SWAN

Swan Life Ltd

ANNUAL REPORT **2021**

AHEAD
FOR LIFE

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

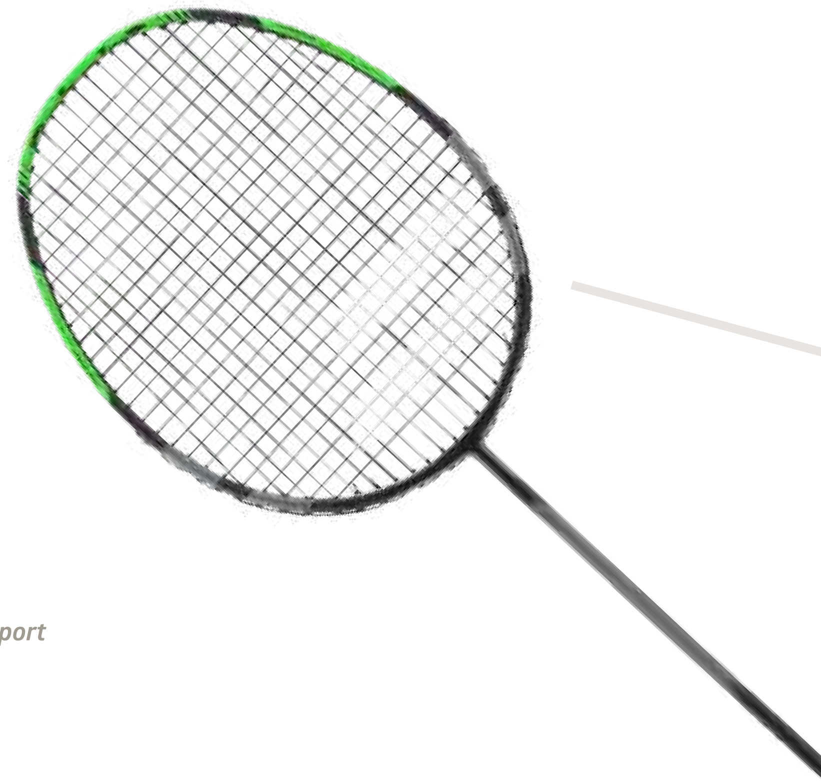
Dear Shareholder,

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

This report was approved by the Board of Directors on the 31st March 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*

NICOLAS MAIGROT
CHAIRPERSON

LOUIS RIVALLAND
DIRECTOR & GROUP CHIEF EXECUTIVE

On behalf of the Board of Directors, we are pleased to present the Annual Report and Audited Financial Statements of Swan Life 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.

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.

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

Swan Actuarial Services Limited (Cont'd)

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.

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.

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 were 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.

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 their 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.

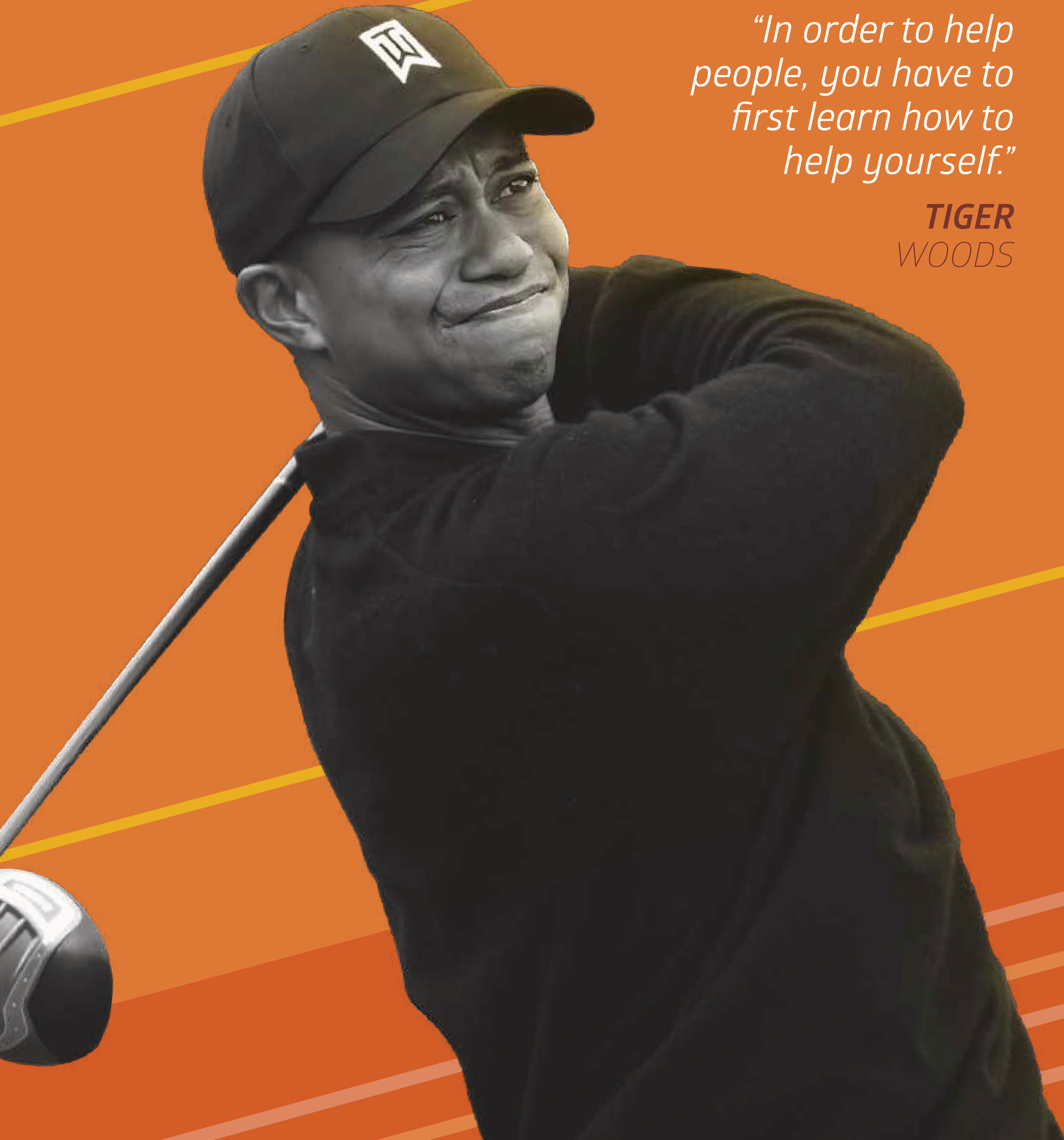
During 2021, Messrs Hector Espitalier-Noël, René Leclézio and Victor Seeyave left the Board and we wish to place on record their enormous contribution to SWAN. Our appreciation also goes to the remaining Board Directors for their valued guidance and relentless contribution.

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
Director & Group
Chief Executive

SWAN

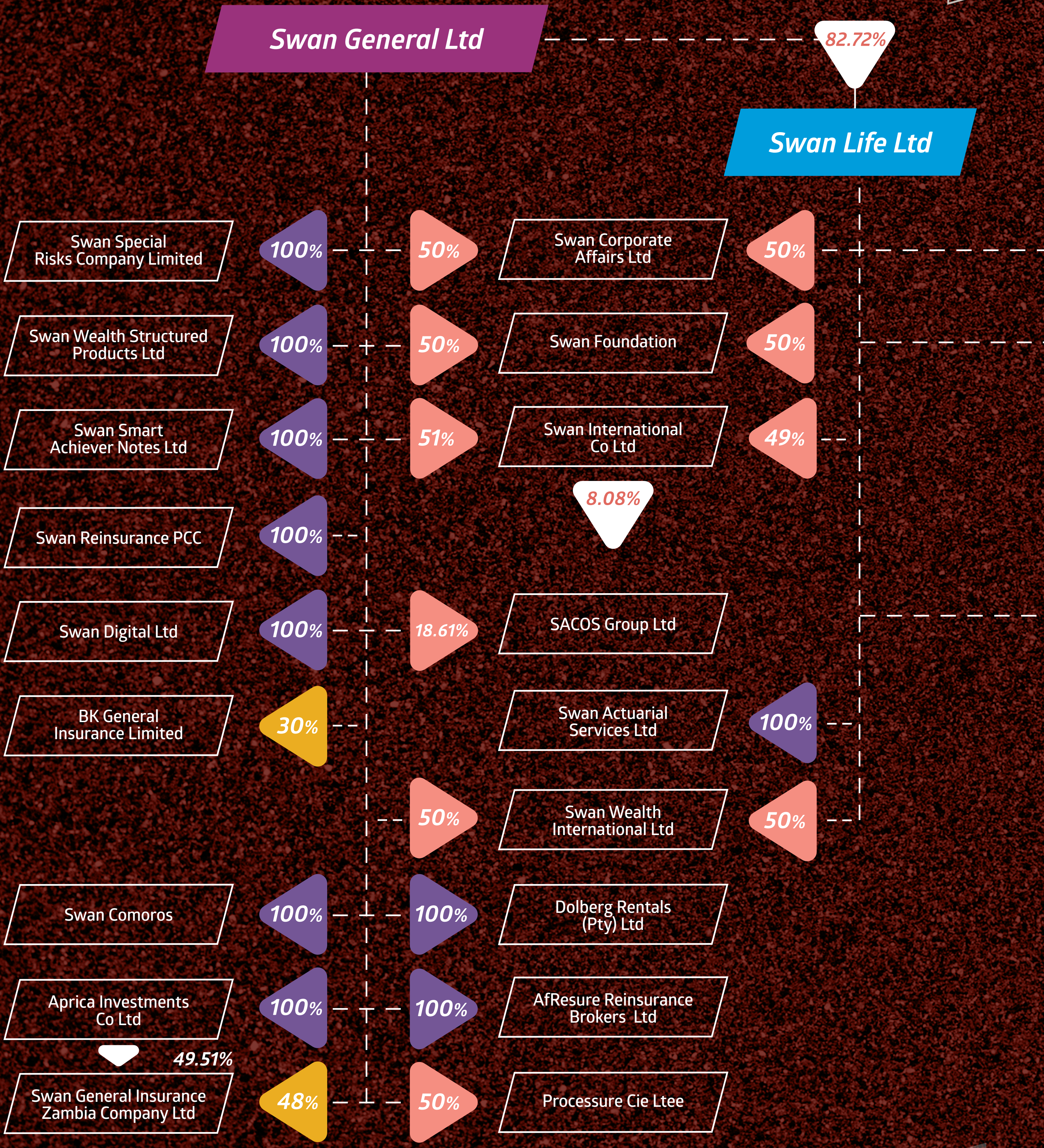


"In order to help people, you have to first learn how to help yourself."

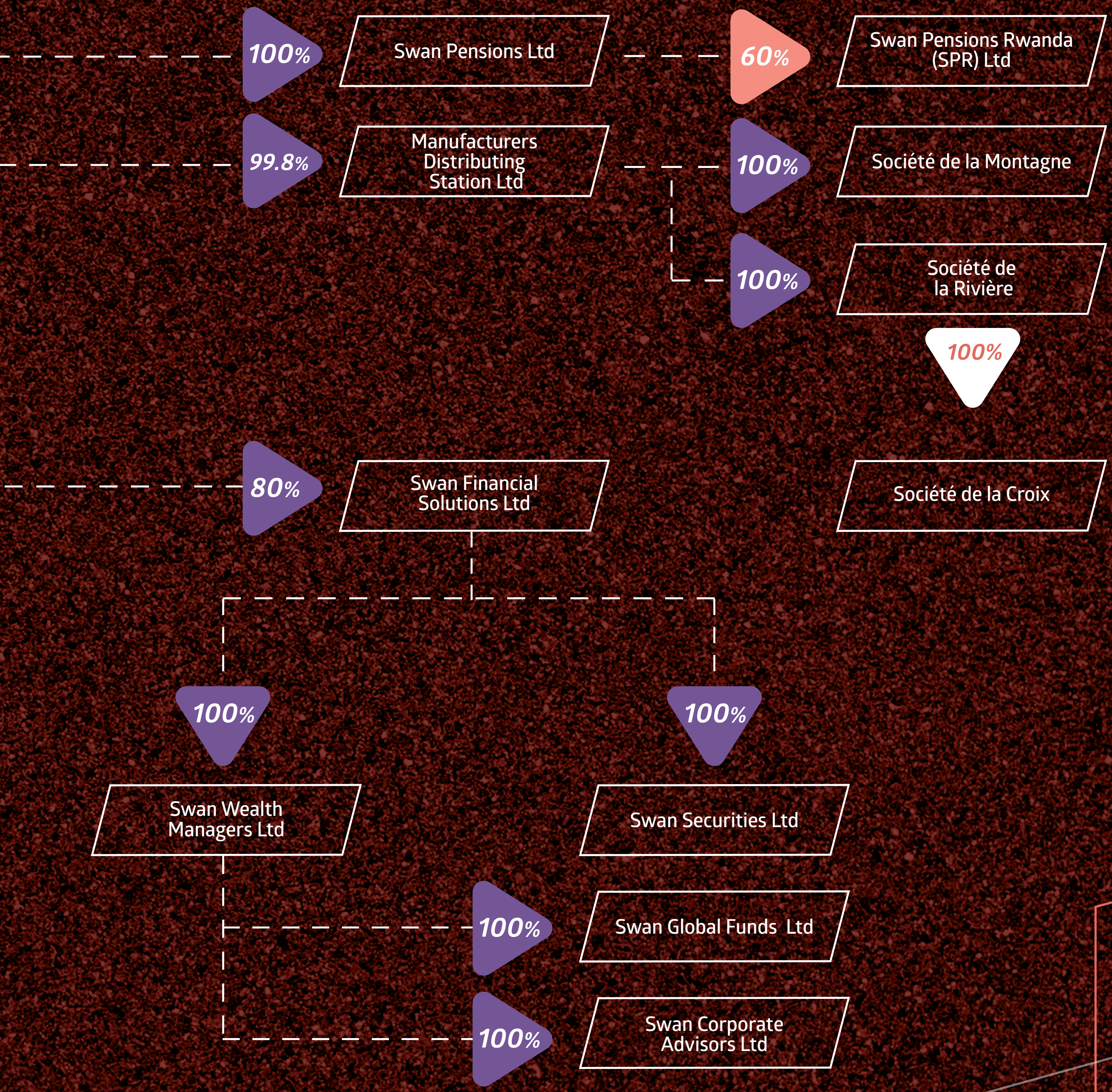
TIGER
WOODS

TIGER WOODS

Tiger Eldrick Woods, is one of the greatest and most decorated golf players. He cumulates 106 global wins, 15 major championship victories, and 82 PGA Tour wins. With exceptional club speed, he became the first golfer of African American and Asian descent to win the Masters tournament, creating an unforgettable moment in golf history.


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

GROUP BONDS


100%
Swan Pensions Ltd
60%
Swan Pensions Rwanda (SPR) Ltd
99.8%
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 Earned Premiums
- Y2021 - 5,123
  Y2020 - 4,719

Net Earned Premiums
- Y2021 - 4,957
  Y2020 - 4,532

Life Insurance Fund
- Y2021 - 52,791
  Y2020 - 45,084

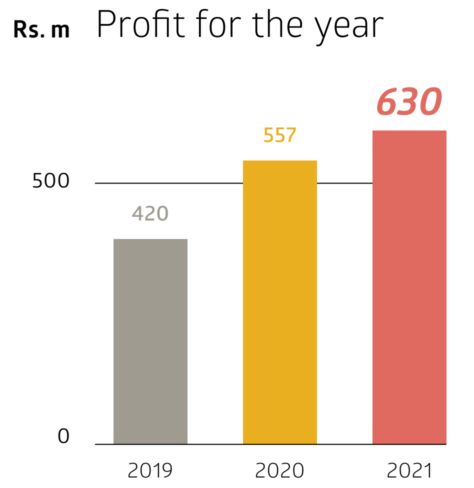
Total Assets
- Y2021 - 56,669
  Y2020 - 48,434

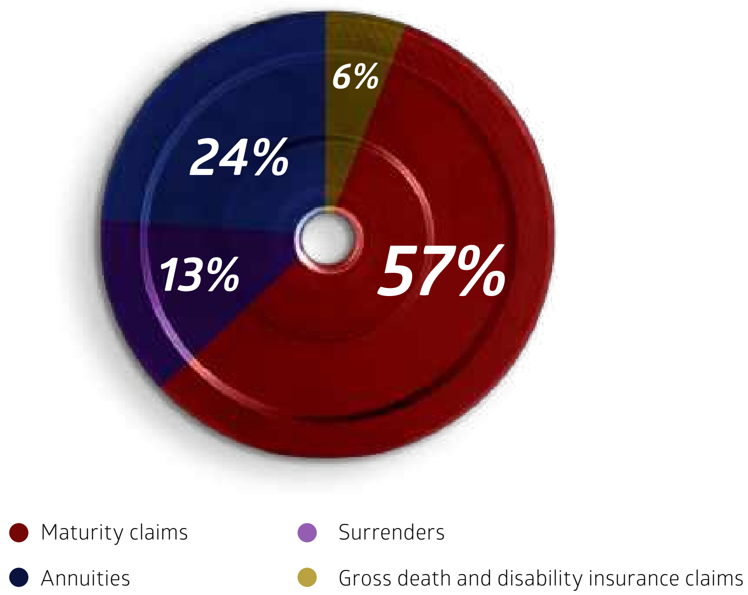
Gross Claims
- Y2021 - 3,505
  Y2020 - 3,462

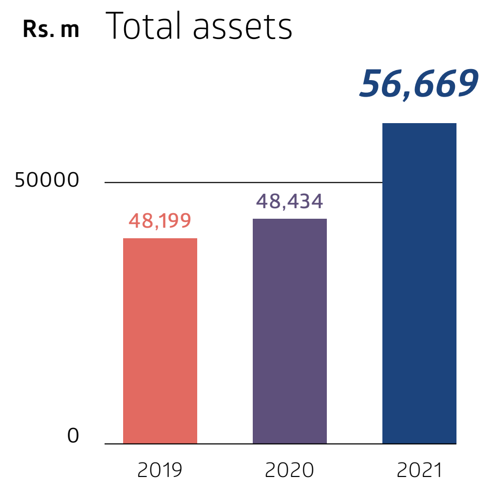
Retained Earnings
- Y2021 - 1,942
  Y2020 - 1,523

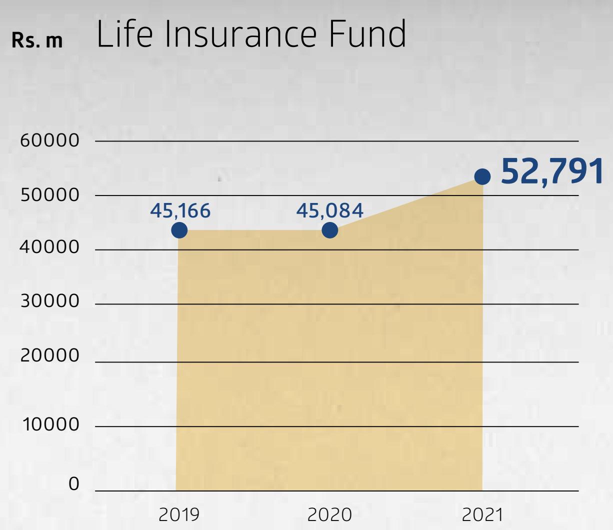
Dividend Paid
- Y2021 - 156
  Y2020 - 156

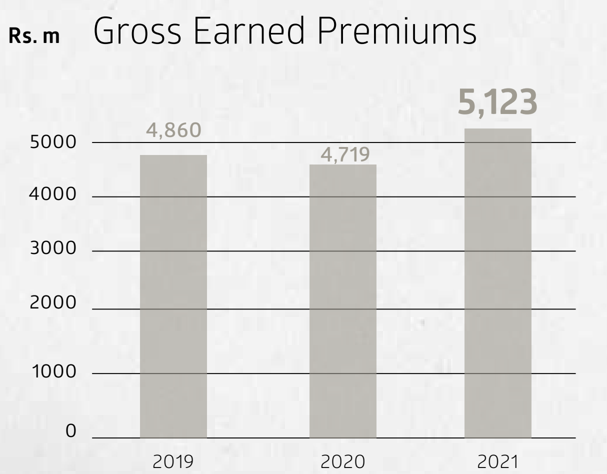
All amounts are in Rs. m and are group figures








Rs. m
Life Insurance Fund
60000
50000
40000
30000
20000
10000
0
45,166
45,084
52,791
2019
2020
2021


Rs. m
Gross Earned Premiums
5000
4000
3000
2000
1000
0
4,860
4,719
5,123
2019
2020
2021

SWAN

"You just have to want it more than everyone else.."

KATIE
LEDECKY

KATIE LEDECKY

Phenomenal Kathleen Genevieve Ledecky has set herself as the greatest female swimmer in history, with 2 world records, 7 Olympic individual gold medals, and 15 world championship individual gold medals. The American swimmer has built her way up to the greatest Olympians, starting at the age of 15, when she set an Olympic trial record in the 800-metre freestyle and qualified for the 2012 London Games as the youngest team member of the U.S Olympic swimmers team.

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, the 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 the 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
- T1 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 like criticism. It makes you strong."

LEBRON
JAMES

LEBRON JAMES

American professional basketball player LeBron Raymone James Sr is recognized as one of the greatest all-rounded players of all time. With an incredible combination of size, athleticism and court vision, King James won four NBA championships, and four NBA Most Valuable Player (MVP) awards. In 2022 he made history as the first NBA player to accumulate 10,000 or more career points, rebounds, and assists.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2021

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

The Company does not have a board charter as it considers that the 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 whistleblowing and provides, inter alia, for anonymous reporting of unethical conducts.

CORPORATE *GOVERNANCE REPORT* *(cont'd)*

1. GOVERNANCE STRUCTURE (CONT'D)

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

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

CORPORATE GOVERNANCE REPORT (cont'd)

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES

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

Directors of the company

Executive

Louis Rivalland (Group Chief Executive)

Independent non-executive

Arif Currimjee
Grace Sarah Leung Shing (Appointed on 2 August 2021)
Gopallen Mooroogen
Victor Seeyave (Resigned on 7 December 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

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

The Company Secretary plays a key role in the application of corporate governance. All directors have access to the advice and services of the Company Secretary, who provides guidance to the Directors on their statutory responsibilities, ethics and good governance. The Company Secretary acts as a vital bridge between the Board and the executive management and ensures that the management, in a timely manner, provides its 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 independent 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 for 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, re-appointment and removal of the Company's external auditor.

b) Ensure that at least once every seven years the audit services contract is put out to tender.

c) If an auditor resigns, investigate the issues leading to this and 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. This shall include but not be limited to the following:

   i. A discussion of any major issues which arose during the audit;

   ii. Key accounting and audit judgements;

   iii. Levels of errors identified during the audit; and

   iv. The effectiveness of the audit process.

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

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

m) Reviewing progress on implementation of auditors' recommendations.

n) If necessary, develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.

Financial Statements

a) The Committee will examine and review the quality and integrity of the financial statements, including its annual reports and any other formal announcement relating to the organisation's financial performance.

b) The Committee shall review and report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditor.

c) In particular, the Committee shall review and challenge where necessary:

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

   ii. Compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;

   iii. The methods used to account for significant or unusual transactions where different approaches are possible;

iv. Significant adjustments resulting from the audit; whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;

v. The clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;

vi. All material information presented in the financial statements, such as the business review and the corporate governance statements relating to the audit and risk management;

vii. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board;

viii. The basis on which the Company's has been determined a going concern; capital adequacy and internal controls;

ix. Compliance with the financial conditions of any loan covenants; and

x. Reviewing special documents.

Narrative Reporting

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

For internal control and risks management

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

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

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

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

iii. Defining and reviewing the risk management strategy;

iv. Receiving and reviewing reports and dashboards from Management for risk monitoring

v. Reviewing the 3-year rolling business plan;

vi. Reviewing the Own Risk and Solvency Assessment report;

vii. Reviewing risk policies;

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) Ms. Grace Sarah Leung Shing (independent non-executive) (Appointed on 2nd August 2021)
d) Mr. Gopallen Mooroogen (Chairperson) (independent non-executive)
e) Mr. Victor Seeyave (independent non -executive) (Resigned on 7th December 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 auditor and the internal auditor attend meetings of the Committee, as are relevant. The Committee meets regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage). The Committee has not met with the 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 the main issues discussed and deliberated on were: necessary actions.

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) Approval of auditors' fees for audit and non-audit services for the Company and subsidiaries.
e) Risk management – consideration of risk appetite statements, own risk and solvency assessment, actuary's effectiveness report and auditors' compliance report.
f) Appointment of PWC as service provider for internal audit services to the Company and all its relevant subsidiaries.
g) Internal audit – consideration of internal audit reports and internal audit plan.

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) Ms. Grace Sarah Leung Shing (independent non-executive-Appointed on 2nd August 2021)
c) Mr. Nicolas Maigrot (Chairperson, non-executive)
d) Mr. Gopallen Mooroogen (independent non-executive)
e) Mr. Victor Seeyave (independent non-executive - Resigned on 7th December 2021)

The Group Chief Executive is in attendance. Mr. Jaiyansing (Shailen) Soobah, acts as Secretary of the Committee. There were no meetings of the corporate Governance Committee during the year. 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	5
Arif Currimjee	2	5
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
Rene Leclezio (Resigned on 30th June 2021)	1	N/A
Grace Sarah Leung Shing (Appointed on 2nd August 2021)	1	2
Sebastien Mamet	2	N/A
Nicolas Maigrot (Chairperson)	2	N/A
Gopallen Mooroogen	2	5
Victor Seeyave (Resigned on 7th December 2021)	1	4
Louis Rivalland (not as member for Audit & Risks Committee)	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.

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 has unrestricted access to information. Where necessary in the discharge of their duties, all Directors may seek independent professional advice at the Company's expense. The Company and the Group have adequate Directors & Officers insurance.

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

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

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

Remuneration policy

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

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

CORPORATE
GOVERNANCE REPORT *(cont'd)*

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

Remuneration policy (cont'd)

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

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

DIRECTOR	Company (Rs)	Subsidiaries (Rs)
Arif Currimjee	140,000	-
Eric Espitalier-Noël (Appointed on 08 October 2021)	22,500	-
Hector Espitalier-Noël (Resigned on 29 July 2021)	60,000	-
Philippe Espitalier-Noël	90,000	-
Henri Harel	120,000	-
Grace Sarah Leung Shing (Appointed on 2nd August 2021)	60,000	-
Rene Leclezio (Resigned on 30th June 2021)	45,000	-
Sebastien Mamet	90,000	-
Nicolas Maigrot (Chairperson)	175,000	-
Gopallen Mooroogen	160,000	40,000
Louis Rivalland	6,991,000	6,901,000
Victor Seeyave (Resigned on 7th December 2021)	140,000	-

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 questionnaire 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;
g) Internal control covers all material functions of the Company and the Group. Board, through the Audit & Risks Committee and senior management, is regularly apprised of the assessment of internal control. Deficiencies, if any, are promptly considered by management and action plans devised to address all such deficiencies. Internal and external auditors also have access to the Board.

CORPORATE
GOVERNANCE REPORT *(cont'd)*

6. REPORTING WITH INTEGRITY

The Board is responsible for the preparation of the annual report and accounts, on a going concern basis, that fairly present the state of affairs of the organisation and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Companies Act. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements.

The annual report comprises, inter alia, of the following:

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

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

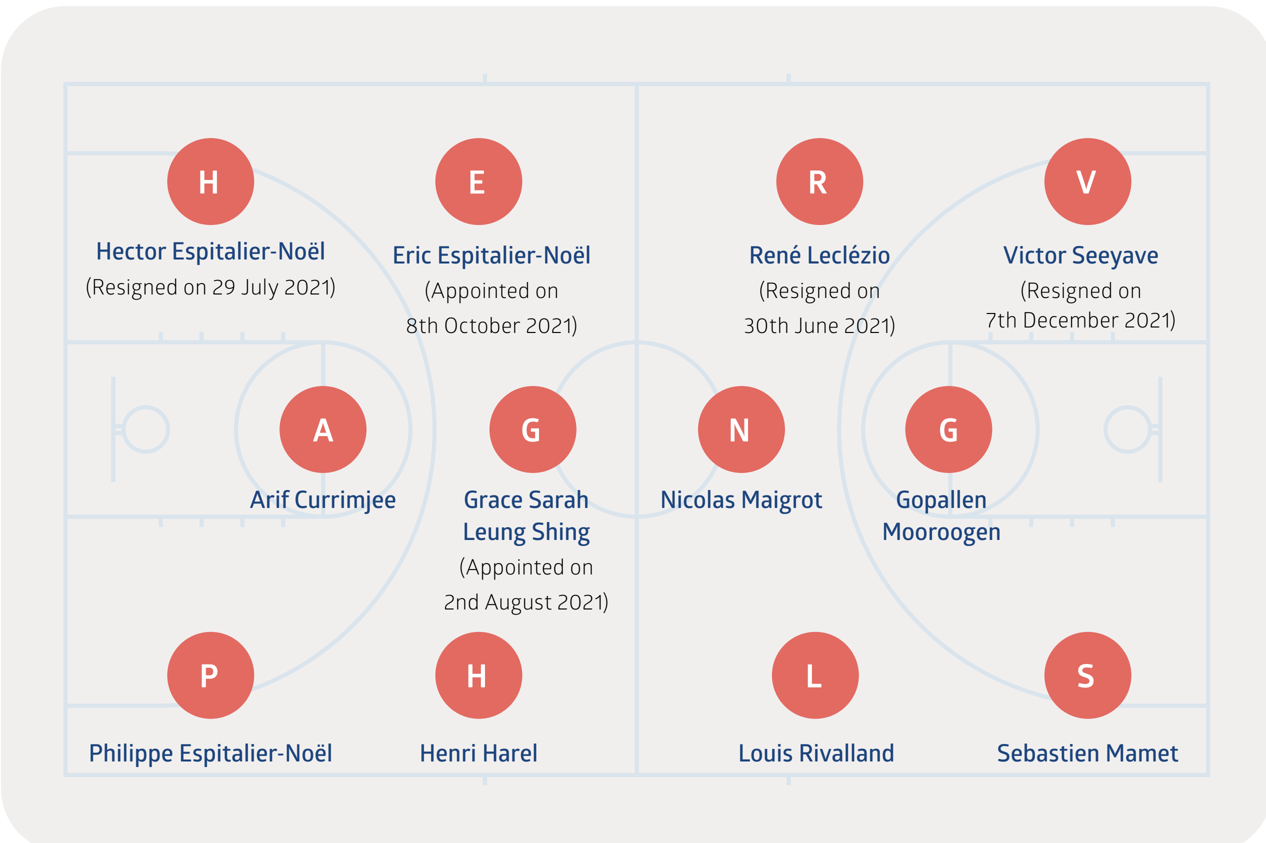
c) Values of the Company and Group;

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 accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary to shareholders and other key stakeholders to assess the Company's and Group's position, performance and outlook. The annual report is published on the Company's website.

For the year ended 31 December 2021, the following directors were common to both the Company and Swan General Ltd:



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 59.40 per share.

Shareholders' Agreement

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

Environmental Issues

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

Health and Safety

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

Social Issues

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

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

7. AUDIT

Internal Audit

Internal Audit is an objective assurance function reporting to the Audit & Risks Committee and the Board. It derives its authority from the Board through the Audit and Risks Committee. Collectively, the Audit & Risk Committee Members have the necessary financial literacy and expertise. Internal auditors are appointed by the Board, following recommendation from the Audit and Risks Committee. Internal audit of the Company and Group is outsourced. 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 & Risk 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 and Risks Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited. The plan is reviewed yearly.

CORPORATE GOVERNANCE REPORT (cont'd)

7. AUDIT (cont'd)

Internal Audit (cont'd)

The Internal Auditors have a direct reporting line to the Audit & Risks Committee and maintain an open and constructive communication with executive management. They also have direct access to the Chairperson of the Committees and of the Board. This reporting structure allows the Internal Auditors to remain independent and report all items of significance to the Board/Audit and Risks Committee. They have unrestricted access to the records, management and employees. They act as a source of constructive advice and best practice, assisting the Audit and Risks Committee in its responsibility to improve the processes by which risks are identified and managed. Internal audit reports are sent to the Audit & Risks Committee. During 2020 and 2021, internal audit covered the following areas:

a) Review of payment process
b) Corporate Pension
c) Follow up on bancassurance and individual business marketing.
d) IT access right
e) AML/CFT compliance review
f) Loans

External Audit

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:

For audit services	Rs 7,000,000
For other non-audit services	Rs 500,000

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

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 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 email, social media, press announcements, publication of quarterly results and its annual report. In addition, the 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, Swan General Ltd held 82.72 % of the shareholding of the Company. No other single shareholder held more than 5% of the Company.

8. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (cont'd)

Breakdown of ownership by size:

CATEGORY	Count	No. of shares	% holding
Individuals	319	205,744	7.816
Insurance & Assurance Companies	1	2,177,375	82.72
Pension & Providence Funds	4	5,092	0.193
Investment & Trust Companies	5	54,199	2.059
Other Corporate Bodies	78	189,800	7.211
Total	**407**	**2,632,210**	**100%**

Breakdown of ownership by size:

CATEGORY	Count	No. of shares	% holding
1-500	295	35,882	1.363
501-1000	31	21,472	0.816
1,001-5000	63	124,508	4.73
5,001-10,000	10	76,652	2.912
10,001-50,000	5	84,900	3.225
50,001-100,000	2	111,421	4.233
100,001-250,000	0	0	0
250,001-500,000	0	0	0
Over 500,000	1	2,177,375	82.72
Total	**407**	**2,632,210**	**100%**

CORPORATE
GOVERNANCE REPORT *(cont'd)*

8. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS *(cont'd)*

Annual meeting of shareholders is held annually, in compliance with the Companies Act. The Chairperson, Group Chief Executive, the Chairperson of Audit & Risks Committee, the Senior Manager Group Finance, external auditors and all other directors attend the meeting. The Group Chief Executive 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 for the year are set out below:

January	Payment of dividend (for financial year 31st December 2020)
June	Publication of audited annual results
July	Publication of unaudited first quarter results
August	Publication of unaudited half year results
September	Annual meeting of shareholders
November	Publication of unaudited nine months results
December	Declaration of dividend (for financial year 31st December 2021)

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

31st March 2022

Statement of Compliance

SECTION 75(3) OF THE FINANCIAL REPORTING ACT
NAME OF PIE: SWAN LIFE 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

"The best way to be successful is to be fearless."

MITHALI RAJ

MITHALI RAJ

Indian cricketer Mithali Dorai Raj, has made history as the highest run-scorer in women's international cricket. Recognised as one of the best cricketers internationally, Raj is also the first woman to ever complete a 20-year career in cricket. The legend was the first Indian captain to lead her country to two World Cup finals, shaping Indian women's cricket forever.

SENIOR MANAGEMENT TEAM

ANNEX 1

ALAN GODER

Chief Operations Officer

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

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

From July 2001 to October 2004, he was the Chief Executive Officer of Pension Consultants & Administrators Limited (now known as Swan Pensions Ltd). He joined The Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd) as Senior Manager in November 2004 where he oversees the Claims and Fund Administration departments. He is also responsible for managing Swan Pensions Ltd.

Since August 2009, Alan has been appointed to oversee the pension department of Swan Life Ltd. Alan was also Senior Manager to the Group Systems & Processes department until December 2017. Since January 2018, he has been appointed as Chief Operations Officer of Swan Life Ltd. His key areas of specialisation are pensions administration and consulting.

CHARISMA JAWAHEER-ROOPUN

BSC (Hons), MBA - Pensions

Born in 1977, Charisma started her career as Actuarial Analyst with Anglo-Mauritius Assurance Society Ltd in October 1999. In April 2005, she moved to Pension Consultants and Administrators (PCA now known as Swan Pensions Ltd) as Client Administrator.

Before joining Swan Life Ltd anew in 2015 as Senior Consultant Pensions, she spent 3 years at the FSC as Executive-Surveillance Pensions. Charisma now holds the position of Senior Manager - Pensions since July 2019 and she leads the pensions department.

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

GIANDUTH (ALVIN) JEEAWOCK

BSC (Hons), CFA - Capital Markets

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.

SENIOR MANAGEMENT TEAM

ANNEX 1

GAËL ALIPHON

ACII - Sales, Business Development and Bancassurance

Born in 1978, Gael Aliphon holds an ACII from the Chartered Insurance Institute UK as well as an Advanced Diploma in Business Administration (ABE UK). Gael is also a Certified Meta-Coach of the International Society of Neuro-Semantics.

He accumulated more than 20 years of experience in the insurance field and has acquired an extensive and in-depth knowledge of sales force management, business development and distribution channels management and has a wide experience in sales training and coaching as well.

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

PATRICE BASTIDE

BSC, 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.

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.

SENIOR MANAGEMENT TEAM

ANNEX 1

JAIYANSING (SHAILEN) SOOBAH

FCCA, MBA, DIP CII - 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.

HERBERT MADANAMOOTHOO

Maîtrise de Droit - Customer Relations, Complaints CSR, 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.

VISHNOO LUXIMAN

Dip Personnel Management, Dip Business Management, Dip Public Relations, MSc, MSHRI - Chief Human Capital Officer

Born in 1962, he worked as Assistant Personnel & Public Relations Officer at the Constance & La Gaieté SE Company Ltd from 1983 to 1988. He joined Deep River-Beau Champ Ltd (DRBC) as Assistant Personnel Manager/Public Relations Officer in 1988. He was promoted to the position of Personnel Manager/Public Relations Officer with the same company in 1990.

He was appointed Human Resources Manager of DRBC in 2002 and, as such, provided advice and services to 7 companies of the CIEL Group, including TPC Ltd, found in Tanzania. He cumulated the responsibility of Acting Secretary of the Mauritius Sugar Producers' Association with that of Human Resources Manager of DRBC from September to December 2005. He joined the Group in 2006.

SENIOR MANAGEMENT TEAM

ANNEX 1

RICHARD LI TING CHUNG

BCom, FIA - Actuarial

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

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

ISHWARI MADHUB

BSC (Hons), FCCA, MBCS, MBA - Technology Solutions

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

She started her career as a software developer at Swan Insurance Company Limited (now 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.

GEERIJESHSINGH (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.

Directorate *Annex 2*

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

DIRECTORATE

ANNEX 2

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 General Ltd	Director
Trampoline 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

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 General 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)

ANNEX 2

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 Holidays 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 Facilities Ltd	Director
Reliance Security Services 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 General 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

DIRECTORATE (CONT'D)

ANNEX 2

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 General 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 Entrepreuneurial 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 General 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 General 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)

ANNEX 2

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 General Ltd	Director
Terra Services Ltd	Director
Terragen Ltd	Director
Terragen Management Ltd	Director
Terra Milling Ltd	Director
Terrarock Ltd	Alternate Director

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

LOUIS RIVALLAND

Group Chief Executive

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

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

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

From January 2002 to December 2004, he acted as Executive Manager of The Anglo-Mauritius Assurance Society Limited, now Swan Life Ltd. In January 2005 he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance Company Limited, now Swan General Ltd and The Anglo-Mauritius Assurance Society Limited, now Swan Life Ltd, and member of the Executive Management Committee of SWAN.

He has been the President of the Joint Economic Council, now Business Mauritius and of the Insurers' Association of Mauritius. He has played an active role in the development of risk management, investments, insurance and pensions in Mauritius having chaired or been part of various technical committees in these fields.

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 General 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

MANAGEMENT TEAM

ANNEX 3

01 Andrew CHEONG YUEN ZING - Finance & Accounts / **02** Carine ADELSON - BA, MA - Group Marketing / **03** Christel LIM SHIN CHONG - BA (Hons) - Group Human Resource / **04** Clotilde DOMINGUE - LLB (Hons) - Compliance (as from 01 January 2022) / **05** Dave LUCHMUN - Group Facilities / **06** Didier ADRIEN - Diploma in Information Technology - Business Transformation & Solutions

07 Gavin ANDERSON - BSc (Hons), FASSA - Actuarial / **08** Javed BUROKUR - BBA, ACCA - Investments / **09** Jhaneshi JUGESSUR - BSc (Hons), MSc - Loans & Fixed Income (as from 01 March 2022) / **10** Jean-Marc LECKNING - Group Credit Control
11 Jonathan ACKING - Maîtrise en Droit des Affaires, Master of Laws, Post Graduate Diploma in Bar Training - Legal /
12 Jennifer LAM SHEUNG YUEN - Dip CII - Life Underwriting / **13** Karmchandrasingh ROOPUN - BSc (Hons) - Actuarial

MANAGEMENT TEAM

ANNEX 3

14 Krystel HEE KWUN FONG - DIP CII, LLB (Hons) - Claims / **15** Leong LAI MAN CHUN - BSc (Hons) - Business Transformation & Solutions / **16** Mario BUTTIE - FCCA - Fund Administration / **17** Nathalie LO WING KWAN - Certified Accounting Technician, ACCA Diploma in Accounting and Business - Finance & Accounts (as from 01 July 2021) / **18** Navindranath BHUGALOO - ACII - Swan Pensions Ltd and Pensions (DC) / **19** Neeraj UMANEE - BA (Hons) - Swan Securities Ltd /
Luveena DOOKHEEA - Cert, BA - Loans (up to 31 December 2021)

20 Ouahiba DJAKOUR-GHURBURRUN - BTS - Informatique de Gestion - Business Development / **21** Sabine Luchmun - BTS, Maîtrise Sciences de Gestion - Pensions / **22** Stephanie MARECHAL - Diploma in Business Practice - Procurement (as from 17 Feb 2021) / **23** Randhir MUNGRA - MSc, MBA - Project Office / **24** Sonia KALACHAND-CANABADY - BA (Hons), MA - Group Human Resources / Sandra MAKONI - BCom, FIA - Pensions (Resigned)

SWAN

"I don't think about size, I focus more on being powerful and confident "

SIMONE
BILES

SIMONE BILES

American gymnast, Simone Arianne Biles is recognised as one of the sport's greatest athletes. The gymnastic prodigy became the first female U.S. gymnast to win four gold medals at a single Games and the first gymnast to win three consecutive world all-around titles. Her incredible athletic abilities have allowed her to make moves no other gymnast were able to achieve. Such performances have earned Biles several gymnastic moves named after her in the gymnastics' code of points, like the Biles 6.4 vault.

RISK MANAGEMENT *REPORT*

OUR RISK ENVIRONMENT

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

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

Responsibility of the Board

Risk Management Function

Risk Appetite Statement

Risk Management Strategy

3-Year Business Plan

Liquidity Policy

Own Risk Solvency Assessment (ORSA)

Independent Review

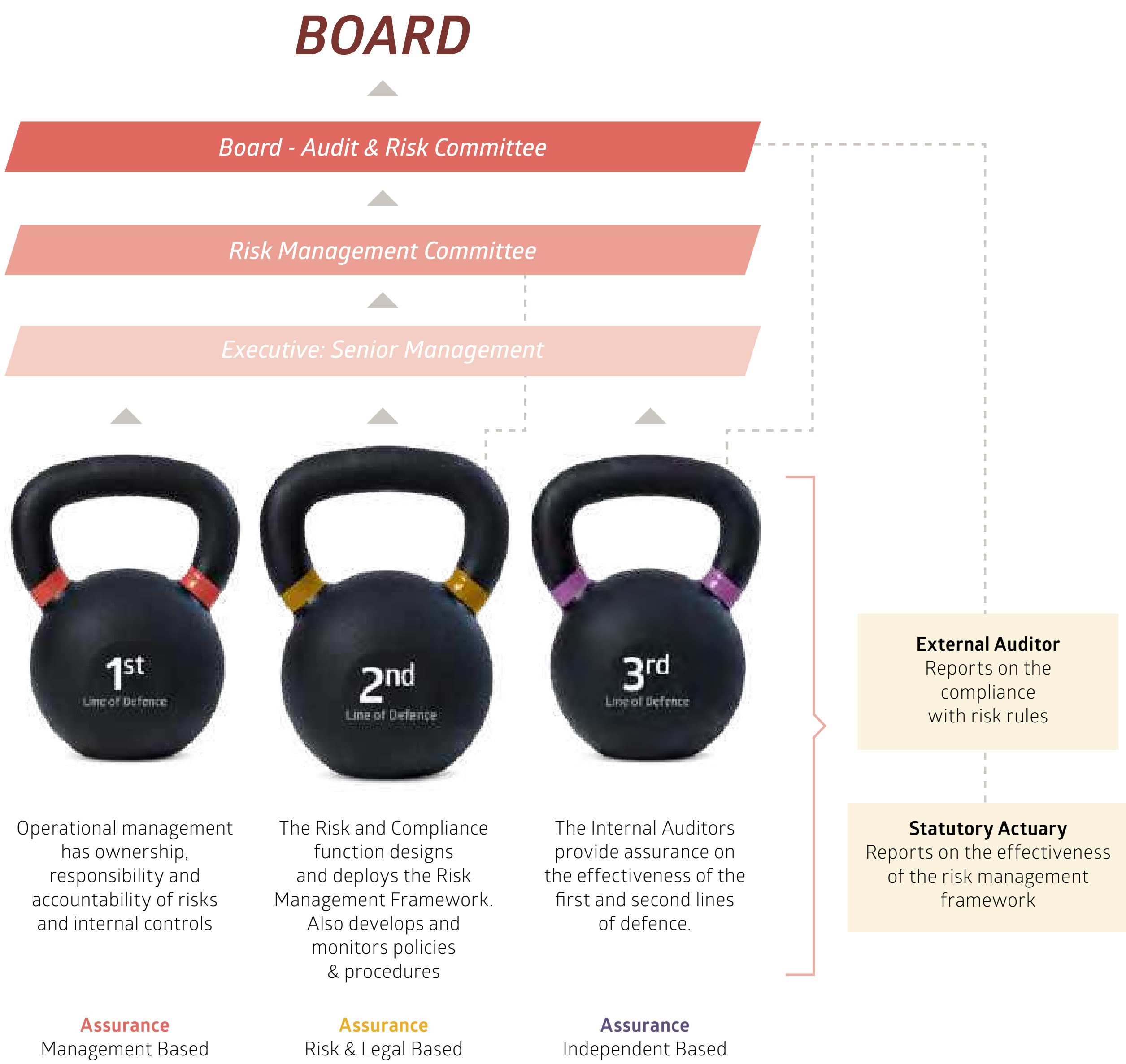
RESPONSIBILITY OF THE BOARD

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.

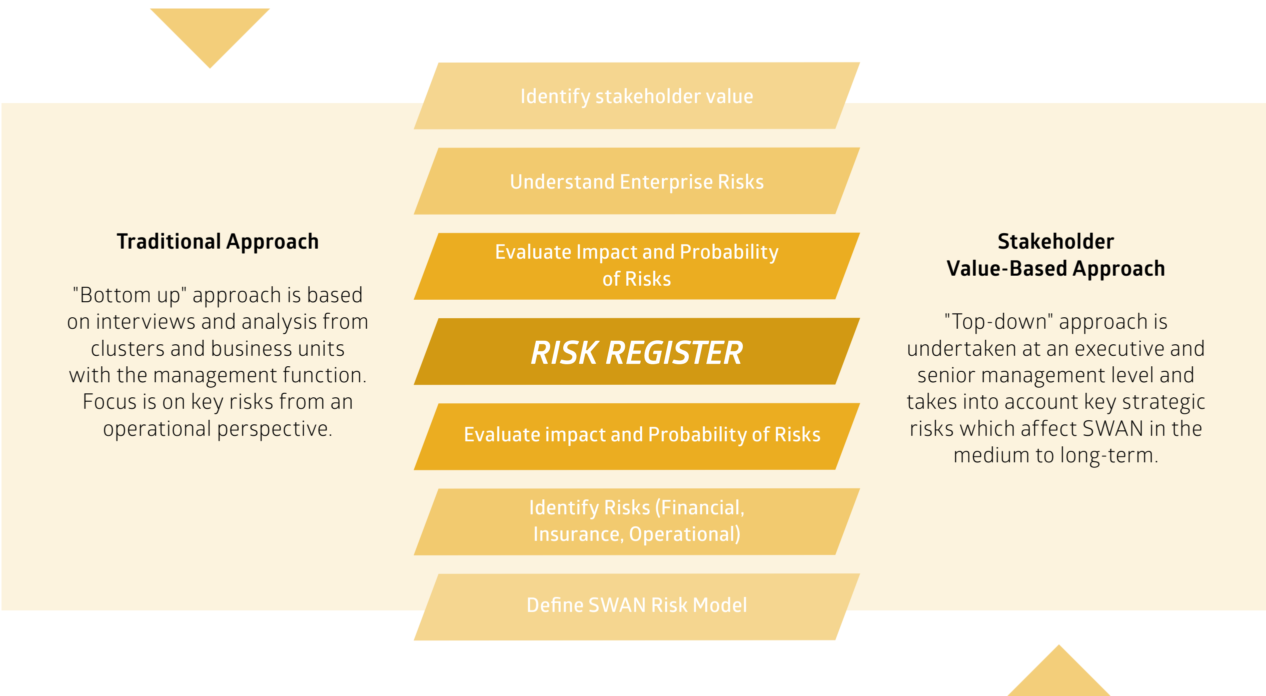


A Risk Management committee (the “Committee") is in place to assist in the implementation of SWAN’s risk management framework and internal control system. Among other responsibilities, the Committee has the duty to:

- 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.

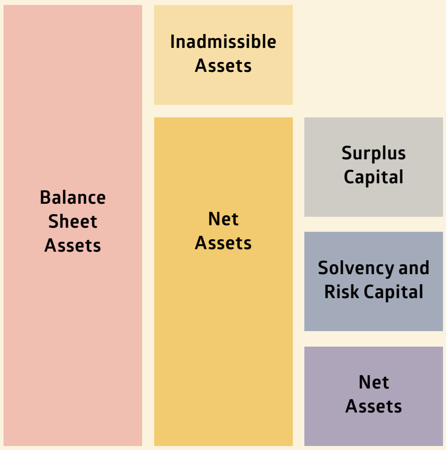
All the assumptions, emerging risks and strategic objectives are documented.

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 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 *DIRECTORS' RESPONSIBILITIES*

Directors acknowledge their responsibilities for:

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

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

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

The Directors report that:

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

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

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

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

Nicolas Maigrot
Chairperson

Louis Rivalland
Director & Group Chief Executive

COMPANY *SECRETARY'S CERTIFICATE*

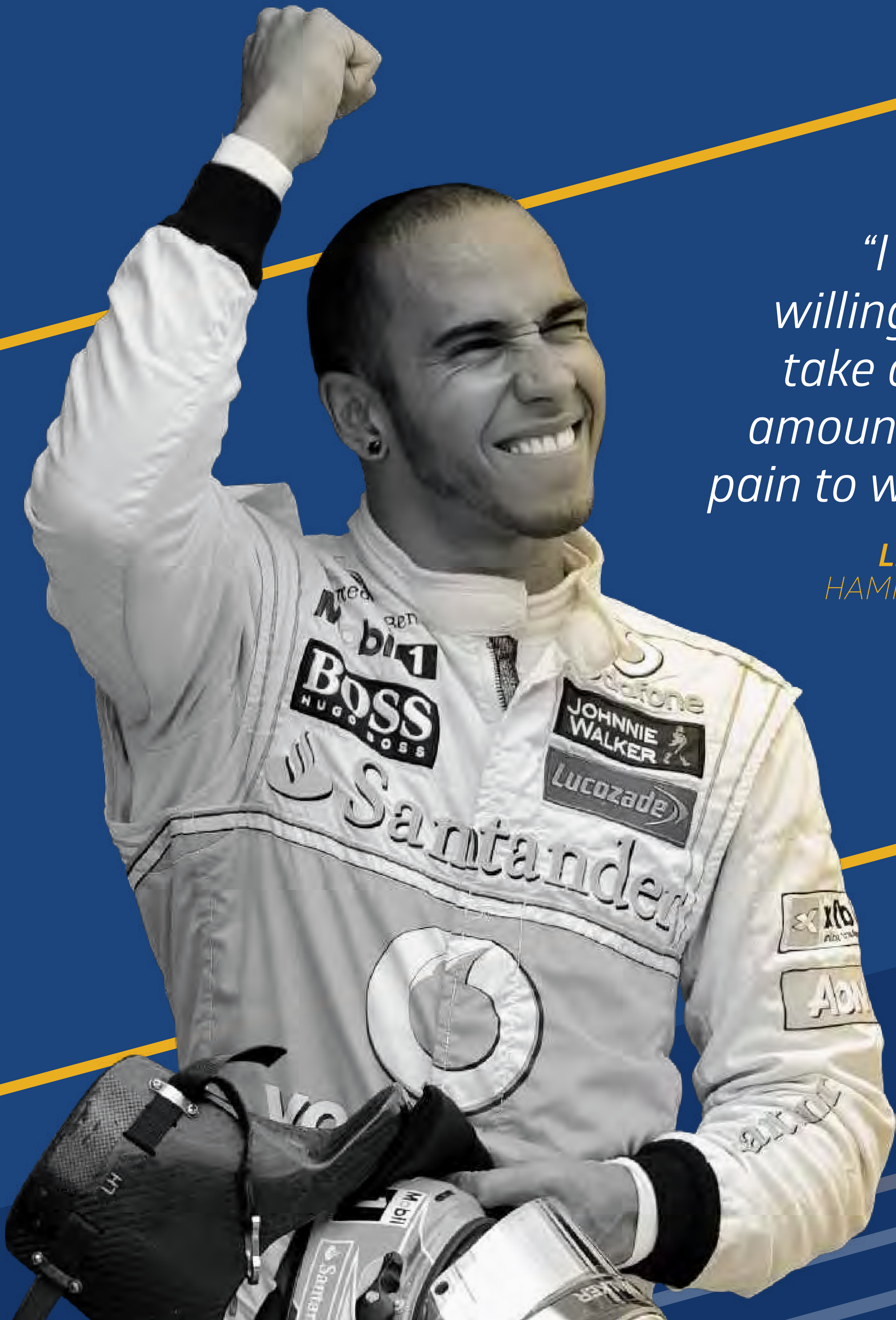
For the year ended 31 December 2021

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: 31st March 2022

SWAN



"I am willing to take any amount of pain to win."

LEWIS
HAMILTON

LEWIS HAMILTON

Seven-time Formula One world champion Sir Lewis Carl Davidson Hamilton is one of the greatest of his time. With remarkable strength and endurance, Hamilton holds the record for the most Grand Prix in history, a total of 103 victories. As the very first black F1 driver, he finds purpose in campaigning against racism and inequality within the sport.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SWAN LIFE LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Swan Life Ltd (the Group and Company), which comprise the consolidated and separate statements of financial position as 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 85 to 200.

In our opinion, these consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Swan Life Ltd as 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.

Key Audit Matters (cont'd)

Gross premiums and consideration for annuities

This key audit matter applies to both the consolidated and separate financial statements.
Refer to accounting policies in note 2.18 (ii) and note 21 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 and 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 accounted as gross written premiums for the Group and Company. The Group and Company recognise gross premiums in line with the requirements of IFRS 4, *Insurance Contracts* ("IFRS 4"). We identified gross premiums written and consideration from annuities as a key audit matter because of: • The 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 at the Company level. • 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, DB schemes, 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 Company for the year ended 31 December 2021; and • 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 between the Company and 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 AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SWAN LIFE 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 both the consolidated and separate financial statements.
Refer to note 2.13, note 4.1 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 and Company 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 (i) and (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 Company 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 Company's records.

Key Audit Matters (cont'd)

Valuation of available for sale financial assets - Level 3

This key audit matter applies to both the consolidated and separate financial statements.
Refer to note 2.8, note 3.2 note 4.11 and note 10 to the consolidated and separate financial statements.

Key Audit Matters	How the matter was addressed in our audit
As at 31 December 2021, the aggregate carrying value of the Group and the Company's unquoted available-for-sale financial assets classified as level 3 investments under IFRS 13, *Fair value measurement* amounted to Rs 2.1 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 available for sale financial assets – level 3 was assessed by 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 and these involve 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 available for sale financial assets - Level 3; • Evaluated the design and implementation and operating effectiveness of the controls related to the review of the available for sale financial assets - Level 3; • Assessed the competence and capabilities of management's expert who are responsible for the valuation of the investments held; • Assessed 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 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.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statement of Compliance, Risk Management Report, Other statutory disclosures and 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.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SWAN LIFE LTD (cont'd)

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

Other Information (cont'd)

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and 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.

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 Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SWAN LIFE LTD (cont'd)

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Group and 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

Imtiaz Ajeda
Licensed by FRC

Date: 31st March 2022

CONSOLIDATED AND SEPARATE
STATEMENTS OF FINANCIAL POSITION

Year ended 31 December 2021

	Notes	THE GROUP December 31, 2021	THE GROUP December 31, 2020	THE COMPANY December 31, 2021	THE COMPANY December 31, 2020
		Rs'000	Rs'000	Rs'000	Rs'000
ASSETS					
Non-current assets					
Property and equipment	5	**259,156**	277,520	**236,645**	252,092
Right-of-use assets	5A	**7,184**	11,134	**4,841**	7,666
Investment properties	6A	**422,105**	425,317	**381,457**	388,058
Intangible assets	7	**79,228**	85,572	**6,936**	7,721
Investments in subsidiary companies	8	**-**	-	**548,512**	548,512
Investments in associated companies	9	**34,714**	25,669	**4,364**	4,364
Available-for-sale financial assets	10	**28,909,668**	23,129,816	**28,873,246**	23,107,337
Held-to-maturity financial assets	10	**15,120,668**	11,238,790	**14,664,371**	11,044,817
Loans and receivables	11	**5,456,710**	5,733,624	**5,456,710**	5,733,624
Deferred tax assets	17	**3,916**	3,702	**-**	-
Other receivables	12	**4,895**	7,594	**-**	-
Total non-current assets		**50,298,244**	40,938,738	**50,177,082**	41,094,191
Current assets					
Trade and other receivables	12	**1,116,780**	957,758	**1,037,455**	932,746
Held-to-maturity financial assets	10	**1,506,013**	2,935,193	**1,506,013**	2,917,080
Loans and receivables	11	**1,153,056**	813,927	**1,153,056**	813,927
Seized properties	13	**45,441**	53,238	**45,441**	53,238
Current tax assets	20(c)	**-**	1,175	**-**	-
Short-term deposits	28(b)	**1,102,286**	796,488	**1,102,286**	796,488
Cash and cash equivalents	28(b)	**1,447,256**	1,937,873	**1,151,886**	1,501,466
Total current assets		**6,370,832**	7,495,652	**5,996,137**	7,014,945
Total assets		**56,669,076**	48,434,390	**56,173,219**	48,109,136

CONSOLIDATED AND SEPARATE ***STATEMENTS OF FINANCIAL POSITION***

Year ended 31 December 2021

	Notes	THE GROUP		THE COMPANY	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rs'000	Rs'000	Rs'000	Rs'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	14	**26,322**	26,322	**26,322**	26,322
Reserves		**2,003,055**	1,568,299	**1,798,234**	1,525,182
Owners' interest		**2,029,377**	1,594,621	**1,824,556**	1,551,504
Non-controlling interests	15	**258,084**	221,593	**-**	-
Total equity		**2,287,461**	1,816,214	**1,824,556**	1,551,504
Technical provisions					
Life Assurance Fund	16	**52,790,703**	45,084,339	**52,790,703**	45,084,339
Gross outstanding claims	29(a)	**296,975**	321,410	**296,975**	321,410
Gross unearned premiums	29(b)	**54,636**	45,426	**54,636**	45,426
Total technical provisions		**53,142,314**	45,451,175	**53,142,314**	45,451,175
Non-current liabilities					
Retirement benefit obligations	18	**175,861**	160,050	**162,691**	144,297
Lease liabilities	5A	**3,724**	7,887	**2,369**	5,352
Other payables	19	**53,175**	53,421	**53,175**	53,421
Total non-current liabilities		**232,760**	221,358	**218,235**	203,070
Current liabilities					
Trade and other payables	19	**800,015**	777,012	**791,066**	744,166
Lease liabilities	5A	**4,163**	3,984	**2,983**	2,868
Current tax liabilities	20(c)	**46,010**	8,294	**37,712**	-
Dividend payable	26	**156,353**	156,353	**156,353**	156,353
Total current liabilities		**1,006,541**	945,643	**988,114**	903,387
Total equity and liabilities		**56,669,076**	48,434,390	**56,173,219**	48,109,136

These consolidated and separate financial statements have been approved and authorised for issue by the Board of Directors on: March 31, 2022

Nicolas Maigrot
Chairperson

Louis Rivalland
Director

The notes on pages 93 to 200 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 78 to 84.

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

Year ended 31 December 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
Gross earned premiums	21	5,123,401	4,718,991	5,123,401	4,718,991
Premiums ceded to reinsurers		(166,590)	(187,376)	(166,590)	(187,376)
Net earned premiums		4,956,811	4,531,615	4,956,811	4,531,615
Fee income on insurance contracts		369,174	336,586	95,564	104,761
Investment income	22	1,456,347	1,168,029	1,539,082	1,247,237
Other income	23	945,266	1,412,459	944,576	1,412,146
Gain on exchange		264,759	133,560	227,011	112,157
Other operating income	6A	32,311	42,326	30,000	39,540
		8,024,668	7,624,575	7,793,044	7,447,456
Gross death and disability insurance claims		212,838	217,082	212,838	217,082
Recoverable from reinsurers		(35,447)	(52,676)	(35,447)	(52,676)
Net death and disability insurance claims		177,391	164,406	177,391	164,406
Maturity claims		2,012,637	2,107,309	2,012,637	2,107,309
Surrenders		447,385	386,460	447,385	386,460
Annuities		832,452	751,112	832,452	751,112
Commissions payable to agents and brokers		189,901	183,960	189,901	183,960
Fees payable		129,948	106,300	256,740	216,379
Depreciation, amortisation and write-off	5/5A/6/7	45,206	50,222	37,875	42,955
Movement in allowances for credit impairment of financial assets	11/12	6,198	34,952	1,971	30,237
Movement in allowances for credit impairment of non-financial assets		197	-	-	-
Impairment of financial assets	24B	15,908	10,349	15,908	10,349
Impairment of non-financial assets	24C	-	9,359	-	9,359
Marketing and administrative expenses	24A	545,425	472,381	415,206	340,331
		4,402,648	4,276,810	4,387,466	4,242,857
Movement in Life Assurance Fund	16	(2,938,075)	(2,775,799)	(2,938,075)	(2,775,799)
Finance costs	25	569	1,580	386	542
Share of results of associated companies, net of tax	9	742	(9,268)	-	-
Profit before income tax expense		684,118	561,118	467,117	428,258
Income tax expense	20(a)	(54,517)	(3,650)	(37,712)	-
Profit for the year		629,601	557,468	429,405	428,258

The notes on pages 93 to 200 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 78 to 84.

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

Year ended 31 December 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit obligations	18	6,772	(41,180)	2,059	(39,651)
Tax effect on remeasurements of post employment benefit obligations	17	(800)	406	-	-
		5,972	(40,774)	2,059	(39,651)
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets - net change in fair value	10A	4,771,836	(2,825,268)	4,766,230	(2,818,262)
Share of associate reserves	9	8,303	(11,587)	-	-
Exchange differences on translating foreign entities		182	3,104	-	-
		4,780,321	(2,833,751)	4,766,230	(2,818,262)
Movement in Life Assurance Fund:					
Remeasurements of defined benefit obligations	16	(2,059)	39,651	(2,059)	39,651
Available-for-sale financial assets - net change in fair value		(4,766,230)	2,818,262	(4,766,230)	2,818,262
		(4,768,289)	2,857,913	(4,768,289)	2,857,913
Other comprehensive income for the year, net of tax		18,004	(16,612)	-	-
Total comprehensive income for the year		647,605	540,856	429,405	428,258
Profit for the year attributable to:					
Owners of the parent		575,144	517,691	429,405	428,258
Non-controlling interests	15	54,457	39,777	-	-
		629,601	557,468	429,405	428,258
Total comprehensive income for the year attributable to:					
Owners of the parent		591,109	502,804	429,405	428,258
Non-controlling interests	15	56,496	38,052	-	-
		647,605	540,856	429,405	428,258
Basic/Diluted earnings per share (Rs/cts)	27	218.50	196.68	163.13	162.70

The notes on pages 93 to 200 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 78 to 84.

CONSOLIDATED AND SEPARATE
STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

THE GROUP

	Notes	Attributable to owners of the parent									
		Share capital	**Retained earnings**	**Fair value reserve**	**Other reserves**	**Actuarial gains/ (losses)**	**Amalga-mation reserve**	**Foreign exchange difference reserve**	**Total owners' interest**	**Non-controlling interest**	**Total equity**
		Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Balance at January 1, 2021		**26,322**	**1,523,412**	**(6,205)**	**(1,856)**	**(5,611)**	**61,214**	**(2,655)**	**1,594,621**	**221,593**	**1,816,214**
Total comprehensive income for the year:-											
Profit for the year		-	575,144	-	-	-	-	-	575,144	54,457	629,601
Other comprehensive income for the year:											
Available-for-sale financial assets - net change in fair value		-	-	4,770,715	-	-	-	-	4,770,715	1,121	4,771,836
Remeasurements of defined benefit obligations, net of tax		-	-	-	-	5,131	-	-	5,131	841	5,972
Share of associate reserves		-	-	-	8,303	-	-	-	8,303	-	8,303
Exchange differences on translating foreign entities		-	-	-	-	-	-	105	105	77	182
Transfer to life assurance fund		**-**	**-**	**(4,766,230)**	**-**	**(2,059)**	**-**	**-**	**(4,768,289)**	**-**	**(4,768,289)**
Total other comprehensive income for the year		**-**	**-**	**4,485**	**8,303**	**3,072**	**-**	**105**	**15,965**	**2,039**	**18,004**
Total comprehensive income for the year		**-**	**575,144**	**4,485**	**8,303**	**3,072**	**-**	**105**	**591,109**	**56,496**	**647,605**
Transaction with the owners of the Company:-											
Reclassification between reserves		-	-	-	(3,112)	-	-	3,112	-	-	-
Dividends	26	-	(156,353)	-	-	-	-	-	(156,353)	(20,005)	(176,358)
Balance at December 31, 2021		**26,322**	**1,942,203**	**(1,720)**	**3,335**	**(2,539)**	**61,214**	**562**	**2,029,377**	**258,084**	**2,287,461**

The notes on pages 93 to 200 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 78 to 84.

CONSOLIDATED AND SEPARATE
STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

		Attributable to owners of the parent									
	Notes	Share capital	Retained earnings	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Amalga-mation reserve	Foreign exchange difference reserve	Total owners' interest	Non-con-trolling interest	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2020		26,322	1,162,074	(600)	(7,584)	(4,810)	61,214	(5,761)	1,230,855	201,146	1,432,001
Total comprehensive income for the year:-											
Profit for the year		-	517,691	-	-	-	-	-	517,691	39,777	557,468
Other comprehensive income for the year:											
Available-for-sale financial assets - net change in fair value		-	-	(2,823,867)	-	-	-	-	(2,823,867)	(1,401)	(2,825,268)
Remeasurements of defined benefit obligations, net of tax		-	-	-	-	(40,452)	-	-	(40,452)	(322)	(40,774)
Share of associate reserves		-	-	-	(11,587)	-	-	-	(11,587)	-	(11,587)
Exchange differences on translating foreign entities		-	-	-	-	-	-	3,106	3,106	(2)	3,104
Transfer to life assurance fund	16	-	-	2,818,262		39,651	-	-	2,857,913	-	2,857,913
Total other comprehensive income for the year		-	-	(5,605)	(11,587)	(801)	-	3,106	(14,887)	(1,725)	(16,612)
Total comprehensive income for the year		-	517,691	(5,605)	(11,587)	(801)	-	3,106	502,804	38,052	540,856
Other equity movement	9(b)	-	-	-	17,315	-	-	-	17,315	-	17,315
Transaction with the owners of the Company:-											
Dividends	15/26	-	(156,353)	-	-	-	-	-	(156,353)	(17,605)	(173,958)
Balance at December 31, 2020		26,322	1,523,412	(6,205)	(1,856)	(5,611)	61,214	(2,655)	1,594,621	221,593	1,816,214

The notes on pages 93 to 200 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 78 to 84.

CONSOLIDATED AND SEPARATE
STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

THE COMPANY

	Notes	Share capital	Retained earnings	Other reserves: Amalgamation reserve	Other reserves: Other reserves	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2021		**26,322**	**995,539**	**61,214**	**468,429**	**1,551,504**
Total comprehensive income for the year:-						
Profit for the year		-	429,405	-	-	429,405
Other comprehensive income for the year:						-
Available-for-sale financial assets - net change in fair value		-	-	-	4,766,230	4,766,230
Remeasurements of defined benefit obligations, net of tax		-	-	-	2,059	2,059
		-	-	-	4,768,289	4,768,289
Movement in life assurance fund		**-**	**-**	**-**	**(4,768,289)**	**(4,768,289)**
Total other comprehensive income for the year		**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year		**-**	**429,405**	**-**	**-**	**429,405**
Transaction with the owners of the Company:-						
Dividends	26	-	(156,353)	-	-	(156,353)
Balance at December 31, 2021		**26,322**	**1,268,591**	**61,214**	**468,429**	**1,824,556**
Balance at January 1, 2020		26,322	723,634	61,214	468,429	1,279,599
Total comprehensive income for the year:-						
Profit for the year		-	428,258	-	-	428,258
Other comprehensive income for the year:						-
Available-for-sale financial assets - net change in fair value		-	-	-	(2,818,262)	(2,818,262)
Remeasurements of defined benefit obligations, net of tax		-	-	-	(39,651)	(39,651)
		-	-	-	(2,857,913)	(2,857,913)
Movement in life assurance fund		-	-	-	2,857,913	2,857,913
Total other comprehensive income for the year		**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year		**-**	**428,258**	**-**	**-**	**428,258**
Transaction with the owners of the Company:-						
Dividends	26	-	(156,353)	-	-	(156,353)
Balance at December 31, 2020		26,322	995,539	61,214	468,429	1,551,504

The notes on pages 93 to 200 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 78 to 84.

CONSOLIDATED AND SEPARATE **STATEMENTS OF CASH FLOW**

Year ended 31 December 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Cash generated from operations	28(a)	**886,772**	674,119	**703,641**	486,524
Investment income received		**1,501,795**	1,229,441	**1,572,911**	1,377,828
Tax and corporate social responsibility tax paid	20(c)	**(16,356)**	(11,556)	**-**	-
Interest paid	25	**(569)**	(1,580)	**(386)**	(542)
(Refund to)/Advance from Government		**(284)**	284	**-**	-
Net cash generated from operating activities		**2,371,358**	1,890,708	**2,276,166**	1,863,810
Cash flows from investing activities					
Purchase of property and equipment	5	**(10,074)**	(34,509)	**(9,060)**	(33,634)
Purchase of investment properties	6A	**(2,594)**	(1,171)	**(2,489)**	(1,136)
Purchase of intangible assets	7	**(1,609)**	(502)	**(1,609)**	(502)
Purchase of financial assets		**(9,928,354)**	(7,799,695)	**(9,542,105)**	(7,601,058)
Purchase of seized properties	13	**(44)**	(8,829)	**(44)**	(8,829)
Loans granted		**(869,184)**	(2,423,373)	**(869,184)**	(2,423,373)
Loans recovered		**793,521**	354,242	**793,521**	354,242
Proceeds from disposal and maturity of financial assets		**7,526,906**	7,613,019	**7,361,457**	7,557,303
Proceeds from sale of property and equipment		**1,086**	4,688	**915**	4,688
Proceeds from sale of seized properties		**6,671**	1,530	**6,671**	1,530
Net cash used in investing activities		**(2,483,675)**	(2,294,600)	**(2,261,927)**	(2,150,769)
Cash flows from financing activities					
Principal paid on lease liabilities	5A	**(3,984)**	(3,683)	**(2,868)**	(2,628)
Dividends paid to Company's shareholders	26	**(156,353)**	(156,353)	**(156,353)**	(156,353)
Dividends paid to non-controlling interest	15	**(20,005)**	(34,908)	**-**	-
Net cash used in financing activities		**(180,342)**	(194,944)	**(159,221)**	(158,981)
Decrease in cash and cash equivalents		**(292,659)**	(598,836)	**(144,982)**	(445,940)
Movement in cash and cash equivalents					
At January 1,		**2,734,361**	3,219,496	**2,297,954**	2,643,840
Decrease during the year		**(292,659)**	(598,836)	**(144,982)**	(445,940)
Effects of exchange rate changes		**107,840**	113,701	**101,200**	100,054
At December 31,	28(b)	**2,549,542**	2,734,361	**2,254,172**	2,297,954

The notes on pages 93 to 200 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 78 to 84.

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

Year ended 31 December 2021

1. GENERAL INFORMATION

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

The principal activities of the Company consist of life insurance, pensions, actuarial and investment business and have remained unchanged during the year. The Company and its Subsidiaries listed in Note 8, forms the Group, and thereafter referred as the "Group".

2. PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated and separate financial statements comply with the requirements of Mauritius Companies Act and Financial Reporting Act (FRA) and have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated and separate financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The 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, using the going concern principle, under the historical cost convention, except for:

- available-for-sale financial assets that are stated at their fair values; and
- 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

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

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

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards and interpretations effective and adopted during the year

The Group and the Company have deferred 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 IFRS 9 did not have any significant impact the consolidated and separate financial statements.

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

Effective June 1, 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 the consolidated and separate financial statements.

Standards and interpretations issued but not yet effective
IFRS 9 Financial Instruments

On July 24, 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 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's 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, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 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 and early adoption permitted.

(a) Classification of financial assets and financial liabilities

IFRS 9 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 categories of held to maturity, loans and receivables and available-for-sale.

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

Year ended 31 December 2021

2. PRINCIPAL 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)

(a) Classification of financial assets and financial liabilities (cont'd)

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, under IFRS 9 these fair value changes are generally presented as follows:

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

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

(b) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 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 or FVOCI, except for investments in equity instruments.

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

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

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

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

The Company has applied the temporary exemption from IFRS 4 in relation to the adoption of IFRS 9 and has not previously adopted any version of IFRS 9. Consequently, the Company continues to apply IAS 39 Financial Instruments: Recognition and Measurement rather than IFRS 9 for annual periods until January 01, 2023 (temporary exemption from IFRS 9).

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)
Standards and interpretations issued but not yet effective (cont'd)
IFRS 9 Financial Instruments (cont'd)

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

The temporary exemption from IFRS 9 is available to companies whose activities are predominantly connected with insurance. The Company is 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 subsidiaries and associates of the Company have already adopted IFRS 9. The directors have assessed that the impact of the adoption of IFRS 9 by the Company's subsidiaries and associates are immaterial on the consolidated and separate financial statements.

The Company has deferred the application of IFRS 9 until the earlier of the effective date of IFRS 17 Insurance contracts of January 1, 2023, opting the temporary exemption from applying IFRS 9 by the amendments to IFRS 4.

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

COVID-19-Related Rent Concessions beyond 30 June 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:
- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before June 30, 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

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

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)
Standards and interpretations issued but not yet effective (cont'd)

The amendment is effective for annual period beginning on or after January 01, 2022, 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) 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.
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)

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.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)
Standards and interpretations issued but not yet effective (cont'd)
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (cont'd)

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

Companies will therefore need to distinguish between:

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

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

The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the consolidated and separate financial statements in which the Group and the Company first apply the amendments. The amendment is effective for annual period beginning on or after January 01, 2022, with earlier application permitted. The directors have assessed that the adoption of this standard will not have a material impact on the consolidated and separate financial statements.

References to the Conceptual Framework (Amendments to IFRS 3)

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3, a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- added to IFRS 3, an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The directors have made an assessment and believe that the application of this standard will not have any significant impact on the consolidated and separate financial statements, unless the Group and the Company have a business combination. As of date of 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.

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

Year ended 31 December 2021

2. PRINCIPAL 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)

IFRS 17 *Insurance contracts* supersedes IFRS 4 *Insurance Contracts* and aims to increase comparability and transparency about profitability. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes. IFRS 17 introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. For insurers, the transition to IFRS 17 will have an impact on consolidated and separate financial statements and on key performance indicators. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

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

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 profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. 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. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)
Standards and interpretations issued but not yet effective (cont'd)
IFRS 17 Insurance Contracts (and its related amendments) (cont'd)

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

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profit of the contract which is recognised as revenue over the coverage period and is recognised in profit or loss over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The recognition of insurance revenue and insurance service expenses in the statement of profit or loss and other comprehensive income based on the concept of services provided during the period;
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in profit or loss 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 2.18 (iv) 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 established an IFRS 17 implementation programme to coordinate these efforts and deliver the required models, systems and processes of 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 31 December 2019 and 2020 balance sheet, as well as other statement impacts for 2019 and 2020. The exercise included products throughout 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 finalising 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. PRINCIPAL 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)

Under existing IAS 1 requirements, companies are required to 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 IASB 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 and IAS 28)

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, 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 Joint Ventures, the parent recognises the gain only to the extent of unrelated investors' interests in the Associate or Joint Venture. 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 and IAS 28).

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. PRINCIPAL 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 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:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board 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.
- 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 1 January 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.

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

Year ended 31 December 2021

2. PRINCIPAL 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)

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

The Board 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:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- 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
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board 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 1 January 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 1 January 2023, with earlier application permitted.

The directors do not expect any significant impact on the consolidated and separate financial statements.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

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

Buildings	**2%**
Furniture, fixtures and fittings	**10%**
Computer equipment	**14%-33%**
Electrical equipment	**10%**
Motor vehicles	**20%**

Land is not depreciated.

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. 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 are determined by comparing proceeds with their carrying amount and are included in 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 Intangible assets

Intangible assets consist of the following:

(i) Goodwill

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

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.

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.3 Intangible assets (cont'd)

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 over the sum of consideration transferred measured at the acquisition date fair value, the amount of non-controlling interests (NCI) in the acquiree measured in accordance with IFRS 3 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 2.5)*

(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 life 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 2.17 (ii))* 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 amortised, on a straight line basis, over a period of 15 years. The customer portfolio follows the same policy as VOBA.

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

Amortisation of intangible assets

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

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.3 Intangible assets (cont'd)

Impairment of intangible assets

(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) *Other intangible assets:*

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

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

2.4.1 Investment properties

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

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

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

Buildings	2%

Land is not depreciated.

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

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.4.2 Seized properties

Seized properties represent properties acquired through auction at the Master's Bar further to the default of clients by the Company. The properties are held by the Group and the Company 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 and separate financial statements of profit or loss in the line item "Impairment of non-financial assets". *Refer to Note 2.9 for further details.*

2.5 Investments in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary companies are carried at cost less impairment. The carrying amount is reduced to recognise any impairment in the separate financial statements. Impairment is normally recognised in profit or loss in the line item "Impairment of non-financial assets". There was no impairment on investment in subsidiaries during the year.

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 their involvement with the entity and has the ability to affect those returns through their 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 2.3(i).

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. The impact of adoption of IFRS 9 by the Company's subsidiaries and associates are immaterial at Group level.

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.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.5 Investments in subsidiaries (cont'd)

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.

2.6 Investments in associated companies

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at cost (which includes transaction costs) less impairment. 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 and the Company's share of net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised in goodwill, which is included in the carrying amount of the investment. Bargain purchase is defined as the excess of the Group's and the Company's share of the net fair value of identifiable assets and liabilities over the cost of acquisition 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 and the Company's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.7 Investments 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 Company holds ownerships in one structured entity namely Swan Foundation. *(Refer to Note 8 (f))*.

2.8 Financial instruments

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

- Available for sale (''AFS'') financial assets;
- Held-to-maturity financial assets; and
- Loans and receivables.

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

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

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

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

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

(b) Non-derivative financial assets - classification and measurement

Held-to-Maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. *(Refer to Note 3.2.6 for details on classification)*

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (cont'd)

Loans and receivables

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

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or where appropriate, a shorter period. *(Refer to Note 3.2.6 for details on classification)*

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 AFS 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. *(Refer to Note 3.2.6 for details on classification)*

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

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

Other financial liabilities

Other financial liabilities comprise trade and other payables, lease liabilities and dividend payable are recognised initially on the trade date, which is the date that the Group and the Company become a party to the contractual provisions of the instrument *(Refer to Note 3.2.6 for details on classification).*

(d) Amortised cost measurement

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

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.8 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.

(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. The 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 includes loans and receivables, held to maturity financial assets, trade and other receivables, short-term deposits and cash and cash equivalents. The Group and the Company consider 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 use historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group and the Company consider 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 is related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (cont'd)

Available-for-sale investments

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is 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 increase and the increase is related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through 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 has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs.

(h) Specific instruments

Cash and cash equivalents

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 short-term cash commitments rather than for investment or other purposes. The Group and the Company have elected to present the consolidated and separate statement of cash flows using the indirect method.

2.9 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 non-financial asset".

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.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.10.1 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 obtain substantially all the economic benefits from use of the asset; and
(d) The Group and the Company have the right to direct use of the asset.

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

In determining whether the Group and the Company 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.

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

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group and the Company if they are reasonably 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; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.10.1 Leases - as lessee (cont'd)
Identifying Leases (cont'd)

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 and the Company are 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 can not be readily determined.

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.10.2 Leases - as Lessor

When the Group and the Company act as a lessor, they determine 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 operating income" in the consolidated and separate statements of profit or loss and other comprehensive income.

2.11 Share capital and reserves

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.

Refer to Note 14 (b) for details of each reserve.

2.12 Equity holder's share of surplus

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.

2.13 Life Assurance Fund

The Life Assurance Fund (the ''fund'') represents the net assets of the Company attributable to policy holders and shareholders. At each reporting date, the amount of the liabilities of the Life Assurance Fund is established and the adequacy of the fund is determined by actuarial valuation.

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

Actuarial reserves

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

The adequacy of the life insurance liabilities are assessed by using a liability adequacy test as detailed in note 2.17(ii).

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.13 Life Assurance Fund (cont'd)

The movement in retirement benefit obligations is disclosed in other comprehensive income due to the fact that the Company 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.

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 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

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

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

2.14 Technical provisions

The technical provisions of the Group and the Company comprises of the Life Assurance Fund *(Refer to Note 2.13)*, provision for unearned premiums *(Refer to Note 2.17(iv))* and outstanding claims (Refer to 2.17(v)(b)).

2.15 Retirement Benefit Obligations

(i) Defined Benefit Plan

The following pension benefits are in place:

- The Group and the Company contribute to a defined benefit plan, the assets of which are held 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.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.15 Retirement Benefit Obligations (cont'd)

(i) Defined Benefit Plan (cont'd)

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 consolidated and separate statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan 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 18(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 profit or loss.

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

(ii) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a pension's investment 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) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the gratuity on retirement payable under the Workers' Rights Act 2019 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. The obligations arising under this plan are not funded.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.15 Retirement Benefit Obligations (cont'd)

(iv) Termination benefits

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

The Group and the Company recognise 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 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.

2.16 Income tax expense

The tax expense for the year comprises of current income tax, deferred tax and Corporate Social Responsibility (CSR). Tax is recognised in 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 substantively 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 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. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.16 Income tax expense (cont'd)

Deferred tax

Deferred tax is provided in full, using the balance sheet 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 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 tax asset is realised or the deferred tax liability is settled.

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

The carrying amount of deferred tax assets is reviewed at each of reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits 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 and associates 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% is remitted to Swan Foundation (details on the entity is included in note 8 (f) (i)). This practice is interpreted and classified as taxation in the consolidated and separate financial statements (excluding foreign subsidiaries).

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.17 Insurance contracts

The Company is the only entity within the Group which deals in insurance business.

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

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

Classification

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

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

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

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.

(ii) Long-term insurance contracts without fixed terms and with discretionary participating feature (DPF)

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

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.17 Insurance contracts - The Company (cont'd)

Classification (cont'd)

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

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. To the extent that the test involves discounting of cash flows, the interest rate applied may be based on management's prudent expectation of current market interest rates. Any inadequacy is recorded in profit or loss and subsequently, an additional insurance liability for the remaining loss is established. In subsequent periods, the liability for a block of business that has failed the adequacy test is based on the best estimate assumptions at each reporting date. The assumptions do not include a margin for adverse deviation. The Company's independent actuaries who review contract liabilities and carry out the liability adequacy test.

(iii) Unit-Linked

A unit-linked insurance contract includes an embedded derivative linking payments on the contract to units of investment (unitised) funds set up by the Company with consideration received from contract holders. This embedded derivative meets the definition of an insurance contract since the contract also provides for death/ survival risks 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) Provision for unearned premiums

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

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

(v) 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.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition

(i) Revenue

Revenue comprises services rendered and after eliminating revenue within the Group and comprise of gross insurance premium. *Refer to Note 2.18 (iii) for more details.*

(ii) Insurance revenue

Premiums earned 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.

Gross earned premiums comprise the total premiums receivable for the accounting period. They start being 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 2012 effective from January 01, 2015, the portfolio of the Defined Contribution group schemes was transferred from Swan Life Ltd into a separate trust, Swan Defined Contribution Pension Scheme (''SDCPS''). 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 private pension schemes (Administration) rules 2014'.

Consideration for annuities is recognised as gross written premium by the Company upon maturity of individual pension plans.

The Company receives 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.

(iii) Other revenue

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.

NOTES TO THE CONSOLIDATED AND SEPARATE
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Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition (cont'd)

(iv) 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.

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 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 administration) to its 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.

2.19 Reinsurance contracts

Reinsurance relates to the Company only (Swan Life Ltd) and is consolidated at group level. Contracts entered into by the Company with Reinsurers under which it is compensated for losses are classified as reinsurance contracts held. The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.19 Reinsurance contracts (cont'd)

The Company's reinsurance assets arise from 'First Surplus Obligatory' treaty arrangements. Reinsurance assets are assessed for impairment on a regular basis. If ever there is objective evidence that the assets are impaired, the carrying amounts are reduced to the recoverable amounts and impairment recognised in consolidated and separate statement of profit or loss. A reinsurance asset is impaired if:

(a) there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset that the cedant may not receive all amounts due to it under the terms of the contract; and
(b) that event has a reliably reasonable impact on the amounts that the cedant will receive from the reinsurer.

Long-term insurance contract liabilities are shown gross of reinsurance. Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.20 Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Translation of foreign entities

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

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

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

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

Year ended 31 December 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.21 Provisions

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

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

2.22 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.

2.23 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.

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 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 risks

The Company is the only entity within the Group which deals with insurance business. The Company has 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 random and therefore unpredictable.

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

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

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

Year ended 31 December 2021

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

3.1 Insurance risks (cont'd)

(a) Insurance contracts

(i) Concentration, frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or 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.

For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating items and conditions that reduce the insurance risk accepted. This is influenced by the frequency of the claims, actual benefits paid and subsequent development of long term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

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

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 the end of 2021	The Group & The Company Total benefits insured Before reinsurance	
	Rs'000	%
Rs'000		
0-1000	28,724,080	26%
1000-2000	15,250,035	14%
>2000	65,087,608	60%
	109,061,723	100%

Benefits assured per life assured at the end of 2020	The Group & The Company Total benefits insured Before reinsurance	
	Rs'000	%
Rs'000		
0-1000	32,023,949	28%
1000-2000	14,637,135	13%
>2000	67,241,147	59%
	113,902,231	100%

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

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 risks (cont'd)

(a) Insurance contracts (cont'd)

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.

Annuities payable per annum per life insured	The Group & The Company			
	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%	47,012	7%
50 - 100	101,157	14%	93,146	15%
100+	506,047	71%	443,804	70%
	715,301	100%	634,995	100%

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

	The Group & The Company	
	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

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

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

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

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 risks (cont'd)

(a) Insurance contracts (cont'd)

(iii) Claims development

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

	2021	2020	2019	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross outstanding claims	**296,975**	321,410	261,096	278,908	214,251

3.2 Financial risks

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 components of this financial risks 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.

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 risks (cont'd)

3.2.1 Market risk

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

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

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

(i) Currency risk

The Group has assets and liabilities denominated in currencies other than MUR and accordingly is exposed to currency risk.

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

The Group and the Company have a number of investments in foreign currencies, namely US Dollar (USD), Japanese Yen (JPY), Euro (EUR), 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 by the Group and the Company.

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

At December 31, 2021	Rs.	JPY	USD	EUR	Others*	Total
Financial and insurance assets	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
- Available-for-sale financial assets	13,892,848	73,119	13,911,837	1,025,565	6,299	28,909,668
- Held-to-maturity financial assets	14,548,869	-	2,077,812	-	-	16,626,681
- Loans and receivables (Gross)	6,705,353	-	-	-	-	6,705,353
- Trade and other receivables (Gross)	1,060,744	-	27,664	-	524	1,088,932
- Short-term deposits and Cash and cash equivalents	1,498,943	-	973,819	37,948	38,832	2,549,542
	37,706,757	73,119	16,991,132	1,063,513	45,655	55,880,176
Less allowances for credit impairment (Note 11 and 12)						(140,183)
Total						**55,739,993**

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 risks (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

	Rs.	JPY	USD	EUR	Others*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund	52,790,703	-	-	-	-	52,790,703
· Gross outstanding claims	296,975	-	-	-	-	296,975
- Lease liabilities	7,887	-	-	-	-	7,887
- Trade and other payables	852,694	-	132	158	206	853,190
- Dividend payable	156,353	-	-	-	-	156,353
	54,104,612	-	132	158	206	54,105,108

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

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

At December 31, 2020	Rs.	JPY	USD	EUR	Others*	Total
Financial and insurance assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Available-for-sale financial assets	10,945,993	67,040	11,386,567	696,838	33,378	23,129,816
- Held-to-maturity financial assets	12,441,199	-	1,732,784	-	-	14,173,983
- Loans and receivables (Gross)	6,641,167	-	-	-	-	6,641,167
- Trade and other receivables (Gross)	911,129	-	26,108	-	683	937,920
- Short-term deposits and Cash and cash equivalents	2,307,318	-	389,310	27,915	9,818	2,734,361
	33,246,806	67,040	13,534,769	724,753	43,879	47,617,247
Less allowances for credit impairment (Note 11 and 12)						(134,085)
Total						**47,483,162**
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund	45,084,339	-	-	-	-	45,084,339
· Gross outstanding claims	321,410	-	-	-	-	321,410
- Lease liabilities	11,871	-	-	-	-	11,871
- Trade and other payables	830,236	-	-	-	197	830,433
- Dividend payable	156,353	-	-	-	-	156,353
	46,404,209	-	-	-	197	46,404,406

*Others consist of the CHF, GBP, ZAR, SCR 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 risks (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

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

At December 31, 2021	Rs.	JPY	USD	EUR	Others*	Total
Financial and insurance assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Available-for-sale financial assets	13,867,132	73,119	13,901,460	1,025,565	5,970	28,873,246
- Held-to-maturity financial assets	14,548,869	-	1,621,515	-	-	16,170,384
- Loans and receivables (Gross)	6,705,353	-	-	-	-	6,705,353
- Trade and other receivables (Gross)	1,004,954	-	-	-	-	1,004,954
- Short term deposits and Cash and cash equivalents	1,257,748	-	927,623	33,718	35,083	2,254,172
	37,384,056	73,119	16,450,598	1,059,283	41,053	55,008,109
Less allowances for credit impairment						(130,769)
Total						**54,877,340**
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund	52,790,703	-	-	-	-	52,790,703
· Gross outstanding claims	296,975	-	-	-	-	296,975
- Lease liabilities	5,352	-	-	-	-	5,352
- Trade and other payables	844,241	-	-	-	-	844,241
- Dividend payable	156,353	-	-	-	-	156,353
	54,093,624	-	-	-	-	54,093,624

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 risks (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

At December 31, 2020	Rs.	JPY	USD	EUR	Others*	Total
Financial and insurance assets	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
- Available-for-sale financial assets	10,923,612	67,040	11,386,753	696,838	33,094	23,107,337
- Held-to-maturity financial assets	12,441,385	-	1,520,512	-	-	13,961,897
- Loans and receivables (Gross)	6,641,167	-	-	-	-	6,641,167
- Trade and other receivables (Gross)	904,946	-	-	-	-	904,946
- Short-term deposits and Cash and cash equivalents	1,952,005	-	314,981	24,447	6,521	2,297,954
	32,863,115	67,040	13,222,246	721,285	39,615	46,913,301
Less allowances for credit impairment						(128,798)
Total						**46,784,503**
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund	45,084,339	-	-	-	-	45,084,339
· Gross outstanding claims	321,410	-	-	-	-	321,410
- Lease liabilities	8,220	-	-	-	-	8,220
- Trade and other payables	797,587	-	-	-	-	797,587
- Dividend payable	156,353	-	-	-	-	156,353
	46,367,909	-	-	-	-	46,367,909

*Others consist of the CHF, GBP, ZAR, SCR 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 risks (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity

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

The Group :

	JPY			USD			EUR			OTHERS		
	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity
	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021												
- Available-for-sale financial assets	-	**8,774**	**8,774**	-	**1,669,420**	**1,669,420**	-	**123,068**	**123,068**	-	**756**	**756**
- Held-to-maturity financial assets		-	-	**249,337**	-	**249,337**	-	-	-	-	-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	**3,320**	-	**3,320**	-	-	-	**63**	-	**63**
- Short-term deposits and Cash and cash equivalents	-	-	-	**116,858**	-	**116,858**	**4,554**	-	**4,554**	**4,660**	-	**4,660**
	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2020												
- Available-for-sale financial assets	-	4,693	4,693	-	797,060	797,060	-	48,779	48,779	-	2,336	2,336
- Held-to-maturity financial assets	-	-	-	121,295	-	121,295	-	-	-	-	-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	1,828	-	1,828	-	-	-	48	-	48
- Short-term deposits and Cash and cash equivalents	-	-	-	27,252	-	27,252	1,954	-	1,954	687	-	687

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 risks (cont'd)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

The Company:

	JPY			USD			EUR			OTHERS		
	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity
	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021												
- Available-for-sale financial assets	-	**8,774**	**8,774**	-	**1,668,175**	**1,668,175**	-	**123,068**	**123,068**	-	**716**	**716**
- Held-to-maturity financial assets	-	-	-	**194,582**	-	**194,582**	-	-	-	-	-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Short-term deposits and Cash and cash equivalents	-	-	-	**111,315**	-	**111,315**	**4,046**	-	**4,046**	**4,210**	-	**4,210**
	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%	+/-7%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2020												
- Available-for-sale financial assets	-	4,693	4,693	-	797,073	797,073	-	48,779	48,779	-	2,317	2,317
- Held-to-maturity financial assets	-	-	-	106,436	-	106,436	-	-	-	-	-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Short-term deposits and Cash and cash equivalents	-	-	-	22,049	-	22,049	1,711	-	1,711	456	-	456

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 risks (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk

The Group:

Interest rate risk arises from the Group and Company's investments in long-term debt securities and income securities (held-to-maturity Investments), short-term deposits, cash and cash equivalents and loans and receivables 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.

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	%	%	%	%
Held-to-Maturity investments	1.25 - 12.25	1.70 - 12.25	1.25 - 12.25	1.70 - 12.25
Loans and receivables	3.125 - 14.95	3.125 - 14.95	3.125 - 14.95	3.125 - 14.95
Cash and cash equivalents	0.00 - 0.50	0.00 - 0.50	0.00 - 0.50	0.00 - 0.50

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

	2021		2020	
	P&L	Equity	P&L	Equity
	Rs'000	Rs'000	Rs'000	Rs'000
Changes in interest rate	+/-1%	+/-1%	+/-1%	+/-1%
The Group:				
Held-to-Maturity investments	19,169	19,169	20,295	20,295
Loans and receivables	51,129	51,129	43,245	43,245
Short-term deposits and Cash and cash equivalents	2,331	2,331	9,214	9,185
	72,629	72,629	72,754	72,725
The Company:				
Held-to-Maturity investments	19,169	19,169	20,295	20,295
Loans and receivables	51,129	51,129	43,245	43,245
Short-term deposits and Cash and cash equivalents	2,331	2,331	9,023	9,023
	72,629	72,629	72,563	72,563

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 risks (cont'd)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk (cont'd)

The Company:

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

For unit linked contracts, the Company matches all the assets on which the unit prices are based with assets in the portfolio.

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.

(iii) Equity price risk

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

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

Sensitivity

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

	2021		2020	
	OCI	Equity	OCI	Equity
	Rs'000	Rs'000	Rs'000	Rs'000
Change in share price		+/-22%		+/-13%
The Group	5,899,102	5,899,102	2,751,100	2,751,100
The Company	5,891,090	5,891,090	2,748,177	2,748,177

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 risks (cont'd)

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial 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;
- investment in held to maturity financial assets and available-for-sale debt securities;
- short-terms deposits and cash and cash equivalents; and
- loans and receivables.

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

The Group and the Company have no significant concentration of credit risk in respect of their insurance business with exposure spread over a large number of clients, 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.

Reinsurance credit exposures - The Company

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

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Company's largest reinsurance counterparty is Swiss Re. At December 31, 2021, the reinsurance assets recoverable was Rs. 11.0 m (2020: Rs.7.0m).

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

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

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 risks (cont'd)

3.2.2 Credit risk (cont'd)

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

"The Group 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.

Short-term deposits and Cash and Cash equivalents

Cash and cash equivalents include cash held with local banks as well as internationally renowned banks, cash equivalents in the form of short-term treasury bills and short term deposits. 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.

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 Company has 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 Company has 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.

Credit risks relating to premiums receivable on Group Schemes (Defined benefits and Defined contributions) are closely assessed by the Company's credit control department. Furthermore regular monitoring are made by the Company'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 Private Pension Schemes (Administration) rules 2014'.

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 risks (cont'd)

3.2.2 Credit risk (cont'd)

The concentration of receivables arising from insurance contracts between individuals and schemes are disclosed in note 12. The following table provides information regarding the carrying value of financial and insurance assets:

	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
THE GROUP					
2021					
- Available-for-sale financial assets (Debt)	**554,105**	**4,302**	**-**	**(4,302)**	**554,105**
- Held-to-maturity financial assets	**16,626,681**	**-**	**-**	**-**	**16,626,681**
- Trade and other receivables	**1,044,336**	**52,186**	**(44,596)**	**(7,590)**	**1,044,336**
- Loans and receivables	**6,397,748**	**311,621**	**(95,587)**	**(4,016)**	**6,609,766**
- Short-term deposits and Cash and cash equivalents	**2,549,542**	**-**	**-**	**-**	**2,549,542**
2020					
- Available-for-sale financial assets (Debt)	324,450	-	-	-	324,450
- Held-to-maturity financial assets	14,173,983	-	-	-	14,173,983
- Trade and other receivables	897,451	40,369	(40,369)	-	897,451
- Loans and receivables	6,352,359	299,157	(93,616)	(10,349)	6,547,551
- Short-term deposits and Cash and cash equivalents	2,734,361	-	-	-	2,734,361
THE COMPANY					
2021					
- Available-for-sale financial assets (Debt)	**554,105**	**4,302**	**-**	**(4,302)**	**554,105**
- Held-to-maturity financial assets	**16,170,384**	**-**	**-**	**-**	**16,170,384**
- Trade and other receivables	**969,772**	**42,772**	**(35,182)**	**(7,590)**	**969,772**
- Loans and receivables	**6,397,748**	**311,621**	**(95,587)**	**(4,016)**	**6,609,766**
- Short-term deposits and Cash and cash equivalents	**2,254,172**	**-**	**-**	**-**	**2,254,172**
2020					
- Available-for-sale financial assets (Debt)	324,450	-	-	-	324,450
- Held-to-maturity financial assets	13,961,897	-	-	-	13,961,897
- Trade and other receivables	869,764	35,182	(35,182)	-	869,764
- Loans and receivables	6,352,359	299,157	(93,616)	(10,349)	6,547,551
- Short-term deposits and Cash and cash equivalents	2,297,954	-	-	-	2,297,954

Loans and receivables that are neither past due nor impaired are spread over a large number of unrelated customers. On contrary, the balances past due or impaired are subject to collective provisioning based on their recent history of defaults (due for more than 6 months and referred to legal counsels) while for provision for impairment represents in relation to cases assessed for impairment individually when there are clear indications of default and hence indication of impairment and time of realisation assessed on a case to case 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 risks (cont'd)

3.2.3 Liquidity risk

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

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

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	28,909,668	-	-	-	28,909,668	28,909,668
- Held-to-maturity financial assets	16,626,681	1,506,013	5,611,258	9,594,042	-	16,711,313
- Loans and receivables (Gross)	6,705,353	1,153,056	433,430	5,118,867	-	6,705,353
- Trade and other receivables (Gross)	1,088,932	1,081,178	4,000	1,500	-	1,086,678
- Short-term deposits and cash and cash equivalents	2,549,542	2,549,542	-	-	-	2,549,542
	55,880,176	6,289,789	6,048,688	14,714,409	28,909,668	55,962,554
Less allowances for credit impairment	(140,183)					
Total	**55,739,993**					
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
· Gross outstanding claims **	296,975	-	296,975	-	-	296,975
- Lease liabilities	7,887	4,495	3,831	-	-	8,326
- Trade and other payables	853,190	800,015	53,175	-	-	853,190
- Dividend payable	156,353	156,353	-	-	-	156,353
	54,105,108	2,447,567	5,245,274	13,362,216	33,050,490	54,105,547

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 risks (cont'd)

3.2.3 Liquidity risk (cont'd)

THE GROUP
Maturity analysis of financial and insurance assets and liabilities:

At December 31, 2020	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	>5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	23,129,816	-	-	-	23,129,816	23,129,816
- Held-to-maturity financial assets	14,173,983	2,935,193	4,747,284	6,517,686	-	14,200,163
- Loans and receivables (Gross)	6,641,167	813,927	172,289	5,654,951	-	6,641,167
- Trade and other receivables (Gross)	937,920	930,326	7,594	-	-	937,920
- Short-term deposits and cash and cash equivalents	2,734,361	2,734,361	-	-	-	2,734,361
	47,617,247	7,413,807	4,927,167	12,172,637	23,129,816	47,643,427
Less allowances for credit impairment	(134,085)					
Total	**47,483,162**					
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
· Gross outstanding claims **	321,410	-	321,410	-	-	321,410
- Lease liabilities	11,871	4,546	8,325	-	-	12,871
- Trade and other payables	830,433	777,012	53,421	-	-	830,433
- Dividend payable	156,353	156,353	-	-	-	156,353
	46,404,406	2,192,038	4,889,695	11,384,316	27,939,357	46,405,406

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 risks (cont'd)

3.2.3 Liquidity risk (cont'd)

THE COMPANY

Maturity analysis of financial and insurance assets and liabilities:

At December 31, 2021	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	>5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	28,873,246	-	-	-	28,873,246	28,873,246
- Held-to-maturity financial assets	16,170,384	1,506,013	5,464,221	9,226,330	-	16,196,564
- Loans and receivables (Gross)	6,705,353	1,153,056	433,430	5,118,867	-	6,705,353
- Trade and other receivables (Gross)	1,004,954	1,004,954	-	-	-	1,004,954
- Short-term deposits and cash and cash equivalents	2,254,172	2,254,172	-	-	-	2,254,172
	55,008,109	5,918,195	5,897,651	14,345,197	28,873,246	55,034,289
Less allowances for credit impairment	(130,769)					
Total	**54,877,340**					
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
· Gross outstanding claims **	296,975	-	296,975	-	-	296,975
- Lease liabilities	5,352	3,203	2,431	-	-	5,634
- Trade and other payables	844,241	791,066	53,175	-	-	844,241
- Dividend payable	156,353	156,353	-	-	-	156,353
	54,093,624	2,437,326	5,243,874	13,362,216	33,050,490	54,093,906

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 risks (cont'd)

3.2.3 Liquidity risk (cont'd)

THE COMPANY
Maturity analysis of financial and insurance assets and liabilities:

		Undiscounted cash flows				
At December 31, 2020	Carrying Amount	< 1 year	1 to 5 years	>5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	23,107,337	-	-	-	23,107,337	23,107,337
- Held-to-maturity financial assets	13,961,897	2,917,080	4,574,296	6,496,701	-	13,988,077
- Loans and receivables (Gross)	6,641,167	813,927	172,289	5,654,951	-	6,641,167
- Trade and other receivables (Gross)	904,946	904,946	-	-	-	904,946
- Short-term deposits and cash and cash equivalents	2,297,954	2,297,954	-	-	-	2,297,954
	46,913,301	6,933,907	4,746,585	12,151,652	23,107,337	46,939,481
Less allowances for credit impairment	(128,798)					
Total	**46,784,503**					
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
· Gross outstanding claims **	321,410	-	321,410	-	-	321,410
- Lease liabilities	8,220	3,254	5,633	-	-	8,887
- Trade and other payables	797,587	744,166	53,421	-	-	797,587
- Dividend payable	156,353	156,353	-	-	-	156,353
	46,367,909	2,157,900	4,887,003	11,384,316	27,939,357	46,368,576

* The maturity profile of the Group's and the Company's Life assurance Fund is based on contractual discounted cashflows.
** Outstanding claims have been classified within the '1 -5 years' bucket as it represents the normal payment cycle of the Company.

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

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

Year ended 31 December 2021

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

3.2 Financial risks (cont'd)

3.2.4 Capital Management

The main objectives of the Company when managing capital are:

- to maintain at all times the Minimum Capital Requirement as required by the Insurance Act 2005, i.e. as determined by the Company's actuary at the higher of:
  (a) a stress test requirement determined in accordance with guidelines issued by the Financial Services Commission; or
  (b) the higher of an amount of Rs.25m or an amount representing 13 weeks' operating expenses.
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.

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

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

3.2.5 Fair value estimation

The fair 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 determine 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 measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

- **Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Only available-for-sale financial assets are measured at fair value 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 4.11 for further details.

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 risks (cont'd)

3.2.6 Financial instruments by category and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

				THE GROUP				THE COMPANY			
				2021		2020		2021		2020	
	IAS 39 classification	Fair Value Hierarchy	Notes	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
				Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's
Financial and insurance assets											
Available-for-sale financial assets											
- Quoted securities	Available-for-sale	Level 1	Note 10	25,961,995	25,961,995	20,678,453	20,678,453	26,189,134	26,189,134	20,660,124	20,660,124
- Investment funds	Available-for-sale	Level 2	Note 10	598,960	598,960	483,851	483,851	588,546	588,546	479,701	479,701
- Unquoted securities	Available-for-sale	Level 3	Note 10	2,348,713	2,348,713	1,967,512	1,967,512	2,095,566	2,095,566	1,967,512	1,967,512
Held-to-maturity financial assets	Held-to-maturity	NA	Note 10	16,626,681	17,756,207	14,173,983	16,276,029	16,170,384	17,302,772	13,961,897	16,053,752
Loans and receivables	Loans and receivables	NA	Note 11	6,609,766	6,609,766	6,547,551	6,547,551	6,609,766	6,609,766	6,547,551	6,547,551
Trade and other receivables	Loans and receivables	NA	Note 12	1,044,336	1,044,336	897,451	897,451	969,772	969,772	869,764	869,764
Short-term deposits and cash and cash equivalents	Loans and receivables	NA	Note 28(b)	2,549,542	2,549,542	2,734,361	2,734,361	2,254,172	2,254,172	2,297,954	2,297,954
				55,739,993		47,483,162		54,877,340		46,784,503	

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 risks (cont'd)

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

				THE GROUP				THE COMPANY			
				2021		2020		2021		2020	
	IAS 39 classification	Fair Value Hierarchy	Notes	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
				Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's
Financial and insurance liabilities											
Technical Provisions:											
- Life assurance fund	NA	NA	NA	52,790,703	52,790,703	45,084,339	45,084,339	52,790,703	52,790,703	45,084,339	45,084,339
- Gross outstanding claims	NA	NA	NA	296,975	296,975	321,410	321,410	296,975	296,975	321,410	321,410
Lease liabilities	Financial liabilities at amortised cost	NA	Note 5A	7,887	7,887	11,871	11,871	5,352	5,352	8,220	8,220
Trade and other payables	Financial liabilities at amortised cost	NA	Note 19	853,190	853,190	830,433	830,433	844,241	844,241	797,587	797,587
Dividend payable	Financial liabilities at	NA	Note 26	156,353	156,353	156,353	156,353	156,353	156,353	156,353	156,353
Short-term deposits and cash and cash equivalents	amortised cost										
				1,017,430		998,657		1,005,946		962,160	

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

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

Year ended 31 December 2021

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Critical accounting estimates and assumptions

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

4.1 Insurance contracts - The Company

(i) Estimates of future liabilities

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

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

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

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

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

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.

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 - The Company (cont'd)

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

The main risks that the Company are exposed to are as follows:

(i) Mortality risk – risk of loss arising due to policyholder death experience being different than expected
(ii) Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
(iii) Longevity risk – risk of loss arising due to the annuitant living longer than expected
(iv) Investment return risk – risk of loss arising from actual returns being different than expected
(v) Expense risk – risk of loss arising from expense experience being different than expected
(vi) Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

All contracts are subject to a liability adequacy test reflecting management's best estimate of current estimate of cash flow.

(ii) Sensitivity

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

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 AND THE COMPANY			
	2021			
	Total Assets	Total Liabilities	Surplus	Change from 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%

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 - The Company (cont'd)

(ii) Sensitivity (cont'd)

	THE GROUP AND THE COMPANY			
	2020			
	Total Assets	Total Liabilities	Surplus	Change from central value
	Rs '000	Rs '000	Rs '000	%
Central*	45,076,618	36,087,697	4,246,605	NA
All interest rates -1% but not CPI	45,076,618	39,293,775	3,188,974	-45.30%
CPI -1%	45,076,618	36,042,073	4,230,854	1.30%
Equity & Property market values -10%	43,268,555	35,922,824	4,246,605	-34.60%
Lapses -10%	45,076,618	36,108,068	4,289,960	-1.30%
Mortality & Morbidity -5%	45,076,618	36,218,279	4,263,861	-3.10%
Expenses -10%	45,076,618	36,034,184	4,228,517	1.50%
Terminal Bonus +10%	45,076,618	36,087,697	4,362,793	-2.50%
Reversionary Bonus +10%	45,076,618	36,087,697	4,527,230	-5.90%

* The central scenario is the one using the final valuation assumptions.

The impact on P&L and equity cannot be determined as the profit is determined at the end of the year by the actuaries.

4.2 Reinsurance - The Company

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

4.3 Impairment of available-for-sale financial assets

The Group and the Company follow the guidance of IAS 39 on determining when a financial asset is 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 flows.

4.4 Impairment of other assets

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

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)

4.5 Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions.
Additional information is disclosed in Note 18.

4.6 Fair value of securities not quoted in an active market

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

4.7 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 2.3.

4.8 Involvement with unconsolidated structured entities

The Group and the Company have concluded that portfolio companies in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- the voting rights in the funds 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(f) for details of involvement with unconsolidated structured entities.

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)

4.9 Control over subsidiaries

The Directors of the Group and the Company assess whether or not the Group and the Company have control over the above subsidiaries based on whether the Group and the Company have the practical ability to direct their relevant activities unilaterally. In making their judgment, the Directors consider the Group's absolute size of holding in these subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the Group and the Company have sufficient dominant voting interest to direct the relevant activities of these subsidiaries and therefore the Group and the Company have control over them. Note 8 describes all the entities that have been identified as subsidiaries of the Group and the Company.

4.10 Significant influence over associates

The Directors of the Group and the Company assess whether or not the Group and the Company have significant influence over its associates. In making their judgment, the Directors consider 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 its associates as detailed in Note 9.

The holding stakes in the associated companies is 49%/50%. Swan General Ltd, the holding company, controls these entities. Accordingly the directors have concluded that Swan Life Ltd has significant influence over these entities.

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

Where the fair value of financial assets recorded in the 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."

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)

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

(a) THE GROUP	Freehold land and buildings	Furniture fixtures & fittings	Computer equipment	Electrical equipment	Motor vehi-cles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At January 1, 2020	312,452	96,802	60,862	2,248	28,996	501,360
Additions	-	5,061	19,185	-	10,263	34,509
Disposals	-	-	-	-	(8,073)	(8,073)
Write-off	-	(15,270)	(11,683)	-	-	(26,953)
At December 31, 2020/ January 01, 2021	**312,452**	**86,593**	**68,364**	**2,248**	**31,186**	**500,843**
Transfer to investment property	(4,041)	-	-	-	-	(4,041)
Additions	540	492	7,755	-	1,287	10,074
Disposals	-	(88)	-	-	(5,430)	(5,518)
At December 31, 2021	**308,951**	**86,997**	**76,119**	**2,248**	**27,043**	**501,358**
DEPRECIATION						
At January 1, 2020	80,728	79,004	50,535	2,248	12,621	225,136
Charge for the year	5,771	4,747	13,894	-	3,186	27,598
Disposal adjustments	-	-	-	-	(2,458)	(2,458)
Write-off	-	(15,270)	(11,683)	-	-	(26,953)
At December 31, 2020/ January 01, 2021	**86,499**	**68,481**	**52,746**	**2,248**	**13,349**	**223,323**
Transfer to investment property	(757)	-	-	-	-	(757)
Charge for the year	5,772	4,538	10,617	-	3,286	24,213
Disposal adjustments	-	(88)	-	-	(4,489)	(4,577)
At December 31, 2021	**91,514**	**72,931**	**63,363**	**2,248**	**12,146**	**242,202**
CARRYING AMOUNTS						
At December 31, 2021	**217,437**	**14,066**	**12,756**	**-**	**14,897**	**259,156**
At December 31, 2020	225,953	18,112	15,618	-	17,837	277,520

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 amounted to Rs 414,000.

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

Year ended 31 December 2021

5. PROPERTY AND EQUIPMENT (CONT'D)

(b) THE COMPANY	Buildings	Furniture fixtures & fittings	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2020	288,061	88,222	55,386	27,715	459,384
Additions	-	5,015	18,357	10,262	33,634
Disposals	-	-	-	(8,073)	(8,073)
Write-off	-	(15,270)	(11,683)	-	(26,953)
At December 31, 2020/ January 01, 2021	**288,061**	**77,967**	**62,060**	**29,904**	**457,992**
Additions	540	492	6,741	1,287	9,060
Disposals	-	(88)	-	(4,150)	(4,238)
Write-off	-	-	-	-	-
At December 31, 2021	**288,601**	**78,371**	**68,801**	**27,041**	**462,814**
DEPRECIATION					
At January 1, 2020	80,060	70,449	46,405	11,345	208,259
Charge for the year	5,761	4,631	13,473	3,187	27,052
Disposal adjustments	-	-	-	(2,458)	(2,458)
Write-off	-	(15,270)	(11,683)	-	(26,953)
At December 31, 2020/ January 01, 2021	**85,821**	**59,810**	**48,195**	**12,074**	**205,900**
Charge for the year	5,772	4,515	9,994	3,285	23,566
Disposal adjustments	-	(88)	-	(3,209)	(3,297)
At December 31, 2021	**91,593**	**64,237**	**58,189**	**12,150**	**226,169**
CARRYING AMOUNTS					
At December 31, 2021	**197,008**	**14,134**	**10,612**	**14,891**	**236,645**
At December 31, 2020	202,240	18,157	13,865	17,830	252,092

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. (i) RIGHT-OF-USE ASSETS

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Buildings		
Carrying amount at January 1, 2020	15,083	10,491
Depreciation	(3,949)	(2,825)
Carrying amount at December 31, 2020/ January 01, 2021	**11,134**	**7,666**
Depreciation	(3,950)	(2,825)
Carrying amount at December 31, 2021	**7,184**	**4,841**

(ii) LEASE LIABILITIES

	THE GROUP	THE COMPANY
At January 1, 2020	15,554	10,848
Interest expense	779	542
Lease payments	(4,462)	(3,170)
At December 31, 2020/ January 01, 2021	**11,871**	**8,220**
Interest expense	562	386
Lease payments	(4,546)	(3,254)
At December 31, 2021	**7,887**	**5,352**

Analysed as:	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Current	**4,163**	3,984	**2,983**	2,868
Non-current	**3,724**	7,887	**2,369**	5,352
	7,887	11,871	**5,352**	8,220

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

(iii) The maturity analysis of the lease liabilities have been disclosed in the Note 3.2.3.

(iv) Nature of leasing activities (in the capacity as lessee)

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.

(v) Lease term

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

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

Year ended 31 December 2021

5A. (i) RIGHT-OF-USE ASSETS (CONT'D)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense (Included in finance costs - Note 25)	**562**	779	**386**	542

The total cash outflows for leases in 2021 was Rs 4,546,000 (2020: Rs 4,462,000) for the Group and Rs 3,254,000 (2020: Rs 3,170,000) for the Company.

6A. INVESTMENT PROPERTIES

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
COST		
At January 1, 2020	537,904	500,425
Additions	1,171	1,136
At December 31, 2020/ January 01, 2021	**539,075**	**501,561**
Transfer from property and equipment	4,041	-
Additions	2,594	2,489
At December 31, 2021	**545,710**	**504,050**
DEPRECIATION		
At January 1, 2020	104,713	104,465
Charge for the year	9,045	9,038
At December 31, 2020/ January 01, 2021	**113,758**	**113,503**
Transfer from property and equipment	757	-
Charge for the year	9,090	9,090
At December 31, 2021	**123,605**	**122,593**
CARRYING AMOUNT		
At December 31, 2021	**422,105**	**381,457**
At December 31, 2020	425,317	388,058

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

Year ended 31 December 2021

6A. INVESTMENT PROPERTIES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31,	1,563,835	1,563,835	1,469,110	1,469,110

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 on an open market value basis by reference to market evidence of transaction prices for similar properties using comparative cost approach and income capitalisation approach. The valuation is performed every 3 years. The directors have reassessed the fair values of the investment properties at December 31, 2021, and determined that the value have not changed significantly.

The valuation of the investment properties has been determined using unobservable inputs and are classified under level 3 hierarchy in the fair value hierarchy table as per IFRS 13 *Fair value measurement*.

The following have been recognised in the profit or loss.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income	32,311	42,326	30,000	39,540
Direct operating expenses from investment properties that generate rental income	10,707	11,850	10,222	11,323
Direct operating expenses from investment properties that do not generate rental income	17,937	14,089	17,751	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		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Less than one year	25,976	27,640	21,656	22,517
One to two years	16,191	22,663	11,871	18,276
Two to three years	9,513	15,255	5,438	10,935
Three to four years	8,458	9,513	4,558	5,438
Four to five years	7,290	8,458	3,390	4,558
More than five years	35,148	42,437	1,998	5,387
Total	102,576	125,966	48,911	67,111

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

Year ended 31 December 2021

7. INTANGIBLE ASSETS

(a) THE GROUP	Goodwill	Computer software	VOBA	Customer portfolio	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2020	63,439	21,621	28,477	55,375	168,912
Additions	-	502	-	-	502
Adjustment *	2,683	-	-	-	2,683
Write-off	-	(3,152)	-	-	(3,152)
At December 31, 2020/ January 01, 2021	**66,122**	**18,971**	**28,477**	**55,375**	**168,945**
Additions	-	1,609	-	-	1,609
At December 31, 2021	**66,122**	**20,580**	**28,477**	**55,375**	**170,554**
AMORTISATION					
At January 1, 2020	-	19,150	18,982	38,763	76,895
Charge for the year	-	2,195	1,898	5,537	9,630
Write-off	-	(3,152)	-	-	(3,152)
At December 31, 2020/ January 01, 2021	**-**	**18,193**	**20,880**	**44,300**	**83,373**
Charge for the year	-	518	1,898	5,537	7,953
At December 31, 2021	**-**	**18,711**	**22,778**	**49,837**	**91,326**
CARRYING AMOUNTS					
At December 31, 2021	**66,122**	**1,869**	**5,699**	**5,538**	**79,228**
At December 31, 2020	66,122	778	7,597	11,075	85,572

* This adjustment relates to goodwill on acquisition of Swan Actuarial Services Ltd where the amount was understated in 2019. The adjustment made in 2020 is not material.

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

Year ended 31 December 2021

7. INTANGIBLE ASSETS (CONT'D)

(b) THE COMPANY	Computer software	VOBA	Total
	Rs'000	Rs'000	Rs'000
COST			
At January 1, 2020	14,670	28,477	43,147
Additions	502	-	502
Write-off	(3,152)	-	(3,152)
At December 31, 2020/ January 01, 2021	**12,020**	**28,477**	**40,497**
Additions	1,609	-	1,609
At December 31, 2021	**13,629**	**28,477**	**42,106**
AMORTISATION			
At January 1, 2020	12,907	18,981	31,888
Charge for the year	2,142	1,898	4,040
Write-off	(3,152)	-	(3,152)
At December 31, 2020/ January 01, 2021	**11,897**	**20,879**	**32,776**
Charge for the year	496	1,898	2,394
At December 31, 2021	**12,393**	**22,777**	**35,170**
CARRYING AMOUNTS			
At December 31, 2021	**1,236**	**5,700**	**6,936**
At December 31, 2020	123	7,598	7,721

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2021	2020
(a) UNQUOTED	Rs'000	Rs'000
At January 1,	548,512	548,512
Additions	-	-
At December 31,	548,512	548,512

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

Year ended 31 December 2021

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The financial statements of the following subsidiaries, incorporated in Mauritius, have been included in the consolidated and separate financial statements for the year ended December 31, 2021 and 2020. The subsidiaries have a reporting date of December 31st and operate on the local market.

Name of subsidiaries	Class of shares held	Stated capital	Nominal value of investment	Proportion of ownership interest		Proportion of ownership interests held by non-controlling interests	Place of business	Country of incorporation	Main business
				Direct	Indirect				
		Rs'000	Rs'000	%	%	%			
· Manufacturers' Distributing Station Limited	Ordinary	961	47,686	99.80%	-	0.20%	Port Louis	Mauritius	· Investment company
· Société de la Croix	Parts	2,500	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Property management
· Société de la Montagne	Parts	45,604	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Property management
· Société de la Rivière	Parts	2,500	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Property management
· Swan Pensions Ltd	Ordinary	4,100	22,825	100%	-	-	Port Louis	Mauritius	· Pension and fund administration
· Swan Financial Solutions Ltd	Ordinary	586,876	469,500	80.00%	-	20.00%	Port Louis	Mauritius	· Investment company
· Swan Wealth Managers Ltd	Ordinary	1,600	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Fund management and investment consulting
· Swan Securities Ltd	Ordinary	10,000	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Stockbroking
· Swan Corporate Advisors Ltd	Ordinary	1,300	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Advisory
· Swan Pensions Rwanda (SPR) Ltd	Ordinary	2,485	-	0%	60.00%	40.00%	Rwanda	Rwanda	· Pension administration
· Swan Foundation*	Limited by guarantee	1	1	50.00%	-	50.00%	Port Louis	Mauritius	· Management of Swan Group CSR fund (not consolidated)
· Swan Actuarial Services Ltd	Ordinary	1,100	8,500	100%	-	0%	Port Louis	Mauritius	· Actuarial services
			548,512						

* Swan foundation is not consolidated. Refer to note 8 (f) for details.

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

Year ended 31 December 2021

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(d) Details for subsidiaries are as follows:

Name of subsidiary	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
	Rs'000	Rs'000
2021		
· Manufacturers' Distributing Station Limited (group) *	**5**	**226**
· Swan Financial Solutions Ltd *	**(1,317)**	**(25,441)**
· Swan Wealth Managers Ltd *	**53,862**	**262,316**
· Swan Securities Ltd *	**1,821**	**20,198**
· Swan Corporate Advisors Ltd *	**105**	**11**
· Swan Pensions Rwanda (SPR) Ltd *	**(19)**	**774**
	54,457	**258,084**
2020		
· Manufacturers' Distributing Station Limited (group)	6	226
· Swan Financial Solutions Ltd	(1,330)	(4,124)
· Swan Wealth Managers Ltd	38,850	208,301
· Swan Securities Ltd	2,323	16,567
· Swan Corporate Advisors Ltd	(50)	(94)
· Swan Pensions Rwanda (SPR) Ltd	(22)	717
	39,777	221,593

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) Summarised financial information on subsidiaries

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

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non-controlling interests
Name of subsidiary	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2021									
• Manufacturers' Distributing Station Limited (group) *	**9,237**	**41,685**	**988**	**-**	**4,603**	**2,526**	**-**	**2,526**	**5**
• Swan Pensions Ltd	**98,363**	**4,299**	**31,008**	**4,557**	**69,172**	**16,584**	**(292)**	**16,292**	**-**
• Swan Financial Solutions Ltd	**43,962**	**537,046**	**460**	**-**	**78,000**	**71,416**	**-**	**71,416**	**20,000**
• Swan Wealth Managers Ltd	**223,108**	**463,321**	**35,821**	**8,564**	**295,218**	**269,308**	**758**	**270,066**	**-**
• Swan Securities Ltd	**70,110**	**44,676**	**31,230**	**3,419**	**25,560**	**9,069**	**9,092**	**18,161**	**-**
• Swan Corporate Advisors Ltd	**2,003**	**-**	**656**	**-**	**698**	**(382)**	**-**	**(382)**	**-**
• Swan Pensions Rwanda (SPR) Ltd *	**451**	**3,048**	**206**	**-**	**-**	**(49)**	**-**	**(49)**	**-**
• Swan Actuarial Services Ltd	**11,426**	**234**	**6,737**	**-**	**9,755**	**3,669**	**-**	**3,669**	**-**
2020									
· Manufacturers' Distributing Station Limited (group)	9,277	41,580	949	-	4,783	3,118	-	3,118	5
· Swan Pensions Ltd	94,309	4,847	33,711	4,640	69,407	17,064	487	17,551	-
· Swan Financial Solutions Ltd	67,017	542,584	469	-	95,000	88,351	-	88,351	17,600
· Swan Wealth Managers Ltd *	304,045	201,711	44,521	11,258	231,688	183,777	(1,371)	182,406	-
· Swan Securities Ltd	87,700	34,762	53,965	6,520	31,921	11,545	(7,322)	4,223	-
· Swan Corporate Advisors Ltd *	1,287	-	323	-		(112)	-	(112)	-
· Swan Pensions Rwanda (SPR) Ltd *	6,220	473	194	-	-	(54)	-	(54)	-
· Swan Actuarial Services Ltd	7,934	182	3,715	-	8,956	2,359	-	2,359	-

*The 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)

(e) Summarised financial information on subsidiaries (cont'd)
(ii) Summarised cash flow information:

	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
	Rs'000	Rs'000	Rs'000	Rs'000
Name of subsidiary				
2021				
• Manufacturers' Distributing Station Limited (group) *	**2,510**	**432**	**(2,500)**	**442**
• Swan Pensions Ltd	**11,580**	**(219)**	**(10,881)**	**480**
• Swan Financial Solutions Ltd	**(1,055)**	**78,000**	**(100,000)**	**(23,055)**
• Swan Wealth Managers Ltd	**215,541**	**(202,429)**	**(79,412)**	**(66,300)**
• Swan Securities Ltd	**(25,620)**	**(7,360)**	**(1,292)**	**(34,272)**
• Swan Corporate Advisors Ltd	**(56)**	**-**	**-**	**(56)**
• Swan Pensions Rwanda (SPR) Ltd *	**12**	**-**	**-**	**12**
• Swan Actuarial Services Ltd	**2,215**	**-**	**-**	**2,215**
2020				
· Manufacturers' Distributing Station Limited (group)	2,344	(18)	(4,500)	(2,174)
· Swan Pensions Ltd	21,757	-	(9,733)	12,024
· Swan Financial Solutions Ltd	(1,167)	190,000	(174,500)	14,333
· Swan Wealth Managers Ltd *	166,943	(143,589)	(191,412)	(168,058)
· Swan Securities Ltd	(33,590)	386	(1,056)	(34,260)
· Swan Corporate Advisors Ltd *	(11)	-	-	(11)
· Swan Pensions Rwanda (SPR) Ltd *	(2)	-	-	(2)
· Swan Actuarial Services Ltd	3,216	-	-	3,216

*The amounts are based on unaudited financial statements.
The summarised financial information above is the amount before intra-group eliminations.

(f) Interest in structured entities not consolidated

(i) Swan Foundation

Swan Foundation is a non-profit entity and limited by guarantee organisation.

Being a limited by guarantee entity, Swan Foundation does not have share capital nor shareholders, but instead has members who act as guarantors.

As at year end, 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 its 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.

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

Year ended 31 December 2021

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) Interest in structured entities not consolidated (cont'd)

(i) Swan Foundation (cont'd)

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 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.

Name of Entity	Country of incorporation	Contributors	Amount	Holdings
Swan Foundation	Mauritius	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
(Deficit)/ Surplus for the year	(787)	90
Current Assets	658	819
Current Liabilities	546	818
Total Equity	112	1

9. INVESTMENTS IN ASSOCIATED COMPANIES

(a) The Company	2021	2020
At January 1,	4,364	4,364
Additions	-	-
At December 31,	4,364	4,364

(b) Group's share of net assets	2021	2020
At January 1,	25,669	39,519
Additions	-	-
Share of results of associated companies	742	(9,268)
Dividends	-	-
Repayment of loan *	-	(13,439)
Share of other comprehensive income	6,640	(11,587)
Exchange differences on translation	1,663	3,129
Other equity movement	-	17,315
At December 31,	34,714	25,669

* This is a non-cash transaction.

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

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9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

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

Name	Carrying Amount	Carrying Amount	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest Direct
	2021	2020					
	Rs'000	Rs'000					
Swan Corporate Affairs Ltd	**500**	500	Dec-31	Secretarial	Port Louis	Mauritius	50%
Swan International Co Ltd	**114**	114	Dec-31	Reinsurance brokers and consultants	Port Louis	Mauritius	49%
Swan Wealth International Ltd	**3,750**	3,750	Dec-31	Investment holding	Port Louis	Mauritius	50%
	4,364	4,364					

There have been no change during the year in the percentage holding in the above associated companies.

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

The above entities are also held by Swan General Ltd, the holding company. Effectively, the holding company controls these entities. Hence, at 49%/50%, Swan Life Ltd can only influence decision making.

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

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend received during the year
2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Swan Corporate Affairs Ltd	**11,344**	**2,554**	**4,243**	**-**	**5,082**	**1,620**	**-**	**1,620**	**-**
Swan International Co Ltd	**6,180**	**49,350**	**2,931**	**-**	**2,226**	**91**	**13,550**	**13,641**	**-**
Swan Wealth International Ltd*	**7,500**	**-**	**719**	**-**	**-**	**(153)**	**-**	**(153)**	**-**
2020									
Swan Corporate Affairs Ltd	10,360	1,984	4,244	-	4,320	1,023	-	1,023	-
Swan International Co Ltd	6,281	32,685	3,400	-	-	(12,659)	(22,746)	(35,405)	-
Swan Wealth International Ltd *	7,500	-	560	-	-	(6)	-	(6)	-

*The amounts are based on unaudited financial statements.

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

Year ended 31 December 2021

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(e) Reconciliation of summarised financial information

Name	Opening net assets January 1,	Profit/ (loss) for the year	Other comprehensive income for the year	Other equity movement	Dividend	Closing net assets December 31,	Ownership interest	Interest in associates	Goodwill	Carrying value
2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**%**	**Rs'000**	**Rs'000**	**Rs'000**
Swan Corporate Affairs Ltd	**8,100**	**1,620**	**-**	**-**	**-**	**9,657**	**50%**	**4,829**	**-**	**4,829**
Swan International Co Ltd	**35,564**	**91**	**13,550**	**3,394**	**-**	**52,599**	**49%**	**25,774**	**721**	**26,495**
Swan Wealth International Ltd*	**6,941**	**(153)**	**-**	**-**	**-**	**6,788**	**50%**	**3,390**	**-**	**3,390**
										34,714
2020										
Swan Corporate Affairs Ltd	7,037	1,063	-	-	-	8,100	50%	4,050	-	4,050
Swan International Co Ltd	64,908	(19,992)	(17,261)	7,909	-	35,564	49%	17,427	721	18,148
Swan Wealth International Ltd*	6,947	(6)	-	-	-	6,941	50%	3,471	-	3,471
										25,669

*The amounts are based on unaudited financial statements.

10. INVESTMENTS IN FINANCIAL ASSETS

(a)

	THE GROUP			
	2021			
		Available-for-sale		
	Held-to-maturity	Debt	Equities	Total
Local Securities	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Balance at January 1,	12,599,012	324,450	10,547,811	23,471,273
Reclassification from equities to debt	-	250,000	(250,000)	-
Reclassification to foreign securities	-	(208,579)	-	(208,579)
Additions	5,618,217	58	275,162	5,893,437
Movement in fair value**	-	(9,369)	2,791,011	2,781,642
Disposals	-	(31,403)	(75,087)	(106,490)
Matured during the year	(3,496,338)	-	-	(3,496,338)
Movement in accrued interests	(95,553)	-	-	(95,553)
Exchange Differences	10,375	-	-	10,375
At December 31,	14,635,713	325,157	13,288,897	28,249,767

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

Year ended 31 December 2021

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

	THE GROUP			
	2021			
		Available-for-sale		
	Held-to-maturity	Debt	Equities	Total
Foreign Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	1,574,971	-	12,257,555	13,832,526
Reclassification from local securities	-	208,579	-	208,579
Additions	337,271	4,302	3,752,596	4,094,169
Movement in fair value**	-	20,369	1,969,825	1,990,194
Disposals	-	-	(2,913,310)	(2,913,310)
Writen-off	-	(4,302)	-	(4,302)
Matured during the year	(65,408)	-	-	(65,408)
Movement in accrued interests	(2,592)	-	-	(2,592)
Exchange differences	146,726	-	-	146,726
At December 31,	1,990,968	228,948	15,066,666	17,286,582
Total	16,626,681	554,105	28,355,563	45,536,349

	THE GROUP			
	2020			
		Available-for-sale		
	Held-to-maturity	Debt	Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	14,065,247	253,505	13,002,022	27,320,774
Reclassification to/from foreign securities	(61,250)	-	1,544	(59,706)
Additions	980,291	61,605	1,356,068	2,397,964
Movement in fair value**	-	20,298	(3,480,306)	(3,460,008)
Disposals	-	(10,958)	(331,517)	(342,475)
Matured during the year	(2,314,804)	-	-	(2,314,804)
Movement in accrued interests	(82,579)	-	-	(82,579)
Exchange Differences	12,107	-	-	12,107
At December 31,	12,599,012	324,450	10,547,811	23,471,273

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

Year ended 31 December 2021

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

	THE GROUP			
	2020			
		Available-for-sale		
	Held-to-maturity	Debt	Equities	Total
Foreign Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	-	-	11,441,846	11,441,846
Reclassification to/from local securities	61,250	-	(1,544)	59,706
Additions	1,516,073	-	3,886,788	5,402,861
Movement in fair value**	-	-	634,740	634,740
Disposals	-	-	(3,704,275)	(3,704,275)
Matured during the year	(9,017)	-	-	(9,017)
Movement in accrued interests	(1,064)	-	-	(1,064)
Exchange differences	7,729	-	-	7,729
At December 31,	1,574,971	-	12,257,555	13,832,526
Total	14,173,983	324,450	22,805,366	37,303,799

** Movement in fair value consists of fair value release of Rs000's. 641,850 (2020:Rs000's.2,024,192), which has been recycled to profit or loss upon disposal of the investments.

Analysed as follows:	2021	2020
	Rs'000	Rs'000
Non-current:		
Available-for-sale	**28,909,668**	23,129,816
Held-to-maturity	**15,120,668**	11,238,790
	44,030,336	34,368,606
Current		
Held-to-maturity	**1,506,013**	2,935,193
	45,536,349	37,303,799
Cumulative accrued interests	**214,890**	436,537

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Year ended 31 December 2021

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(i)

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021				
Available-for-sale:				
Equities	**25,889,985**	**370,012**	**2,095,566**	**28,355,563**
Debts	**72,010**	**228,948**	**253,147**	**554,105**
	25,961,995	**598,960**	**2,348,713**	**28,909,668**
At December 31, 2020				
Available-for-sale				
Equities	20,588,742	275,272	1,941,352	22,805,366
Debts	89,711	208,579	26,160	324,450
	20,678,453	483,851	1,967,512	23,129,816

(b)

	THE COMPANY			
	2021			
		Available-for-sale		
	Held-to-maturity	Debt	Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	12,599,012	324,450	10,525,621	23,449,083
Reclassification from equities to debt	-	250,000	(250,000)	-
Reclassification to foreign equities	-	(208,579)	-	(208,579)
Additions	5,518,325	58	266,824	5,785,207
Movement in fair value**	-	(9,369)	2,785,449	2,776,080
Disposals	-	(31,403)	(75,086)	(106,489)
Matured during the year	(3,396,338)	-	-	(3,396,338)
Movement in accrued interests	(95,553)	-	-	(95,553)
Exchange differences	10,268	-	-	10,268
At December 31,	14,635,714	325,157	13,252,808	28,213,679
Foreign Securities				
Balance at January 1,	1,362,885	-	12,257,266	13,620,151
Reclassification from Local equities	-	208,579	-	208,579
Additions	56,241	4,302	3,752,596	3,813,139
Movement in fair value**	-	20,369	1,969,781	1,990,150
Exchange differences	115,544	-	-	115,544
Disposals	-	-	(2,913,310)	(2,913,310)
Written-off	-	(4,302)	-	(4,302)
At December 31,	1,534,670	228,948	15,066,333	16,829,951
Total	16,170,384	554,105	28,319,141	45,043,630

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10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

	THE COMPANY			
	2020			
		Available-for-sale		
	Held-to-maturity	Debt	Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	14,003,798	253,505	12,974,512	27,231,815
Additions	980,490	61,605	1,309,371	2,351,466
Movement in fair value**	-	20,298	(3,473,376)	(3,453,078)
Disposals	-	(10,958)	(284,886)	(295,844)
Matured during the year	(2,314,804)	-	-	(2,314,804)
Movement in accrued interests	(82,579)	-	-	(82,579)
Exchange differences	12,107	-	-	12,107
At December 31,	12,599,012	324,450	10,525,621	23,449,083

		Available-for-sale		
	Held-to-maturity	Debt	Equities	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Foreign Securities				
Balance at January 1,	-	-	11,439,937	11,439,937
Additions	1,362,885	-	3,886,788	5,249,673
Movement in fair value**	-	-	634,816	634,816
Disposals	-	-	(3,704,275)	(3,704,275)
At December 31,	1,362,885	-	12,257,266	13,620,151
Total	13,961,897	324,450	22,782,887	37,069,234

** Movement in fair value consists of fair value release of Rs000's. 641,808 (2020:Rs000's.2,017,255), which has been recycled to profit or loss upon disposal of the investments.

Analysed as follows:	2021	2020
	Rs'000	Rs'000
Non-current:		
Available-for-sale	**28,873,246**	23,107,337
Held-to-maturity	**14,664,371**	11,044,817
	43,537,617	34,152,154
Current		
Held-to-maturity	**1,506,013**	2,917,080
	45,043,630	37,069,234
Cumulative accrued interests	**206,885**	302,438

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

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10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(i)	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2021				
Available-for-sale:				
Equities	**26,117,124**	**359,598**	**1,842,419**	**28,319,141**
Debts	**72,010**	**228,948**	**253,147**	**554,105**
	26,189,134	**588,546**	**2,095,566**	**28,873,246**
At December 31, 2020				
Available-for-sale				
Equities	20,570,413	271,122	1,941,352	22,782,887
Debts	89,711	208,579	26,160	324,450
	20,660,124	479,701	1,967,512	23,107,337

(c) For the financial year ended December 31, 2021, non-cash additions and disposals for the Group and the Company amount to Rs 59.2m and Rs 56.2m respectively. (2020: Rs 1.1m and Rs 0.8m for the Group and the Company respectively)

(d) 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 321.6m (2020: Rs 281.8m) and Rs 311.1m (2020: Rs277.6m) 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.

(e) 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 3.5m).

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

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs'000	Rs'000
At January 1,	**1,967,512**	1,034,765
Additions	**97,676**	1,132,351
Transfer from Level 1	**-**	3,527
Disposals	**(91,330)**	(80,487)
Impairment	**(4,302)**	-
Movement in fair value	**126,010**	(122,644)
At December 31,	**2,095,566**	1,967,512

*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'.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(g) The table below sets out information about significant unobservable inputs used at December 31, 2021, in measuring Available-for-sale investments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at December 31, 2021	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
	Rs'000				
A.	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.
B.	333,060	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. 33,306 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 33,306.
			(ii) Discount rate	10% - 70%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's. 58,267 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 58,267.
C.	107,238	Present 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.

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10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

Description	Fair value at December 31, 2021	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
	Rs'000				
D.	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.
E	1,323,209	Price of recent investment	No unobservable input is used	N/A	N/A
F.	129,839	Nav and Cost	No unobservable input is used	N/A	N/A
	2,095,566				

The table below sets out information about significant unobservable inputs used at December 31, 2020 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at December 31, 2020	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
	Rs'000				
A.	237,177	Dividend yield multiple	(i) Market multiple	2.28x - 4.05x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 26,354 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 21,479.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the 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.

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10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

Description	Fair value at December 31, 2020	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
	Rs'000				
B	99,068	Price-Earning multiple	(i) Market multiple	8.62x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 9,907 while an increase in in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 9,907.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's. 1,102 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,102.
C.	57,382	Present Book Value	(i) Market multiple	0.45x - 0.88x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 5,725 while an increase in in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 5,738.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's 556 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 573.
D	112,213	Discounted net asset value (NAV)	Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's 1,218 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,218.
E	1,320,679	Price of recent investment	No unobservable input is used	N/A	N/A
F	140,993	Nav and Cost	No unobservable input is used	N/A	N/A
	1,967,512				

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Year ended 31 December 2021

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(h) Held-to-maturity investments comprise of Mauritius Government Securities, listed and unquoted Debenture Stocks and Treasury Bills with interest rates varying from 1.25% to 12.25% (2020: 1.7% to 12.25%).
(i) Available-for-sale financial assets comprise of quoted and unquoted financial assets.
(j) The maturity of financial assets are disclosed in note 3.2.3.
(k) Financial instruments by category and fair values are disclosed in note 3.2.6.

11. 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	48,863	53,125
Loans on residential properties	2,727,580	2,820,207	2,727,580	2,820,207
Loans on business properties	3,680,149	3,567,216	3,680,149	3,567,216
Personal loans	106,365	46,745	106,365	46,745
Cumulative accrued interests	142,396	153,874	142,396	153,874
Less impairment provision				
(see note (a) below)	(95,587)	(93,616)	(95,587)	(93,616)
	6,609,766	6,547,551	6,609,766	6,547,551
Analysed as follows:-				
Non-current	5,456,710	5,733,624	5,456,710	5,733,624
Current	1,153,056	813,927	1,153,056	813,927
	6,609,766	6,547,551	6,609,766	6,547,551

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

	THE GROUP AND THE COMPANY	
	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)
At December 31,	95,587	93,616

(b) The rate of interest on loans vary from 3.125% to 14.95% (2020: 3.125% to 14.95%).
(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) The ageing of loans and receivables is disclosed in note 3.2.3.
(e) The carrying amounts of loan and receivables approximate their fair values.
(f) The carrying value of loans and receivables that have been provided for impairment is disclosed in note 3.2.2.
(g) Interest income accrued on non-performing loans amounted to Rs 2.2m during the year for the Group and the Company (2020: Rs 5.5m).
(h) For the financial year ended December 31, 2021, an amount of Rs000's 4,016 has been written off (2020: Rs000's 10,349).
(i) Out of loans on business properties, an amount of Rs000's 3,317 (2020: Rs'000 3,177) is receivable from related parties.

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

Year ended 31 December 2021

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
· Receivables arising from insurance contracts				
- Due from contract holders - Individuals	102,356	93,996	102,356	93,996
- Schemes	457,231	442,593	457,231	442,593
· Claims recoverable from Reinsurers	10,957	7,021	10,957	7,021
· Interest and other receivables	497,192	305,529	346,231	218,590
· Receivables from:				
- Holding company	74,488	99,402	72,531	98,548
- Subsidiary companies	-	-	64,209	75,338
- Entities under common control	19,152	49,586	19,122	31,842
	1,161,376	998,127	1,072,637	967,928
less provisions for impairment on				
(i) Receivables arising from				
insurance contracts -Schemes	30,182	30,182	30,182	30,182
(ii) Other receivables	14,414	10,187	5,000	5,000
	44,596	40,369	35,182	35,182
Net Trade and other receivables	1,116,780	957,758	1,037,455	932,746
Non-current receivables				
· Interest and other receivables	4,895	7,594	-	-

(a) The ageing of trade and other receivables is disclosed in note 3.2.3.
(b) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.
(c) The Group and the Company do not hold any collateral security for trade and other receivables. Impairment provision has been booked where recovery was estimated as doubtful.
Movements on the provisions for impairment of trade and other receivables are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	40,369	5,472	35,182	5,000
Charge for the year	4,227	34,897	-	30,182
At December 31,	44,596	40,369	35,182	35,182

(d) The carrying value of trade and other receivables which have been impaired is disclosed in note 3.2.2.
(e) The carrying amounts of trade and other receivables approximate their fair values.
(f) Currency analysis of trade and other receivables is disclosed in note 3.2.1.
(g) The non-current other receivables are due and payable within 10 years from the end of the reporting period.
(h) For the financial year ended December 31, 2021, Trade and other receivables amounting to Rs000's 7,590 has been written off. (2020: Nil).

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

Year ended 31 December 2021

13. SEIZED PROPERTIES

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs'000	Rs'000
Carrying amount at January 1,	**53,238**	55,489
Additions	**44**	8,829
Disposals	**(7,841)**	(1,721)
Impairment	**-**	(9,359)
Carrying amount at December 31,	**45,441**	53,238

14. SHARE CAPITAL AND RESERVES

	THE GROUP AND THE COMPANY	
	2021	2020
(a) Share Capital	Rs'000	Rs'000
Authorised:		
At 31 December: 2,632,210 ordinary shares at a par value of Rs. 10	**26,322**	26,322
Issued and fully paid:		
At 31 December: 2,632,210 ordinary shares at a par value of Rs. 10	**26,322**	26,322

Each share confers to its holders the right to one vote at general meetings of the Company and a proportional right to dividends.

(b) Reserves

For the Company, 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 and separate statement of profit or loss and other comprehensive income.

For the subsidiaries (at Group level excluding 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 recognised in Equity until the investments are derecognised or impaired.

Other reserves

These reserves comprise mainly of reserves of associates. The Group's share of its associates' post acquisition other comprehensive income movements and the exchange differences arising on the retranslation of the associate's financial statements which is different from the Company's function currency (MUR) are recognised in other reserves.

Actuarial gains/(losses)

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

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

Year ended 31 December 2021

14. SHARE CAPITAL AND RESERVES (CONT'D)

Foreign exchange difference reserves

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

Amalgamation reserves

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

15. NON-CONTROLLING INTERESTS

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
At January 1,	**221,593**	201,146
Share of profit (note 8(d))	**54,457**	39,777
Share of reserves	**2,039**	(1,725)
	56,496	38,052
Dividend declared	**(20,005)**	(17,605)
At December 31,	**258,084**	221,593

16. LIFE ASSURANCE FUND

THE GROUP AND THE COMPANY	2021				2020			
	Actuarial liabilities	Fair value reserve	Actuarial gains/ (losses)	Total	Actuarial liabilities	Fair value reserve	Actuarial gains/(losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1:	**38,295,994**	**6,936,174**	**(147,829)**	**45,084,339**	35,520,195	9,754,436	(108,178)	45,166,453
Movement in Life Assurance Fund for the year	**2,938,075**	**4,766,230**	**2,059**	**7,706,364**	2,775,799	(2,818,262)	(39,651)	(82,114)
At December 31,	**41,234,069**	**11,702,404**	**(145,770)**	**52,790,703**	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. Refer to 4.1 for the sensitivity analysis around the Life Assurance Fund.

All insurance contracts issued by the Company is included within the Life Assurance Fund. Refer to note 2.17 (i) - (iii) for further details.

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

Year ended 31 December 2021

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred income taxes are calculated on all temporary differences under the balance sheet method at 17% (2020: 17%).

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

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Deferred tax assets	4,315	4,658
Deferred tax liabilities	(399)	(956)
	3,916	3,702
(b) The movement on the deferred income tax account is as follows:		
At January 1,	3,702	1,808
Credited to profit or loss (note 20)	1,014	1,488
(Credited)/charged to other comprehensive income	(800)	406
At December 31,	3,916	3,702

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

	Accelerated capital	Right-of-use assets	Total
(i) Deferred tax liabilities	Rs'000	Rs'000	Rs'000
At January 1, 2020	340	781	**1,121**
Charged/(credited) to profit or loss	26	(191)	**(165)**
At December 31, 2020	366	590	**956**
Reclassification to Deferred tax assets	(366)	-	**(366)**
Charged/(credited) to profit or loss	-	(191)	**(191)**
At December 31, 2021	-	399	**399**

(ii) Deferred tax assets	Accelerated capital	Retirement benefit obligations	Lease liabilities	Provision for impairment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2020	-	2,121	808	-	**2,929**
(Charged)/credited to profit or loss	-	(184)	(179)	1,686	**1,323**
Charged to other comprehensive income	-	406	-	-	**406**
At December 31, 2020	-	2,343	629	1,686	**4,658**
Reclassification from deferred tax liabilities	111	334	(8)	(803)	**(366)**
(Charged)/credited to profit or loss	(79)	362	(190)	730	**823**
Charged to other comprehensive income	-	(800)	-	-	**(800)**
At December 31, 2021	**32**	**2,239**	**431**	**1,613**	**4,315**

Unrecognised deferred tax assets for the Company has been disclosed in Note 20(e).

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

Year ended 31 December 2021

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Amount recognised in the statement of financial position:				
Defined pension benefits (note (a) (ii))	**134,923**	124,224	**132,591**	118,288
Other post retirement benefits (note (b) (i))	**40,938**	35,826	**30,100**	26,009
	175,861	160,050	**162,691**	144,297
Analysed as follows:				
Non-current liabilities	**175,861**	160,050	**162,691**	144,297
Amount charged to profit or loss (note 24):				
Defined pension benefits (note (a) (v))	**18,181**	16,679	**17,765**	16,150
Other post retirement benefits (note (b) (iv))	**5,103**	4,729	**3,822**	3,519
	23,284	21,408	**21,587**	19,669
Amount credited to other comprehensive income:				
Defined pension benefits (note (a) (vi))	**(8,213)**	45,785	**(2,882)**	43,842
Other post retirement benefits (note (b) (v))	**1,441**	(4,605)	**823**	(4,191)
	(6,772)	41,180	**(2,059)**	39,651

(a) Defined pension benefits

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

The plan is a defined benefit top-up arrangement, whereby ex-CIM employees who are members of the Rogers Pension Fund receive a top-up to their defined contribution benefit at normal retirement age to ensure that the pension they will receive is at least as much as the pension they would have received under the previous defined benefit plan rules.

The assets of the plan are invested in a combination of 60% growth assets (equities, property and alternative investments) and 40% matching assets (fixed income and cash).

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

The most recent actuarial valuation of the present value of the defined benefits obligations were carried out at December 31, 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.

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

Year ended 31 December 2021

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
(ii) The amount recognised in the statement of financial position are as follows:				
Present value of funded obligations	406,569	387,703	395,819	372,787
Fair value of plan assets	(271,646)	(263,479)	(263,228)	(254,499)
Liability in the statement of financial position	134,923	124,224	132,591	118,288

	THE GROUP		THE COMPANY	
The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:	2021	2020	2021	2020
At January 01,	124,224	62,532	118,288	58,827
Charged to profit or loss	18,181	16,679	17,765	16,150
Credited to other comprehensive income	(8,213)	45,785	(2,882)	43,842
Employer's contributions	(2,365)	(772)	(580)	(531)
Transfer to other receivables	3,096	-	-	-
At December 31,	134,923	124,224	132,591	118,288

	THE GROUP		THE COMPANY	
(iii) The movement in the defined benefit obligations over the year is as follows:	2021	2020	2021	2020
At January 01,	387,703	311,936	372,787	299,906
Current service cost	15,146	13,582	14,932	13,222
Interest cost	9,251	15,575	8,890	14,995
Actuarial gains	(708)	46,610	4,033	44,664
Benefits paid	(4,823)	-	(4,823)	-
At December 31,	406,569	387,703	395,819	372,787

	THE GROUP		THE COMPANY	
(iv) The movement in the fair value of plan assets over the year is as follows:	2021	2020	2021	2020
At January 01,	263,479	249,404	254,499	241,079
Expected return on plan assets	6,298	12,478	6,057	12,067
Actuarial gains	7,505	825	6,915	822
Scheme expenses	(62)	-	-	-
Employer contributions	2,365	772	580	531
Cost of insuring risk benefits	(20)	-	-	-
Benefits paid	(4,823)	-	(4,823)	-
Transfer to other receivables	(3,096)	-	-	-
At December 31,	271,646	263,479	263,228	254,499

The Company and its subsidiaries have a retirement pension fund for its employees which is internally managed. The assets, which are not legally separate, are included as part of available-for-sale financial assets and held-to-maturity assets.

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Year ended 31 December 2021

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(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	15,146	13,582	14,932	13,222
Interest cost	2,953	3,097	2,833	2,928
Scheme expenses	62	-	-	-
Cost of insuring risk benefits	20	-	-	-
Total included in employee benefit expense	18,181	16,679	17,765	16,150

(vi) The amounts recognised in other comprehensive income are as follows:	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Liability experience gains	(6,746)	8,022	(3,188)	7,687
Losses on pension scheme assets	(7,505)	(825)	(6,915)	(822)
Actuarial gains arising from changes in financial assumptions	6,038	38,588	7,221	36,977
	(8,213)	45,785	(2,882)	43,842

(vii) The assets of the Group 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 Assurance 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 Deposit Administration policy.

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	%	%	%	%
Discount rate	4.20%	2.00% to 2.60%	4.20%	2.40%
Future long-term salary increases	3.00%	2.00%	3.00%	2.00%
Future guarantee pension increases	0% to 3%	0% to 3%	0% to 3%	0% to 3%
NPS ceiling increases	4.00%	4.00%	4.00%	4.00%
Post retirement annuity rates	Swan rates 2021/ RPF rates 2021	Swan rates 2020/ RPF rates 2020	Swan rates 2021/ RPF rates 2021	Swan rates 2020/ RPF rates 2020

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Year ended 31 December 2021

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	37,430	40,442	36,806	39,413
Decrease due to 1% increase in discount rate	32,978	35,173	32,415	34,251
Increase due to 1% increase in				
Salary increase assumption	36,384	40,799	35,838	39,767
Decrease due to 1% decrease in				
Salary increase assumption	32,365	35,970	31,858	35,069

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

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

(x) The defined benefit pension plan exposes the Group and the Company to actuarial risks, such as investment, interest, longevity and salary risks.

- Interest rate risk – If the yields on Government Bonds and Treasury Bills decrease, the liabilities would be calculated using a lower discount rate, and would therefore increase.
- Investment risk – For funded benefits, the expected returns on assets is aligned with the discount rate. Should the actual return on the assets of the plan be lower than the discount rate, a deficit will arise.
- Salary risk – If salary increases are higher than assumed, the liabilities would increase giving rise to actuarial losses.
- Mortality/Longevity risk – Lower pensioner mortality in retirement will result in pensions being paid for longer than expected.
- Withdrawal risk – Lower than expected withdrawals before retirement will result in more employees receiving pension benefits than expected giving rise to actuarial losses.
- Liquidity risk – This risk arises if the Group's and Company's actual net cash flows are not sufficient to pay for the unfunded gratuity benefits when they become due.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(xii) The Group and the Company expect to pay Rs13.4m and Rs 13.2m respectively in contributions to their post-employment benefit plans for the year ending December 31, 2022.

(xiii) The weighted average duration of the defined benefit obligation is 6 - 15 years for the Group and 9-15 years for the Company at the end of the reporting period (2020: 4 - 17 years for the Group and 10 - 17 years for the Company).

(b) Other post retirement benefits

Other post retirement benefits comprise of residual retirement gratuities. Under the Workers Rights Act 2019 (WRA), employees are entitled to a retirement gratuity from which a portion of equivalent amount of the pension from the define benefit and define contribution can be offset. It is possible to have a residual liability from the retirement gratuity and any residual liabilities have been recognised in the Retirement Benefit Obligations at December 31, 2021.

The plan provides statutory benefits in terms of the Workers' Rights Act in the form of a lump sum on retirement or death in service. For employees who are members of a pension plan, half of any lump sum plus 5 years of pension payments (in respect of the employer's share of contributions only) payable from the pension plan are offset against the gross benefit due.

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Post retirement benefits	**40,938**	35,826	**30,100**	26,009

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

	THE GROUP		THE COMPANY	
At January 01,	**35,826**	35,702	**26,009**	26,681
Charged to profit or loss	**5,103**	4,729	**3,822**	3,519
Credited to other comprehensive income	**1,441**	(4,605)	**823**	(4,191)
Benefits paid	**(1,432)**	-	**(554)**	-
At December 31,	**40,938**	35,826	**30,100**	26,009

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

	THE GROUP		THE COMPANY	
At January 01,	**35,826**	35,702	**26,009**	26,681
Current service cost	**4,247**	2,956	**3,205**	2,185
Net interest cost	**856**	1,773	**617**	1,334
Actuarial gains	**1,441**	(4,605)	**823**	(4,191)
Benefits paid	**(1,432)**	-	**(554)**	-
At December 31,	**40,938**	35,826	**30,100**	26,009

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

(iv) The amounts recognised in the statement 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	4,247	2,956	3,205	2,185
Net interest cost	856	1,773	617	1,334
Total included in employee benefit expense	5,103	4,729	3,822	3,519

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Actuarial (gains)/loss arising from changes in financial assumptions	(5,351)	5,520	(4,704)	4,749
Liability experience gain due to change in financial assumptions	6,792	(10,125)	5,527	(8,940)
	1,441	(4,605)	823	(4,191)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Discount rate	4.20%	2.00% to 2.70%	4.20%	2.40%
Salary increase	3.00%	2.00%	3.00%	2.00%
Future pension increases	0% to 3%	0% to 3%	0% or 3%	0% or 3%
NPS ceiling increases	4.00%	4.00%	4.00%	4.00%
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

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

Impact on present value of defined benefit obligation:	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Increase due to 1% decrease in discount rate	7,625	7,178	5,565	5,194
Decrease due to 1% increase in discount rate	6,208	5,796	4,519	4,177
Increase due to 1% increase in salary increase assumption	6,522	5,934	4,458	3,979
Decrease due to 1% decrease in salary increase assumption	5,428	4,833	3,706	3,192

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

Year ended 31 December 2021

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

(viii) The defined benefit pension plan exposes the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (premium) risk. Refer to note 18 (a) (x) for further details on the risks.

(ix) The weighted average duration of the defined benefit obligation is 10 - 18 years for the Group and 14 years for the Company at the end of the reporting period (2020: 12-17 years for the Group and 17 years for the Company).

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
· Trade payables:				
- Insurance contracts	**260,021**	239,136	**260,021**	239,136
· Other payables and accruals	**530,958**	486,803	**500,236**	445,257
· Amounts due to:				
- Holding company	**9,036**	51,073	**8,513**	41,269
- Subsidiary companies	**-**	-	**22,296**	18,504
	800,015	777,012	**791,066**	744,166
Non-current:				
Other payables (Refer to note (c))	**53,175**	53,421	**53,175**	53,421

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

(b) The carrying amounts of other payables, accruals and payables to related parties approximate their fair values.

(c) During the financial year ended December 31, 2019, the Company sold the rights and benefits of a 20-years government bonds to Swan Smart Achievers Notes Ltd, a related company, for Rs 54m with a repurchase agreement in five years for Rs 52m.

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

Year ended 31 December 2021

20. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Income tax charge				
Current tax on the adjusted profit for the year at 10%-15% (2020: 15%)	52,055	13,314	37,712	-
Corporate social responsibility tax at 2% (2020: 2%)	1,867	287	-	-
Over provision in prior year	1,609	(8,463)	-	-
Movement in deferred tax (note 17)	(1,014)	(1,488)	-	-
Tax charge for the year	54,517	3,650	37,712	-

Tax rates applicable in:	2021	2020
Mauritius (The Company)	Refer to note (ii)	15%
Mauritius (Subsidiaries)	15%	15%
Rwanda (Subsidiary)	30%	30%

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

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

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Tax calculated at 10%-15% (2020: 15%)	105,175	47,854	46,712	-
Corporate social responsibility tax at 2% (2020: 2%)	1,867	287	-	-
Income not subject to tax	(61,787)	(44,902)	(9,000)	-
Expenses not deductible for tax purposes	8,258	8,828	-	-
(Under)/over provision in prior year	1,609	(8,463)	-	-
Others	(526)	-	-	-
Foreign tax credit	(36)	-	-	-
Deferred tax asset not recognised	(43)	46	-	-
	54,517	3,650	37,712	-

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

Year ended 31 December 2021

20. INCOME TAX EXPENSE (CONT'D)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
(c) Net current tax liabilities				
Balance as at January 1,	7,119	13,253	-	-
Current tax on the adjusted profit for the year at 10%- 15% (2020: 15%)	52,055	13,314	37,712	-
Corporate social responsibility tax at 2% (2020: 2%)	1,867	287	-	-
Under/(over) provision in prior year	1,609	(8,463)	-	-
Advances from Government -Wage Assistance Scheme	(284)	284	-	-
Amount paid during the year	(7,678)	(438)	-	-
Payment under Advance Payment System (APS)	(8,678)	(11,118)	-	-
	46,010	7,119	37,712	-
Current tax assets	-	1,175	-	-
Current tax liabilities	(46,010)	(8,294)	(37,712)	-
	(46,010)	(7,119)	(37,712)	-

(d) Non-deductible expenses comprise mostly of depreciation of property, plant and equipment, amortisation of intangible assets and loss on foreign exchange and income not subject to tax which mainly includes dividends received and interest income.

(e) *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 Company can use the benefits therefrom.

	THE COMPANY			
		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	6,754,296	1,148,230	4,186,384	711,685
	7,031,731	1,195,394	4,455,105	757,368

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

Year ended 31 December 2021

20. INCOME TAX EXPENSE (CONT'D)

(f) Tax losses carried forward

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

	THE COMPANY	
	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.

21. GROSS EARNED PREMIUMS

	THE GROUP AND THE COMPANY					
	2021			2020		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross Premiums	1,852,245	2,163,793	4,016,038	1,837,019	1,861,201	3,698,220
Consideration for annuities	1,107,363	-	1,107,363	1,020,771	-	1,020,771
	2,959,608	2,163,793	5,123,401	2,857,790	1,861,201	4,718,991

Gross earned premiums comprise of premiums received from individuals, corporates (in terms of defined benefit schemes ("DB Schemes" and defined contribution schemes ("DC Schemes"). Gross earned premiums also comprise of premiums received from Group Credit insurance ("GCI") also.

22. INVESTMENT INCOME

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Interest income	1,070,115	1,052,364
Dividend income	386,232	115,665
	1,456,347	1,168,029

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2021

22. INVESTMENT INCOME (CONT'D)

	THE COMPANY					
	2021			2020		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	567,329	494,116	1,061,445	592,391	458,512	1,050,903
Dividend income	375,306	102,331	477,637	169,094	27,240	196,334
	942,635	596,447	1,539,082	761,485	485,752	1,247,237

23. OTHER INCOME

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Profit on disposal of financial assets	945,360	1,242,385
Miscellaneous income	(239)	171,001
Profit/ (loss) on disposal of property and equipment	145	(927)
	945,266	1,412,459

	THE COMPANY					
	2021			2020		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of financial assets	807,451	137,868	945,319	1,166,097	76,220	1,242,317
Loss on disposal of property and equipment	(26)	-	(26)	(927)	-	(927)
Others	(717)	-	(717)	170,756	-	170,756
	806,708	137,868	944,576	1,335,926	76,220	1,412,146

24A. MARKETING AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Marketing and administrative expenses mainly include:				
- Internal auditors' fees	536	1,675	536	1,525
- Staff costs (see note (a) below)	283,168	276,008	225,215	225,059

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

Year ended 31 December 2021

24A. MARKETING AND ADMINISTRATIVE EXPENSES (CONT'D)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Analysis of staff costs:				
Salaries and wages	166,866	158,675	119,493	121,379
Retirement benefit obligations:				
- defined benefit plans (note 18)	23,284	21,408	21,587	19,669
- defined contribution plans	8,574	9,263	6,408	6,655
Other costs	84,444	86,662	77,727	77,356
	283,168	276,008	225,215	225,059

24B. IMPAIRMENT OF FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Impairment of financial assets are on the following:				
(i) Loans and receivables (note 11 (h))	4,016	10,349	4,016	10,349
(ii) Trade and other receivables (note 12 (i))	7,590	-	7,590	-
(iii) Investment in Available-for-sale financial assets (note 10)	4,302	-	4,302	-
	15,908	10,349	15,908	10,349

24C. IMPAIRMENT OF NON-FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Impairment of non-financial assets are on the following:				
(i) Seized Property (Note 13)	-	9,359	-	9,359
	-	9,359	-	9,359

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

Year ended 31 December 2021

25. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense:				
- Lease (note 5A(vi))	562	779	386	542
- Others	7	801	-	-
	569	1,580	386	542

26. DIVIDEND PAYABLE

	THE COMPANY	
	2021	2020
	Rs'000	Rs'000
Declared and Payable		
Final dividend of Rs.59.40 per ordinary share (2020: Rs.59.40)	156,353	156,353

*Dividend accrued in year 2020 has been paid in year 2021.

27. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Profit attributable to equity holders of the Company	575,144	517,691	429,405	428,258
Weighted Average Number of ordinary shares (Basic)	2,632,210	2,632,210	2,632,210	2,632,210
Basic/Diluted Earnings per share (Rs/cts)	218.50	196.68	163.13	162.70

The calculation of basic earning per share has been based on the above profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

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

Year ended 31 December 2021

28. NOTES TO THE STATEMENT OF CASH FLOWS

		THE GROUP		THE COMPANY	
	Notes	2021	2020	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash generated from operations					
Profit for the year before income tax expense		684,118	561,118	467,117	428,258
Adjustments for:					
Depreciation on property and equipment	5	24,213	27,598	23,566	27,052
Depreciation on investment properties	6A	9,090	9,045	9,090	9,038
Amortisation/impairment of intangible assets	7	7,953	9,630	2,394	4,040
Depreciation on right-of-use asset	5A	3,950	3,949	2,825	2,825
Loss on sale of property and equipment	23	(145)	927	26	927
Loss/(profit) on sale of seized properties		1,170	191	1,170	191
Impairment on investments in financial assets	10	4,302	-	4,302	-
Movement in provisions for impairment on loans and receivables	11	1,971	55	1,971	55
Impairment on loans and receivables		4,016	-	4,016	-
Impairment on seized properties	13	-	9,359	-	9,359
Movement in provisions for impairment on trade and others		4,227	45,246	-	40,531
Impairment on trade and other receivables	24B	7,590	-	7,590	-
Interest expense	25	569	1,580	386	542
Investment income	22	(1,456,347)	(1,168,029)	(1,539,082)	(1,247,237)
Net gain on exchange		(264,759)	(133,560)	(227,011)	(112,157)
Profit on sale of financial assets	23	(945,360)	(1,242,385)	(945,319)	(1,242,317)
Change in gross unearned premium		9,210	(15,928)	9,210	(15,928)
Amortisation of non-current payable		(246)	(246)	(246)	(246)
Net movement in Life Assurance Fund		2,938,075	2,775,799	2,938,075	2,775,799
Other movements		-	(16,481)	-	(13,796)
Changes in working capital					
- Trade and other receivables		(164,138)	(137,683)	(99,356)	(144,092)
- Trade and other payables		23,003	(146,284)	46,899	(115,772)
- Retirement benefit obligations		19,487	20,636	20,453	19,138
- Outstanding claims		(24,435)	60,314	(24,435)	60,314
Share of results of associated companies, net of dividend		(742)	9,268	-	-
Cash generated from operations		886,772	674,119	703,641	486,524

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

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28. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Short term deposits	**1,102,286**	796,488	**1,102,286**	796,488
Cash held at banks	**1,447,256**	1,937,873	**1,151,886**	1,501,466
	2,549,542	2,734,361	**2,254,172**	2,297,954

Short-term deposits comprise of foreign deposits, money-at-call and savings accounts. The rates of interest vary between 0.00% to 0.50% (2020: 0.00% to 0.50%).

(c) Non-cash transactions

- For the financial year ended December 31, 2021, non-cash transactions relates to dividend received in species amounting to Rs 59m and Rs 56m for the Group and the Company respectively.

- For the financial year ended December 31,2020, non-cash transactions relates to the acquisition of plant and equipment amounting to Rs 414,000 and none for the Company.

(d) Reconciliation of liability arising from financing activities

	2020	Cash flows	2021
The Group	Rs'000	Rs'000	Rs'000
Lease liabilities	11,871	(3,984)	**7,887**
The Company			
Lease liabilities	8,220	(2,868)	**5,352**

29. MOVEMENTS IN OUTSTANDING CLAIMS AND REINSURANCE ASSETS

	THE GROUP AND THE COMPANY		
(a) Outstanding claims	Gross	Reinsurance	Net
2021	Rs'000	Rs'000	Rs'000
At January 1, Notified claims	321,410	(7,021)	**314,389**
Increase in liabilities due to the notification of additional claims	3,505,312	(35,447)	**3,469,865**
Net cash paid for claims during the year	(3,529,747)	31,511	**(3,498,236)**
At December 31,	296,975	(10,957)	**286,018**
2020			
At January 1, Notified claims	261,096	(16,826)	**244,270**
Increase in liabilities due to the notification of additional claims	3,461,963	(52,676)	**3,409,287**
Net cash paid for claims during the year	(3,401,649)	62,481	**(3,339,168)**
At December 31,	321,410	(7,021)	**314,389**

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

Year ended 31 December 2021

29. MOVEMENTS IN OUTSTANDING CLAIMS AND REINSURANCE ASSETS (CONT'D)

	THE GROUP AND THE COMPANY	
(b) Gross unearned premiums	**2021**	**2020**
	Rs'000	**Rs'000**
At January 1,	**45,426**	61,354
Change in liabilities due to premium being earned	**9,210**	(15,928)
At December 31,	**54,636**	45,426

30. COMMITMENTS AND CONTINGENCIES

	THE GROUP		THE COMPANY	
	2021	**2020**	**2021**	**2020**
(a) Financial Commitments	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Outstanding commitments for the following:-				
Investments in financial assets	**144,000**	544,354	**144,000**	544,354
Loans to be granted	**147,380**	97,841	**147,380**	97,841

The amounts above represents the Group and the Company's maximum exposure to credit risk.

	THE GROUP		THE COMPANY	
(b) Contingent Liabilities	**2021**	**2020**	**2021**	**2020**
Bank guarantees	**12,600**	12,600	**-**	-
Letter of credit	**2,500**	2,500	**-**	-
	15,100	15,100	**-**	-

The amounts above represents the Group and the Company's maximum exposure to credit risk.

Bank guarantees
At December 31, 2021, the Group had contingent liabilities in respect of bank and other guarantees amounting to Rs. 12,600,000 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 subsidiary, Swan Securities Ltd, has a 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.

31. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Directors regard Swan General Ltd, which owns 82.72 % (2020: 82.72%) of the Company's share capital, as the holding and ultimate holding company. The remaining shares are held by various other shareholders. The Company is incorporated in Mauritius and its registered offices is situated at Swan Centre, 10 Intendance Street, Port Louis.

32. SEGMENT INFORMATION

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

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

Year ended 31 December 2021

33. RELATED PARTY TRANSACTIONS

(a) THE GROUP	Sales of services	Purchases of services	Investment income	Recharges	Lease liabilities	Interest expense	Financial assets	Loans/ deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021										
Holding company	**8,244**	**25,338**	**194**	**20,080**	**2,535**	**176**	**-**	**50,000**	**74,488**	**9,036**
Associated companies	**-**	**2,410**	**-**	**4,572**	**-**	**-**	**-**	**-**	**5,947**	**3,972**
Entities under common control	**2,633**	**68**	**274**	**11,689**	**-**	**-**	**100,975**	**-**	**19,152**	**2,228**
Other related companies	**16,858**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,895**	**53,175**
Shareholders with significant influence	**99,071**	**-**	**166,442**	**-**	**-**	**-**	**2,735,688**	**3,184,584**	**25,697**	**-**
Enterprise that have a number of key management/ directors in common	**999,153**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,210**	**-**
Key management personnel	**799**	**-**	**562**	**-**	**-**	**-**	**-**	**82,691**	**-**	**7**
	1,126,758	**27,816**	**167,472**	**36,341**	**2,535**	**176**	**2,836,663**	**3,317,275**	**152,389**	**68,418**

	Sales of services	Purchases of services	Investment income	Recharges	Lease liabilities	Interest expense	Financial assets	Loans/ deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020										
Holding company	26,887	24,964	1,293	56,026	3,651	237	-	-	99,402	51,073
Associated companies	-	2,445	-	5,477	-	-	25,669	-	6,851	4,070
Entities under common control	6,766	518	6,665	11,852	-	-	112,810	-	49,586	4,505
Other related companies	4,147	-	-	-	-	-	-	-	-	53,421
Shareholders with significant influence	92,552	-	108,305	-	-	-	2,406,673	3,167,647	24,498	-
Enterprise that have a number of key management/ directors in common	930,712	-	-	-	-	-	-	-	72,008	-
Key management personnel	818	-	217	-	-	-	-	10,061	-	7
	1,061,882	27,927	116,480	73,355	3,651	237	2,545,152	3,177,708	252,345	113,076

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

Year ended 31 December 2021

33. RELATED PARTY TRANSACTIONS (CONT'D)

(b) THE COMPANY	Sales of services	Purchases of services	Investment income	Recharges	Rental Income	Financial assets	Loans/ deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021									
Holding company		20,485	194	20,080	-	-	50,000	72,531	8,513
Subsidiary companies	372	126,209	92,495	55,503	1,997	-	-	64,209	22,296
Associated companies	-	1,440	-	4,572	-	4,364	-	5,443	3,750
Entities under common control	-	-	274	11,689	-	100,975	-	19,122	-
Other related companies	-	-	-	-	-	-	-	-	53,175
Shareholders with significant influence	99,071	-	166,442	-	-	2,735,688	3,184,584	25,697	-
Enterprise that have a number of key management/ directors in common	999,153	-	-	-	-	-	-	16,210	-
Key management personnel	799	-	562	-	-	-	82,691	-	7
	1,099,396	148,134	259,967	91,844	1,997	2,841,027	3,317,275	203,212	87,741

	Sales of services	Purchases of services	Investment income	Recharges	Rental Income	Financial assets	Loans/ deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020									
Holding company	20,000	20,703	1,293	56,026	-	-	-	98,548	41,269
Subsidiary companies	1,225	123,547	81,895	48,805	1,997	-	-	75,338	18,504
Associated companies	-	1,440	-	5,477	-	4,364	-	6,348	3,750
Entities under common control	-	-	6,665	11,852	-	112,810	-	31,842	-
Other related companies	-	-	-	-	-	-	-	-	53,421
Shareholders with significant influence	92,552	-	108,305	-	-	2,406,673	3,167,647	16,904	-
Enterprise that have a number of key management/ directors in common	930,712	-	-	-	-	-	-	72,008	-
Key management personnel	818	-	217	-	-	-	10,061	-	7
	1,045,307	145,690	198,375	122,160	1,997	2,523,847	3,177,708	300,988	116,951

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

Year ended 31 December 2021

33. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
(c) Key management personnel compensation	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	57,125	54,205	35,442	32,077
Post-employment benefits	2,779	1,985	1,817	1,226
	59,904	56,190	37,259	33,303

(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. The summary of the terms and conditions are as follows:

	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%

(e) Refer to note 8 and 9 for investment in subsidiaries and associates.

34. THREE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY		
	2021	2020	2019	2021	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Statement of profit or loss and other comprehensive income						
Gross earned premiums	5,123,401	4,718,991	4,859,658	5,123,401	4,718,991	4,859,658
Net earned premiums	4,956,811	4,531,615	4,687,182	4,956,811	4,531,615	4,687,182
Investment and other income	3,067,857	3,092,960	2,602,384	2,836,233	2,915,841	2,465,639
Share of (loss)/profit of associates	742	(9,268)	5,747	-	-	-
	8,025,410	7,615,307	7,295,313	7,793,044	7,447,456	7,152,821
Transfer to Life Assurance Fund	(2,938,075)	(2,775,799)	(2,281,703)	(2,938,075)	(2,775,799)	(2,281,703)
Profit before tax	684,118	561,118	455,282	467,117	428,258	338,578
Income tax expense	(54,517)	(3,650)	(35,770)	(37,712)	-	-
Profit for the year	629,601	557,468	419,512	429,405	428,258	338,578
Other comprehensive income for the year, net of tax	4,786,293	(2,874,525)	1,788,327	4,768,289	(2,857,913)	1,792,027
Transfer to Life Assurance Fund	(4,768,289)	2,857,913	(1,792,027)	(4,768,289)	2,857,913	(1,792,027)
Total comprehensive income for the year	647,605	540,856	415,812	429,405	428,258	338,578

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

Year ended 31 December 2021

34. THREE YEAR FINANCIAL REVIEW (CONT'D)

	THE GROUP			THE COMPANY		
	2021	2020	2019	2021	2020	2019
	Rs'000	Rs'000	Rs'000 Restated	Rs'000	Rs'000	Rs'000 Restated
Profit for the year						
Attributable to:						
Owners of the parent	575,144	517,691	391,911	429,405	428,258	338,578
Non-controlling interests	54,457	39,777	27,601	-	-	-
	629,601	557,468	419,512	429,405	428,258	338,578
Total comprehensive income for the year						
Attributable to:						
Owners of the parent	591,109	502,804	387,694	429,405	428,258	338,578
Non-controlling interests	56,496	38,052	28,118	-	-	-
	647,605	540,856	415,812	429,405	428,258	338,578
Dividends	156,353	156,353	156,353	156,353	156,353	156,353
Earnings attributable to shareholders	575,144	517,691	391,911	429,405	428,258	338,578
Statement of Financial Position						
Non-current assets	50,298,244	40,938,738	41,460,393	50,177,082	41,094,191	41,749,692
Current assets	6,370,832	7,495,652	6,738,170	5,996,137	7,014,945	6,185,124
	56,669,076	48,434,390	48,198,563	56,173,219	48,109,136	47,934,816
Share capital	26,322	26,322	26,322	26,322	26,322	26,322
Retained earnings	1,942,203	1,523,412	1,162,074	1,268,591	995,539	723,634
Reserves	60,852	44,887	42,459	529,643	529,643	529,643
Non-controlling interests	258,084	221,593	201,146	-	-	-
Life Assurance Fund	52,790,703	45,084,339	45,166,453	52,790,703	45,084,339	45,166,453
Gross oustanding claims	296,975	321,410	261,096	296,975	321,410	261,096
Gross unearned premiums	54,636	45,426	61,354	54,636	45,426	61,354
Other non-current liabilities	232,760	221,358	163,745	218,235	203,070	147,368
Current liabilities	1,006,541	945,643	1,113,914	988,114	903,387	1,018,946
	56,669,076	48,434,390	48,198,563	56,173,219	48,109,136	47,934,816

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

Year ended 31 December 2021

35. GOING CONCERN AND COVID-19

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 its variants 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.

36. 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.

OTHER STATUTORY ***DISCLOSURES***

(pursuant to Section 221 of the Companies Act)

Year ended 31 December 2021

DIRECTORS OF THE COMPANY

Mr. M. E. Nicolas MAIGROT - Chairperson
Mr. J. M. Louis RIVALLAND - Group Chief Executive
Mr. Arif F. CURRIMJEE
Mr. M. A. Eric ESPITALIER-NOËL (Appointed on 8th October 2021)
Mr. M. M. Hector ESPITALIER-NOËL (Resigned on 29th July 2021)
Mr. M. H. Philippe ESPITALIER-NOËL
Mr. M. D. Henri HAREL
Mr. J. M. René LECLÉZIO (Resigned on 30th June 2021)
Ms. Grace Sarah LEUNG SHING (Appointed on 2nd August 2021)
Mr. E. Jean-Sebastien MAMET
Mr. P. Gopallen MOOROOGEN
Mr. Victor C. SEEYAVE (Resigned on 7th December 2021)

DIRECTORS OF THE SUBSIDIARY COMPANIES

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
Swan Wealth Managers Ltd	Mr. J. M. Louis RIVALLAND Mr. P. Gopallen MOOROOGEN Mr. Nitish BENI MADHU (resigned on January 29, 2021) Mr. Gianduth JEEAWOCK (Appointed on 29 March 2021)
Swan Foundation	Mr. J. M. Louis RIVALLAND Mr. Jaiyansing SOOBAH
Swan Financial Solutions Ltd	Mr. Ashley. C. RUHEE Mr. Nitish BENI MADHU (resigned on January 29, 2021) Mr. J. M. Louis RIVALLAND Mr. J. M. Alan GODER (Appointed on 21 May 2021)
Swan Securities Ltd	Mr. Jaiyansing SOOBAH Mrs. Karine MOREL
Swan Corporate Advisors Ltd	Mr. Gianduth JEEAWOCK 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 Actuarial Services Ltd	Mr. Richard LI TING CHUNG Mr. Jaiyansing SOOBAH

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 Mauritius Companies Act.

DIRECTORS' REMUNERATION AND BENEFITS

The total remuneration and benefits received, due and receivable:

(i) by each Director of Swan Life Ltd from the Company and its subsidiaries are as follows:

	From the Company		From the Subsidiaries	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
Mr. J. M. Louis RIVALLAND	**6,991**	7,117	**6,901**	7,236
Non-executive Directors				
Mr. M. E. Nicolas MAIGROT	**175**	175	**-**	-
Mr. Arif CURRIMJEE	**140**	140	**-**	-
Mr. M. M. Hector ESPITALIER-NOËL	**60**	90	**-**	-
Mr. M. H. Philippe ESPITALIER-NOËL	**90**	90	**-**	-
Mr. M. D. Henri HAREL	**120**	120	**-**	-
Mr. J. M. René LECLÉZIO	**45**	90	**-**	-
Mr. Jean-Sebastien MAMET	**90**	90	**-**	-
Mr. A. Eric Espitalier-Noël	**23**	-	**-**	-
Ms Grace Sarah Leung Shing	**60**	-	**-**	-
Mr. Peroomal Gopallen MOOROOGEN	**160**	160	**40**	40
Mr. Victor C. SEEYAVE	**140**	140	**-**	-
	8,094	8,212	**6,941**	7,276

(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	Rs'000	Rs'000
Manufacturers' Distributing Station Limited				
Non-executive Director				
Mr. Jaiyansing SOOBAH	**20**		20	
		20		20
Swan Pensions Ltd				
Executive Director				
Mr. Alan GODER	**20**		20	
		20		20

OTHER STATUTORY
DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2021
(pursuant to Section 221 of the Mauritius Companies Act)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

	From the Subsidiaries			
	2021		2020	
	Rs'000	Rs'000	Rs'000	Rs'000
Swan Wealth Managers Ltd				
Executive Director				
Mr. Gianduth JEEAWOCK	15		-	
Mr. Nitish BENI MADHU	-		20	
		15		20
Swan Foundation				
Non-executive Director				
Mr. Jaiyansing SOOBAH	-		-	
		-		-
Swan Financial Solutions Ltd				
Executive Director				
Mr. Nitish BENI MADHU	-		10	
Non-executive Director				
Mr. Alan GODER	7		-	
Mr. Ashley Coomar RUHEE	10		10	
		17		20
Swan Securities Ltd				
Non-executive Directors				
Mrs. Karine MOREL	20		20	
Mr. Jaiyansing SOOBAH	20		20	
		40		40
Swan Corporate Advisors Ltd				
Non-executive Directors				
Mr. Gianduth JEEAWOCK	-		-	
Mr. Jaiyansing SOOBAH	-		-	
		-		-
Swan Pensions Rwanda (SPR) Ltd				
Non-executive Directors				
Mr. Alan GODER	-		-	
Mr. Jean Pierre Mubiigi KANAMUGIRE	-		-	
Mrs. Charisma Devi Roopun JAWAHEER	-		-	
		-		-

OTHER STATUTORY **DISCLOSURES**

FOR THE YEAR ENDED DECEMBER 31, 2021

(pursuant to Section 221 of the Mauritius Companies Act)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

	From the Subsidiaries			
	2021		2020	
	Rs'000	Rs'000	Rs'000	Rs'000
Swan Actuarial Services Ltd				
Executive Director				
Mr. Richard LI TING CHUNG	**30**		30	
Non-executive Director				
Mr. Jaiyansing SOOBAH	**30**		30	
		60		60
		172		180

DONATIONS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	-	-	-	-
Charitable donations	-	15	-	15

CONTRACT OF SIGNIFICANCE

During the year under review, there was no contract of significance to which the Company or one of its subsidiaries was a party and in which a Director of the Company was materially interested either directly or indirectly.

OTHER STATUTORY DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2021
(pursuant to Section 221 of the Mauritius Companies Act)

AUDITORS' FEES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- KPMG	7,475	2,875	7,475	2,875
- BDO & Co	780	558	-	-
- Other firms	137	125	-	-
	8,392	3,558	7,475	2,875
Fees paid for other services provided by:				
- KPMG	575	575	575	575
- BDO & Co	920	1,256	920	1,256
	1,495	1,831	1,495	1,831
The breakdown of other services provided are as follows:				
Statutory services:				
- Review of insurance return	345	345	345	345
- Review of risk management framework	230	230	230	230
	575	575	575	575
Other services:				
- Review of quarterly consolidated accounts	-	336	-	336
- Review of year end consolidated accounts	-	-	-	-
- Preparation of Financial statements	920	920	920	920
	920	1,256	920	1,256
	1,495	1,831	1,495	1,831

Notice of Annual **Meeting of Shareholders**

Notice is hereby given that the Annual Meeting of Shareholders (the "Meeting") of Swan Life Ltd (the "Company") will be held on 14th September 2022 at 10.30 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 Messrs. 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.*

Proxy **Form**

I/We

of

being a member/members of Swan Life Ltd ("the Company), do hereby appoint:

of

or failing him/her,

of

or failing him/her the Chairman of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at Swan Centre, 10, Intendance Street, Port Louis on 14th September 2022 at 10.30 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 Messrs. KPMG, the auditors of the Company.			
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 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.

Notes

Swan Life Ltd

Swan Centre
10 Intendance Street
Port Louis, Mauritius
T (230) 207 3500 **F** (230) 208 6898 **W** swanforlife.com