets and actuarial gains/losses on retirement benefit obligations are 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 have 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. The directors have assessed that the linked contracts meet the definition of IFRS 4 *Insurance contracts.*

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. Deposit Administration Policies are a pooled insurance products for Group Pension Schemes. They are long-term policies which aims to provide a smooth progression of return from one year to the next without the regular fluctuations associated with asset-linked investments such as Equity funds.

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 the annual bonus rate.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 long term insurance in note 2.15 (v)), outstanding claim (Refer to 2.15 (iv) (b)) and IBNR (Refer to 2.15 (ii)).

2.13 Revenue Recognition

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

Short-term insurance

Gross written premiums on short term insurance reflect business incepted during the year as well as renewal of the short-term contracts written. Earned premiums on short-term contracts are recognised in the accounting period in which the services are rendered.

The Company reviews the premium receivables based on its credit policy before processing for renewal of the insurance premiums. Refer to note 3.2.2 for more details on the credit risk policy.

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 profit or loss. 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. Premiums on Group credit insurance and Group Pension schemes are recognised when receivable, that is when payments are due.

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.

Premium receivables 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 as revenue earned by Swan Life Ltd, its subsidiary, upon maturity of individual pension plans.

The Group and the Company receive commission income from its reinsurers. Commission income is accounted for the earned terms of policies in force during the financial year, calculated on the basis of the 365th method.

(ii) 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.

The Group and the Company have accounted 'fee income' under IFRS 15 'Revenue from Contracts with Customers'.

Fee 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 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Revenue Recognition (cont'd)

(ii) The other revenues earned by the Group and the Company as listed below are outside the scope of IFRS 15 (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:

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	Fee Income	The Group and the Company provide management and consultancy services (investment, actuarial and pension a dministration) to their customers. The fee income shall be calculated on a pro rata basis for any partial period. Therefore, revenue in the form of fee income is recognised at a point in time. Fee income is receivable quarterly or annually, depending on the terms and conditions of the agreements.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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) that are dependent on the expected claims and indemnity arising under the related reinsured insurance contracts.

<u>Short-term insurance</u>

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 fall 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.

<u>Long-term insurance</u>

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 cedent 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 cedent 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 31 December 2021

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.

<u>Short-term insurance</u>

(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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Insurance contracts (cont'd)
Short term insurance (cont'd)

(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 cashflows after taking account of the investment return expected on assets relating to the relevant short-term business provisions. Any deficiency is immediately recognised in 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.

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 the consolidated 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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Insurance contracts (cont'd)

Long-term insurance (cont'd)

(ii) Long-term insurance contracts with fixed and 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.

(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 since the contract also provide for a death/survival risk 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 (365^{th} 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'.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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

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

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

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Retirement benefit obligations (cont'd)

(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.

(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 31 December 2021

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 of the Group. The Company's functional currency is the Mauritian rupees.

(ii) Transactions and balances

Foreign currency transactions are translated into the Company's 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, which are included in the fair value reserve in other comprehensive income. Translation differences arising on debt instruments, denominated in foreign currencies, are recognised 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.

The functional currency of the subsidiaries is MUR except for the following: Swan International Co Ltd (USD), Swan Reinsurance PCC (USD), Aprica Investment Co Ltd (USD), Dolberg Rental Pty Ltd (ZAR), Swan General Insurance Zambia Limited (Kwacha), Swan Comoros SA (KWF) and Swan Pension Rwanda Ltd (RWF).

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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;
(b) Right to control the identified asset;
(c) The Group and the Company substantially obtain 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 substantially obtain 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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19.1 Leases- as lessee (cont'd)

Identifying Leases (cont'd)

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

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

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

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

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

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

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 cannot be readily determined.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19.1 Leases- as lessee (cont'd)

Identifying Leases (cont'd)

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

2.19.2 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 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

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 and long-term insurance:

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

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

THE GROUP	Outstanding claims					
	2021			2020		
Class of Business	No of Claims	Gross	Net	No of Claims	Gross	Net
		Rs'000	Rs'000		Rs'000 Restated *	Rs'000
Fire & Allied Perils	333	161,383	24,998	358	93,927	22,154
Motor	4,768	288,361	276,398	3,694	247,787	227,902
Health	6,308	117,812	117,800	8,462	213,585	201,393
Life	N/A	296,975	286,018	N/A	321,410	314,389
Others	3,088	240,897	91,655	903	214,984	92,493
	14,497	1,105,428	796,869	13,417	1,091,693	858,331
IBNR		179,520	79,526		120,318	48,238
		1,284,948	876,395		1,212,011	906,569

THE COMPANY	Outstanding claims					
	2021			2020		
Class of Business	No of Claims	Gross	Net	No of Claims	Gross	Net
		Rs'000	Rs'000		Rs'000 Restated *	Rs'000
Fire & Allied Perils	302	157,104	23,758	353	91,965	20,192
Motor	3,595	248,830	239,957	3,694	247,787	227,902
Health	6,308	117,812	117,800	8,462	213,585	201,393
Others	670	209,056	85,110	740	165,236	71,944
	10,875	732,802	466,625	13,249	718,573	521,431
IBNR		142,289	70,103		100,219	45,370
		875,091	536,728		818,792	566,801

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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(ii) Concentration of insurance risk (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 underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. For example, the Group balances death risk and survival risk across its portfolio. Medical selection is also included in the Group's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants. The Group has defined group-wide retention limit on any single life insured and reinsures the excess of the insured benefit over its retention limit. The retention limit is further reinsured through a Catastrophe Risk Reinsurance treaty.

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			
	Before reinsurance			
	2021		2020	
	Rs'000	%	Rs'000	%
Rs'000				
0-1000	28,724,080	26%	32,023,949	28%
1000-2000	15,250,035	14%	14,637,135	13%
>2000	65,087,608	60%	67,241,147	59%
	109,061,723	100%	113,902,231	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 31 December 2021

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

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

Long term insurance contracts (cont'd)

Annuities payable per annum per life insured

	THE GROUP			
	2021		2020	
	Rs'000	%	Rs'000	%
Rs'000				
0 - 10	6,506	1%	6,237	1%
10 - 20	22,409	3%	20,287	3%
20 - 30	27,368	4%	24,509	4%
30 - 50	51,814	7%	47,011	7%
50 - 100	101,157	14%	93,146	15%
100+	506,047	71%	443,803	70%
	715,301	100%	634,993	100%

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

	THE GROUP	
	Gross Premium Reserve	
	2021	2020
	Rs'000	Rs'000
Total Gross Liability	46,010,860	40,274,435
Reinsurance	178,022	59,867
Total Net Liability	46,188,882	40,334,302

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 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (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 award 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.

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 statements of financial position at the reporting date for existing claims whether reported or not are adequate.

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					
2021	5%	64,247	20,428	(43,820)	(64,247)
2020	5%	60,601	15,272	(45,328)	(60,601)

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					
2021	5%	43,755	16,918	(26,836)	(22,811)
2020	5%	40,940	12,600	(28,340)	(24,089)

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(iv) 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 standard industry tables adjusted for the Group's experience.

(v) 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	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	189,496	303,730	250,919	309,417	383,428	538,236	413,961	322,374	433,352	442,356	**3,144,913**
- One year later	59,655	84,299	55,896	87,150	53,679	178,515	148,916	69,912	83,983	-	**822,005**
- Two years later	34,530	31,735	28,235	55,280	20,293	29,282	48,029	32,035	-	-	**279,419**
- Three years later	17,158	20,795	24,217	27,880	15,100	16,227	39,569	-	-	-	**160,946**
- Four years later	11,605	19,703	20,629	25,187	15,944	14,528	-	-	-	-	**107,596**
- Five years later	11,644	16,955	15,326	25,060	18,935	-	-	-	-	-	**87,920**
- Six years later	8,185	9,990	14,643	15,973	-	-	-	-	-	-	**48,791**
- Seven years later	6,968	10,153	14,897	-	-	-	-	-	-	-	**32,018**
- Eight years later	7,613	13,669	-	-	-	-	-	-	-	-	**21,282**
- Nine years later	4,851	-	-	-	-	-	-	-	-	-	**4,851**
Current estimate of cumulative claims	628,402	1,047,953	927,273	1,073,376	1,302,841	1,539,981	1,954,326	1,654,786	1,721,976	1,927,124	**13,778,038**
Less Cumulative payments to date	623,552	1,034,284	912,376	1,057,402	1,283,906	1,525,453	1,914,757	1,622,750	1,637,992	1,484,768	**13,097,240**
Liability recognised in the statements of financial position	4,850	13,669	14,897	15,974	18,935	14,528	39,569	32,036	83,984	442,356	**680,798**
Liability in respect of prior years											**127,655**
Total Gross outstanding claims at year end (Excluding Life business)											**808,453**
IBNR											**179,520**
Gross liability at year end ((Excluding Life business) - Note 24(i))											**987,973**

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(v) Claims development table (cont'd)

THE GROUP											
NET	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**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	80,794	115,553	108,798	166,163	178,385	195,610	221,945	215,869	340,072	318,507	**1,941,696**
- One year later	31,269	35,473	29,087	48,184	39,527	26,424	34,333	50,540	29,813	-	**324,650**
- Two years later	17,498	20,914	20,155	31,328	14,984	15,188	18,920	22,944	-	-	**161,931**
- Three years later	9,624	14,617	19,323	22,169	12,316	12,009	12,647	-	-	-	**102,705**
- Four years later	9,864	13,801	16,026	20,862	14,202	11,524	-	-	-	-	**86,279**
- Five years later	10,083	11,665	13,302	21,675	17,470	-	-	-	-	-	**74,195**
- Six years later	6,644	7,105	12,990	13,529	-	-	-	-	-	-	**40,268**
- Seven years later	5,427	6,565	13,446	-	-	-	-	-	-	-	**25,438**
- Eight years later	5,299	7,965	-	-	-	-	-	-	-	-	**13,264**
- Nine years later	4,008	-	-	-	-	-	-	-	-	-	**4,008**
Current estimate of cumulative claims	318,022	469,360	481,024	613,547	865,921	983,446	1,135,507	1,197,489	1,582,176	1,728,301	**9,374,793**
Less Cumulative payments to date	314,014	461,395	467,578	600,018	848,451	971,922	1,122,860	1,174,545	1,552,363	1,409,794	**8,922,940**
Liability recognised in the statements of financial position	4,008	7,965	13,446	13,529	17,470	11,524	12,647	22,944	29,813	318,507	**451,853**
Liability in respect of prior years											**58,998**
Total net outstanding claims at year end (Excluding Life business)											**510,851**
IBNR (Note 24)											**79,526**
Total net liability at year end ((Excluding Life business) - Note 24(ii))											**590,377**

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(v) 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	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**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	189,496	303,730	250,919	309,417	383,428	538,236	413,961	322,374	433,352	442,356	**3,587,269**
- One year later	59,655	84,299	55,896	87,150	53,679	178,515	148,916	69,912	83,983	-	**822,005**
- Two years later	34,530	31,735	28,235	55,280	20,293	29,282	48,029	32,035	-	-	**279,419**
- Three years later	17,158	20,795	24,217	27,880	15,100	16,227	39,569	-	-	-	**160,946**
- Four years later	11,605	19,703	20,629	25,187	15,944	14,528	-	-	-	-	**107,596**
- Five years later	11,644	16,955	15,326	25,060	18,935	-	-	-	-	-	**87,920**
- Six years later	8,185	9,990	14,643	15,973	-	-	-	-	-	-	**48,791**
- Seven years later	6,968	10,153	14,897	-	-	-	-	-	-	-	**32,018**
- Eight years later	7,613	13,669	-	-	-	-	-	-	-	-	**21,282**
- Nine years later	4,851	-	-	-	-	-	-	-	-	-	**4,851**
Current estimate of cumulative claims	628,402	1,047,953	927,273	1,073,376	1,302,841	1,539,981	1,954,326	1,654,786	1,721,976	1,927,124	**13,778,038**
Less Cumulative payments to date	623,552	1,034,284	912,376	1,057,402	1,283,906	1,525,453	1,914,757	1,622,750	1,637,992	1,484,768	**13,097,240**
Liability recognised in the statements of financial position	4,850	13,669	14,897	15,974	18,935	14,528	39,569	32,036	83,984	442,356	**680,798**
Liability in respect of prior years											**52,004**
											732,802
IBNR											**142,289**
Gross liability at year end (notes 24/31(a))											**875,091**

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(v) Claims development table (cont'd)

THE COMPANY

NET	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	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	80,794	115,553	108,798	166,163	178,385	195,610	221,945	215,869	340,072	318,507	**1,941,696**
- One year later	31,269	35,473	29,087	48,184	39,527	26,424	34,333	50,540	29,813	-	**324,650**
- Two years later	17,498	20,914	20,155	31,328	14,984	15,188	18,920	22,944	-	-	**161,931**
- Three years later	9,624	14,617	19,323	22,169	12,316	12,009	12,647	-	-	-	**102,705**
- Four years later	9,864	13,801	16,026	20,862	14,202	11,524	-	-	-	-	**86,279**
- Five years later	10,083	11,665	13,302	21,675	17,470	-	-	-	-	-	**74,195**
- Six years later	6,644	7,105	12,990	13,529	-	-	-	-	-	-	**40,268**
- Seven years later	5,427	6,565	13,446	-	-	-	-	-	-	-	**25,438**
- Eight years later	5,299	7,965	-	-	-	-	-	-	-	-	**13,264**
- Nine years later	4,008	-	-	-	-	-	-	-	-	-	**4,008**
Current estimate of cumulative claims	318,022	469,360	481,024	613,547	865,921	983,446	1,135,507	1,197,489	1,582,176	1,728,301	**9,374,793**
Less Cumulative payments to date	314,014	461,395	467,578	600,018	848,451	971,922	1,122,860	1,174,545	1,552,363	1,409,794	**8,922,940**
Liability recognised in the statements of financial position	4,008	7,965	13,446	13,529	17,470	11,524	12,647	22,944	29,813	318,507	**451,853**
Liability in respect of prior years											**14,772**
											466,625
IBNR											**70,103**
Net liability at year end (notes 24/31(a))											**536,728**

(vi) 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 31 December 2021

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

3.2 Financial risk

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

The most important components of this financial risk are:

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

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

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

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

3.2.1 Market risk

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

The Group and the Company have established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Group and the Company monitor adherence to this market risk policy through the Group Investment Committee. The Group's 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 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 Financial risk (cont'd)
3.2.1 Market risk (cont'd)
(i) Currency risk (cont'd)

The Group 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, 2021	Rs'000	USD	Euro	Others*	Total
Financial and insurance assets					
- Investment in financial assets:					
· Held-to-Maturity	14,832,505	2,099,331	-	8,808	16,940,644
· Available-for-sale	14,590,269	16,292,604	1,025,565	79,455	31,987,893
- Loans and receivables (gross)	6,784,620	-	-	-	6,784,620
- Non-current receivables	4,895	-	-	-	4,895
- Trade and other receivables (gross)	3,191,361	127,290	34,756	122,788	3,476,195
- Bank balances, deposits and cash	1,709,503	1,097,939	56,115	92,870	2,956,427
	41,113,153	19,617,164	1,116,436	303,921	62,150,674
- Less allowances for credit impairment					(209,303)
Total					61,941,371
Financial and Insurance liabilities					
- Technical Provisions:					
· Life assurance fund	52,790,703	-	-	-	52,790,703
· Outstanding claims and IBNR	1,214,600	3,773	146	66,429	1,284,948
- Lease liabilities	13,250	1,126	-	-	14,376
- Non-current payables	160,233	-	-	-	160,233
- Dividend payable	119,171	-	-	-	119,171
- Trade and other payables	1,148,235	59,291	10,580	36,350	1,254,456
	55,446,192	64,190	10,726	102,779	55,623,887

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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 Financial risk (cont'd)
3.2.1 Market risk (cont'd)
(i) Currency risk (cont'd)

THE GROUP	Equivalent in Rs'000				
At December 31, 2020	Rs'000	USD	Euro	Others*	Total Restated
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	2,770,779	143,172	51,715	59,971	3,025,637
- Bank balances, deposits and cash	2,534,532	917,344	50,461	50,466	3,552,803
	36,113,069	15,748,702	809,245	212,599	52,883,615
- Less allowances for credit impairment					(211,305)
Total					52,672,310
Financial and Insurance liabilities					
- Technical Provisions:					
· Life assurance fund	45,084,339	-	-	-	45,084,339
· Outstanding claims and IBNR	1,177,923	200	45	33,843	1,212,011
- 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	1,078,260	26,037	28,957	26,943	1,160,197
	47,639,701	27,599	29,002	60,786	47,757,088

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 Financial risk (cont'd)
3.2.1 Market risk (cont'd)
(i) Currency risk (cont'd)

THE COMPANY	Equivalent in Rs'000				
At December 31, 2021	**Rs'000**	**USD**	**Euro**	**Others***	**Total**
Financial and insurance assets					
- Investment in financial assets:					
· Held-to-Maturity	230,066	-	-	-	230,066
· Available-for-sale	606,801	2,164,303	-	-	2,771,104
- Loans and receivables (gross)	79,267	-	-	-	79,267
- Trade and other receivables (gross)	2,214,106	49,735	15,946	1,532	2,281,319
- Bank balances, deposits and cash	200,837	9,262	932	462	211,493
	3,331,077	2,223,300	16,878	1,994	5,573,249
- Less allowances for credit impairment					(63,604)
Total					5,509,645
Financial and Insurance liabilities					
- Technical Provisions:					
· Outstanding claims and IBNR	875,091	-	-	-	875,091
- Borrowings	50,000	-	-	-	50,000
- Lease liabilities	7,898	-	-	-	7,898
- Non-current payables	107,058	-	-	-	107,058
- Dividend payable	119,171	-	-	-	119,171
- Trade and other payables	380,629	40,608	5,545	186	426,968
	1,539,847	40,608	5,545	186	1,586,186

*Others consist of the ZAR, SCR and GBP

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 Financial risk (cont'd)
3.2.1 Market risk (cont'd)
(i) Currency risk (cont'd)

THE COMPANY	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
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

*Others consist of the ZAR, SCR and GBP

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE GROUP	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on profit:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021				
- Investment in financial assets	**919,597**	**(919,597)**	**51,278**	**(51,278)**
- Bank balances, deposits and cash	**54,897**	**(54,897)**	**2,806**	**(2,806)**
- Trade and other receivables	**6,365**	**(6,365)**	**1,738**	**(1,738)**
- Trade and other payables	**(2,965)**	**2,965**	**(529)**	**529**
- Outstanding claims and IBNR	**(189)**	**189**	**(7)**	**7**
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

THE GROUP	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on equity:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021				
- Investment in financial assets	**919,597**	**(919,597)**	**51,278**	**(51,278)**
- Bank balances, deposits and cash	**54,897**	**(54,897)**	**2,806**	**(2,806)**
- Trade and other receivables	**6,365**	**(6,365)**	**1,738**	**(1,738)**
- Trade and other payables	**(2,965)**	**2,965**	**(529)**	**529**
- Outstanding claims and IBNR	**(189)**	**189**	**(7)**	**7**
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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE COMPANY	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on profit:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021				
- Investment in financial assets	**108,215**	**(108,215)**	**-**	**-**
- Bank balances, deposits and cash	**463**	**(463)**	**47**	**(47)**
- Trade and other receivables	**2,487**	**(2,487)**	**797**	**(797)**
- Trade and other payables	**(2,030)**	**2,030**	**(277)**	**277**
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

THE COMPANY	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on equity:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021				
- Investment in financial assets	**108,215**	**(108,215)**	**-**	**-**
- Bank balances, deposits and cash	**463**	**(463)**	**47**	**(47)**
- Trade and other receivables	**2,487**	**(2,487)**	**797**	**(797)**
- Trade and other payables	**(2,030)**	**2,030**	**(277)**	**277**
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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)
Sensitivity (cont'd)

The following exchange rates have been applied.

	Average rates		Closing rates	
	USD	EURO	USD	EURO
THE GROUP	Rs	Rs	Rs	Rs
December 31, 2021	**41.23**	**48.52**	**43.10**	**48.74**
December 31, 2020	37.85	44.47	39.35	48
THE COMPANY				
December 31, 2021	**41.23**	**48.52**	**43.10**	**48.74**
December 31, 2020	37.85	44.47	39.35	48.30

(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 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk (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%
December 31, 2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Financial assets:				
- Held-to-maturity investments	**19,224**	**(19,224)**	**19,224**	**(19,224)**
- Loans and receivables	**51,176**	**(51,176)**	**51,176**	**(51,176)**
- Cash and cash equivalents & Short-term deposits	**2,332**	**(2,332)**	**2,332**	**(2,332)**
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)

THE COMPANY	Impact on profit/ (loss):		Impact on equity:	
	+1%	-1%	+1%	-1%
December 31, 2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Financial assets:				
- Held-to-maturity investments	**7**	**(7)**	**7**	**(7)**
- Loans and receivables	**47**	**(47)**	**47**	**(47)**
- Short-term deposits	**1**	**(1)**	**1**	**(1)**
- Cash and cash equivalents	**-**	**-**	**-**	**-**
Financial liabilities:				
- Borrowings	**(2)**	**2**	**(2)**	**2**

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk (cont'd)
Sensitivity (cont'd)

THE COMPANY	Impact on profit/ (loss):		Impact on equity:	
	+1%	-1%	+1%	-1%
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

(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 hold diversified portfolios of local and foreign investments in various sectors of the economy.

Sensitivity

The impact on OCI and equity had the equity market values for level 1 and level 2 investments increased/decreased by 22% (2020: 13%) with other assumptions left unchanged would have been as follows:

THE GROUP	Impact on equity		Impact on OCI	
	+22%	-22%	+22%	-22%
December 31, 2021	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	6,564	(6,564)	6,564	(6,564)
	+13%	-13%	+13%	-13%
December 31, 2020	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	2,998	(2,998)	2,998	(2,998)

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.1 Market risk (cont'd)

(iii) Equity price risk (cont'd)
Sensitivity (cont'd)

THE COMPANY	Impact on equity		Impact on OCI	
	+22%	-22%	+22%	-22%
December 31, 2021	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	353	(353)	353	(353)
	+13%	-13%	+13%	-13%
December 31, 2020	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	217	(217)	217	(217)

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

3.2.2 Credit risk

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

- 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/third-party insurers;
- 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 Company has a debtors management policy in place approved by the Audit Committee and based on best commercial practices. Credit terms of up to a year is granted to Individuals and for Corporates, the terms vary from six months to a year depending on class of business.

In respect of renewal of any policy, the Company will:

- make an assessment whether they will continue with the policy holder; and
- ascertain that no more than 25% of the total premiums is outstanding at renewal time.

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 timely basis.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

As from January 01, 2021, the Company uses a factoring rate to account for recoveries from third-party insurers. The methodology is aligned with market practice and takes into account expected recovery from third-party insurers as well as the ageing of those recoveries. The factoring rates shall be reviewed annually using the data as at 30th of November of the on-going financial year. The exercise was conducted on data of 2015 to 2021, and each third party recovery development ratio was computed. The historical averages were generated from the development table for each third party, to finally determine the percentage to be applied to the amount of recovery expected on open cases.

The Company reviews post year end development claims and assess for adjusting and non-adjusting events till January 15, of the following year. Based on management's assessment any event requiring adjustment will be reflected in outstanding claims.

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, 2021, the reinsurance assets recoverable for the Group and the Company was Rs 957m (2020: Rs 786m) and Rs 725m (2020: Rs 574m) 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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

Loans and receivables

For loans, all borrowers undergo a credit assessment undertaken by credit specialists of the Group and the Company. The credit assessment seeks to provide for all defaulting loans for expected future losses from borrowers who represent significant default risks except for some types of loans such as policy loans and investment backed loans for which there is no such risk.

A loan is considered to be in default when it is clearly visible that the client is having serious financial difficulties such that a repayment plan cannot be devised; the borrower has been put under bankruptcy or financial reorganisation. The value to be considered in determining the recoverable amount of an impaired loan, shall not exceed 50 per cent of the estimated value of the collateral, discounted to its present value.

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 contract being paid up in case of long outstanding payment 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 policy contract holders and schemes are disclosed in Note 15.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

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

THE GROUP	Neither past due nor impaired	Past due or impaired	Provision for impairment	Impaired	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021					
- Available-for-sale financial assets (debts)	**554,105**	**-**	**-**	**-**	**554,105**
- Held-to-maturity financial assets	**16,940,644**	**-**	**-**	**-**	**16,940,644**
- Non-current receivables	**4,895**	**-**	**-**	**-**	**4,895**
- Loans and receivables	**6,377,412**	**411,224**	**(95,587)**	**(4,016)**	**6,689,033**
- Trade and other receivables					
Insurance receivables	**917,795**	**957,347**	**(88,280)**	**(13,019)**	**1,773,843**
Reinsurance Assets	**941,944**	**18,798**	**(3,534)**	**-**	**957,208**
Other receivables	**623,805**	**31,535**	**(21,902)**	**(2,010)**	**631,428**
	2,483,544	**1,007,680**	**(113,716)**	**(15,029)**	**3,362,479**
Cash and cash equivalents and short-term deposits	**2,956,427**	**-**	**-**	**-**	**2,956,427**
2020-Restated					
- 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	299,157	(93,616)	(10,349)	6,639,778
- Trade and other receivables					
Insurance receivables	932,924	958,798	(94,789)	(106)	1,796,827
Reinsurance Assets	771,166	46,246	(5,125)	(26,172)	786,115
Other receivables	309,866	51,797	(17,775)	(18,882)	325,006
	2,013,956	1,056,841	(117,689)	(45,160)	2,907,948
Cash and cash equivalents and short-term deposits	3,552,803	-	-	-	3,552,803

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.2 Credit risk (cont'd)

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

THE COMPANY	Neither past due nor impaired	Past due or impaired	Provision for impairment	Impaired	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021					
- Available-for-sale financial assets (debts)	**-**	**4,314**	**-**	**(4,314)**	**-**
- Held-to-maturity financial assets	**230,066**	**-**	**-**	**-**	**230,066**
- Loans and receivables	**79,267**	**-**	**-**	**-**	**79,267**
- Trade and other receivables					
Insurance receivables	**332,367**	**899,636**	**(52,582)**	**(13,019)**	**1,166,402**
Reinsurance Assets	**725,009**	**3,534**	**(3,534)**	**-**	**725,009**
Other receivables	**326,304**	**7,488**	**(7,488)**	**-**	**326,304**
	1,383,680	**910,658**	**(63,604)**	**(13,019)**	**2,217,715**
Cash and cash equivalents and short-term deposits	**211,493**	**-**	**-**	**-**	**211,493**
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	393,547	883,625	(61,847)	-	1,215,325
Reinsurance Assets	574,344	5,125	(5,125)	-	574,344
Other receivables	231,253	7,488	(7,488)	-	231,253
	1,199,144	896,238	(74,460)	-	2,020,922
Cash and cash equivalents and short-term deposits	621,728	-	-	-	621,728

Loans and receivables and trade and other receivables that are neither past due nor impaired are spread over a large number of unrelated customers. These balances, along with balances past due but not impaired, are subject to portfolio provision on credit impairment according to the history of credit quality of the portfolio of customers of the Group and the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk

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

THE GROUP

Maturity analysis of financial and insurance assets and liabilities:

		Undiscounted cash flows				
At December 31, 2021	**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	31,987,893	-	-	-	31,987,893	31,987,893
- Held-to-maturity financial assets	16,940,644	1,556,689	5,699,015	9,769,574	-	17,025,278
- Loans and receivables	6,784,620	1,158,958	452,318	5,173,344	-	6,784,620
- Non-current receivables	4,895	-	4,895	-	-	4,895
- Trade and other receivables	3,476,195	3,476,195	-	-	-	3,476,195
- Short term deposits and cash and cash equivalents	2,956,427	2,956,427	-	-	-	2,956,427
	62,150,674	9,148,269	6,156,228	14,942,918	31,987,893	62,235,308
Less allowances for credit impairment	(209,303)					
Total	61,941,371					
Financial and insurance liabilities						
- Technical Provisions:						
- Life Assurance Fund *	52,790,703	1,486,704	4,891,293	13,362,216	33,050,490	52,790,703
- Outstanding claims and IBNR	1,284,948	987,973	296,975	-	-	1,284,948
- Lease liabilities	14,376	7,254	7,560	-	-	14,814
- Non-current payables	160,233	-	160,233	-	-	160,233
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	1,254,456	1,254,456	-	-	-	1,254,456
	55,623,887	3,855,558	5,356,061	13,362,216	33,050,490	55,624,325

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

		Undiscounted cash flows				
Restated 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	3,025,637	3,025,637	-	-	-	3,025,637
- Short term deposits and cash and cash equivalents	3,552,803	3,552,803	-	-	-	3,552,803
	52,883,615	10,380,469	5,027,005	12,408,053	25,094,238	52,909,765
Less allowances for credit impairment	(211,305)					
Total	52,672,310					

		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 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	1,212,011	890,601	321,410	-	-	1,212,011
- 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	1,160,197	1,160,197	-	-	-	1,160,197
	47,757,088	3,430,429	5,002,986	11,384,316	27,939,357	47,757,088

* 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 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.3 Liquidity risk (cont'd)

THE GROUP

Maturity analysis of financial and insurance assets and liabilities:

At December 31, 2021	Carrying Amount	Undiscounted cash flows				Total
		< 1 year	1 to 5 years	> 5 years	No stated Maturity	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	2,771,104	-	-	-	2,771,104	2,771,104
- Held-to-maturity financial assets	230,066	11,915	45,577	172,574	-	230,066
- Loans and receivables	79,267	5,902	18,888	54,477	-	79,267
- Non-current receivables	4,895	-	4,895	-	-	4,895
- Trade and other receivables	2,281,319	2,281,319	-	-	-	2,281,319
- Short-term deposits and cash and cash equivalents	211,493	211,493	-	-	-	211,493
	5,573,249	2,510,629	64,465	227,051	2,771,104	5,573,249
Less allowances for credit impairment	(63,604)					
Total	5,509,645					
Financial and insurance liabilities						
- Technical Provisions:						
- Outstanding claims and IBNR	875,091	875,091	-	-	-	875,091
- Borrowings	50,000	50,000	-	-	-	50,000
- Lease liabilities	7,898	3,100	4,798	-	-	7,898
- Non-current payables	107,058	-	107,058	-	-	107,058
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	426,968	426,968	-	-	-	426,968
	1,586,186	1,474,330	111,856	-	-	1,586,186

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (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:

At December 31, 2020	Carrying Amount	Undiscounted cash flows				Total
		< 1 year	1 to 5 years	> 5 years	No stated Maturity	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	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

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, investment in joint venture, deferred tax assets, seized properties, current tax assets, prepayments, gross unearned premiums, retirement benefit obligations, deferred tax liabilities and current tax liabilities.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.4 Capital Risks Management

The Group and the Company manage their capital, as defined by Insurance Rules 2007, 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 December 31, 2021 and 2020.

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

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

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

(a) 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.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.4 Capital Risks Management (cont'd)

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 December 31, 2021, and December 31, 2020, the Group and Company have satisfied the minimum capital requirements.

<u>Approach to capital management</u>

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

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

3.2.5 Fair value estimation

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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.5 Fair value estimation (cont'd)

Available-for-sale investments have been fair valued in the consolidated and separate financial statements.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. Refer to note 4.12 for further details.

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			
				2021		2020		2021		2020	
	IAS 39 Financial Instruments: Recognition and Measurement classification	Fair value hierarchy	Notes	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial and insurance assets				Rs'000	Rs'000	Rs'000 Restated	Rs'000 Restated	Rs'000	Rs'000	Rs'000	Rs'000
Investments in financial assets											
- Quoted securities (debt and equity instruments)	Available-for-sale	Level 1	11	**29,446,829**	**29,446,829**	22,756,340	22,756,340	**2,647,255**	**2,647,255**	1,648,295	1,648,295
- Investment funds (equity instruments)	Available-for-sale	Level 2	11	**388,949**	**388,949**	302,968	302,968	**67,389**	**67,389**	21,192	21,192
- Unquoted securities (equity instruments)	Available-for-sale	Level 3	11	**2,152,115**	**2,152,115**	2,034,930	2,034,930	**56,460**	**56,460**	67,312	67,312
- Held-to-maturity investments	Held-to-maturity	N/A	11	**16,940,644**	**18,214,459**	14,469,949	16,684,088	**230,066**	**374,355**	221,756	333,733
Loans and receivables	Loans and receivables	N/A	12	**6,689,033**	**6,689,033**	6,639,778	6,639,778	**79,267**	**79,267**	92,227	92,227
Non-current receivables	Loans and receivables	N/A	13	**4,895**	**4,895**	7,594	7,594	**-**	**-**	-	-
Trade and other receivables	Loans and receivables	N/A	15	**3,362,479**	**3,362,479**	2,907,948	2,907,948	**2,217,715**	**2,217,715**	2,020,922	2,020,922
Short-term deposits and Cash and cash equivalents	Loans and receivables	N/A	30	**2,956,427**	**2,956,427**	3,552,803	3,552,803	**211,493**	**211,493**	621,728	621,728
				61,941,371	**63,215,186**	52,672,310	54,886,449	**5,509,645**	**5,653,934**	4,693,432	4,805,409

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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

3.2 Financial risk (cont'd)

3.2.6 Financial instruments by category and fair values (cont'd)

				THE GROUP				THE COMPANY			
				2021		2020		2021		2020	
	IAS 39 Financial Instruments: Recognition and Measurement classification	Fair value hierarchy	Notes	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial and insurance liabilities				Rs'000	Rs'000	Rs'000 Restated	Rs'000 Restated	Rs'000	Rs'000	Rs'000	Rs'000
Technical provisions:											
- Life Assurance Fund	N/A	N/A	16	**52,790,703**	**52,790,703**	45,084,339	45,084,339	**-**	**-**	-	-
- Outstanding claims and IBNR	N/A	N/A	31	**1,284,948**	**1,284,948**	1,212,011	1,212,011	**875,091**	**875,091**	818,792	818,792
Lease liabilities	Financial liabilities at amortised cost	N/A	5B	**14,376**	**14,376**	20,303	20,303	**7,898**	**7,898**	10,721	10,721
Borrowings	Financial liabilities at amortised cost	N/A	20	**-**	**-**	-	-	**50,000**	**50,000**	-	-
Dividend payable	Financial liabilities at amortised cost	N/A	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	N/A	22	**1,254,456**	**1,254,456**	1,160,197	1,160,197	**426,968**	**426,968**	417,884	417,884
Non-current payables	Financial liabilities at amortised cost	N/A	22	**160,233**	**160,233**	161,067	161,067	**107,058**	**107,058**	107,646	107,646
				55,623,887	**55,623,887**	47,757,088	47,757,088	**1,586,186**	**1,586,186**	1,474,214	1,474,214

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 and joint venture 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 31 December 2021

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.

An assessment of outstanding claims amounts is performed in June and December each year. Where deemed necessary, the outstanding amounts are revised based on facts available at 31 December.

The Company reviews post year end development of claims at December between adjusting and non-adjusting events till January 15 of the following year. Any event based on management assessment, requiring adjustment, is reflected in the outstanding claims.

NOTES TO THE CONSOLIDATED AND SEPARATE *FINANCIAL STATEMENTS*

Year ended 31 December 2021

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 (cont'd)

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

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the subsidiary, Swan Life Ltd. Estimates are made as to the expected number of deaths for each of the years in which Swan Life Ltd is exposed to risk. Swan Life Ltd bases these estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect its 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 Swan Life Ltd is exposed to longevity risk.

For contracts without fixed terms, it is assumed that Swan Life Ltd will be able to increase mortality risk changes in future years in line with emerging mortality experience.

Under certain contracts, where Swan Life Ltd 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 Swan Life Ltd is 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 31 December 2021

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			
	2021			
	Total Assets	Total Liabilities	Surplus	Change central value
	Rs'000	Rs'000	Rs'000	%
Central	53,353,039	41,716,873	7,168,301	-
All interest rates -1% but not CPI	53,353,039	43,231,816	4,863,324	-32.20%
CPI -1%	53,353,039	41,651,194	7,258,983	1.30%
Equity & Property market values -10%	53,353,039	41,515,116	5,230,108	-27.00%
Lapses -10%	53,353,039	41,734,569	7,076,605	-1.30%
Mortality & Morbidity -5%	53,353,039	41,839,121	7,015,719	-2.10%
Expenses -10%	53,353,039	41,645,538	7,267,256	1.40%
Terminal Bonus +10%	53,353,039	41,716,873	6,978,863	-2.60%
Reversionary Bonus +10%	53,353,039	41,716,873	6,675,615	-6.90%

	2020			
	Total Assets	Total Liabilities	Surplus	Change 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%

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 31 December 2021

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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

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

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.

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 invests, but that they do not consolidate, meet the definition of structured entities because:

- the voting rights in the entities are not dominant rights in deciding who controls them because they relate to administrative tasks only; and
- the investee's activities are restricted by its prospectus.

Refer to note 8(h) for details of involvement with unconsolidated structured entities.

4.11 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.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

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

4.11 Control over subsidiaries (cont'd)

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.

4.12 Fair valuation of unquoted available-for-sale financial assets

Where the fair value of financial assets recorded in the consolidated and separate statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy.

Valuation techniques that are used to determine fair values, are validated and periodically reviewed by the Investment Committee. The Investment Committee's evaluation takes into consideration a business review of the underlying investment (performance development compared with plans) and the actual and planned transactions in the investments.

The Group and the Company use the following valuation methodologies to fair value the unquoted available-for-sale financial assets:

- Lower of Price-earnings ratio ("P/E"); or Dividend yield ratio ("D/Y")
- Lower of Net asset Value ('NAV') or Price to Book Value ('PBV') for other investment which cannot be ascertained using the above methodologies."

Valuation Models:

• Net asset value (NAV)

This valuation technique involves deriving the value of a business by reference to the value of its net assets. This valuation technique is likely to be appropriate for a business whose value derives mainly from the underlying fair value of its assets rather than its earnings. As per the Group's and the Company's methodology, a discount is applied to the NAV of the financial assets in order to account for the time value of money factor.

• Price-to-book

The price-to-book ratio is a financial ratio used to compare an entity's current market price to its book value. The price-to-book ratio offers a more tangible measure of a company's value than earnings do and often indicate the inherent value of an entity. The price-to-book value ratio, expressed as a multiple, is an indication of how much shareholders are paying for the net assets of the entity.

• Price-Earnings Ratio

This method consists of valuing an entity relative to its earnings per share (EPS). The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple.

The PE of an entity gives an indication on the operational earnings potential of the business, i.e. an indication of how much the shareholders are paying for the current earnings potential of the business. The P/E ratio shows the expectations of the market and represent the price per unit of current earnings.

• Dividend Yield Ratio

Dividend yield is the financial ratio that measures the quantum of cash dividends paid out to shareholders relative to the market value per share.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

5. PROPERTY AND EQUIPMENT

THE GROUP	Freehold land and buildings	Motor vehicles	Furniture & fittings	Office equipment	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2020	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/ January 01, 2021	431,452	46,230	129,214	220,534	827,430
Transfer to Investment properties (Note 6A)	**(4,041)**	**-**	**-**	**-**	**(4,041)**
Additions	**5,750**	**1,287**	**1,675**	**14,607**	**23,319**
Exchange differences	**11,798**	**1,029**	**465**	**1,136**	**14,428**
Disposals	**-**	**(7,180)**	**(88)**	**-**	**(7,268)**
Write off	**-**	**-**	**-**	**(48,771)**	**(48,771)**
At December 31, 2021	**444,959**	**41,366**	**131,266**	**187,506**	**805,097**
DEPRECIATION					
At January 1, 2020	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/ January 01, 2021	122,467	24,357	108,151	187,646	442,621
Transfer to Investment properties (Note 6A)	**(757)**	**-**	**-**	**-**	**(757)**
Charge for the year	**7,572**	**4,304**	**6,194**	**19,110**	**37,180**
Exchange differences	**1,276**	**898**	**382**	**668**	**3,224**
Disposal adjustment	**-**	**(5,760)**	**(88)**	**-**	**(5,848)**
Write off	**-**	**-**	**-**	**(48,771)**	**(48,771)**
At December 31, 2021	**130,558**	**23,799**	**114,639**	**158,653**	**427,649**
CARRYING AMOUNTS					
At December 31, 2021	**314,401**	**17,567**	**16,627**	**28,853**	**377,448**
At December 31, 2020	308,985	21,873	21,063	32,888	384,809

For both 2021 and 2020, there were no transactions under finance lease and no non-cash disposals. During the year, all additions are financed by cash while in 2020 non-cash additions at group level amounted to Rs 414,000.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

5. PROPERTY AND EQUIPMENT (CONT'D)

THE COMPANY	Freehold land and buildings	Motor vehicles	Furniture & fittings	Office equipment	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2020	86,475	12,200	38,214	139,748	276,637
Additions	-	-	-	6,311	6,311
At December 31, 2020/ January 01, 2021	86,475	12,200	38,214	146,059	282,948
Additions	-	-	-	4,996	4,996
Disposals	-	(1,750)	-	-	(1,750)
Write off	-	-	-	(48,771)	(48,771)
At December 31, 2021	**86,475**	**10,450**	**38,214**	**102,284**	**237,423**
DEPRECIATION					
At January 1, 2020	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/ January 01, 2021	32,845	8,689	35,575	130,440	207,549
Charge for the year	1,730	624	1,463	7,638	11,455
Disposal adjustment	-	(1,271)	-	-	(1,271)
Write off	-	-	-	(48,771)	(48,771)
At December 31, 2021	**34,575**	**8,042**	**37,038**	**89,307**	**168,962**
CARRYING AMOUNTS					
At December 31, 2021	**51,900**	**2,408**	**1,176**	**12,977**	**68,461**
At December 31, 2020	53,630	3,511	2,639	15,619	75,399

For both 2021 and 2020, 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 31 December 2021

5A. RIGHT-OF-USE-ASSETS

	THE GROUP		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2020	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
Additions	**791**	**-**	**791**
Depreciation	**(5,410)**	**(1,373)**	**(6,783)**
Exchange differences	**24**	**165**	**189**
Carrying amount at December 31, 2021	**9,377**	**3,695**	**13,072**

	THE COMPANY		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2020	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
Depreciation	**(1,863)**	**(1,134)**	**(2,997)**
Carrying amount at December 31, 2021	**4,075**	**3,211**	**7,286**

5B. LEASE LIABILITIES

	THE GROUP		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2020	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
Additions	**791**	**-**	**791**
Interest expense	**713**	**318**	**1,031**
Lease payments	**(6,293)**	**(1,767)**	**(8,060)**
Exchange differences	**132**	**179**	**311**
At December 31, 2021	**10,111**	**4,265**	**14,376**

5B. LEASE LIABILITIES (CONT'D)

Analysed as:

	2021	2020
	Rs'000	Rs'000
Current	**6,923**	6,546
Non-current	**7,453**	13,757
	14,376	20,303

	THE COMPANY		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2020	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
Interest expense	**294**	223	**517**
Lease payments	**(2,146)**	**(1,194)**	**(3,340)**
At December 31, 2021	**4,385**	**3,513**	**7,898**

Analysed as:

	2021	2020
	Rs'000	Rs'000
Current	**3,100**	2,931
Non-current	**4,798**	7,790
	7,898	10,721

(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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

5B. LEASE LIABILITIES (CONT'D)

(b) Extension and termination options

There is no extension and termination options included in property and equipment leases across the Group and the Company.

(c) Lease term

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

For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group and the Company are typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group and the Company are typically reasonably certain to extend (or not terminate);
- Otherwise, the Group and the Company consider other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

No extension options in offices and vehicles leases have been included in the lease liability, because the Group and the Company could replace the assets without significant cost or business disruption.

(d) Interest expense

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense (included in finance cost)	1,031	1,380	517	676

The total cash outflow for leases in 2021 was Rs'000 8,060 (2020:Rs'000 9,369) for the Group and Rs'000 3,340 (2020:Rs'000 3,448) 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 31 December 2021

6A. INVESTMENT PROPERTIES

THE GROUP	
COST	**Rs'000**
At January 1, 2020	537,904
Additions	1,171
At December 31, 2020/ January 01, 2021	539,075
Transfer from property and equipment (Note 5)	4,041
Additions	2,594
At December 31, 2021	**545,710**
DEPRECIATION	
At January 1, 2020	104,713
Charge for the year	9,045
At December 31, 2020/ January 01, 2021	113,758
Transfer from property and equipment (Note 5)	757
Charge for the year	9,090
At December 31, 2021	**123,605**
CARRYING AMOUNT	
At December 31, 2021	**422,105**
At December 31, 2020	425,317

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

THE GROUP	2021	2020
	Rs'000	Rs'000
At December 31,	1,563,835	1,563,835

The above table reflects the fair value for disclosure purposes only.

The investment properties were revalued in November 2020 by Messrs Noor Dilmohamed & Associates, an independent professionally qualified valuer. The fair value was determined using 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 directors have reassessed the fair values of the investment properties at December 31, 2021, and determined that the value have not changed significantly.

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 31 December 2021

6A. INVESTMENT PROPERTIES (CONT'D)

(ii) The following have been recognised in the statements of profit or loss and other comprehensive income.

THE GROUP	2021	2020
	Rs'000	Rs'000
Rental income	32,311	42,326
Direct operating expenses from investment properties that generate rental income	10,707	11,850
Direct operating expenses from investment properties that do not generate rental income	17,937	14,089

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	2021	2020
	Rs'000	Rs'000
Less than one year	25,976	27,640
One to two years	16,191	22,663
Two to three years	9,513	15,255
Three to four years	8,458	9,513
Four to five years	7,290	8,458
More than five years	35,148	42,437
Total	102,576	125,966

6B. SEIZED PROPERTIES

THE GROUP	2021	2020
	Rs'000	Rs'000
At January 1,	53,238	55,489
Additions	44	8,829
Disposals	(7,841)	(1,721)
Impairment (Note 27 (b))	-	(9,359)
At December 31,	45,441	53,238

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

7. INTANGIBLE ASSETS

THE GROUP	Goodwill	Computer software	VOBA	Customer list	Other intangibles	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2020	66,151	94,328	28,477	55,375	51,090	295,421
Additions	-	30,524	-	-	-	30,524
Impairment (Note 27 (b))*	(2,485)	-	-	-	-	(2,485)
Write off	-	(3,152)	-	-	-	(3,152)
Adjustment**	2,683	-	-	-	-	2,683
Exchange difference	-	(58)	-	-	-	(58)
At December 31, 2020/ January 01, 2021	66,349	121,642	28,477	55,375	51,090	322,933
Additions	-	15,379	-	-	-	15,379
At December 31, 2021	66,349	137,021	28,477	55,375	51,090	338,312
AMORTISATION						
At January 1, 2020	-	50,101	18,982	38,764	42,650	150,497
Charge for the year	-	26,746	1,898	5,537	7,220	41,401
Write off	-	(3,152)	-	-	-	(3,152)
Exchange difference	-	(58)	-	-	-	(58)
At December 31, 2020/ January 01, 2021	-	73,637	20,880	44,301	49,870	188,688
Charge for the year	-	26,399	1,898	5,537	1,220	35,054
At December 31, 2021	-	100,036	22,778	49,838	51,090	223,742
CARRYING AMOUNTS						
At December 31, 2021	66,349	36,985	5,699	5,537	-	114,570
At December 31, 2020	66,349	48,005	7,597	11,074	1,220	134,245

* Impairment of goodwill relates to Swan Digital Ltd.

** It relates to goodwill on acquisition of Swan Actuarial Services Ltd where the amount was understated in 2019 the impact is not material.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY	Computer software	Other intangibles	Total
COST	**Rs'000**	**Rs'000**	**Rs'000**
At January 1, 2020	72,464	14,990	87,454
Additions	30,022	-	30,022
At December 31, 2020/ January 01, 2021	102,486	14,990	117,476
Additions	7,350	-	7,350
At December 31, 2021	**109,836**	**14,990**	**124,826**
AMORTISATION			
At January 1, 2020	30,717	14,990	45,707
Charge for the year	24,551	-	24,551
At December 31, 2020/ January 01, 2021	55,268	14,990	70,258
Charge for the year	25,635	-	25,635
At December 31, 2021	**80,903**	**14,990**	**95,893**
CARRYING AMOUNTS			
At December 31, 2021	**28,933**	**-**	**28,933**
At December 31, 2020	47,218	-	47,218

8. INVESTMENTS IN SUBSIDIARY COMPANIES

(a)

THE COMPANY	2021	2020
	Total	Total
	Rs'000	Rs'000
At January 1,	565,874	557,087
Additions (Note (ii))	-	11,440
Impairment losses (Note (iii)/27(b))	-	(2,653)
At December 31,	565,874	565,874

(i) The market value of the subsidiary company, Swan Life Ltd based on the DEM bid price at December 31, 2021, amounted to Rs 3.5bn (2020:Rs 3.3bn).

(ii) During the year, the Company acquired 1,000 preference shares in Swan General Insurance Company Zambia Limited for Rs 4.3m.

In 2020, 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 2020 with share capital of Rs 10m.

(iii) Dolberg Rentals (Pty) Ltd was impaired by Rs 2.7m in December 31, 2020, based on its recoverable amount.

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Year ended 31 December 2021

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, 2021 and 2020.

Name of subsidiaries	Class of shares held	Stated Capital	Nominal value of investment		Proportion of ownership interest				Other group companies		Proportion of ownership held by non-controlling interests		Place of Business/ Country of incorporation	Main Business
					Direct		Indirect							
		2021	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
		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**	6,788	**100.00**	100.00	**-**	-	**-**	-	**-**	-	South Africa	· Leasing of office and other related equipment
· 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**	1,440	**100.00**	100.00	**-**	-	**-**	-	**-**	-	Mauritius	· Software developer
· 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
· Afresure Reinsurance Brokers Ltd (8f) ***	Ordinary	10,000	**10,000**	10,000	**100.00**	100.00	**-**	-	**-**	-	**-**	-	Mauritius	· Reinsurance Brokers and Consultants
			565,874	565,874										
Held indirectly through Swan Life Ltd:														
· Swan Financial Solutions Ltd	Ordinary	586,876	**-**	-	**-**	-	**66.18**	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Investment holding
· Manufacturers' Distributing Station Limited (8d)	Ordinary	961	**-**	-	**-**	-	**82.55**	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Swan Pensions Ltd	Ordinary	4,100	**-**	-	**-**	-	**82.72**	-	**82.72**	82.72	**17.28**	17.28	Mauritius	· Pension fund administration
· Swan Wealth Managers Ltd	Ordinary	1,600	**-**	-	**-**	-	**66.18**	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Fund management and investment
· Swan Securities Ltd	Ordinary	10,000	**-**	-	**-**	-	**66.18**	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Stockbroking
· Swan Corporate Advisors Ltd	Ordinary	1,300	**-**	-	**-**	-	**66.18**	-	**66.18**	66.18	**33.82**	33.82	Mauritius	· Advisory
· Société de La Croix (8d)	Parts	2,500	**-**	-	**-**	-	**82.55**	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Société de La Montagne (8d)	Parts	45,604	**-**	-	**-**	-	**82.55**	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Société de La Rivière (8d)	Parts	2,500	**-**	-	**-**	-	**82.55**	-	**82.55**	82.55	**17.45**	17.45	Mauritius	· Investment holding
· Swan Pensions Rwanda (SPR) Ltd ***	Ordinary	2,485	**-**	-	**-**	-	**49.63**	-	**49.63**	49.63	**50.37**	50.37	Rwanda	· Pension and fund administration
· Swan Actuarial Services Ltd	Ordinary	1,107	**-**	-	**-**	-	**82.72**	-	**82.72**	82.72	**17.28**	17.28	Mauritius	· Actuarial services

* Société Brugassur S.A was disposed during the year.
** 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.

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) The Company consolidates the activities of the Core cell only.

(d) These Sociétés are consolidated in the financial statements of Swan Life Ltd, through 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 Group has provided financial support to one of it's subsidiary, Aprica Investments Co Ltd.

(g) The Subsidiary 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. SWSPL 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 bank and financial institutions. The respective terms and conditions of the investments have been disclosed to the noteholders who bear all the benefits and risks associated with the products. The financial liabilities of the notes issued by SWSPL 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.

	2021	2020
	Rs'000	Rs'000
The financial position of SWSPL is as follows:		
Financial assets at amortised cost	57,975	233,607
Other assets	186	2,957
Total assets	58,161	236,564
Other financial liabilities	58,360	236,547
Other liabilities	509	164
Equity	(708)	(147)
	58,161	236,564

The Group's maximum exposure to loss from its interests in Swan Wealth Structured Products Ltd as at December 31, 2021, is described above.

During the year ended December 31, 2021, 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. The Directors have assessed that the Company acts as an agent to SWSPL.

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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 Ltd

Swan Smart Achiever Notes Ltd (SSANL) is a special purpose vehicle (SVP) with the principal aim of issuing and launching Smart Achiever Notes through the issue of debentures.

The proceeds being invested in Warrants from JP. Morgan Structured Products, 364 Days Treasury Bills, 10 Year Government Bonds and rights & benefits attributable to 20 Year Government Bonds from Swan Life Ltd and Swan General Ltd. Investors in Smart Achiever Notes will recover (i) at the first anniversary, an income of 6.0%, (ii) at the third anniversary, an income of 4.0% only if held until respective payments are made, and (iii) at maturity, 100% of their initial investment if held until maturity only. The investors benefit from the participation in the positive performance of Reference instruments from JP Morgan Structured Products (Namely: Yield Enhancer Mutual Fund Basket and STOXX Emerging Markets Select 100 Index) and as such do not participate in any negative performance in the Reference Instruments which is the case for this Financial Year where both reference instruments underperformed.

	2021	2020
	Rs'000	Rs'000
The financial position of SSANL is as follows:		
Financial assets at fair value through profit or loss	7,698	1,771
Financial assets at amortised cost	222,588	225,032
Cash and cash equivalents	26,216	23,150
Total assets	256,502	249,953
Other financial liabilities	245,013	238,828
Other liabilities	8,654	8,618
Equity	2,835	2,506
	256,502	249,952

The Group's maximum exposure to loss from its interests in Swan Smart Achiever Notes Ltd as at December 31, 2021, is described above.

During the year December 31, 2021, 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. The Directors have assessed that the Company acts as an agent to SSANL.

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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, 2021, 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 organisation 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:

	2021	2020
	Rs'000	Rs'000
Revenue	971	1,385
Surplus for the year	(787)	262
Current Assets	658	991
Current Liabilities	546	990
Total Equity	112	1

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Year ended 31 December 2021

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
2021		
· Swan Life Ltd (Group)	153,714	602,793
· Swan Corporate Affairs Ltd	140	834
· Swan International Co Ltd	(80)	(5,461)
· Swan General Insurance Company Zambia Limited	(145)	2,290
· Swan Wealth International Ltd	(14)	585
	153,615	601,041
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

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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
2021									
Swan Life Ltd (Group)	6,370,832	50,267,895	1,006,541	53,375,074	5,132,611	628,859	18,004	646,863	(47,023)
Swan International Co Ltd	6,202	49,350	2,951	-	-	91	-	91	-
Swan Corporate Affairs Ltd	11,342	2,554	4,242	-	5,082	1,619	-	1,619	-
Swan Reinsurance PCC *	80,964	316,144	7,586	3,885	3,948	6,939	45,873	52,812	-
Dolberg Rental Pty Ltd	30,932	2,734	13,294	15,853	3,371	(2,047)	-	(2,047)	-
Aprica Investments Co Ltd	524	-	16,232	-	-	987	-	987	-
Swan Special Risks Company Limited *	313,783	35,648	65,675	171,849	353,732	18,321	6,578	24,899	-
Swan Digital Ltd	1,258	-	167	-	-	(219)	-	(219)	-
Swan Comoros SA *	12,536	-	6,009	1,373	9,264	(99)	236	137	-
Swan General Insurance Company Zambia Limited	79,227	96,621	45,639	945,669	282,709	(6,616)	7,663	1,047	-
Swan Wealth International Limited *	7,500	-	719	-	-	(153)	-	(153)	-
Afresure Reinsurance Brokers Ltd *	9,959	-	761	-	-	(717)	-	(717)	-
2020 (Restated)									
Swan Life Ltd (Group)	7,495,652	40,938,738	945,642	45,672,533	4,718,991	557,468	(16,612)	540,856	(44,623)
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 (Restated)	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)	-

* These amounts are based on unaudited financial statements

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

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
2021				
Swan Life Ltd (Group)	2,371,358	(2,483,675)	(180,342)	(292,659)
Swan International Co Ltd	(2,200)	-	-	(2,200)
Swan Corporate Affairs Ltd	1,374	(659)	-	715
Swan Reinsurance PCC	10,020	1,917	-	11,937
Dolberg Rental (Pty) Ltd	3,373	-	-	3,373
Aprica Investments Co Ltd	(1,102)	-	-	(1,102)
Swan Special Risks Company Limited	13,394	4,764	-	18,158
Swan Digital Ltd	925	-	-	925
Swan Comoros SA *	1,063	-	-	1,063
Swan General Insurance Company Zambia Limited	47,511	(52,322)	8,765	3,954
Swan Wealth International Limited *	-	-	-	-
Afresure Reinsurance Brokers Ltd	9,950	-	-	9,950
2020 (Restated)				
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 (Restated)	13,394	4,764	-	18,158
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	-	-	-	-

* 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 31 December 2021

9. INVESTMENTS IN ASSOCIATED COMPANIES

	Note	THE GROUP 2021	THE GROUP 2020
		Rs'000	Rs'000
(a) Group's share of net assets in associated companies			
At January 1,		158,862	160,886
Additions		1,848	-
Share of results of associated companies		13,075	37,594
Dividends		(6,299)	-
Share of other comprehensive income		1,370	722
Exchange differences on translation		53,439	(40,340)
At December 31,		222,295	158,862

	Note	THE COMPANY 2021	THE COMPANY 2020
		Rs'000	Rs'000
At January 1,		102,141	34,009
Additions		1,848	104,304
Impairment losses	27 (b)	-	(36,172)
At December 31,		103,989	102,141

(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
2021			%	%	
SACOS Group Limited	**Dec 31**	**Seychelles**	**18.61**	**8.08**	**Insurance activities**
BK General Insurance Company Limited	**Dec 31**	**Rwanda**	**30.00**	**-**	**Insurance activities**
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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

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, 2021, reflects the share of net assets at December 31, 2021. SACOS Group Limited is a public company listed on the Seychelles Stock Exchange. The market price at December 31, 2021, is Rs 306 (2020: Rs 190) and the market value of the associate is Rs.163m (2020: Rs 101m).

(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
2021								
SACOS Group Limited	**842,252**	**1,890,335**	**2,045,671**	**169,120**	**21,308**	**580,132**	**167,824**	**23,600**
BK General Insurance Company Limited	**796,260**	**88,659**	**335,192**	**116,259**	**28,232**	**481,676**	**108,782**	**-**
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	-

(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
2021										
SACOS Group Limited	**290,517**	**-**	**42,323**	**187,248**	**(23,600)**	**496,488**	**26.69**	**132,513**	**-**	**132,513**
BK General Insurance Company Limited	**271,077**	**5,671**	**108,782**	**16,105**	**-**	**405,235**	**30.00**	**121,571**	**-**	**121,571**
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

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10. INVESTMENT IN JOINT VENTURE

	THE GROUP	
	2021	2020
(a) Group's share of net assets in joint venture	Rs'000	Rs'000
At January 1,	3,481	2,907
Share of results	654	574
At December 31,	4,135	3,481

	THE COMPANY	
(b) The Company	2021	2020
	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.

(d) Summarised Financial information

Summarised financial information in respect of the Group's investment in 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. The joint venture does not have any contingencies and commitments as at December 31, 2021 and 2020.

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
2021					
Processure Compagnie Limitée	**12,694**	**4,423**	**1,308**	**-**	**1,308**
2020					
Processure Compagnie Limitée	12,464	5,501	1,148	-	1,148

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10. INVESTMENT IN JOINT VENTURE (CONT'D)

(e) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the financial statements is shown below:

Name	Opening net assets	Profit for the year	Closing net assets	Ownership interest	Carrying value
	Rs'000	Rs'000	Rs'000	%	Rs'000
2021					
Processure Compagnie Limitée	**6,961**	**1,308**	**8,269**	**50%**	**4,135**
2020					
Processure Compagnie Limitée	5,813	1,148	6,961	50%	3,481

11. INVESTMENT FINANCIAL ASSETS

(a)

	THE GROUP							
	2021				2020			
		Available-for-sale				Available-for-sale		
Name	Held-to-maturity	Debt	Equities	Total	Held-to-maturity	Debt	Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	12,874,179	324,450	10,951,445	24,150,074	14,348,853	253,505	13,715,291	28,317,649
Additions	5,650,740	58	332,209	5,983,007	1,008,900	61,605	1,358,027	2,428,532
Reclassification from equities to debt	-	250,000	(250,000)	-				-
Reclassification to foreign securities (see below)	-	(208,579)	-	(208,579)	(61,250)	-	1,544	(59,706)
Movement in fair value*	-	(9,369)	3,024,704	3,015,335	96	20,298	(3,237,113)	(3,216,719)
Disposals	-	(31,403)	(72,970)	(104,373)	-	(10,958)	(886,304)	(897,262)
Maturity	(3,518,384)	-	-	(3,518,384)	(2,351,857)	-	-	(2,351,857)
Movement in accrued interest	(97,597)	-	-	(97,597)	(82,669)	-	-	(82,669)
Exchange differences	10,415	-	-	10,415	12,106	-	-	12,106
At December 31,	14,919,353	325,157	13,985,388	29,229,898	12,874,179	324,450	10,951,445	24,150,074

* Movement in fair value consists of fair value release of Rs000's. 707,467 (2020:Rs000's. 2,204,976), which has been recycled to profit or loss within "other income" upon disposal of the investments.

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11. INVESTMENT FINANCIAL ASSETS (CONT'D)

(a)

	THE GROUP							
	2021				2020			
		Available-for-sale				Available-for-sale		
Name	Held-to-maturity	Debt	Equities	Total	Held-to-maturity	Debt	Equities	Total
Foreign Securities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	1,595,770	-	13,818,343	15,414,113	5,332	-	12,426,256	12,431,588
Reclassification from local securities (see above)	-	208,579	-	208,579	61,250	-	(1,544)	59,706
Reclassification to investment in associates	-	-	-	-	-	-	(198)	(198)
Additions	379,290	-	4,630,521	5,009,811	1,568,014	-	4,703,272	6,271,286
Movement in fair value*	-	20,369	2,960,118	2,980,487	-	-	2,445,304	2,445,304
Disposals	-	-	(3,960,710)	(3,960,710)	(35,524)	-	(5,765,366)	(5,800,890)
Maturity	(106,862)	-	-	(106,862)	(9,017)	-	-	(9,017)
Movement in accrued interest	(1,440)	-	-	(1,440)	(1,064)	-	-	(1,064)
Exchange differences	154,533	-	128	154,661	6,779	-	10,619	17,398
At December 31,	2,021,291	228,948	17,448,400	19,698,639	1,595,770	-	13,818,343	15,414,113
Total	16,940,644	554,105	31,433,788	48,928,537	14,469,949	324,450	24,769,788	39,564,187

* Movement in fair value consists of fair value release of Rs000's. 707,467 (2020:Rs000's. 2,204,976), which has been recycled to profit or loss within "other income" upon disposal of the investments.

(b)

	THE COMPANY							
	2021				2020			
		Available-for-sale				Available-for-sale		
Name	Held-to-maturity	Debt	Equities	Total	Held-to-maturity	Debt	Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	221,756	-	334,681	556,437	246,980	-	633,946	880,926
Additions	25,000	-	57,046	82,046	-	-	-	-
Movement in fair value*	-	-	215,364	215,364	-	-	(116,447)	(116,447)
Disposals	-	-	(1,486)	(1,486)	-	-	(182,818)	(182,818)
Maturity	(14,894)	-	-	(14,894)	(25,035)	-	-	(25,035)
Movement in accrued interest	(1,796)	-	-	(1,796)	(189)	-	-	(189)
At December 31,	230,066	-	605,605	835,671	221,756	-	334,681	556,437

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11. INVESTMENT FINANCIAL ASSETS (CONT'D)

(b)

	THE COMPANY							
	2021				2020			
		Available-for-sale				Available-for-sale		
Name	Held-to-maturity	Debt	Equities	Total	Held-to-maturity	Debt	Equities	Total
Foreign Securities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	-	1,402,118	1,402,118	-	-	833,563	833,563
Reclassification to investment in associates	-	-	-	-	-	-	(198)	(198)
Additions	-	4,314	872,664	876,978	-	-	812,190	812,190
Movement in fair value*	-	-	306,336	306,336	-	-	162,580	162,580
Impairment (note 27 (b) (i))	-	(4,314)	-	(4,314)	-	-	-	-
Disposals	-	-	(415,619)	(415,619)	-	-	(406,017)	(406,017)
At December 31,	-	-	2,165,499	2,165,499	-	-	1,402,118	1,402,118
Total	230,066	-	2,771,104	3,001,170	221,756	-	1,736,799	1,958,555

* Movement in fair value consists of fair value release of Rs000's 65,933 (2020:Rs000's 186,573), which has been recycled to profit or loss upon disposal of the investments.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Analysed as follows:	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Available-for-sale	31,987,893	25,094,238	2,771,104	1,736,799
Held-to-maturity	15,415,648	11,508,757	218,151	202,806
	47,403,541	36,602,995	2,989,255	1,939,605
Current				
Held-to-maturity	1,524,996	2,961,192	11,915	18,950
	48,928,537	39,564,187	3,001,170	1,958,555
Cumulative accrued interests	343,786	442,823	4,490	6,286

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

11. INVESTMENT FINANCIAL ASSETS (CONT'D)

	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, 2021								
Available-for-sale								
- Equities	29,374,819	160,001	1,898,968	31,433,788	2,647,255	67,389	56,460	2,771,104
- Debt	72,010	228,948	253,147	554,105	-	-	-	-
	29,446,829	388,949	2,152,115	31,987,893	2,647,255	67,389	56,460	2,771,104
At December 31, 2020								
Available-for-sale								
- Equities	22,666,629	94,389	2,008,770	24,769,788	1,648,295	21,192	67,312	1,736,799
- Debt	89,711	208,579	26,160	324,450	-	-	-	-
	22,756,340	302,968	2,034,930	25,094,238	1,648,295	21,192	67,312	1,736,799

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Debenture Stocks, Notes, Treasury Bills, Corporate Bonds and Deposits with interest rates varying from 4.64% to 12.75% (2020:1.70% to 12.25%).

(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.

(h) Local securities comprise of securities listed on the Local Stock markets and companies incorporated in Mauritius.

(i) For the financial year ended December 31, 2021, non-cash additions relate to dividend in species amount to Rs 59m for the Group and nil for the Company (2020: Rs 1.1m for the Group and nil for the Company).

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Year ended 31 December 2021

11. INVESTMENT FINANCIAL ASSETS (CONT'D)

(j) The table below shows the changes in level 3 equity instruments for the year ended December 31, 2021:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	2,034,930	1,099,542	67,312	78,680
Additions	93,374	1,132,349	4,314	-
Transfer from level 1	-	3,527	-	-
Impairment (note 27 (b))	-	-	(4,314)	-
Disposals *	(91,785)	(80,486)	(455)	(13,988)
Movement in fair value **	115,596	(120,002)	(10,397)	2,620
At December 31,	2,152,115	2,034,930	56,460	67,312

*The realised gains/losses arising upon disposal of the level 3 equity instruments has been recognised in the line item 'other income' in profit or loss.

** The movement in fair value, representing the net unrealised gains or losses has been recognised in fair value through other comprehensive income in the line item 'Available-for-sale financial assets - net change in fair value'.

(k) The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

During the financial year, there were no transfers to/from level 3 for both the Group and the Company (2020:Rs'000. 3,527 and nil for the Company). There was no other transfer during the year.

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Year ended 31 December 2021

11. INVESTMENT FINANCIAL ASSETS (CONT'D)

(l) The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

THE GROUP

Fair value at December 31, 2021

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	157,891	Dividend yield multiple	(i) Market multiple	2.59x - 3.86x%	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 15,789 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 15,789.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's.1,754 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,754.
Equity instruments	386,615	Price-Earning multiple	(i) Market multiple	9.95x - 14x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 38,662 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 38,662.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's.58,862 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's.58,862.
Equity instruments	107,238	Price Book Value	(i) Market multiple	0.45x - 0.96x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 10,723 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 10,723.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's 1,192 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,192.
Equity instruments	44,329	Discounted net asset value (NAV)	(i) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's 493 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 493.
Debt/Equity instruments	1,326,114	Price of recent transaction	No unobservable input is used	N/A	N/A
Equity instruments	129,928	NAV and cost	No unobservable input is used	N/A	N/A
	2,152,115				

NOTES TO THE CONSOLIDATED AND SEPARATE *FINANCIAL STATEMENTS*

Year ended 31 December 2021

11. INVESTMENT FINANCIAL ASSETS (CONT'D)

THE GROUP (CONT'D)

Fair value at December 31, 2020

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	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.
Equity instruments	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.
Equity instruments	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.
Equity instruments	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.
Debt/Equity instruments	1,323,096	Price of recent transaction	No unobservable input is used	N/A	N/A
Equity instruments	140,993	NAV and cost	No unobservable input is used	N/A	N/A
	2,034,930				

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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11. INVESTMENT 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, 2021

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	53,555	Price-Earning multiple	(i) Market multiple	8.62x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's. 5,355 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 5,355.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 595 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 595.
Equity instruments	2,905	Price of recent transaction	No unobservable input is used	N/A	N/A
	56,460				

Fair value at December 31, 2020

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	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	10%	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.
Equity instruments	2,311	Price earning multiple	No unobservable input is used	N/A	N/A
	67,312				

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11. INVESTMENT FINANCIAL ASSETS (CONT'D)

(m) 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.388.9m (2020: Rs. 302.9m) and Rs. 67.4m (2020: Rs. 21.2m) 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, 2021. There has been no change in the valuation technique.

(n) The exchange differences arising on local investment, relate to held-to-maturity investments held by Swan Life Ltd with local financial institution but denominated in foreign currencies.

12. LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Policy loans	48,863	53,125	-	-
Loans on residential properties	2,806,847	2,912,434	79,267	92,227
Loan on business properties	3,680,149	3,567,216	-	-
Personal loans	106,365	46,745	-	-
Cumulative accrued interests	142,396	153,874	-	-
Less impairment provision (see note (i) below)	(95,587)	(93,616)	-	-
	6,689,033	6,639,778	79,267	92,227
Analysed as follows :				
Non-current	5,530,075	5,819,741	73,365	86,117
Current	1,158,958	820,037	5,902	6,110
	6,689,033	6,639,778	79,267	92,227

(a) The rates of interest on the above loans varied between 3.125% and 14.95% for 2021 (2020:3.125% and 14.95%).

(b) There is no concentration of credit risk with respect to loans and receivables since exposures are widely dispersed.

(c) The non-covered portion of impaired loans and receivables are secured by fixed charge collaterals on immovable properties. Impairment provision has been booked where recovery was estimated as doubtful.

(d) Currency analysis of loans and receivables is disclosed in note 3.2.1(i).

(e) The ageing of loans and receivables is disclosed in note 3.2.2.

(f) The maturity of loans and receivables is disclosed in note 3.2.3.

(g) Interest income accrued on non-performing loans amounted to Rs. 2.2m and nil during the year for the Group and the Company respectively (2020:Rs 5.5m for the Group and nil for the Company).

(h) Out of loans on business properties, an amount of Rs000's 3,184,584 and nil (2020:Rs'000 3,167,647 and nil) is receivable from related parties for the Group and Company respectively. The terms and conditions are disclosed in note 34.

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Year ended 31 December 2021

12. LOANS AND RECEIVABLES (CONT'D)

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

	Note	THE GROUP	
		2021	2020
		Rs'000	Rs'000
At January 1,		93,616	93,561
Charge for the year		2,573	5,582
Recoveries		(602)	(5,527)
	27(b)(ii)	1,971	55
At December 31,		95,587	93,616

(j) For the financial year ended December 31, 2021, an amount of Rs000's 4,016 and nil (2020:Rs.000's 10,349) has been written off for the Group and Company respectively.(Refer to note 27 (b)(ii)). These were previously not provided for.

(k) The fair value of the loans and receivables approximate its carrying amount.

13. Non-current receivables

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Interest and other receivables	4,895	7,594	-	-
	4,895	7,594	-	-

(a) The non-current other receivables are due and payable within 10 years from the end of the reporting period.

(b) The fair value of the non-current receivables approximates its carrying amount.

14. Deferred tax assets

(a) Deferred taxes are calculated on all temporary differences under the liability method at 17% (2020:17%). The movement on deferred tax account is as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	60,191	57,282	52,023	43,147
(Credited)/charged to profit or loss (note 23)	(5,882)	(2,511)	250	702
Other comprehensive income (note 18)	1,901	8,652	2,701	8,174
Exchange differences	1,107	(3,232)	-	-
At December 31,	57,317	60,191	54,974	52,023

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Year ended 31 December 2021

14. DEFERRED TAX ASSETS (CONT'D)

(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 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	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets	78,485	74,483	56,212	53,771
Deferred tax liabilities	(21,168)	(14,292)	(1,238)	(1,748)

Unrecognised deferred tax assets for the Group has been disclosed in note 23 (f).

(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, 2021	Reclassification	Credited to profit or loss	Credited to other comprehensive income	Exchange differences	At December 31, 2021	Deferred tax assets	Deferred tax liabilities
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets								
Retirement benefit obligations	53,826	334	(704)	1,901	-	55,357	55,357	-
Assessed losses and provisions	2	-	(2)	-	-	-	-	-
Accumulated tax losses	16,294	-	(10,267)	-	4,525	10,552	10,552	-
Lease liability	1,830	(8)	(670)	-	-	1,152	1,152	-
Investments in equity instruments	82	-	(96)	-	14	-	-	-
Other temporary differences	296	-	6,607	-	1,122	8,025	8,025	-
Provision for impairment	1,686	(803)	730	-		1,613	1,613	-
	74,016	(477)	(4,402)	1,901	5,661	76,699	76,699	-
Deferred tax liabilities								
Rights-of-use assets	(1,877)	-	855	-	(24)	(1,046)	-	(1,046)
Accelerated tax depreciation	(2,483)	477	(3,095)	-	(1,585)	(6,686)	1,786	(8,472)
Intangible assets	(1,515)	-	760	-	-	(755)	-	(755)
Revaluation surplus	(7,950)	-	-	-	(2,945)	(10,895)	-	(10,895)
	(13,825)	477	(1,480)	-	(4,554)	(19,382)	1,786	(21,168)
	60,191	-	(5,882)	1,901	1,107	57,317	78,485	(21,168)

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14. DEFERRED TAX ASSETS (CONT'D)

(c) Deferred tax assets and liabilities credited to the statement of profit or loss and other comprehensive income are attributable to the following items (cont'd):

	THE GROUP							
	At January 1, 2020	Reclassification	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	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	-
Provision for impairment	-	-	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)
	57,282	-	(2,511)	8,652	(3,232)	60,191	74,483	(14,292)

	THE COMPANY			
	At January 1, 2021	Credited to profit or loss	Credited to other comprehensive income	At December 31, 2021
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets				
Retirement benefit obligations	51,480	(1,066)	2,701	53,115
Accelerated tax depreciation	469	1,286	-	1,755
Lease liability	1,822	(480)	-	1,342
	53,771	(260)	2,701	56,212
Deferred tax liabilities				
Rights-of-use assets	(1,748)	510	-	(1,238)
	52,023	250	2,701	54,974

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14. DEFERRED TAX ASSETS (CONT'D)

(c) Deferred tax assets and liabilities credited to the statement of profit or loss and other comprehensive income are attributable to the following items (cont'd):

	THE COMPANY			
	At January 1, 2020	Credited to profit or loss	Credited to other comprehensive income	At December 31, 2020
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets				
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 liabilities				
Rights-of-use assets	(2,258)	510	-	(1,748)
	43,147	702	8,174	52,023

15. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020 Restated**	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Insurance receivables				
Due from contract holders *	849,400	871,544	666,643	701,287
Due from brokers and agents	555,492	577,585	552,341	575,991
Due from schemes	457,231	442,593	-	-
	1,862,123	1,891,722	1,218,984	1,277,278
Amount written-off not previously provided for	-	(106)	-	(106)
Reduction in allowance of impairment losses (b)	-	-	-	-
	1,862,123	1,891,616	1,218,984	1,277,172
Less provision for impairment (b)	(88,280)	(94,789)	(52,582)	(61,847)
	1,773,843	1,796,827	1,166,402	1,215,325

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15. TRADE AND OTHER RECEIVABLES (CONT'D)

	THE GROUP		THE COMPANY	
	2021	2020 Restated	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Due from reinsurers/reinsurance assets				
- Share of outstanding claims (Note 24/31(a))	308,559	233,362	266,177	197,142
- Share of unearned premiums (Note 24/31(b))	484,992	453,180	322,983	294,860
- Incurred but not reported (Note 24/31(a))	99,994	72,080	72,186	54,849
- Commission and other receivables	67,197	32,618	67,197	32,618
- Provision for impairment of reinsurance assets (c)	(3,534)	(5,125)	(3,534)	(5,125)
	957,208	786,115	725,009	574,344
Other receivables				
Receivable from related parties	135,008	185,688	9,638	34,165
Prepayments	98,458	77,501	21,174	9,147
Recoveries from third parties	102,909	47,816	102,909	47,816
Other receivables	415,413	109,277	221,245	156,760
- Provision for impairment of other receivables (d)	(21,902)	(17,775)	(7,488)	(7,488)
	729,886	402,507	347,478	240,400
	3,460,937	2,985,449	2,238,889	2,030,069

* This balance include insurance receivables from related parties amounting to nil and Rs000's. 159 (2020:Nil and Rs000's 21,346) for the Group and the Company.

** Refer to note 36 for more details about the restatement.

(a) The ageing of trade and other receivables is disclosed in note 3.2.2.

(b) Movements on the provision for impairment on insurance receivables are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	94,789	45,518	61,847	43,787
Charge for the year (Note 27(b))	5,274	50,059	3,754	18,060
Reduction in allowance of impairment losses*	(13,019)	-	(13,019)	-
Exchange differences	1,236	(788)	-	-
At December 31,	88,280	94,789	52,582	61,847

*During the year, insurance receivables amounting to Rs000's.13,019, which was already provided for, has been written-off for both the Group and the Company (2020:Nil).

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Year ended 31 December 2021

15. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Movements on the provision for impairment on due from reinsurers/reinsurance assets are as follows:

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	27 (b)	5,125	27,763	5,125	27,763
Charge for the year	27 (b)	-	3,534	-	3,534
Reduction in allowance of impairment losses		(1,591)	(26,172)	(1,591)	(26,172)
At December 31,		3,534	5,125	3,534	5,125

(d) Movements on the provision for impairment on other receivables are as follows:

	Note	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	27 (b)	17,775	5,572	7,488	-
Charge for the year		4,127	12,203	-	7,488
At December 31,		21,902	17,775	7,488	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.

16. LIFE ASSURANCE FUND

THE GROUP	2021			
	Actuarial liabilities	Fair value reserve	Actuarial losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	38,295,994	6,936,174	(147,829)	45,084,339
Movement in Life Assurance Fund for the year	2,938,075	4,766,230	2,059	7,706,364
At December 31,	41,234,069	11,702,404	(145,770)	52,790,703

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16. LIFE ASSURANCE FUND (CONT'D)

THE GROUP	2020			
	Actuarial liabilities	Fair value reserve	Actuarial gains/(losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	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 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.

17. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs'000	Rs'000
At January 1 & December 31,	**41,379**	41,379

The total authorised number of ordinary shares is 9,600,000 (2020:9,600,000 shares) with a par value of Rs 5 per share (2020:Rs 5 per share). The number of shares issued is 8,275,769 (2020:8,275,769 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.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

18. OTHER COMPREHENSIVE INCOME

THE GROUP	Retained Earnings	Fair value reserve	Other reserves	Non - controlling interests	Actuarial gains/ (losses)	Total
2021	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Change in value of available-for-sale financial assets (note 11)	-	5,993,911	-	1,911	-	5,995,822
- Release on disposal of available-for-sale financial assets	-	(707,460)	-	(7)	-	(707,467)
- Other movements:						
(i) Translation difference	-	-	79,983	1,677		81,660
(ii) Share of associates' other reserves (Note 9)	-	-	1,370	-	-	1,370
- Remeasurements of RBO (Note 21)	-	-	-	1,372	(10,490)	(9,118)
- Deferred tax impact (Note 14)	-	-	-	-	1,901	1,901
- Transfer to life assurance fund (Note 16)	-	(4,766,230)	-	-	(2,059)	(4,768,289)
	-	520,221	**81,353**	4,953	**(10,648)**	595,879

THE GROUP	Retained Earnings	Fair value reserve	Other reserves	Non - controlling interests	Actuarial gains/ (losses)	Total
2020	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Change in value of available-for-sale financial assets (note 11)	-	(769,162)	-	(2,349)	-	(771,511)
- Release on disposal of available-for-sale financial assets	-	(2,204,976)	-	(24)	-	(2,205,000)
- Other movements:						
(i) Translation difference	-	-	(34,541)	(1,343)	-	(35,884)
(ii) Share of associates' other reserves (Note 9)	-	-	722	-	-	722
- Remeasurements of RBO (note 21)	-	-	-	(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)

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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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18. OTHER COMPREHENSIVE INCOME (CONT'D)

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.

THE COMPANY	Fair Value Reserve	Actuarial gains/losses	Total
	Rs'000	Rs'000	Rs'000
2021			
- Change in value of available-for-sale financial assets (note 11)	**521,700**	**-**	**521,700**
- Release on disposal of available-for-sale financial assets	**(65,933)**	**-**	**(65,933)**
- Remeasurement of retirement benefit obligations (note 21)	**-**	**(15,890)**	**(15,890)**
- Deferred tax impact (note 14)	-	**2,701**	**2,701**
	455,767	**(13,189)**	**442,578**
2020			
- Change in value of available-for-sale financial assets (note 11)	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)

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19. NON-CONTROLLING INTERESTS

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
At January 1,	**489,496**	415,655
Effect on issue of shares	-	-
Share of profit (note 8(i))	**153,615**	128,881
Share of dividend	**(47,023)**	(44,623)
Movement in other comprehensive income (note 18)	**4,953**	(4,176)
Other movement	-	(207)
Effect of reduction of minority interest in associate	-	(6,034)
At December 31,	**601,041**	489,496

20. BORROWINGS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Non-Current				
Loans from related parties (a)	-	-	**50,000**	-
	-	-	**50,000**	-
Total Borrowings	-	-	**50,000**	-

(a) The loans from related parties were unsecured and bear interest rate of 2.9%.
(b) The carrying value of current borrowings approximates their amortised cost.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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21. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Amounts recognised in the statements of financial position				
- Defined pension benefits (a)(ii)	305,835	313,650	170,912	189,426
- Other post retirement benefits (b)(i)	112,784	90,132	71,846	54,306
	418,619	403,782	242,758	243,732
Analysed as follows:				
Non-current liabilities	418,619	403,782	242,758	243,732
Amounts recognised in the statements of profit or loss:				
- Defined pension benefits (a)(v)	29,487	30,221	11,306	13,542
- Other post retirement benefits (b)(iii)	12,833	11,059	7,730	6,330
	42,320	41,280	19,036	19,872
Amounts recognised in the statements of other comprehensive income:				
- Defined pension benefits (a)(vi)	(3,004)	98,689	5,209	52,904
- Other post retirement benefits (b)(iv)	12,122	(9,430)	10,681	(4,825)
	9,118	89,259	15,890	48,079

(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, 2021. 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.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligations	812,722	776,726	406,153	389,023
Fair value of plan assets	(506,887)	(463,076)	(235,241)	(199,597)
Liability in the statements of financial position	305,835	313,650	170,912	189,426

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	313,650	189,025	189,426	126,493
Charged to profit or loss	29,487	30,221	11,306	13,542
(Credited)/Charged to other comprehensive income	(3,004)	98,689	5,209	52,904
Transfer to trade and other receivables	3,096	-	-	-
Contributions paid	(37,394)	(4,285)	(35,029)	(3,513)
Net defined obligation				
At December 31,	305,835	313,650	170,912	189,426

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	776,726	621,276	389,023	309,340
Current service cost	23,358	24,873	8,212	11,291
Net interest cost	16,182	29,965	6,931	14,390
Actuarial losses	9,134	100,612	9,842	54,002
Benefits paid	(12,678)	-	(7,855)	-
Present value of defined obligation at December 31,	812,722	776,726	406,153	389,023

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	463,076	432,251	199,597	182,847
Expected return on plan assets	10,135	24,617	3,837	12,139
Losses on pension scheme assets	-	-	-	-
Actuarial gains	12,138	1,923	4,633	1,098
Transfer from Life Assurance Fund	-	-	-	-
Contributions by employer	37,394	4,285	35,029	3,513
Benefits paid	(12,678)	-	(7,855)	-
Scheme expenses	(82)	-	-	-
Transfer to trade and other receivables	(3,096)	-	-	-
Fair value of plan assets at December 31,	506,887	463,076	235,241	199,597
Actual return on plan assets	22,273	23,053	8,470	9,750

(v) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	23,358	24,873	8,212	11,291
Net interest cost	6,047	5,348	3,094	2,251
Scheme expenses	82	-	-	-
Losses on pension scheme assets	-	-	-	-
Total included in staff costs	29,487	30,221	11,306	13,542

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Actuarial (gains)/losses recognised during the year				
(Gains)/losses on pension scheme assets	(12,138)	(1,923)	(4,633)	(1,098)
Liability experience losses/(gains)	(16,578)	19,818	(9,832)	11,796
Changes in assumption underlying the present value of the scheme	-	-	-	-
Liability losses/(gains) due to change in financial assumptions	25,712	80,794	19,674	42,206
	(3,004)	98,689	5,209	52,904

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

The assets backing the Deposit Administration Policy form part of the Life Fund of Swan Life Ltd so that the breakdown of the 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	
	2021	2020	2021	2020
	%	%	%	%
Discount rate	3.3 - 4.2	1.80 - 2.60	3.30	1.80
Future salary increases	3.00	2.00	3.00	2.00
Future guarantee pension increases	0 - 3.0	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 2021	Swan Life Ltd rates/ RMPRF Rates 2020	Swan Life Ltd rates/ RMPRF Rates 2021	Swan Life Ltd rates/ RMPRF Rates 2020

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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 is:

December 31, 2021	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Future salary growth rate (1% increase)	56,141	50,009	19,757	17,644
Discount rate (1% increase)	53,434	60,402	20,456	22,972

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

The sensitivity above has been determined based on a method that extrapolates the impact on net defined obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

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

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

There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

(ix) The defined benefit pension plan exposes the Group and the Company to actuarial 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.

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(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 31.3m and Rs17.9m contributions respectively to its post-employment benefit plans for the year ending December 31, 2021.

(xii) The weighted average duration of the defined benefit obligation is 5-17 years for the Group at end of the reporting period (2020:4 - 17 years) and 5 - 10 years for the Company (2020:6 - 14 years).

(b) Other post retirement benefits

Other post retirement benefits comprise of residual retirement gratuities. Under the Workers Rights Act, employees are entitled to a retirement gratuity from which a portion of equivalent amount of the pension from the defined benefit schemes and defined contribution schemes 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, 2021.

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	90,132	88,503	54,306	52,801
Charged to profit or loss	12,833	11,059	7,730	6,330
Amount recognised in other comprehensive income	12,122	(9,430)	10,681	(4,825)
Benefits paid	(1,432)	-	-	-
Employer contributions	(871)	-	(871)	-
At December 31,	112,784	90,132	71,846	54,306

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	90,132	88,503	54,306	52,801
Current service cost	11,008	6,856	6,761	3,900
Interest expense	1,825	4,203	969	2,430
Benefits paid	(1,432)	-	-	-
Employer contributions	(871)	-	(871)	-
Actuarial (gains)/losses	12,122	(9,430)	10,681	(4,825)
At December 31,	112,784	90,132	71,846	54,306

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	11,008	6,856	6,761	3,900
Interest on net defined benefit liability	1,825	4,203	969	2,430
Total included in staff costs	12,833	11,059	7,730	6,330

(iv) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Liability experience losses/(gains) due to change in financial assumptions	(9,567)	13,331	(4,216)	7,811
Liability experience (gains)/losses	21,689	(22,761)	14,897	(12,636)
	12,122	(9,430)	10,681	(4,825)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	%	%	%	%
Discount rate	3.30 - 4.20	1.80 -2.70	3.30	1.80
Rate of salary increases	3.00	2.00	3.00	2.00
Average retirement age	60 years	60 years	60 years	60 years
Post retirement annuity rates	Swan Rates 2021 or RPF Rates 2021	Swan Rates 2020 or RPF Rates 2020	Swan Rates 2021 or RPF Rates 2021	Swan Rates 2020 or RPF Rates 2020

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

(vi) Sensitivity analysis on defined benefit obligation at end of period.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	17,123	15,434	9,498	8,256
Decrease due to 1% increase in discount rate	13,963	12,481	7,755	6,685

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 5 - 10 years for the Company (2020:6 - 14 years) and 5 - 18 years for the Group at end of the reporting period (2020:5 - 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. These risks are defined in Note a(ix) above.

(ix) Portable Retirement Gratuity Fund (PRGF)

The Portable Retirement Gratuity Fund (PRGF) was established following the proclamation of the Workers' Rights Act 2019 (WRA 2019). The purpose of the PRGF is to provide for the payment of a gratuity on retirement or death of a worker, irrespective of the number of employers with whom the worker may have worked during his career span.

The PRGF has come into operation on January 01, 2020. It applies to all workers, including self-employed individuals, except:

- Public sector officers
- Expatriates
- Workers covered by the Statutory Bodies Pension Funds Act
- Workers covered by a private pension fund
- Workers drawing a monthly basic salary of more than MUR 200,000

For each eligible worker, employers should make contributions into the PRGF at a rate of 4.5% of monthly remuneration.

The monthly remuneration has been defined as the sum of the monthly basic wage, productivity bonus, attendance bonus and payment for extra work performed.

Employers who sponsor a Private Pension Scheme (PPS) licensed by the FSC shall be exempted from making any contributions into the PRGF in respect of employees participating in the said PPS.
The sponsoring employers of those PPS are required to amend the scheme rules of their pension plan to allow for transfer values, upon resignation of employees, at any time instead of the obligation to have a minimum of two years of service.

The gratuity on retirement payable represents a defined benefit obligation. The present value of this defined benefit obligation is calculated by a qualified actuary using the projected unit credit method (refer to 2.15 (i)), and is provided for similarly to the defined benefit plan of the Group and the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021	2020 Restated*	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Insurance payables				
Reinsurance liabilities	**180,064**	134,722	**145,105**	89,716
Insurance contracts	**345,252**	310,862	**85,231**	71,726
Other payables				
Accrued expenses	**56,750**	97,491	**54,315**	73,754
Amount payable to subsidiary companies	**-**	-	**78,360**	118,542
Other payables	**832,623**	778,189	**171,015**	171,792
	1,414,689	1,321,264	**534,026**	525,530
Less non-current portion:				
Other payables	**(160,233)**	(161,067)	**(107,058)**	(107,646)
	1,254,456	1,160,197	**426,968**	417,884

* Refer to note 36 for more details about the restatement.

(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.

(c) The terms and conditions of the related party transactions are disclosed in Note 34.

NOTES TO THE CONSOLIDATED AND SEPARATE ***FINANCIAL STATEMENTS***

Year ended 31 December 2021

23. INCOME TAX

	THE GROUP		THE COMPANY	
	2021	2020 Restated*	2021	2020
(a) Net current tax liabilities	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,				
As previously stated	**10,468**	18,757	**3,673**	8,080
Effect of prior year adjustments (note 36)	**291**	113	**-**	-
	10,759	18,870	**3,673**	8,080
Amount paid during the year	**(17,213)**	(8,531)	**(9,036)**	(7,743)
Current tax on the adjusted profit				
for the year at 15% (2020:15%)	**68,383**	31,277	**13,839**	14,927
Payment under Advance Payment System (APS)	**(28,130)**	(23,506)	**(19,100)**	(11,694)
Tax deducted at source on rental income	**(56)**	(58)	**(56)**	(58)
(Over)/under provision in prior year	**5,009**	(8,104)	**3,400**	326
Foreign tax credit	**(239)**	(201)	**(239)**	(201)
Corporate Social Responsibility tax expense	**3,806**	2,359	**1,845**	1,990
Corporate Social Responsibility tax paid	**(1,774)**	(1,977)	**(1,767)**	(1,954)
Advances from Government (WAS)	**8,220**	284	**8,504**	-
Exchange differences	**693**	346	**-**	-
Balance at December 31,	**49,458**	10,759	**1,063**	3,673
Current tax assets	**-**	(2,734)	**-**	-
Current tax liabilities	**49,458**	13,493	**1,063**	3,673
(b) Tax reconciliation				
Profit or loss charge				
Current tax on the adjusted profit for the year at 10%-15% (2020:15%)	**68,383**	31,277	**13,839**	14,927
Deferred tax (note 14)	**5,882**	2,511	**(250)**	(702)
(Over)/under provision in prior year	**5,009**	(8,104)	**3,400**	326
Corporate Social Responsibility tax				
at 2% (2020:2%)	**3,806**	2,359	**1,845**	1,990
	83,080	28,043	**18,834**	16,541

* Refer to note 36 for more details about the restatement.

23. Income tax (cont'd)

(b) Tax reconciliation (cont'd)

	THE GROUP AND THE COMPANY	
Tax rates applicable in:	2021	2020
Mauritius (The Company and Subsidiaries)	15%	15%
Mauritius (Long-term insurance companies)	Refer to note (d)	
Comores (Subsidiary)	35%	35%
Madagascar (Subsidiary)	20%	20%
Rwanda (Subsidiary)	30%	30%
South Africa (Subsidiaries)	28%	28%
Zambia (Subsidiary)	35%	35%

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

*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	
	2021	2020	2021	2020
	Rs'000	Rs'000 Restated*	Rs'000	Rs'000
Tax calculated at rate of 10%-15% (2020: 15%)	153,397	87,145	46,950	44,282
Effect of different tax rates in other countries	420	2,402	-	-
Income not subject to tax (e)	(115,816)	(105,823)	(46,552)	(57,106)
Expenses not deductible for tax purposes (e)	30,862	51,131	13,191	27,049
Capital Gains tax effects	(36)	27	-	-
Tax losses for which no deferred tax asset was recognised	420	459	-	-
Utilisation of previously recognised tax losses	-	(1,553)	-	-
Others	5,018	-	-	-
(Over)/under provision in prior year	5,009	(8,104)	3,400	326
Corporate Social Responsibility tax at 2% (2020:2%)	3,806	2,359	1,845	1,990
Tax charge for the year	83,080	28,043	18,834	16,541

* Refer to note 36 for more details about the restatement.

23. Income tax (cont'd)

(d) The Subsidiary, Swan Life Ltd:

Up to June 30,2021, Swan life Ltd, the Company was liable to income tax at a rate of 15% on its taxable income.

Following a change in legislation effective in 2021, a company carrying out life insurance business is liable to a tax at the rate of 10% of its relevant profit or 15% of its taxable income, whichever is the higher.

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 consolidated statement of profit and loss; and

(ii) as increased by any capital loss attributable to shareholders where such loss has been debited to the consolidated of profit and loss.

(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			
	2021		2020	
	Gross amount	Tax effect	Gross amount	Tax effect
	Rs'000	Rs'000	Rs'000	Rs'000
Deductible temporary differences	277,435	47,164	268,721	45,683
Tax losses (Refer to note (g) below)	6,754,296	1,148,230	4,186,384	711,685
	7,031,731	1,195,394	4,455,105	757,368

The unrecognised deferred tax assets relates to the subsidiary, Swan Life Ltd.

(g) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Year 1	1,379,203	-
Year 2	-	1,379,203
Year 3	2,807,181	-
Year 4	-	2,807,181
Year 5	2,567,912	-
Lapsed during the year		-
	6,754,296	4,186,384

The tax losses expire on a rolling basis over 5 years.

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Year ended 31 December 2021

24. INSURANCE LIABILITIES AND REINSURANCE ASSETS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Gross	Rs'000	Rs'000 Restated*	Rs'000	Rs'000
- Claims reported and loss adjustment expenses (notes 3.1 (iv), 31(a))	1,105,428	1,091,693	732,802	718,573
- Claims incurred but not reported (IBNR) (note 31(a))	179,520	120,318	142,289	100,219
	1,284,948	1,212,011	875,091	818,792
- Unearned premiums (note 31(b))	1,671,129	1,560,534	1,419,722	1,340,867
- Additional unexpired risk reserve(note 31(c))	2,254	1,614	-	-
	1,673,383	1,562,148	1,419,722	1,340,867
Total gross insurance liabilities	2,958,331	2,774,159	2,294,813	2,159,659
Recoverable from reinsurers				
- Claims reported and loss adjustment expenses (notes 15,31(a))	308,559	233,362	266,177	197,142
- Unearned premiums (notes 15,31(b))	484,992	453,180	322,983	294,860
- Claims incurred but not reported (IBNR) (notes 15,31(a))	99,994	72,080	72,186	54,849
Total reinsurers' share of insurance liabilities	893,545	758,622	661,346	546,851
Net				
- Claims reported and loss adjustment expenses (notes 3.1 (iv), 31(a))	796,869	858,331	466,625	521,431
- Unearned premiums (note 31(b))	1,186,137	1,107,354	1,096,739	1,046,007
- Additional unexpired risk reserve(note 31(c))	2,254	1,614	-	-
- Claims incurred but not reported (IBNR) (note 31(a))	79,526	48,238	70,103	45,370
	2,064,786	2,015,537	1,633,467	1,612,808
Total net insurance liabilities	2,064,786	2,015,537	1,633,467	1,612,808
Breakdown of outstanding claims between Life and General business				
(i) Gross outstanding claims and IBNR				
General business (Note 3.19 (a)(iv))	987,973	884,359	875,091	818,792
Life business	296,975	327,652	-	-
	1,284,948	1,212,011	875,091	818,792
(ii) Net outstanding claims and IBNR				
General business (Note 3.19 (a)(iv))	590,377	585,938	536,728	566,801
Life business	286,018	320,631	-	-
	876,395	906,569	536,728	566,801

*Refer to note 36 for more details about the restatement.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

25. INVESTMENT INCOME

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	1,090,058	1,072,899	15,260	18,288
Dividend income	401,676	125,088	145,352	137,557
	1,491,734	1,197,987	160,612	155,845

26. GROSS WRITTEN PREMIUMS AND OTHER INCOME

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000 Restated*	Rs'000	Rs'000
Life insurance and pension premiums:				
Gross written premiums *	4,033,101	3,682,394	-	-
Consideration for annuities	1,107,363	1,020,771	-	-
	5,140,464	4,703,165	-	-
General insurance premiums:				
Gross written premiums **	3,834,606	3,454,273	3,246,476	3,051,387
	8,975,070	8,157,438	3,246,476	3,051,387

*Life insurance and pension's gross written premiums comprise of premiums received from individuals, corporates (in terms of defined benefit schemes ("DB Schemes" and defined contribution schemes ("DC Schemes"). Gross written premiums also comprise of premiums received from Group Credit insurance ("GCI") also.

**General insurance premiums consist of premiums written for fire & allied perils, motor, health and other short term insurance.

	THE GROUP		THE COMPANY	
Other income:				
Profit/(loss) on disposal of financial assets	307,724	(817,721)	4,214	(39,917)
Reclassification adjustment from fair value reserve	707,467	2,205,000	65,932	186,573
(Loss)/profit on disposal of investment properties	-	(927)	-	-
Loss on disposal of property and equipment	(93)	-	(238)	-
Lease and rental income	36,912	59,378	1,124	1,124
Others	9,661	173,340	2,495	27,476
	1,061,671	1,619,070	73,527	175,256

Others relates mainly to realised foreign exchange gain on disposal of financial assets for the Group.

*Refer to note 36 for more details about the restatement.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

27. ADMINISTRATIVE EXPENSES AND IMPAIRMENT CHARGES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
(a) Marketing and administrative expenses mainly include:	Rs'000	Rs'000	Rs'000	Rs'000
- Internal audit fees	1,021	1,899	485	224
- Staff costs (c)	717,468	647,339	414,294	350,256
- Management fees	-	-	8,099	6,331

(b) Impairment losses:	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
(i) Impairment on non financial assets				
- Investment in subsidiary companies (note 8)	-	-	-	2,653
- Investment in associates (note 9)	-	-	-	36,172
	-	-	-	38,825
Impairment financial/Insurance assets				
- Investment in financial assets (note 11)	-	-	4,314	-
- Loans and receivables (note 12)	4,016	10,349	-	-
- Insurance receivables (note 15)	13,019	106	13,019	106
- Reinsurance assets (note 15)	-	26,172	-	26,172
- Other receivables	2,010	18,882	-	8,894
- Intangibles assets (note 7)	-	2,485	-	-
- Seized properties (note 6(b))	-	9,359	-	-
	19,045	67,353	17,333	35,172
Total impairment losses	19,045	67,353	17,333	73,997
(ii) Movement in provision for impairment:				
- Insurance receivables (note 15)	5,274	50,059	3,754	18,060
- Reinsurance assets (note 15)	(1,591)	(22,638)	(1,591)	(22,638)
- Other receivables (note 15)	4,127	12,203	-	7,488
- Loans and receivables (note 12)	1,971	55	-	-
	9,781	39,679	2,163	2,910
(c) Analysis of staff costs				
- Salaries and wages	519,259	455,553	335,509	281,797
Retirement benefit obligation costs :				
- Defined pension benefits (note 21)	42,320	41,280	19,036	19,872
- Defined contribution plan	18,123	16,564	8,084	6,468
- Other costs*	137,766	133,942	51,665	42,119
	717,468	647,339	414,294	350,256

*Other costs consist mainly of travelling benefits, staff insurances and staff welfare cost

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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28. DIVIDENDS

	THE COMPANY	
	2021	2020
Declared and payable	Rs'000	Rs'000
Final dividend of Rs 14.40 payable per ordinary share (2020:Rs 14.40 per share)	119,171	119,171

During the year, total dividend of Rs 119,171,074 has been declared (2020:Rs 119,171,074).

29 EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000 Restated*	Rs'000	Rs'000
Earnings per share				
Profit attributable to equity holders of the Company (Rs'000)	692,505	642,172	294,169	278,675
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)	83.68	77.60	35.55	33.67

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.

*Refer to note 36 for more details about the restatement.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

30. NOTES TO THE STATEMENTS OF CASH FLOWS

	Notes	THE GROUP		THE COMPANY	
		2021	2020 Restated*	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash generated from operations					
Profit before taxation		929,200	799,096	313,003	295,216
Adjustments for:					
Transfer to Life Assurance Fund	16	2,938,075	2,775,799	-	-
Depreciation on property and equipment and investment property	5/6	46,270	54,809	11,455	16,272
Depreciation of right-of-use assets	5A	6,783	6,696	2,997	2,997
Amortisation of intangible assets	7	35,054	41,401	25,635	24,551
Net gains on exchange		(287,439)	(165,203)	(31,240)	(14,590)
Profit on disposal of subsidiary	35	(2,564)	-	-	-
Loss on sale of property and equipment	26	93	-	238	-
Write-off of property and equipment	5	-	-	-	-
Loss on disposal of investment properties	26	-	927	-	-
Loss/(profit) on sale of seized properties		1,170	191	-	-
Release from fair value reserve on disposal of financial assets	26	(707,467)	(2,205,000)	(65,932)	(186,573)
(Profit)/loss on disposal of financial assets	26	(307,724)	817,721	(4,214)	39,917
Investment income	25	(1,491,734)	(1,197,987)	(160,612)	(153,558)
Finance costs		1,408	4,308	711	2,566
Retirement benefit obligations	21	2,623	36,995	(16,864)	16,359
Impairment of insurance receivable	27(b)	13,019	106	-	106
Impairment of reinsurance receivable	15/27(b)	-	26,172	-	26,172
Impairment of loan and receivables	27(b)	4,016	10,349	-	-
Provision for impairment - insurance receivables	15/27(b)	5,274	50,059	(9,265)	18,060
Provision for impairment - reinsurance assets	15/27(b)	(1,591)	(22,638)	(1,591)	(22,638)
Provision for impairment - Loans and receivable	27(b)	1,971	55	-	-
Provision for impairment - other receivables	27(b)	4,127	12,203	-	7,488
Impairment of intangibles	27(b)	-	2,485	-	-
Impairment of seized properties	27(b)	-	9,359	-	-
Impairment of financial assets				(4,314)	
Impairment of investment in subsidiary					
companies and joint venture	8/9	-	-	-	38,825
Impairment of non-current receivables	13/27(b)	-	-	-	-
Impairment of other receivables	27(b)	2,010	18,882	-	8,894
Other movement	7	-	(2,683)	-	(205)
Bargain purchase		-	-	-	(14,296)
Change in gross unearned premiums and additional unexpired risk reserve	31(b)/(c)	96,154	95,062	78,855	10,973
Share of profit of associated companies and joint venture	9/10	(13,729)	(38,168)	-	-
Changes in working capital:					
- Trade and other receivables		(476,606)	428,131	(195,064)	580,752
- Trade and other payables		93,465	(518,730)	17,712	(286,302)
- Outstanding claims and IBNR	24/31(a)	47,737	249,019	56,299	164,085
Cash generated from operating activities		939,595	1,289,416	17,809	575,071

* Refer to prior year restatement note 36

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

30. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

	THE GROUP		THE COMPANY	
(b) Cash and cash equivalents and short-term deposits	2021	2020	2021	2020
Short-term deposits	Rs'000	Rs'000	Rs'000	Rs'000
Cash held at bank	1,182,549	832,864	130,263	36,376
Cash and cash equivalents	1,773,878	2,719,939	81,230	585,352
	2,956,427	3,552,803	211,493	621,728

The interest rates on short-term local deposits ranges from nil to 0.50% (2020:nil to 0.50%).

(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, 2021	Proceeds	Repayments	Foreign exchange movement	Accrued interest	Transfer to Current	Amortisation of non-current payable	As at December 31, 2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Long-term borrowings	174,824	-	-	150	-	(6,454)	(834)	167,686
Short-term borrowings	6,546	687	(7,866)	71	1,031	6,454	-	6,923
Total liabilities from financing activities	181,370	687	(7,866)	221	1,031	-	(834)	174,609

	THE GROUP							
	As at January 1, 2020	Proceeds	Repayments	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

Long-term borrowings comprise of non-current payables and long-term lease liabilities. Short-term borrowings comprise of short-term lease liabilities

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30. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(d) Reconciliation of liabilities arising from financing activities (cont'd)

	THE COMPANY					
	As at January 1, 2021	Net Cash flows	Accrued interest	Amortisation of non current payable	Transfer to Current	As at December 31, 2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Long-term borrowings	115,436	-	-	(588)	(2,992)	111,856
Short-term borrowings	2,931	46,466	711	-	2,992	53,100
Total liabilities from financing activities	118,367	46,466	711	(588)	-	164,956

	THE COMPANY					
	As at January 1, 2020	Net Cash flows	Accrued interest	Amortisation of non current payable	Transfer to Current	As at December 31, 2021
	Rs'000	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	(185,066)	2,566	-	2,931	2,931
Total liabilities from financing activities	301,455	(185,066)	2,566	(588)	-	118,367

31. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS

(a)	THE GROUP					
	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000 Restated*	Rs'000 Restated*	Rs'000 Restated*
(i) Outstanding claims						
At January 1,						
As previously stated	1,078,550	(220,219)	858,331	876,371	(240,691)	635,680
Effect of prior year adjustments (note 36)	13,143	(13,143)	-	2,893	(2,893)	-
As restated	1,091,693	(233,362)	858,331	879,264	(243,584)	635,680
Portfolio transfer	-	-	-	-	67,716	67,716
Exchange differences	11,495	(1,536)	9,959	(12,575)	(4,804)	(17,379)
Increase in liabilities due to the notification of additional claims	5,557,470	(431,182)	5,126,288	5,341,845	(321,860)	5,019,985
Cash paid for claims settled in the year	(5,555,230)	357,521	(5,197,709)	(5,116,841)	269,170	(4,847,671)
At December 31,	1,105,428	(308,559)	796,869	1,091,693	(233,362)	858,331
(ii) Incurred but not reported						-
At December 31,	179,520	(99,994)	79,526	120,318	(72,080)	48,238
At December 31,	1,284,948	(408,553)	876,395	1,212,011	(305,442)	906,569

31. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONT'D)

(a) Outstanding claims (cont'd)	THE GROUP					
	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000 Restated*	Rs'000 Restated*	Rs'000 Restated*
(iii) Net claims incurred for the year						
Cash paid for claims settled in the year	-	-	5,197,709	-	-	4,847,671
Portfolio transfer	-	-	-	-	(67,716)	(67,716)
Movement in outstanding claims/IBNR	59,232	(101,152)	(41,920)	236,444	(11,910)	224,534
Movement in expected recovery	(55,093)	-	(55,093)	(5,481)	-	(5,481)
	4,139	(101,152)		230,963	(79,626)	
Net claims incurred			5,100,696			4,999,008
Total claims and benefits paid:						
Claims (group excluding life business)			1,630,831			1,589,721
Claims and benefits (life business)			3,469,865			3,409,287
			5,100,696			4,999,008

	THE COMPANY					
	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) Outstanding claims						
At January 1,	718,573	(197,142)	521,431	558,904	(214,111)	344,793
Portfolio transfer			-	-	67,716	67,716
Increase in liabilities due to the notification of additional claims	1,808,646	(227,486)	1,581,160	1,735,140	(172,882)	1,562,258
Cash paid for claims settled in the year	(1,794,417)	158,451	(1,635,966)	(1,575,471)	122,135	(1,453,336)
At December 31,	732,802	(266,177)	466,625	718,573	(197,142)	521,431
(ii) Incurred but not reported						
At December 31,	142,289	(72,186)	70,103	100,219	(54,849)	45,370
At December 31,	875,091	(338,363)	536,728	818,792	(251,991)	566,801
(iii) Net claims incurred for the year						
Claims settled during the year			1,635,966			1,453,336
Movement in outstanding claims/ IBNR	56,299	(86,399)	(30,100)	164,085	(4,647)	159,438
Portfolio transfer	-	-	-	-	(67,716)	(67,716)
Movement in expected recovery	(55,093)	-	(55,093)	(5,481)	-	(5,481)
	1,206	(86,399)		158,604	(72,363)	
Net claims incurred			1,550,773			1,539,577

Expected recovery amounts to Rs 102.9m as at December 31, 2021 (2020:Rs 47.8m).

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

31. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONT'D)

(b) Provision for unearned premiums

	THE GROUP					
	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000 Restated*	Rs'000 Restated*	Rs'000 Restated*
At January 1,	1,478,268	(370,913)	1,107,355	1,469,443	(624,984)	844,459
Effect of prior year adjustments	82,267	(82,267)	-	6,875	(6,875)	-
As restated	1,560,535	(453,180)	1,107,355	1,476,318	(631,859)	844,459
Portfolio transfer	-	-	-	-	264,327	264,327
Net increase in liabilities due to premium being earned	95,741	(24,307)	71,434	93,510	(83,125)	10,385
Exchange differences	14,853	(7,505)	7,348	(9,294)	(2,523)	(11,817)
At December 31,(note 24)	1,671,129	(484,992)	1,186,137	1,560,534	(453,180)	1,107,354

(c) Provision for additional unexpired risk reserve

	THE GROUP					
	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	1,614	-	1,614	-	-	-
Increase during the year	412	-	412	1,552	-	1,552
Exchange difference	228	-	228	62	-	62
At December 31,(note 24)	2,254	-	2,254	1,614	-	1,614

	THE COMPANY					
	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	1,340,867	(294,860)	1,046,007	1,329,894	(569,047)	760,847
Portfolio transfer	-	-	-	-	264,327	264,327
Net increase during the year	78,855	(28,123)	50,732	10,973	9,860	20,833
At December 31,(note 24)	1,419,722	(322,983)	1,096,739	1,340,867	(294,860)	1,046,007

*Refer to note 36 for more details about the restatement.

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Year ended 31 December 2021

32. COMMITMENTS AND CONTINGENCIES

	THE GROUP		THE COMPANY	
(a) Financial Commitments	2021	2020	2021	2020
Outstanding commitments for the following :-	Rs'000	Rs'000	Rs'000	Rs'000
Investments in financial assets	144,000	544,354	-	-
Loans to be granted	147,380	97,841	-	-

The amounts above represents the Group and the Company's maximum exposure to credit risk.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
(b) Contingent Liabilities	Rs'000	Rs'000	Rs'000	Rs'000
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, 2021, 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**

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33. SEGMENT INFORMATION - THE GROUP

(a) Operating Segment	2021			
	Life insurance business	General insurance business	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	5,140,464	3,849,266	(14,660)	8,975,070
Net earned premiums	4,956,811	2,550,690	(7,233)	7,500,268
				-
Underwriting surplus	1,537,893	814,891	(7,233)	2,345,551
Investment income	1,456,347	171,009	(135,622)	1,491,734
Operating profit	2,994,240	985,900	(142,855)	3,837,285
Other income	977,577	97,153	(13,059)	1,061,671
Marketing and administrative expenses	(546,825)	(690,423)	22,937	(1,214,311)
Finance costs	(569)	(839)	-	(1,408)
Movement in allowances for credit impairment of financial assets	(6,116)	(3,665)	-	(9,781)
Movement in allowances for credit impairment of non financial assets	(197)	-	-	(197)
Impairment of financial/non-financial/insurance assets	(15,908)	(19,804)	16,667	(19,045)
Depreciation and amortisation	(45,206)	(47,305)	4,404	(88,107)
Net gain on exchange	264,759	22,680	-	287,439
Share of results of associated companies and joint venture	-	-	13,729	13,729
Movement in Life Assurance Fund	(2,938,075)	-	-	(2,938,075)
Profit before taxation	683,680	343,697	(98,177)	929,200
Income tax expense	(54,799)	(28,281)	-	(83,080)
Profit for the year	628,881	315,416	(98,177)	846,120

	2021			
	Life	General	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	56,651,662	7,474,117	(808,399)	63,317,380
Total liabilities	(54,389,392)	(3,767,587)	370,464	(57,786,515)
Total equity	2,262,270	3,706,530	(437,935)	5,530,865
Capital expenditure	14,321	26,282	-	40,603
Depreciation and amortisation	45,206	47,305	(4,404)	88,107

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

33. SEGMENT INFORMATION - THE GROUP (CONT'D)

(a) Operating Segment	2020 - Restated			
	Life insurance business	General insurance business	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	4,703,165	3,498,804	(44,531)	8,157,438
Net earned premiums	4,531,717	2,378,027	(44,531)	6,865,213
				-
Underwriting surplus	1,170,101	692,889	(44,531)	1,818,459
Investment income	1,168,029	161,579	(131,621)	1,197,987
Operating profit	2,338,130	854,468	(176,152)	3,016,446
Other income	1,454,785	214,809	(50,524)	1,619,070
	3,792,915	1,069,277	(226,676)	4,635,516
Marketing and administrative expenses	(473,339)	(632,000)	55,593	(1,049,746)
Finance costs	(1,580)	(2,728)	-	(4,308)
Movement in allowances for credit impairment of financial assets	(34,952)	(4,727)	-	(39,679)
Impairment of financial/non-financial/insurance assets	(19,708)	(83,985)	36,340	(67,353)
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	323,258	(85,769)	799,096
Income tax expense	(3,981)	(24,057)	(5)	(28,043)
Profit for the year	557,626	299,201	(85,774)	771,053

	2020			
	Life	General	Group Elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	48,446,395	6,477,527	(918,067)	54,005,855
Total liabilities	(46,625,059)	(3,526,861)	401,117	(49,750,803)
Total equity	1,821,336	2,950,666	(516,950)	4,255,052
Capital expenditure	45,011	38,202	-	83,213
Depreciation and amortisation	50,222	53,809	(1,125)	102,906

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Year ended 31 December 2021

33. SEGMENT INFORMATION - THE GROUP (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 2.13.

(iv) Unallocated includes retirement benefit obligations, deferred tax liabilities, current tax liabilities and dividend payable.

34. RELATED PARTY TRANSACTIONS

(a)

THE GROUP	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
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021									
Shareholders with significant influence	**279,002**	**167,934**	**69,021**	**2,810,099**	**106,977**	**-**	**-**	**3,184,584**	**26,489**
Enterprises on which the Group exerts significant influence	**999,153**	**2,622**	**-**	**104,489**	**16,686**	**-**	**-**	**-**	**-**
Directors and Key Management Personnel	**2,409**	**562**	**2,315**	**-**	**450**	**7**	**-**	**88,313**	**166**
Other related entities	**16,858**	**-**	**-**	**-**	**10,895**	**-**	**160,233**	**-**	**-**
	1,297,422	**171,118**	**71,336**	**2,914,588**	**135,008**	**7**	**160,233**	**3,272,897**	**26,655**
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	161,067	-	-
	1,194,680	108,772	58,012	2,558,087	185,688	21	161,067	3,183,365	29,089

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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34. RELATED PARTY TRANSACTIONS (CONT'D)

(b)

THE COMPANY	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
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021										
Subsidiary companies	**7,233**	**129,336**	**9,539**	**21,568**	**565,874**	**-**	**-**	**7,021**	**9,797**	**78,360**
Shareholders with significant influence	**179,931**	**1,492**	**-**	**69,021**	**74,411**	**-**	**-**	**26,489**	**81,280**	**-**
Enterprises on which the Company exerts significant influence	**-**	**2,622**	**-**	**-**	**104,489**	**-**	**-**	**-**	**476**	**-**
Directors and Key Management Personnel	**1,610**	**-**	**-**	**2,315**	**-**	**5,622**	**-**	**166**	**450**	**-**
Other related entities	**-**	**-**	**-**	**-**	**-**	**-**	**107,058**	**-**	**-**	**-**
	188,774	**133,450**	**9,539**	**92,904**	**744,774**	**5,622**	**107,058**	**33,676**	**92,003**	**78,360**
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 Group 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

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	**133,828**	128,120	**71,344**	67,358
Post-employment benefits	**6,733**	4,590	**3,531**	2,239
	140,561	132,710	**74,875**	69,597

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. For the year ended December 31, 2021, the Group and the Company have not recorded any impairment of receivables relating to amounts owed by related parties (2020:Nil). There have been no guarantees provided for any related party receivables or payables.

	Settlement terms	Security	Interest
Amount receivable from related parties	Within one year	Unsecured	Interest free
Amount payable to related parties	Within one year	Unsecured	Interest free
Loans/ Deposit	1 to more than 5 years	Secured	1.25% to 6.6%

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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35. DISPOSAL OF SUBSIDIARY

During the year, the Group disposed of Société Brugassur S.A, effective date December 31, 2020.

The results of the disposal in the Group's financial statements are as follows:

	2021
	Rs'000
Analysis of assets and liabilities	
Assets	
Trade and other receivables	44
Cash and cash equivalent	177
Total assets	221
Liabilities	
Trade and other payables	40
Total liabilities	40
Net assets	181
Profit on disposal of subsidiary	
Consideration received	1,600
Net assets disposed of	(181)
Cumulative exchange differences in respect of the net assets of the subsidiary disposed	1,145
	2,564

Net cash inflow on disposal of subsidiary	2021
	Rs'000
Consideration received in cash and cash equivalents	1,600
Less cash and equivalent balances disposed	(177)
Net cash inflow	1,423

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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36. PRIOR YEAR RESTATEMENTS

In preparing the financial statements for the year ended December 31, 2020, the Group 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, 2020 and December 31, 2020.

THE GROUP

In the current year 2021, it was noted that Swan Special Risks Company Limited, a subsidiary of the Group, did not account for insurance policies issued by one of its accredited administrator, for the years ending 2020 and 2019. The impact of this on the prior year financial statements are as per below.

(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, 2020			January 01, 2020		
	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	384,809	-	384,809	406,064	-	406,064
Right-of-use assets	18,875	-	18,875	25,199	-	25,199
Investment properties	425,317	-	425,317	433,191	-	433,191
Intangible assets	134,245	-	134,245	144,924	-	144,924
Investments in associated companies	-	-	-	-	-	-
Investment in joint venture	158,862	-	158,862	160,886	-	160,886
Investment in financial assets	3,481	-	3,481	2,907	-	2,907
Available-for-sale financial assets	25,094,238	-	25,094,238	26,395,052	-	26,395,052
Held-to-maturity financial assets	11,508,757	-	11,508,757	11,907,795	-	11,907,795
Loans and receivables	5,819,741	-	5,819,741	4,338,413	-	4,338,413
Non-current receivables	7,594	-	7,594	5,444	-	5,444
Deferred tax assets	74,483	-	74,483	64,074	-	64,074
Total non-current assets	43,630,402	-	43,630,402	43,883,949	-	43,883,949
Current assets						
Held-to-maturity financial assets	2,961,192	-	2,961,192	2,446,390	-	2,446,390
Loans and receivables	820,037	-	820,037	216,072	-	216,072
Trade and other receivables	2,844,752	140,697	2,985,449	3,505,035	19,752	3,524,787
Seized properties	53,238	-	53,238	55,489	-	55,489
Current tax assets	2,923	(189)	2,734	3,204	-	3,204
Short-term deposits	832,864	-	832,864	1,395,940	-	1,395,940
Cash and cash equivalents	2,719,939	-	2,719,939	2,297,423	-	2,297,423
		-		-	-	
Total current assets	10,234,945	140,508	10,375,453	9,919,553	19,752	9,939,305
Total assets	53,865,347	140,508	54,005,855	53,803,502	19,752	53,823,254

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

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36. PRIOR YEAR RESTATEMENTS (CONT'D)

	December 31, 2020			January 01, 2020		
	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	3,445,647	6,473	3,452,120	2,922,998	533	2,923,531
Other reserves	272,057	-	272,057	501,949	-	501,949
Attributable to owners of the parent	3,759,083	6,473	3,765,556	3,466,326	533	3,466,859
Non-controlling interests	489,496		489,496	415,655		415,655
Total equity	4,248,579	6,473	4,255,052	3,881,981	533	3,882,514
Technical provisions						
Life Assurance Fund	45,084,339	-	45,084,339	45,166,453	-	45,166,453
Outstanding claims and IBNR	1,195,952	16,059	1,212,011	985,419	3,261	988,680
Gross Unearned Premiums & Additional unexpired risk reserve	1,479,881	82,267	1,562,148	1,469,443	6,875	1,476,318
Total technical provisions	47,760,172	98,326	47,858,498	47,621,315	10,136	47,631,451
Non-current liabilities						
Borrowings	-	-	-	-	-	-
Lease liabilities	13,757	-	13,757	19,711	19,711	19,711
Retirement benefit obligations	403,782	-	403,782	277,528	277,528	277,528
Deferred tax liabilities	14,292	-	14,292	6,792	6,792	6,792
Non-current payables	161,067	-	161,067	161,901	161,901	161,901
Total non-current liabilities	592,898	-	592,898	465,932	465,932	465,932
Current liabilities						
Trade and other payables	1,124,590	35,607	1,160,197	1,686,856	1,686,856	1,695,826
Borrowings	-	-	-	-	-	-
Lease liabilities	6,546	-	6,546	6,286	6,286	6,286
Current tax liabilities	13,391	102	13,493	21,961	21,961	22,074
Dividend payable	119,171	-	119,171	119,171	119,171	119,171
Total current liabilities	1,263,698	35,709	1,299,407	1,834,274	1,834,274	1,843,357
Total equity and liabilities	53,865,347	140,508	54,005,855	53,803,502	19,752	53,823,254

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

36. PRIOR YEAR RESTATEMENTS (CONT'D)

Consolidated statement of profit or loss and other comprehensive income

THE GROUP	December 31, 2020		
	Previously stated	Prior year adjustment	Restated
	Rs'000	Rs'000	Rs'000
Gross written premiums	8,031,890	125,548	8,157,438
Premiums ceded to reinsurers	(1,156,292)	(125,548)	(1,281,840)
Change in gross unearned premiums	(18,118)	(75,392)	(93,510)
Change in reinsurers share of unearned premiums	7,733	75,392	83,125
Net earned premiums	6,865,213	-	6,865,213
Gross claims paid	(5,085,487)	(31,354)	(5,116,841)
Claims recovered from reinsurers	237,816	31,354	269,170
Movement in gross outstanding claims and IBNR	(218,164)	(12,799)	(230,963)
Movement in gross outstanding claims recoverable from reinsurers	66,827	12,799	79,626
Net claims incurred	(4,999,008)	-	(4,999,008)
Movement in Additional unexpired risk reserve	(1,552)	-	(1,552)
Commissions receivable from reinsurers	309,189	33,898	343,087
Commissions paid to agents and brokers	(517,922)	(27,621)	(545,543)
Net commissions	(208,733)	6,277	(202,456)
Fee income on insurance and investment contracts	262,562	-	262,562
Fees payable	(106,300)	-	(106,300)
Underwriting surplus	1,812,182	6,277	1,818,459
Investment income	1,197,987		1,197,987
Operating profit	3,010,169	6,277	3,016,446
Other income	1,619,070	-	1,619,070
	4,629,239	6,277	4,635,516
Marketing and administrative expenses	(1,049,587)	(159)	(1,049,746)
Finance costs	(4,308)	-	(4,308)
Impairment losses	(39,679)	-	(39,679)
Movement in Allowances for credit impairment	(55,509)	-	(55,509)
Impairment of financial assets	(11,844)	-	(11,844)
Depreciation and amortisation	(102,906)	-	(102,906)
Net gain on exchange	165,203	-	165,203
Movement in Life Assurance Fund	(2,775,799)	-	(2,775,799)
Share of results of associated companies and joint venture, net of tax	38,168	-	38,168
Profit before taxation	792,978	6,118	799,096
Income tax expense	(27,865)	(178)	(28,043)
Profit for the year	765,113	5,940	771,053
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit obligations	(80,679)	-	(80,679)
Items that may be reclassified subsequently to profit or loss:			
Change in value of available-for-sale financial assets	(2,976,439)	-	(2,976,439)
Release on disposal of available-for-sale financial assets	722	-	722
Net movement in other reserves	(35,884)	-	(35,884)
	(3,011,601)	-	(3,011,601)

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

36. PRIOR YEAR RESTATEMENTS (CONT'D)

Consolidated statement of profit or loss and other comprehensive income (cont'd)

THE GROUP	December 31, 2020		
	Previously stated	Prior year adjustment	Restated
	Rs'000	Rs'000	Rs'000
Movement in Life Assurance Fund	2,857,913	-	2,857,913
Other comprehensive income for the year, net of tax	(234,367)	-	(234,367)
Total comprehensive income for the year	530,746	5,940	536,686
Profit for the year			
Attributable to:			
Owners of the parent	636,232	5,940	642,172
Non-controlling interests	128,881	-	128,881
	765,113	5,940	771,053
Total comprehensive income for the year			
Attributable to:			
Owners of the parent	406,041	5,940	411,981
Non-controlling interests	124,705	-	124,705
	530,746	5,940	536,686
Basic and diluted earnings per share			
(Rupees and cents)	76.88	0.72	77.60

The effect on profit or loss and cash flows are as per below:

	2020
	Rs'000
Increase in commission fee income	33,898
Increase in brokers and Administration fees	(27,621)
Increase in administrative expenses	(159)
Increase in income tax charge	(178)
	5,940
Effect on earnings per share	0.72
Effect on Operating cashflows	21,807

The effect on investing and financing cashflows is nil.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

37. GOING CONCERN

Two years after the first lock-down in many countries, the world is gradually learning to live with the COVID-19 virus and its variants, notwithstanding the fact that they continue to represent a public health issue. Geographical borders and economies have re-opened with varying degrees of controls, and life has reverted to a new normal, made up of sanitary protocols.

Following the severe economic pull-back of 2020, as expected, economies worldwide including Mauritius, made a come-back in 2021, with different degrees of strength. Unprecedented fiscal and monetary supports, combined with massive rollouts of vaccination campaigns globally, and the willingness of policymakers to open up their economies gradually have been supportive to both economic activity and financial markets.

Following the comeback in the second half of 2020, international equity markets maintained an uptrend in 2021 and delivered a robust double-digit performance, hitting new highs along the way, despite new concerns of higher inflation. On the local side, the SEMDEX also delivered strong gains as the economy gradually restarted, the borders re-opened to welcome foreign exchange generating guests, and government put in place different support schemes.

Despite encouraging signs that the world seems to be able to live with the COVID-19 virus, it is noteworthy that the World Health Organisation has stressed that the virus should not be discarded yet as some variants are potentially lethal. As such, countries, organisations both public and private, as well as the population will need to remain vigilant until such time the COVID-19 and itsvariants can be claimed to have been totally vanquished.

With the gradual opening of economies, strong corporate earnings of key players, and successful vaccination campaigns worldwide, and despite the latent risks of the virus, we are optimistic that the global economy will continue improving in 2022 in the absence of any major unexpected shock.

The capital and solvency margins have always been above the minimum required by the Insurance Act 2005. The Company does 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 consolidated and separate 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, 2021.

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

39. THREE YEAR SUMMARY

THE GROUP	2021	2020	2019
	Rs'000	Rs'000 Restated	Rs'000 Restated
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS			
Gross premiums	**8,975,070**	8,157,438	8,026,365
Net earned premiums	**7,500,268**	6,865,213	6,310,059
Underwriting surplus	**2,345,551**	1,818,459	1,696,110
Operating profit	**3,837,285**	3,016,446	3,242,050
Profit before taxation	**929,200**	799,096	718,059
Income tax expense	**(83,080)**	(28,043)	(56,724)
Profit for the year	**846,120**	771,053	661,335
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit for the year	**846,120**	771,053	661,335
Other comprehensive income for the year	**595,879**	(234,367)	119,105
Total comprehensive income	**1,441,999**	536,686	780,440
Attributable to:			
Owners of the parent	**1,283,431**	411,981	661,335
Non-controlling interest	**158,568**	124,705	119,105
	1,441,999	536,686	780,440
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Non-current assets	**54,170,621**	43,630,402	43,883,949
Current assets	**9,146,759**	10,375,453	9,939,305
	63,317,380	54,005,855	53,823,254
Owners' interest	**4,929,824**	3,765,556	3,466,859
Non-controlling interest	**601,041**	489,496	415,655
Life Assurance Fund	**52,790,703**	45,084,339	45,166,453
Gross Unearned Premiums & Additional unexpired risk reserve	**1,673,383**	1,562,148	1,476,318
Outstanding claims & IBNR	**1,284,948**	1,212,011	988,680
Non-current liabilities	**607,473**	592,898	465,932
Current liabilities	**1,430,008**	1,299,407	1,843,357
	63,317,380	54,005,855	53,823,254
Dividends per share (rupees and cents)	**14.40**	14.40	14.40
Earnings per share (rupees and cents)	**83.68**	77.60	79.91
Net assets value per share (rupees and cents)	**595.69**	455.01	418.92
Number of shares used in calculation	**8,275,769**	8,275,769	8,275,769

NOTES TO THE CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

Year ended 31 December 2021

39. THREE YEAR SUMMARY (CONT'D)

THE COMPANY	2021	2020	2019
	Rs'000	Rs'000	Rs'000
SEPARATE STATEMENTS OF PROFIT OR LOSS			
Gross premiums	**3,246,476**	3,051,387	2,953,907
Net earned premiums	**2,408,649**	2,297,335	1,546,533
Underwriting surplus	**739,211**	639,377	588,394
Operating profit	**899,823**	795,222	756,947
Profit before taxation	**313,003**	295,216	316,019
Income tax expense	**18,834**	16,541	19,959
Profit for the year	**294,169**	278,675	296,060
SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit for the year	**294,169**	278,675	296,060
Other comprehensive income for the year	**442,578**	(180,345)	99,361
Total comprehensive income	**736,747**	98,330	395,421

	2021	2020	2019
	Rs'000	Rs'000	Rs'000 Restated
SEPARATE STATEMENTS OF FINANCIAL POSITION			
Non-current assets	**3,893,875**	2,880,908	2,880,908
Current assets	**2,468,199**	2,676,857	2,676,857
	6,362,074	5,557,765	5,557,765
Owners' interest	**3,111,107**	2,493,531	2,514,372
Gross unearned premiums	**1,419,722**	1,340,867	1,329,894
Outstanding claims and IBNR	**875,091**	818,792	654,707
Non-current liabilities	**355,852**	360,916	300,507
Current liabilities	**600,302**	543,659	975,561
	6,362,074	5,557,765	5,775,041
Dividends per share (rupees and cents)	**14.40**	14.40	14.40
Earnings per share (rupees and cents)	**35.55**	33.67	35.77
Net assets value per share (rupees and cents)	**375.93**	301.31	303.82
Number of shares used in calculation	**8,275,769**	8,275,769	8,275,769

OTHER STATUTORY ***DISCLOSURES***
(pursuant to Section 221 of the Companies Act)

Year ended 31 December 2021

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the Subsidiary Companies have service contracts that need to be disclosed under Section 221 of the Companies Act.

DIRECTORS' REMUNERATION AND BENEFITS

The total remuneration and benefits received, due and receivable:

(i) by each Director of Swan General Ltd from the Company and its subsidiaries are as follows;

	From the Company		From the Subsidiaries	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
Louis Rivalland	6,005	6,052	13,855	14,110
Michel Thomas	13,832	11,994	723	627
Non-executive Directors				
Nicolas Maigrot	175	175	175	175
Sébastien Mamet	90	90	90	90
Arif Fakhruddin Currimjee	140	140	140	140
Henri Harel	120	120	120	120
Gopallen Mooroogen	160	160	240	240
Victor Seevaye	140	140	180	180
René Leclézio	45	90	45	90
Philippe Espitalier-Noël	90	90	90	90
Hector Espitalier-Noël	60	90	60	90
Grace Leung Shing	58	-	58	-
Eric Espitalier-Noël	23	-	23	-
	20,938	19,141	15,799	15,952

(ii) by the Directors of Subsidiaries who are not Directors of the Company are provided below:

	From the Subsidiaries	
	2021	2020
	Rs'000	Rs'000
Swan International Ltd		
Directors fees - Non Executive Director		
Jaiyansing Soobah	20	20
Swan Corporate Affairs Ltd		
Directors fees - Non Executive Director		
Jaiyansing Soobah	20	20

OTHER STATUTORY ***DISCLOSURES***
(pursuant to Section 221 of the Companies Act)

Year ended 31 December 2021

DIRECTORS' REMUNERATION AND BENEFITS (cont'd)

	From the Subsidiaries	
	2021	2020
	Rs'000	Rs'000
Swan Special Risks Ltd		
Directors fees - Non Executive Director		
Pierre Dinan	20	20
Swan Reinsurance PCC		
Directors fees - Non Executive Director		
Pierre Dinan	20	20
Swan Pensions Ltd		
Directors fees - Executive Director		
Alan Goder	20	20
Swan Wealth Managers Ltd		
Directors fees - Executive Director		
Nitish Benimadhu	-	20
Gianduth Jeeawock	15	-
Swan Securities Ltd		
Directors fees - Non Executive Directors		
Karine Morel	20	20
Jaiyansing Soobah	20	20
	40	40
Swan Financial Solutions Ltd		
Directors fees - Executive Director		
Nitish Benimadhu	-	10
Directors fees - Non Executive Director		
Ashley Coomar Ruhee	10	10
Alan Goder	7	-
	17	20
Manufacturer's Distributing Station Limited		
Directors fees - Non Executive Director		
Jaiyansing Soobah	20	20

OTHER STATUTORY **DISCLOSURES**
(pursuant to Section 221 of the Companies Act)

Year ended 31 December 2021

DIRECTORS' REMUNERATION AND BENEFITS (cont'd)

	From the Subsidiaries	
	2021	2020
	Rs'000	Rs'000
Swan Actuarial Services Ltd		
Directors fees - Executive Director		
Richard Li Ting Chung	30	30
Directors fees - Non Executive Director		
Jaiyansing Soobah	30	30
	60	60

	THE GROUP		THE COMPANY	
Donations	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	-	-	-	-
Charitable donations	163	30	163	15
	163	30	163	15

	THE GROUP		THE COMPANY	
Auditors' fees and fees for other services	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- KPMG	15,525	5,750	8,050	2,875
- BDO & Co	1,985	1,700	-	-
- Other firms	2,211	1,519	-	-
	19,721	8,969	8,050	2,875
Fees paid for other services provided by*:				
- KPMG	1,150	1,150	575	575
- BDO & Co	2,139	2,381	1,035	920
	3,289	3,531	1,610	1,495
* The breakdown of other services provided are as follows:				
Statutory services:	769	778	345	345
- Review of insurance return	565	577	230	230
- Review of risk management framework	1,334	1,355	575	575
Other services:				
- Review of quarterly consolidated accounts	-	336	-	-
- Review of year end consolidated accounts	-	-	-	-
- Preparation of Financial statements	1,955	1,840	1,035	920
	1,955	2,176	1,035	920
	3,289	3,531	1,610	1,495

OTHER STATUTORY **DISCLOSURES**
(pursuant to Section 221 of the Companies Act)

Year ended 31 December 2021

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.

Directors of the company

Mr. Arif F. CURRIMJEE
Mr. M. A. Eric ESPITALIER-NOËL [Appointed on 8 October 2021]
Mr. M. M. Hector ESPITALIER-NOËL [Resigned on 29 July 2021]
Mr. M. H. Philippe ESPITALIER-NOËL
Mr. M. D. Henri HAREL
Mr. J. M. René LECLÉZIO [Resigned on 30 June 2021]
Ms. Grace S. LEUNG SHING [Appointed on 2 August 2021]
Mr. Nicolas M. E. MAIGROT [Chairperson]
Mr. E. J. Sébastien MAMET
Mr. P. Gopallen MOOROOGEN
Mr. J. M. Louis RIVALLAND [Group Chief Executive]
Mr. Victor C. SEEYAVE [Resigned on 7 December 2021]
Mr. A. Michel THOMAS [Chief Operations Officer]

Directors of subsidiary companies

Swan Life Ltd

Mr. Arif F. CURRIMJEE
Mr. M. A. Eric ESPITALIER-NOËL [Appointed on 8 October 2021]
Mr. M. M. Hector ESPITALIER-NOËL [Resigned on 29 July 2021]
Mr. M. H. Philippe ESPITALIER-NOËL
Mr. M. D. Henri HAREL
Mr. J. M. René LECLÉZIO [Resigned on 30 June 2021]
Ms. Grace S. LEUNG SHING [Appointed on 2 August 2021]
Mr. Nicolas MAIGROT [Chairperson]
Mr. J. Sébastien MAMET
Mr. P. Gopallen MOOROOGEN
Mr. J. M. Louis RIVALLAND [Group Chief Executive]
Mr. Victor C. SEEYAVE [Resigned on 7 December 2021]

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. Alan GODER
Mr. P. Gopallen MOOROOGEN
Mr. J. M. Louis RIVALLAND

Directors of subsidiary companies (cont'd)

Processure Compagnie Ltée

Mr. Olivier Jean Albert DEVIN
Mr. J. M. Alan GODER
Mr. Olivier A. G. JOLLAND
Mr. J. M. Louis RIVALLAND

Swan Reinsurance PCC

Mr. M. D. Pierre DINAN, G.O.S.K.
Mr. T. K. Philippe LO FAN HIN
Mr. P. Gopallen MOOROOGEN
Mr. Neelkamal RAGOO
Mr. J. M. Louis RIVALLAND
Mr. Victor C. SEEYAVE
Mr. A. Michel THOMAS

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. Nitish BENI MADHU (Resigned on 29 January 2021)
Mr. Gianduth JEEAWOCK [Appointed on 29 March 2021]
Mr. J. M. Louis RIVALLAND
Mr. P. Gopallen MOOROOGEN

Swan Securities Ltd

Mr. Jaiyansing SOOBAH
Mrs. Karine Morel

Swan Financial Solutions Ltd

Mr. Nitish BENI MADHU [Resigned on 29 January 2021]
Mr. J. M. Alan GODER [Appointed on 21 May 2021]
Mr. J. M. Louis RIVALLAND
Mr. Ashley Coomar RUHEE

OTHER STATUTORY ***DISCLOSURES***
(pursuant to Section 221 of the Companies Act)

Year ended 31 December 2021

Directors of subsidiary companies (cont'd)

Dolberg Rental (Pty) Ltd

Mr. Nitish BENI MADHU [Resigned on 29 January 2021]
Mr. J. M. Louis RIVALLAND

Aprica Investments Co Ltd

Mr. M. G. M. Patrice BASTIDE
Mr. M. H. Philippe ESPITALIER-NOËL
Mr. J. M. René LECLÉZIO [Resigned on 30 June 2021]
Mr. Andrew S. LEE [Resigned on 07 April 2022]
Mr. M. E. Nicolas MAIGROT
Mr. J. M. Louis RIVALLAND

Swan Special Risks Company Limited

Mr. M. D. Pierre DINAN, G.O.S.K.
Mr. T. K. Philippe LO FAN HIN
Mr. P. Gopallen MOOROOGEN
Mrs. Karine MOREL
Mr. J. M. Louis RIVALLAND
Mr. Victor C. SEEYAVE
Mr. A. Michel THOMAS

Swan Wealth Structured Products Ltd

Mr. Nitish BENI MADHU (Resigned on 29 January 2021)
Mr. Gianduth JEEAWOCK [Appointed on 29 March 2021]
Mr. J. M. Louis RIVALLAND

Swan Digital Ltd

Mr. Nitish BENI MADHU (Resigned on 29 January 2021)
Mr. J. M. Alan GODER
Mr. J. M. Louis RIVALLAND

Swan Corporate Advisors Ltd

Mr. Gianduth JEEAWOCK
Mr. Jaiyansing SOOBAH

Swan Wealth International Ltd

Mr. Nitish BENI MADHU (Resigned on 29 January 2021)
Mr. Gianduth JEEAWOCK
Mrs. Karine MOREL
Mr. J. M. Louis RIVALLAND

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. Patrice BASTIDE
Mr. Larry Feston KALALA
Mr. William Paul SAUNDERS
Mr. Ewan WHEELER

Swan Smart Achiever Notes Ltd

Mr. Gianduth JEEAWOCK
Mr. Jaiyansing SOOBAH

BK General Insurance Company Ltd

Mr. Patrice BASTIDE
Mr. Yves GATSIMBANYI
Mr. Jean Enock HABIYAMBERE
Mr. Jack Nkusi KAYONGA
Ms. Nathalie MPAKA
Mr. Shehzad NOORDALLY
Mrs. Sandra RWAMUSHAIJA
Mr. Ephraim TURAHIRWA

Swan Comoros SA

Mr. Gaël ALIPHON
Mr. Patrice BASTIDE
Mr. Bernard KISHTOO

Afresure Reinsurance Brokers Ltd

Mr. T. K. Philippe LO FAN HIN
Mr. Neelkamal RAGOO

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 14th September 2022 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 2021 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 2021.
4. To confirm the appointment of Mr. Marie André Eric Espitalier-Noël 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 2021.

BY ORDER OF THE BOARD

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

4th July 2022

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 16th August 2022.*

SWAN

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 Chairperson 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 14th September 2022 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 2021 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 2021.			
4. To confirm the appointment of Mr. Marie André Eric Espitalier-Noël 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 2021.			

Signed this...........day of..2022 Signature(s)..

NOTES:

1. A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. If the instrument appointing a proxy or any general power of attorney is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.
3. To be valid, the instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the registered office of the Company, Swan Centre, 10, Intendance Street, Port-Louis 24 hours before the time fixed for holding the Annual Meeting.

Swan General Ltd / Annual Report 2021

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Swan General Ltd

Swan Centre
10 Intendance Street
Port Louis, Mauritius
T (230) 207 3500 **F** (230) 208 6898 **W** swanforlife.com