SWAN

STRENGTHENING THE JOY

Swan General Ltd

Annual Report **2022**

STRENGTHENING
THE JOY

At SWAN, we believe that life is about more than just surviving - **it's about thriving**. That's why our mission is to help you **embrace the joys of life with confidence and peace of mind**. We understand that unexpected setbacks can throw a wrench in even the best-laid plans, and that's why we're here to provide protection and support every step of the way.

Our annual report is a **celebration of the moments that make life worth living** - the joy of spending time with loved ones, the satisfaction of pursuing your passions, and the thrill of exploring new horizons. Through our comprehensive range of solutions, we're helping individuals and businesses alike to safeguard their assets and create a brighter, more fulfilling future.

Join us as we explore the power of insurance to strengthen the joys of life, and discover how SWAN is making a difference in the lives of people just like you. Whether you're looking to protect, provide, progress or prosper, we're here to help you navigate life's twists and turns with confidence and grace. Let's embrace the joys of life together - with SWAN by your side.

DEAR
SHAREHOLDER

The Board of Directors is pleased to present the Annual Report of Swan General Ltd for the year ended 31 December 2022.

This report was approved by the Board of Directors on 30th March 2023.

Nicolas Maigrot
Chairperson

Louis Rivalland
Director &
Group Chief Executive

SWAN

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OUR STORY

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-centric, needs-driven enterprise and we are guided by our Vision, Mission, and Values.

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

SWAN

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT

On behalf of the Board of Directors, we are pleased to present the Annual Report and Audited Financial Statements of Swan General Ltd and the Group for the year ended 31 December 2022.

The Mauritian economy continued its recovery, albeit at a slower pace than anticipated. The Russia-Ukraine war has created unprecedented disruptions across the world and Mauritius has not been spared. Like most economies, Mauritius is facing increasingly difficult challenges – higher energy costs, inflation, a depreciating rupee, declining purchasing power, just to name a few. Many central banks around the world, including the Bank of Mauritius, have responded to the rise in inflation with rising interest rates, which has created its own challenges. The economic environment remains difficult, as the purchasing power of customers declines.

SHORT TERM OPERATIONS

Locally, inflation reached double-digit figures, as the economy experienced a rapid rise in consumables and energy prices. The devaluation of the rupee as well as the increasing frequency and severity of catastrophic events such as cyclones and floods, have further hampered economic growth. In these challenging circumstances, it was crucial that we remained focused on our core purpose, which is to provide adequate and quality financial protection to our clients.

Despite these headwinds, Swan General Ltd reported a strong gross written premium growth of 19%, to reach MUR 3.85bn, and a very satisfactory net underwriting surplus of MUR 718.9m for the year. This remarkable operational performance was achieved on the back of a successful execution of our sales and distribution strategy, as we continued to enhance our customer and intermediary experience. The net earned premium also increased by 17% to reach MUR 2.81bn.

LOUIS RIVALLAND
Director & Chief Executive

Adverse weather conditions in the first three months of the year, coupled with increased claims inflation, and higher-than-expected property losses during 2022 significantly impacted the underwriting results. Nonetheless, Swan General Ltd achieved a notable operating profit of MUR 915.5m in 2022.

In our personal lines segment, sales maintained momentum throughout the year to achieve a very good top-line growth of 12%, while pricing and underwriting actions to address the increase in claims frequency and claims inflation started to gain traction.
One of our main strategic themes is to consolidate our leadership position through the enablement of licensed intermediaries, digital innovation, and affinity partnerships. The success achieved in improving our intermediary and client value propositions through the development of portals and self-service platforms like the mySWAN mobile application have provided tangible benefits and enabled excellent service delivery, an important anchor in retaining current clients and attracting new clients, especially in the difficult market conditions at present. In 2022, we have enhanced our client segmentation strategy and managed to bring to market a variety of products aimed at new clients, based on their specific needs and budgets. The outcome has so far been encouraging.

Our performance in the motor business fell well below our expectations and did not reflect our previous track record of delivering strong returns. Rising claims inflation and increasing claims frequency, along with severe weather events, resulted in a significant drop in this segment's performance. The continuing devaluation of the Mauritian Rupee vis-à-vis the main currencies, coupled with double-digit inflation as regards labour and repair costs, following worldwide supply chain disruptions, have underpinned the elevated cost of claims in the motor segment.

We have, however, already taken - and will continue to take - actions designed to strengthen and improve our motor pricing in this difficult trading environment. Enhancing how we price in the motor market will be a key focus throughout 2023. On the claims side, we introduced the SWAN Elite program, with the aim of providing superior quality claims service, whilst containing repair costs to an acceptable level. We have witnessed a promising upturn in our claims.

With a determination to enhance our pricing capability and better leverage the benefits of our integrated business model as regards SWAN Elite, we believe that we can restore our performance in Motor to get back to delivering attractive operational returns.

NICOLAS MAIGROT
Chairperson

Chairperson's & Group Chief Executive's REPORT *(cont'd)*

Gross written premiums in the Property and Casualty class grew by 10% due to solid contributions from the implementation of the corporate business retention strategy as well as the intermediated business strategy. The liability class continued to achieve strong growth, driven by firmer premium rates, uptake of specialty products, and an increased market share across the broker market segment. There was a considerable contribution from innovative and tailor-made solutions for clients in this specific line of business. Additionally, we have been quite successful in tapping the small to medium enterprises segment for their specific insurance needs.

The first quarter floods have nonetheless had a severe impact on the underwriting performance of the property class of business, especially in regard to contract works. Additionally, we experienced a higher frequency of large fire claims, as well as an unusual series of burglary claims in the property portfolio. We have continued to de-risk our portfolio from contracts with unusually large exposure vis-à-vis the premium volume, as well as those contracts exposed to a higher probability of single large losses that could adversely affect the portfolio.

Our existing reinsurance programme effectively mitigated the effects of these major claims, hence limiting the net impact of the losses in the property class of business. It is worth noting that despite the persistent hardening cycle in reinsurance renewals, we have strategically partnered with our reinsurers to effectively manage our exposure to losses arising from the increasing frequency of natural catastrophe events and the growing severity of individual risk losses. We strive to optimise our reinsurance program to manage volatility and protect the balance sheet from unpredictable net losses in support of our profitable growth objectives.

Concerning our largest line of business, health insurance, we managed to sustain an underlying profit as a result of good customer growth, alongside premium increases to address local medical inflation and careful cost management. Revenue in health insurance grew by 31%, as we increased the number of insured members. More importantly, we adopted a strict, yet rewarding, business retention strategy, to meet increasing customer demand.

We nonetheless incurred higher claims and operating costs in this segment, primarily caused by medical inflation. Our underlying performance, together with the sustained growth we are achieving across multiple distribution channels, gives us confidence for the future. This demonstrates how our customers continue to value our services, more than ever in a cost constrained environment. We strive to innovate within our services in order to meet customers' changing expectations as regards healthcare insurance, and we continue to make significant progress in our digital transformation journey with the upgrading of the mySWAN application for our members.

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In 2022, Swan General Ltd registered an overall profit-after-tax of MUR 295.3m, which, once more, proves the resilience of our business model, despite a challenging business environment. Trading conditions in Mauritius remain very competitive. High interest rates and significant inflationary pressures continue to impact business locally. It is expected that economic activity will, in the short to medium term, be constrained by weak consumer spending, while putting more pressure on claims costs. In addition, there are indications of a hardening reinsurance market, with significant increase in reinsurance premium rates following several large global and local catastrophic events. Our underwriting actions to address these matters showed positive results and are expected to continue next year.

2023 will be another challenging year for both the company and the industry. We have new imperatives such as IFRS17 reporting, increased regulatory and compliance obligations, as well as the costs associated with implementing these. The company, however, remains committed to delivering profitable growth in 2023, while optimising its existing capital base.

LONG TERM OPERATIONS

Inflation rates surged globally in 2022 and impacted the purchasing power of customers worldwide, including in Mauritius where the inflation rate was 10.8%. Despite these unfavourable market conditions, we were able to achieve an 11% increase in gross premiums, mainly attributable to growth in our group pension business. Furthermore, our profit after tax increased by 4%, demonstrating our resilience and ability to navigate difficult economic environments.

This is also the last year Swan Life Ltd (SLL) will be reporting its financial results under IFRS 4. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023 and there will be several significant changes in how the results are presented in both the balance sheet and the profit and loss account, noticeably replacement of premium income with the insurance revenue and the introduction of the Contractual Service Margin (CSM).

Individual Life Business

Throughout the year, we have focused on enhancing our sales process and sales automation capabilities for our distribution channels. To remain competitive, it is essential to provide our sales teams with tools that enable them to transact with clients quickly and efficiently. As such, our sales platform has become a key tool for our teams, allowing them to conduct effective needs analyses, provide digital quotes, and automate proposal forms to optimise clients' time.

Despite our focus on operational improvements, we do recognise the value of face-to-face interactions with prospects, and we will continue to invest in the training and development of our teams. In 2023, we will continue to prioritise solutions that best fit our clients' financial needs, providing protection solutions, retirement planning, and investment opportunities to assist our clients to live fully and freely.

Group Pension

We are pleased to report that there was a substantial rise in the number of companies that successfully established their corporate pension scheme in 2022. Most of these companies chose to participate in our promoted multi-employer private pension schemes or other comparable schemes that we administer. This decision was driven by the desire of these companies to contribute to a vehicle of their own preference, as opposed to the newly established mandatory pillar of our retirement system, the PRGF.

We are proud to announce the successful launch of our web platform, enabling seamless submission and validation of data between sponsoring employers and our administration system. Several of our clients have already adopted this platform to send us their membership data. Our goal for 2023 is to extend this service to more clients.

On the operational side, with the completion of various projects and initiatives aimed at standardising the processes for managing our different pension schemes, we felt it was the appropriate time to review and restructure the organization of our pension department to improve operational efficiencies. We have established collaborative working groups which specialise in specific aspects of the administrative processes. This approach enables us to better manage the significant increase in the volume of business, as well as the added complexities involved in administering pension schemes. Internally, this new structure fosters a culture of collaboration among the various roles and specialised teams.

Chairperson's & Group Chief Executive's REPORT *(cont'd)*

Actuarial Services

We provide a wide range of actuarial consulting services on pensions, insurance, risk management, and expected credit losses under IFRS9 to a diverse clientele of over 300 companies, including the largest conglomerates and multinationals in Mauritius, in addition to serving as the statutory actuary for over 20 stand-alone pension schemes.

Over the past year, we have witnessed an unprecedented demand from clients seeking advice. This was primarily due to the rising pension liabilities caused by the low yield on long-term government bonds in the recent past. To address this, the Bank of Mauritius has raised the key rate five times from 1.85% to 4.50% in 2022, resulting in a significant reduction in pension liabilities.

As we move into 2023, we anticipate a surge in client requests for our services, particularly in the Defined Benefit pension scheme sector, amid ongoing challenges to recruit and retain actuarial talent. Our primary focus will be on collaborating with clients to achieve their objectives rather than simply providing services, thereby strengthening our relationship with them.

CAPITAL SOLUTIONS

2022 was an eventful year as the cluster regrouped around an enriched offering to create SWAN Capital Solutions (SCS). SCS's mission is to offer transversal solutions to its customers by way of combining asset management, corporate advisory, stockbroking, lending, and recently, forex services- all while abiding with each activity's regulatory and legal framework. SCS was overwhelmingly welcomed by clients and stakeholders. Indeed, the advent of SCS significantly intensified our market penetration as well as cross selling capabilities.

Swan Wealth Managers Ltd ("SWM") is a leading provider of asset management services in Mauritius and, as at 31 December 2022, managed investments worth Rs 74bn 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.

Year 2022 was characterised worldwide by the aggressive interventions of major central banks to curb persistently high inflation rates and the war between Russia and Ukraine, which combined to pull down international equity markets. Despite this tumultuous year, SWM managed to grow its top line. Furthermore, SWM launched two innovative funds under its flagship investment vehicle, Swan Global Funds Ltd, namely the Dollar Liquidity Fund and the Schroder GAIA II Private Equity Fund. SWM continued with the training of its staff with a view to consolidating and enhancing operational and client servicing capabilities, and began the implementation of a new software to digitalise its portfolio administration function.

With a growing client book, much emphasis hascentred on the optimal delivery of service, generating investment ideas, and managing our ability to navigate current market turmoil. This will provide stepping-stones for further client acquisition and retention. In 2023, as Swan Capital Solutions' combined capabilities and expertise are deployed, we shall be furthering our efforts towards increasing our Assets under Management through the acquisition of new mandates, offering innovative financial solutions to investors, improving operational efficiency through digitalisation, and nurturing closer relationships with our clients.

Swan Corporate Advisors Ltd ("SCA") specialises in corporate finance services and has an Investment Adviser (Corporate Finance Advisory) license granted by the Financial Services Commission. SCA's core competencies are comprised of transaction advisory, capital raising, corporate restructuring, M&A, investment appraisals and financial consulting. During the year 2022, SCA arranged transactions amounting to nearly Rs 2 billion through its advisory and capital raising services. Further SCA is positioning itself as an instrumental financial partner to organisations in their quest for unlocking value through financial reorganisations.

Swan Securities Ltd ("SSL"), the licensed Investment Dealer, registered a laudable operational performance with total operating income growing in the double-digit bracket. Brokerage revenue, the core revenue driver, pursued its upward trend with a growing stake originating from international trading. The top line strength provided resilience to weather the rise in operational costs essentially linked to higher service costs in the domestic inflationary environment and a one-off exceptional item linked to post-retirement pension benefit adjustment. The trading desk was restructured to provide more breadth to service our clients' trading on global stock markets in equities, ETFs, treasuries, corporate bonds, and leveraged instruments, with extended office hours. On the market coverage side, SSL introduced a quarterly report – "Earnings Digest"- distributed exclusively to its clients, summarising the quarterly performance of listed Mauritian groups and the relative valuation of the market. During the year, Swan Corporate Advisors Ltd successfully raised Rs. 750 million for the second Note issuance of a listed entity on the local bourse. SSL acted as placement agent and sponsoring broker for the listing of the Notes thereafter on the Stock Exchange of Mauritius.

Lending activities also picked up on the back of more proactive up-selling strategies. Indeed, the loans portfolio grew through different product offerings - namely investment-backed loans, home loans, and personal loans as well as commercial loans. While pricing of our loans was impacted by the rise in our prime lending rate, further to the rise in the key rate by the Bank of Mauritius, we maintained our uptrend through our tailored offers to clients. 2022 was also the first full year of operations under the Guidelines for Mortgage Underwriting Practices and Procedures of the FSC for our secured loans. Going forward, in 2023, we aim to grow the portfolio further through synergies under Swan Capital Solutions. Significant efforts are under way to intensify our presence in identified niche markets as we see significant room to grow the portfolio.

Our latest addition, namely Swan Forex Ltd, quickly got off the ground as SCS helped the company gain higher visibility, resulting in an instant uptrend in volume. Top and bottom lines were both above expectations. We see ample opportunities for this service to flourish in 2023, as our nimble business model allows us to participate in higher ticket sizes.

Swan Capital Solutions represents a diverse and balanced business mix which is in a prime position to heighten market capture whilst delivering strong financial performance. 2023 is set to be an eventful year marked by deeper product penetration, customer centricity, intense marketing exercises and concretisation of strategic intents.

HUMAN CAPITAL

The organisation of work at SWAN was reviewed following the lifting of Covid-19 restrictions. Physical presence at work gradually increased to nearly 80%. A degree of flexible/remote working was nevertheless maintained to meet operational needs and the expectations of our employees.

Although we conducted online onboarding sessions for new recruits during the pandemic, it was evident that these did not have the same impact as the interactive face-to-face meetings that were organised prior to March 2020. We therefore decided to run a few in-person sessions during the second semester of 2022 to reinforce the knowledge imparted. Special emphasis was put on our mission, vision, and values. The digitalisation of HR processes was further enhanced with the implementation of two additional modules and the launching of a web application on our one-in-all Human Capital Management platform. The Recruitment and Learning modules went live and the Canteen application was accessible to all employees in November 2022. Our aim in 2023 will be to leverage the HR system to improve our effectiveness and to provide a better experience to our employees.

The pandemic proved to be particularly difficult for a few of our employees. Even after the lifting of restrictions, the latter were unable to recover from the high stress and anxiety levels experienced during the lockdowns and while working from home. With the goal of rehabilitating these employees, we set up counselling sessions with trained mental health professionals.

One of our priorities in 2023 is employee wellness. We will conduct a survey to determine the current situation among SWAN employees. The results will guide us in selectingthe initiatives to be set up to enable them take better control of their lives and improve their physical and mental health. SWAN has always been a learning organisation. Over recent years, we have regularly reviewed our learning strategy and have introduced new approaches such as bite-size learning, leadership coaching, and digital learning. We now wish to go one step further and set up a SWAN Academy. Our aim in 2023 is to bring about a swifter learning process by empowering employees to take ownership of their learning, to be achieved through providing easy access to digital learning resources and by enabling a better sharing of knowledge through the all-in-one HR platform.

Chairperson's & Group Chief Executive's REPORT *(cont'd)*

INTERNATIONAL BUSINESS

In Zambia, adverse regulatory measures were promulgated on 30th December 2022 with retroactive effect, impacting the entire industry's performance for financial year 2022 and catching operators unprepared. Further, across the industry, an unusual higher claims experience was recorded, while very tough market conditions continued to prevail. Notwithstanding these challenges, our subsidiary was profitable, recording a growth of 26% in gross written premiums. This was mainly driven by effective constant marketing and wider brand recognition. Our organisation now boasts a new, fully-integrated General insurance infrastructure with important digital capacities.

Our associate companies in Rwanda and the Seychelles were again profitable, performing very well in a highly regulated environment. Agricultural insurance was successfully and profitably launched in Rwanda and is expected to be a key profit driver for 2023. Our operations in the Seychelles maintained a constant and healthy performance amidst the smooth implementation of a new operations software. A combined profit after tax of USD 5.4m was recorded by both associates, as well as a slight growth in gross written premiums.

COMPLIANCE

In August 2022, Mauritius engaged in its second National Risk Assessment, with the aim of identifying, understanding, and assessing the risks money laundering and terrorism financing poses for Mauritius. SWAN forms part of the insurance working group, comprised of key market players. This has also drawn our focus to raising awareness among SWAN employees in the areas of cybersecurity and data protection, through the 'Think Twice' internal campaign. Delivered via a series of innovative videos, the campaign enabled employees to imagine their own actions in real-life situations and made them cognisant of the consequences of non-compliance.

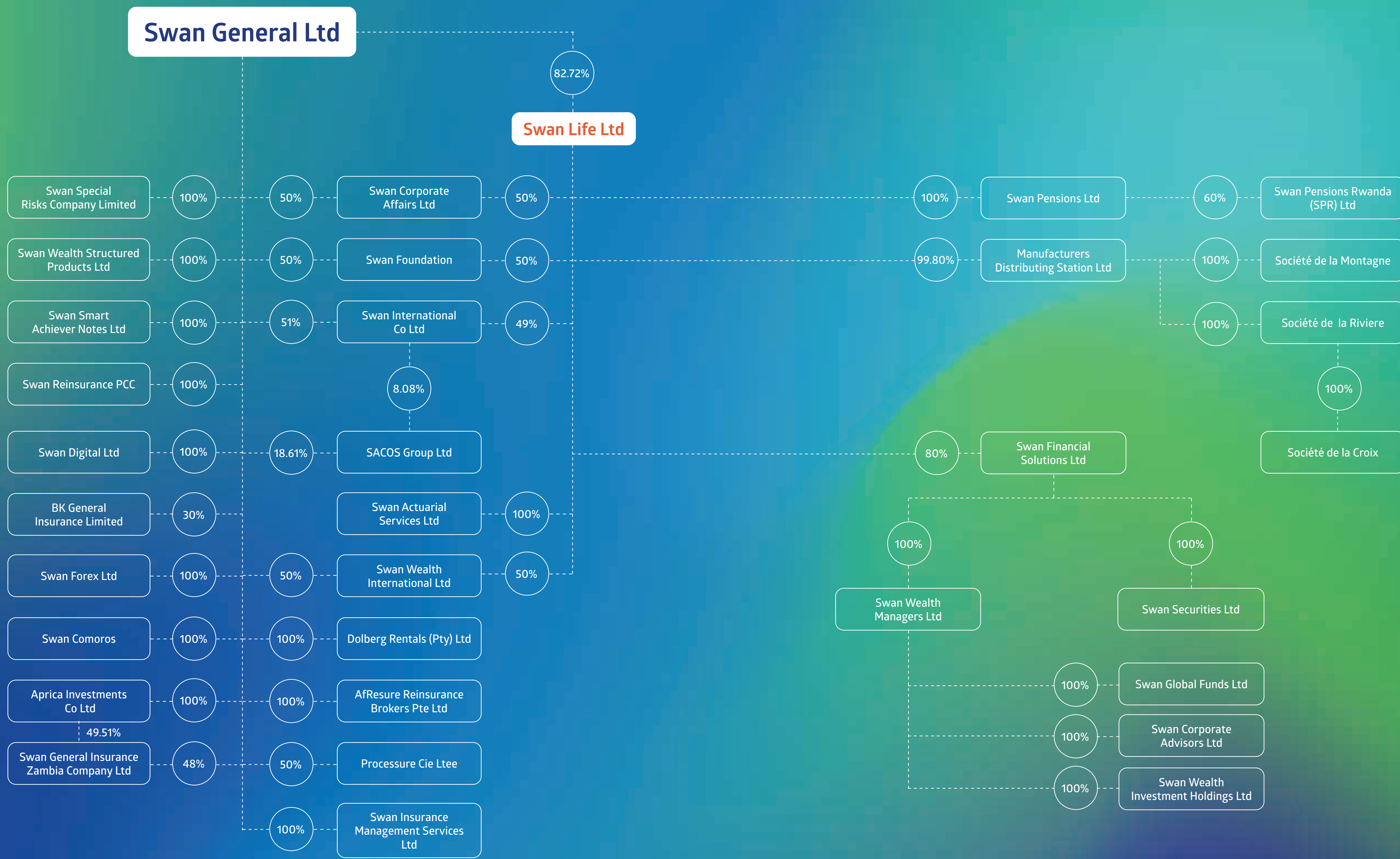
Next year, in compliance with its regulatory requirements, SWAN will retain the services of expert professionals to undertake AML/CFT independent audits across the group, testing compliance and assessing the effectiveness of its AML/CFT policies, procedures and controls. Furthermore, in line with our digitalisation strategy, we will aim at finalising the selection of an automated transaction monitoring tool to allow SWAN to monitor clients' transactions more quickly and accurately, in order to identify suspicious behavioural patterns and transactions.

SWAN firmly believes that it has a role to play in the advancement of society. Through our Corporate Social Responsibility programme, we aim to contribute to the well-being of communities and society, through a combination of financial contributions to a dozen organisations involved in education and socio-economic activities, as well as the direct involvement of our colleagues in the CSR activities which we organise. We have also initiated specific actions towards reducing our carbon footprint, which have been in place for a few years already.

We express our sincere appreciation to SWAN's Board members for their participation and guidance and warmly thank our employees for their continued hard work and focus. We also express our deep gratitude to all our business partners for their continued support and - just as importantly - to all our customers, for their renewed trust and loyalty towards us.

Nicolas Maigrot
Chairperson

Louis Rivalland
Group Chief Executive


Swan General Ltd
82.72%
Swan Life Ltd
Swan Special Risks Company Limited
100%
50%
Swan Corporate Affairs Ltd
50%
100%
Swan Pensions Ltd
60%
Swan Pensions Rwanda (SPR) Ltd
Swan Wealth Structured Products Ltd
100%
50%
Swan Foundation
50%
99.80%
Manufacturers Distributing Station Ltd
100%
Société de la Montagne
Swan Smart Achiever Notes Ltd
100%
51%
Swan International Co Ltd
49%
100%
Société de la Riviere
Swan Reinsurance PCC
100%
8.08%
100%
Swan Digital Ltd
100%
18.61%
SACOS Group Ltd
80%
Swan Financial Solutions Ltd
Société de la Croix
BK General Insurance Limited
30%
Swan Actuarial Services Ltd
100%
100%
100%
Swan Forex Ltd
100%
50%
Swan Wealth International Ltd
50%
Swan Wealth Managers Ltd
Swan Securities Ltd
Swan Comoros
100%
100%
Dolberg Rentals (Pty) Ltd
Aprica Investments Co Ltd
100%
100%
AfResure Reinsurance Brokers Pte Ltd
100%
Swan Global Funds Ltd
49.51%
Swan General Insurance Zambia Company Ltd
48%
50%
Processure Cie Ltee
100%
Swan Corporate Advisors Ltd
100%
Swan Insurance Management Services Ltd
100%
Swan Wealth Investment Holdings Ltd

KEY FIGURES

At a glance

Gross Premiums

The Group

Y2022 - 10,139,744 ↑
Y2021 - 8,975,070

The Company

Y2022 - 3,848,229 ↑
Y2021 - 3,246,476

Net Earned Premiums

The Group

Y2022 - 8,500,021 ↑
Y2021 - 7,500,268

The Company

Y2022 - 2,812,511 ↑
Y2021 - 2,408,649

Profit Before Income Tax Expense

The Group

Y2022 - 979,762 ↑
Y2021 - 929,200

The Company

Y2022 - 304,153 ↓
Y2021 - 313,003

Dividends Paid

The Group

Y2022 - 125,130 ↑
Y2021 - 119,171

The Company

Y2022 - 125,130 ↑
Y2021 - 119,171

Dividends per Share

The Group

Y2022 - 15.12 ↑
Y2021 - 14.40

The Company

Y2022 - 15.12 ↑
Y2021 - 14.40

Earnings per Share

The Group

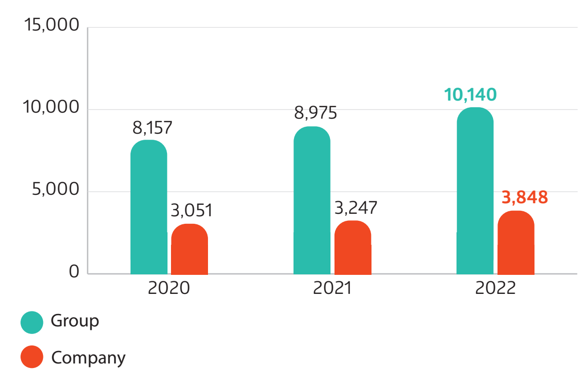
Y2022 - 92.33 ↑
Y2021 - 83.68

The Company

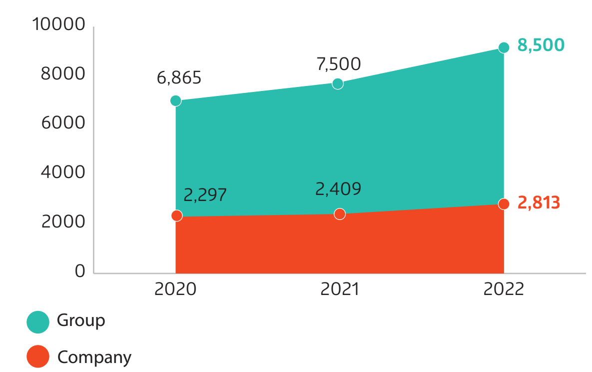
Y2022 - 35.68 ↑
Y2021 - 35.55

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

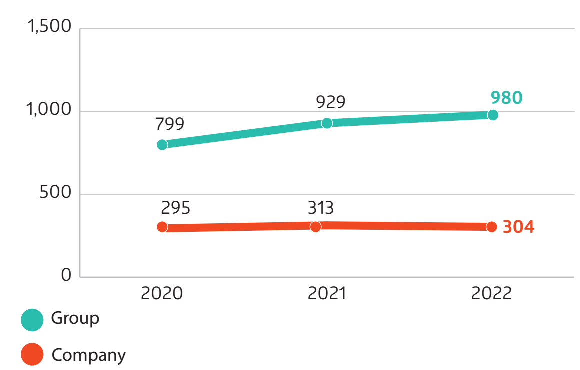
Gross Premiums (Rs. m)



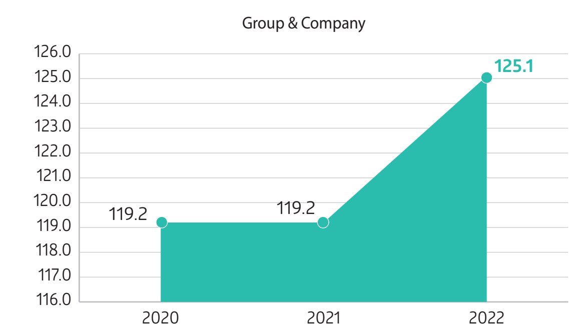
Net Earned Premiums (Rs. m)



Profit Before Income Tax Expense (Rs. m)

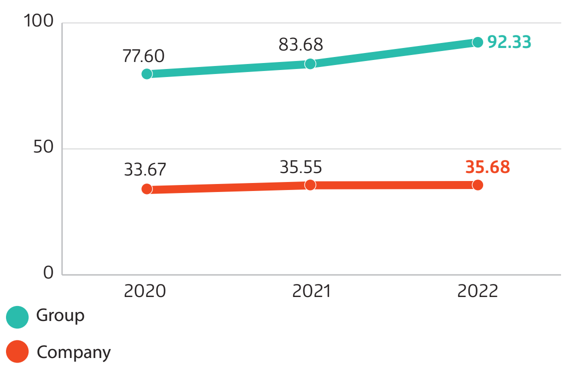


Dividends Declared (Rs. m)

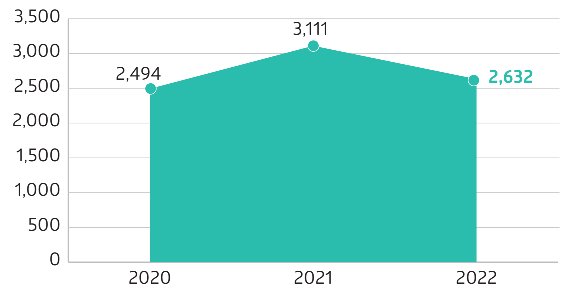


KEY FIGURES *(cont'd)*

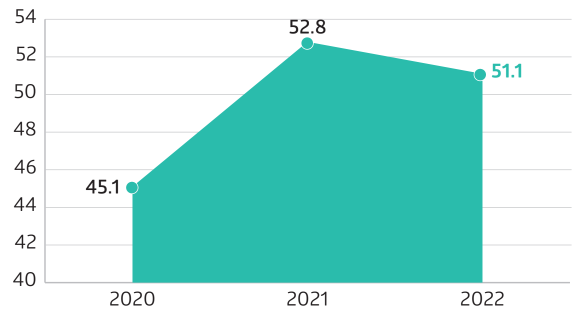
Earnings per Share (Rs./cents)



Reserves (Company) (Rs. m)



Life Assurance Fund (Group) (Rs. bn)



Keep scoring MEMORIES!

How about a fun-filled indoor football game for a lifetime of memories?

EMPOWERING COMMUNITIES AND PROMOTING SUSTAINABILITY

SWAN recognises that corporate social responsibility (CSR) is more than just a legal obligation - it's a commitment to contributing to the well-being of communities and society. In 2022, the CSR Committee chose 'Education' as the focus of its actions, with 88% of its CSR budget dedicated to aiding the education sector. SWAN also engaged its employees in CSR activities, bringing smiles to many faces and fostering a culture of giving back. On the environmental front, SWAN has already taken steps to reduce its carbon footprint, with further initiatives planned.

EDUCATION: SWAN'S PILLAR OF ACTION IN 2022

At SWAN, we understand the pivotal role that education can play in shaping the future. In 2022, we channelled our CSR efforts towards supporting various education initiatives, including the repainting of a school, sponsorship for higher studies, the purchase of tables and chairs for a school, and organising a Christmas party for children at an NGO. SWAN was also delighted to offer deprived children the chance to watch an animated film at the cinema in Caudan and to provide them with Christmas presents.

SWAN'S EFFORTS TO REDUCE ITS CARBON FOOTPRINT

Protecting the environment and reducing our carbon footprint are of key importance. In 2022, we took the initiative to reduce our electricity consumption through efficiency measures. Each employee was encouraged to switch off lights, computer screens, and printers when not in use. We also promoted the efficient use of our air conditioners through specific measures, resulting in a drop in electricity consumption for the months of December 2022 and January 2023, despite more employees working in SWAN's offices in comparison with December 2021 and January 2022.

ENGAGING EMPLOYEES IN GIVING BACK

SWAN believes in engaging its employees in CSR activities to foster a culture of giving back. In 2022, a group of SWAN employees volunteered to repaint a school and organise a Christmas party for children at an NGO. In addition, SWAN employees held a bingo night to raise money to help repair the roof of the toilets of a primary school. They also offered blankets and warm clothing to the homeless during winter. These initiatives not only made a positive impact in the community but also fostered a sense of pride and commitment among SWAN employees. Through these actions, we were able to bring a smile to many faces, which in turn brought a smile to our hearts.

EMPOWERING COMMUNITIES AND PROMOTING **SUSTAINABILITY** *(cont'd)*

BELOW IS A SUMMARY OF OUR ACTIONS IN 2022.

INVOLVEMENT	DESCRIPTION
EDUCATION	
VATEL	Sponsoring the studies of two students for three years within the "LIFT" programme
M-KIDS	Painting of the school premises by SWAN employees
BON ACCUEIL RCA	Purchase of tables & chairs for the school
ACTION FOR INTEGRAL HUMAN DEVELOPMENT (AIHD)	School Counselling Service Project - School psychologists to work alongside pupils
CARITAS RIVIERE NOIRE	Training Materials for « Atelier Technique de Riviere Noire » - technical training offered to women in the region to help them find jobs
ROTARY CLUB FLOREAL	Sponsorship - The Rotary Club of Floréal Golf Tournament Fundraiser 'Brighter Days', to help purchase school materials for children
ST MARY'S COLLEGE	Purchase of a wheelchair for the school infirmary and one toilet for the use of a severely handicapped pupil
ELLE C NOUS	Purchase of materials for deprived children in Grades One to Three
WILL FLY	Purchase of school materials for 62 deprived children from Riviere Noire
FONDATION COURS JEANNE D'ARC	Fondation Cours Jeanne D'Arc is dedicated to children considered "academically weak"
MOUVEMENT FORCES VIVES ROSE BELLE	Offering meals for 80 deprived children attending remedial classes
NON-EDUCATION	
LAKAZ FLAMBWAYAN	Payment of insurance premium
ETOILE ESPERANCE	Payment of insurance premium
FAM UNIE FOUNDATION	Payment of insurance premium
PAWS	Payment of insurance premium

Race to SUCCESS!

Let's have fun while racing towards our dreams.

Corporate Governance **Report**

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

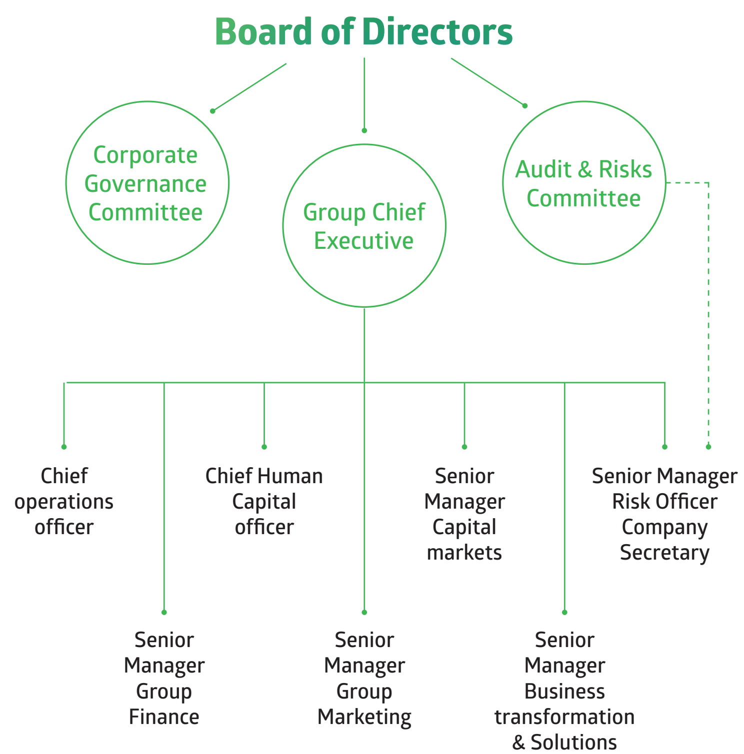
1. GOVERNANCE STRUCTURE

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

The Company does not have a board charter as it considers that the Mauritius Companies Act and Insurance Act are sufficiently clear as to the respective roles, responsibilities, and authorities of the Board of Directors. The Company has a code of ethics which explains the Company's and Group's policies on how we conduct business in Mauritius and beyond. Employees, officers, and members of the Board of Directors alike commit to understanding the code and abiding by its principles. The principles support full compliance with applicable laws. They also represent the practical ways that we put our values to work every day. Our Corporate Values, Passion, People and Performance, serve as the foundation for the code. The code also contains provisions on whistle blowing and provides, inter alia, for anonymous reporting of unethical conducts.

The day-to-day operations are entrusted to management under the responsibility of the Group Chief Executive. Members of senior management have clearly defined job descriptions. Senior management reports to the Group Chief Executive. The Risk Officer reports to the Board/Audit & Risk Committee.

A high level organisation chart is provided below:



Profile of senior management are on pages 54-56 and on the website.

The organigram, code of ethics and main clauses of the constitution have been published on the website of the Company.

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES

Swan General Ltd is headed by a unitary Board with ten directors. The Board consists of executive, non-executive and independent non-executive directors. Members of the Board have a diverse set of skills, knowledge and come from different sphere of the business community. There is one female independent director on the Board. Collectively, the Board is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the Company and the Group.

The functions and responsibilities of the Chairperson and Group Chief Executive are separate. The Chairperson leads the Board, ensuring that each director is able to make an effective contribution.

He monitors, with the assistance of the Company Secretary, the information distributed to the Board to ensure it is sufficient, accurate, timely and clear. The Chairperson is a non-independent non-executive director.

The Group Chief Executive has the day-to-day management responsibility for the operations, implementing the strategies and policies agreed by the Board.

The Group Chief Executive and the Chief Operations Officer are the executive members of the Board. There are three independent non-executive directors. The independent directors bring a wide range of experience and skills to the Board. They are free from any business or other relationships which could materially affect their ability to exercise independent judgement, constructively dissent and are critical by-standers. Though Mr. Mooroogen 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 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 Mauritius Companies Act.

The Companies Act requires that any public company must have at least two independent directors. The criteria for independent director are laid out in the Act. The Company is fully compliant with the Mauritius Companies Act, in that it has two independent directors who meet all the criteria. All the Directors are ordinarily resident in Mauritius.

Directors of the Company

Executive
Louis Rivalland (Group Chief Executive) Michel Thomas (Chief Operations Officer)
Independent non-executive
Arif Currimjee Gopallen Mooroogen Grace Leung Shing
Non-executive
Eric Espitalier-Noël Philippe Espitalier-Noël Henri Harel Nicolas Maigrot (Chairperson) Sébastien Mamet

Profile of the directors are on pages 46-51.
All profiles are on the website.

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

Corporate Governance REPORT *(cont'd)*

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.

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

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

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

In performing its duties, the Committee maintains effective working relationships with the Board, management and the external and internal auditors.

To perform his or her duties, each Committee member will need to develop and maintain his skills and knowledge, including an understanding of the Committee's responsibilities and of the Company's and Group's business, operations and risks. Consistent with the below mentioned duties, the Committee will encourage continuous improvement of, and foster adherence to, the Company's and Group's policies, procedures and practices at all levels.

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

Internal audit

a) Consider and recommend to the board the appointment or termination of appointment of the internal auditor;

b) Ensure the internal auditor has direct access to the Board Chairperson and to the Committee Chairperson;

c) Review and assess the annual internal audit work plan;

d) Receive any report on the results of the internal auditor's work on a periodic basis;

e) Review and monitor the senior management's responsiveness to the internal auditor's findings and recommendations;

f) If required, meet with the internal auditors at least once a year without the presence of management;

g) Monitor and review the effectiveness of the Company's and Group's internal audit function, in the context of the Company's and Group's overall risk management system;

h) Direct and supervise investigations into matters within its scope, for example, evaluations of the effectiveness of the Company's and Group's internal control, cases of employee fraud, misconduct or conflict of interest.

External Audit

a) Consider and make recommendations to the Board, to be put to shareholders for approval at the annual meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;

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

c) If an auditor resigns, investigate the issues leading to this and decide whether any action is required;

d) Oversee the relationship with the external auditor including (but not limited to):

   i. Recommendations on their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;

   ii. Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

   iii. Assessing their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;

e) Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;

f) Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present if deemed necessary, to discuss the auditor's remit and any issues arising from the audit;

g) Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

h) Consider whether any significant ventures, investments or operations are not subject to external audit;

i) Obtain assurance from the external auditor(s) that adequate accounting records are being maintained;

j) Review the findings of the audit with the external auditor. This shall include but not be limited to the following:

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

   ii. Key accounting and audit judgements;

   iii. Levels of errors identified during the audit; and

   iv. The effectiveness of the audit process.

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

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

m) Reviewing progress on implementation of auditors' recommendations;

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

Corporate Governance **REPORT** *(cont'd)*

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 organization's financial performance;

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

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

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

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

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

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

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

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

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

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

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

   x. Reviewing special documents.

Narrative reporting

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

For internal control and risks management

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

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

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

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

   iii. defining and reviewing the risk management strategy;

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

   v. reviewing the 3-year rolling business plan;

   vi. reviewing the Own Risk and Solvency Assessment report;

   vii. reviewing risk policies; and

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

b) Ensuring the economy, efficiency and effectiveness of the Company's and Group's operations and internal controls and the implementation of established policies and procedures;

c) Maintaining a close relationship with the Risk Officer and management;

d) Reviewing and providing an independent and objective oversight on reports submitted by management on corporate accountability and specifically how associated risks are being mitigated;

e) Reviewing the continuous management of risk by Management;

f) Keep under review the adequacy and effectiveness of the Company's and Group's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems; and

g) Review and approve the statements to be included in the annual report concerning internal controls and risk management.

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.

Corporate Governance **REPORT** *(cont'd)*

As at 31st December 2022, the Committee consisted of four non-executive directors, three of whom are independent, including the Chairperson. The members are:

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

b) Mr. Henri Harel (non-executive)

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

d) Miss Grace Leung Shing (independent, non-executive)

Mr. Jaiyansing (Shailen) Soobah, acts as secretary of the Committee.

The Committee meets at least four times a year. The Group Chief Executive is not a Member of the Committee. He is in attendance unless a conflict of interest is likely to arise. Members of the Committee have ample financial awareness. Members of the senior management, the external auditors and the internal auditors attend meetings of the Committee, as are relevant. The Committee meets regularly with the external auditors (including once at the planning stage before the audit and once after the audit at the reporting stage). The Committee has not met 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 six times. The main issues discussed and deliberated on were:

a) Yearly audited accounts and annual report– consideration and recommendation to the Board for approval;

b) External audit - consideration and approval of audit strategy;

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

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

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

f) Risk management – consideration of risk appetite statements, own risk and solvency assessment, actuary's effectiveness report and auditors' compliance report;

<u>Corporate Governance Committee</u>

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

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

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

c) putting in place plans for succession;

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

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

The Committee consists of the following non-executive directors:

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

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

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

d) Miss Grace Leung Shing (independent, non-executive)

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

The Committee met once during the year.

Attendance of the Directors at Board meetings, Audit & Risk Committee and Corporate Governance Committee for 2022 were as follows:

Directors	Board Meeting	Audit & Risks Committee	Corporate Governance Committee
Number of meetings held	4	6	1
Arif CURRIMJEE	2	5	1
Eric ESPITALIER-NOËL	2	N/A	N/A
Philippe ESPITALIER-NOËL	4	N/A	N/A
Henri HAREL	4	6	N/A
Grace LEUNG SHING	3	6	1
Nicolas MAIGROT *(CHAIRPERSON)*	3	N/A	1
Sébastien MAMET	3	N/A	N/A
Gopallen MOOROOGEN	4	6	1
Louis RIVALLAND	4	N/A	N/A
Michel THOMAS	4	N/A	N/A

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 recommendation to the Board of Directors and/or shareholders (as relevant).

Director appointment is also subject to the approval of the Financial Services Commission, under section 24 of the Financial Services Act and section 36 of the Insurance Act. The law provides that a director (Officer) must be a fit and proper person.

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

The Constitution of the Company does not provide for annual re-election of directors.

Directors are encouraged to keep themselves updated with industry practices, trends, practices and standards. As and when required or requested, the Company and the Group will organize 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.

3. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

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

Corporate Governance REPORT *(cont'd)*

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 Mauritius Companies Act, the Company Secretary maintains an interests register. As soon as a Director/Officer becomes aware that he is interested in a transaction, or that his holdings or that of his associates have changed, the interest should be reported to the Company Secretary in writing.

The register of Directors' and Officers' Interests is updated with every transaction notified by the Directors/Officers and their associates. All new Directors/Officers are required to notify in writing to the Company Secretary their holdings in the Company's shares. According to the Company's Constitution, a Director is not required to hold shares in the Company.

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

Directors' Interest in the Company's shares		
	No of shares	%
Nicolas Maigrot	7,100	0.086
Henri Harel	33	0
Grace Leung Shing	8,165	0.099

None of the Directors sold shares of the Company during the year, one director bought some shares. 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.

<u>Information, information technology and information security governance</u>

The Board is responsible for information governance and places significant emphasis on the confidentiality, integrity and availability of information. At Board level, the Chairperson, the Group Chief Executive and the Company Secretary ensure that Directors receive adequate, timely and accurate information to be able to discharge their duties. Directors are under obligations to keep all information confidential. The Board have unrestricted access to information.

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

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

a) to clarify the requirements, prohibitions, and procedures applicable to the use of the Company's and Group's computing and network resources;

b) provide guidelines to encourage responsible behaviour and good management practice;

c) ensure that IT facilities and services provided by the Company and the Group are used legally, securely, effectively and in a spirit of co-operation and trust.

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

The Company and the Group have published a brief of its IT policies on its website.

<u>Remuneration policy</u>

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

a) To support the delivery of the Group's strategy, whilst ensuring adherence to the SWAN's risk appetite;

b) To ensure remuneration is competitive for our markets to enable SWAN attract and retain talent;

c) To ensure that pay levels are internally consistent and externally competitive;

d) To reward employees according to their market value, performance and contribution;

e) To ensure that the remuneration package promotes a high performance culture and is affordable;

f) To ensure fair outcomes for our human resources, shareholders and customers.

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

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

	From the Company (Rs)	From subsidiaries (Rs)
Executive Directors		
RIVALLAND Louis	4,344,000	17,215,000
THOMAS Michel	14,455,000	599,000
Non-Executive Directors		
Philippe ESPITALIER-NOËL	90,000	90,000
Eric ESPITALIER-NOËL	90,000	90,000
Henri HAREL	120,000	120,000
Grace LEUNG SHING	140,000	140,000
Nicolas MAIGROT	175,000	175,000
Sébastien MAMET	90,000	90,000
Arif CURRIMJEE	140,000	140,000
Gopallen MOOROOGEN	160,000	160,000

No board evaluation was conducted during the year under review. It has been agreed that the Company and the Group will conduct a Board Evaluation every three years. An evaluation was conducted in 2021 and the next board evaluation will be conducted in 2024.

Corporate Governance **REPORT** *(cont'd)*

4. RISK GOVERNANCE AND INTERNAL CONTROL

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

a) Setting up a risk management framework;

b) Overseeing the implementation and subsequent monitoring;

c) Determining the risk culture;

d) Providing management with leadership and guidance;

e) Ensuring that any person responsible for risk management has the appropriate skill, knowledge, independence and authority;

f) Defining the roles and responsibilities of management.

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

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

More information on risk is provided in the Risk Management Report, as disclosed in the financial statements.

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

Key areas of effective internal controls are as follows:

a) A clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, senior management and to the heads of operating units;

b) The effectiveness of internal controls is assessed by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, statutory actuary and the external auditors;

c) A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;

d) There is an ongoing effort to review, reassess and document the process and procedures for each operating unit;

e) A compliance function has been put in place under the leadership of the Money Laundering Reporting Officer and clear compliance procedures have been established to ensure compliance with all applicable laws, rules, regulations and codes;

f) Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits.

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

5. REPORTING WITH INTEGRITY

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

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

- an overview and history of the Company and Group;
- ownership, structure and principal activities of the Company and the Group;
- values of the Company and Group;
- financial statements, risk report, report from the Group Chief Executive and Chairperson;
- details on our corporate social responsibility, information and profile of our senior management team.

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

Dividend policy

The Company does not follow a formal dividend policy. Dividends are declared after taking into account the Company's profitability and the solvency requirements of the Mauritius 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.15.12 per share.

Shareholders Agreement

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

Environmental Issues

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

Health and Safety

The Company and the Group have in place well defined procedures and practices with regards to Health and Safety.

Wellness programs for employees of the Company and the Group are organised regularly.

Social Issues

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

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

6. AUDIT

Internal Audit

Internal Audit is an objective assurance function reporting to the Audit & Risks Committee and the Board. It derives its authority from the Board through the Audit and Risks Committee. Collectively, the Audit & Risk Committee Members have the necessary financial literacy and expertise.

Internal auditors are appointed by the Board, following recommendation from the Audit and Risks Committee. Internal audit of the Company and Group is outsourced to PwC.

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.

Corporate Governance **REPORT** *(cont'd)*

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

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

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

During the year 2022, the internal audit covered Intercompany transactions and AML/CFT Compliance.

External Audit

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

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

KPMG was re-appointed as auditors of the Company during the annual meeting of the Shareholders in September 2022.

During 2022, the following fees (excl VAT) apply to KPMG:

For audit services	Rs 8,650,000
For other audit related services	Rs 575,000

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

7. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Company and the Board have always maintained an open line of communication with all stakeholders. Key stakeholders of the Company and the Group are clients, shareholders, employees, regulators & government authorities, the public and investors, internal and external auditors among others. The Company and the Group communicate through emails, social media, press announcements, publication of quarterly results and its annual report.

In addition, the Company's website, provides meaningful information on the Company's and Group's products & services, financials, quarterly results, updated news, share price, CSR etc.

As at 31 December 2022, the controlling and substantial shareholders of the Company were:

Shareholder	No of shares	% holding
Intendance Holding Ltd	2,771,082	33.48
Rogers and Company Limited	2,439,235	29.47
Excelsior United Development Companies Limited	1,132,822	13.68

A summary by shareholder category:

Category	Count	No of Shares	% holding
Individuals	1,110	966,152	11.674
Insurance & Assurance Companies	1	900	0.011
Pension & Providence Funds	14	174,498	2.109
Investment & Trust Companies	6	3,250	0.039
Other Corporate Bodies	100	7,130,969	86.167
TOTAL	**1,231**	**8,275,769**	**100.00**

Breakdown of ownership by size:

Size	No. of shareholders	No. of Shares	% holding
1-500	867	106,516	1.287
501-1000	116	90,543	1.094
1,001-5000	176	418,930	5.062
5,001-10,000	40	282,985	3.420
10,001-50,000	25	447,573	5.408
50,001-100,000	3	261,510	3.160
100,001-250,000	0	0	0
250,001-500,000	1	324,573	3.922
Over 500,000	3	6,343,139	76.647
Total	**1,231**	**8,275,769**	**100.00**

Corporate Governance REPORT *(cont'd)*

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

Key events, during the year are set out below:

January	Payment of dividend (for year ended 31 December 2021)
April	Publication of audited annual results
May	Publication of unaudited first quarter results
August	Publication of unaudited half year results
September	Annual meeting of shareholders
November	Publication of unaudited nine months results
December	Declaration of dividend (for year ended 31 December 2022)

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

30 March 2023

Statement Of COMPLIANCE

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

Throughout the year ended 31st December 2022, 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

BE A HERO!

Let go of fear and fly high, knowing you'll
have a safe landing.

BOARD OF **DIRECTORS**

ARIF **CURRIMJEE**

Independent Non-Executive

Born in 1962, Arif Currimjee holds a degree in Economics from Williams College, MA and has studied at the London School of Economics, McGill University, and INSEAD. The Chairman and Founder of ABANA (MAURITIUS), he is a non-executive Director on several companies within the Currimjee Group as well as serving on its Ownership Board and as an independent director for companies in the financial sector.

The in-coming President of the Mauritius Export Association, and a Past-President of the Joint Economic Council, the Mauritian Private Sector's apex organisation, he has been a board member of several parastatal organisations including Enterprise Mauritius, The National Productivity and Competitiveness Council, and the National Committee for Corporate Governance.

Arif Currimjee also holds directorships in the companies below;

Currimjee Limited, formerly known as Fakhary Limited, Le Tricot International Limitée, Le Tricot Ltée, Abana Online Limited , Abana (Mauritius) Ltd, MIAR International Limitée, Les Lycées Associés Ltée, Swan Life Ltd, Trampoline Ltd

GRACE SARAH **LEUNG SHING**

Independent Non-Executive

Born in 1987, Grace Sarah Leung Shing 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 currently works at Boosted.ai, an artificial intelligence software for investment managers that creates value in their equity portfolios using deep analysis of market data.

Part of the Mergelance Accelerator, a Milestone Maker at the NASDAQ Entrepreneurial Center, and a Zera-Allen Scholar, she is currently a Beta Gamma Sigma Member.

Grace Sarah Leung Shing also holds directorships in the companies below;

Luminary Investment Ltd, Milepost Ltd, NanoSAIO Ltd, Swan Forex Ltd, Swan Life Ltd, Thara Properties Ltd, The Mauritius Development Investment Trust Company Limited

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 previously worked with De Chazal Du Mée & Co, Chartered Accountants in Mauritius.

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

Eric Espitalier-Noël also holds directorships in the companies below;

Adharev Ltd, Agrex Limited, Agria Limited, As de Coeur, Automatic System Ltd, Avipro Co Ltd, Axess Limited, Case Noyale Limitée, Cashverdure Limitée, Commercial Investment Property Fund Limited, Emerald (Mauritius) Limited, Emblem Paints Limited, ENL Agri Limited, ENL Commercial Limited, ENL Corporate Services Limited, ENL Foundation, ENL Limited, ENL Property Limited, ENL Secretarial Services Limited, Ensport Limited, ESP Cleaning Ltd, ESP Landscapers Ltd, Field Good Fresh Foods Limited, Floréal Limited, Formation Recrutement Et Conseil Informatique Limitée, Freight Link Limited, Grewals (Mauritius) Limited, Hyperdist IO (Mauritius) Limited, Interex SA, Joinery and Metal Distribution International Limited, La Sablonnière Holding Limited, L'Accord Limited, Les Moulins de la Concorde Ltée, Les Villas de Bel Ombre Amenties Ltd, Les Villas de Bel Ombre Ltée, Livestock Feed Limited, Management & Development Co Ltd, Moka City Limited, Mon Desert Alma Sugar Milling Company Limited, Nabridas International Limited, Nabridas Ltd, Oficea Company Limited, Plaine Des Papayes Properties Limited, Plastinax Austral Limited, Rennel Limited, Rogers & Company Limited, Rogers Consolidated Shareholding Limited, Rogers Hospitality Operations Ltd, Rogers Hospitality Training Ltd, Seven Colors Spa Ltd, South West Tourism Development Company Limited, St. Pierre Properties Limited, Suntricity Company Limited, Superdist Limited, Swan Life Ltd, Tambourissa Limited, Tropical Paradise Co Ltd, VLH Ltd, VLH Training Ltd

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. At present, he is Terra Group's Chief Finance Officer and a Management Committee member. He has also served as Chairman of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

Henri Harel also holds directorships in the companies below;

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

BOARD OF **DIRECTORS** *(cont'd)*

PHILIPPE **ESPITALIER-NOËL**

Non-Executive

Philippe Espitalier-Noël is currently the Chief Executive Officer and Executive Director of Rogers and Company Limited. Holder of a BSc in Agricultural Economics from the University of Natal in South Africa and an MBA from the London Business School, he worked for CSC Index in London as a management consultant from 1994 to 1997 before joining the Rogers Group in 1997. He was appointed Chief Executive Officer of the Rogers Group in 2007.
Philippe Espitalier-Noel is the Honorary Consul of the Kingdom of Denmark following his appointment in March 2004. Since March 2017, he has also chaired the Business Mauritius Sustainability and Inclusive Growth Commission. The Commission focuses on bringing together the Mauritian business community to join forces behind reinforced sustainable practices in the country.
Philippe has proven experience in mergers and acquisitions, business turnaround and transformation. He also has extensive expertise in strategy development and execution, and a proven ability to develop senior leaders.

Philippe Espitalier-Noël also holds directorships in the companies below;

Agrïa LIMITED, Ascencia Limited, Bagatelle Hotel Operations Company Limited, BlueAlize Ltd, Cap Abondance Ltd, Case Noyale Limitée, Croisière Australes Ltée, DOMC Ltd, EDGBNK Ltd, Foresite Property Holding Ltd, Hotels Operations Company Ltd, Le Morne Development Corporation Limited, Les Villas De Bel Ombre Amenities Ltd, Les Villas De Bel Ombre Ltée, Logistics Solutions Ltd, Reliance Facilities Ltd, Reliance Security Services Ltd, Restaurants Operations Company Ltd, Rogers And Company Limited, Rogers Aviation Holding Company Limited, Rogers Capital Corporate Services Limited, Rogers Capital Finance Ltd, Rogers Capital Investment Advisors Ltd, Rogers Capital Ltd, Rogers Capital Management Services Ltd, Rogers Capital Outsourcing Ltd, Rogers Capital Technology Services Ltd, Rogers Consolidated Shareholding Limited, Rogers Corporate Services Ltd, Rogers Foundation Ltd, Rogers Hospitality Group Ltd, Rogers Hospitality Management Company Ltd, Rogers Hospitality Operations Ltd, Rogers Hospitality Property Fund Ltd, Rogers Logistics International Ltd, Seafood Basket Limited, South West Tourism Development Company Limited, Sports-Event Management Operation Co Ltd, Sukpak Ltd, Swan Life Ltd, Sweetwater Ltd, Velogic Holding Company Limited, BEBEZORS

MICHEL **THOMAS**

Chief Operations Officer – Executive Director

Born in 1959, Michel Thomas holds a Master of Laws (UK) and is a Fellow of the Chartered Insurance Institute (FC/1), (UK) as well as an Associate member of the Chartered Institute of Arbitrators. He is also a Chartered Insurer (UK) and a member of the British Insurance Law Association (BILA).
He joined SWAN in 1980 and worked as underwriter in various technical departments until 1988. He then headed the Claims department before being promoted to Senior Manager of the Group Research and Development department in 2001.
Currently the Chief Operations Officer (COO) of SWAN General Ltd, he is responsible for the Short Term Operations of the company.
His principal areas of specialisation are insurance and reinsurance contract law including policy drafting. He has extensive experience and skill in the handling of complex claims including liability, speciality and medical negligence/malpractice claims. He has worked with international law firms and barristers on a variety of high value casualty and engineering claims as well as on reinsurance conflict of laws and coverage issues. He also specialises in arbitration law and alternative dispute resolution (ADR) procedures.
As regards the modernisation of insurance legislation, he has played an important role in the recognition of claims made clauses under Mauritian law and has collaborated closely with the State Law Office and the Regulator in bringing crucial amendments to the Road Traffic Act and other subsidiary legislation. He has also collaborated with the Law Reform Committee (LRC) regarding the review of insurance contract law provisions in the Civil Code.
He has beena board member of Swan General Ltd since January 2008 and of C-Care (Mauritius) Limited (formally known as Medical and Surgical Centre Limited) since 2009.

Michel Thomas also holds directorships in the companies below;

C-Care (Mauritius) Limited, Swan Reinsurance PCC, Swan Special Risks Company Ltd

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. A director on the Board of the Stock Exchange of Mauritius (SEM) and the Central Depository Services Ltd (CDS) for some time, he has also served as Chairman of the SEM for several years. He is currently Head-Accounting in Mauritius Telecom.

Gopallen Mooroogen also holds directorships in the companies below;

Swan Life Ltd, Swan Reinsurance PCC, Swan Special Risks Company Limited, Swan Pensions Ltd, Swan Wealth Managers Ltd

BOARD OF **DIRECTORS** *(cont'd)*

LOUIS **RIVALLAND**

Group Chief Executive – Executive Director

Born in 1971, Louis Rivalland 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 of the Faculty and Institute of Actuaries.

Part of the management team of Commercial Union in South Africa from 1994 to January 1997, he also 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 their investment function as well as enhancing the firm's healthcare function.

In August 1999, he joined SWAN as Consultant to the Group Chief Executive. He was involved in the review and setting up of processes and systems for the pensions, investments, and life insurance operations and was responsible for the actuarial and consultancy work for the pension schemes. From January 2002 to December 2004, he acted as Executive Manager of The Anglo-Mauritius Assurance Society Limited, now Swan Life Ltd. In January 2005, he was 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, and has played an active role in the development of risk management, investments, insurance, and pensions in Mauritius having chaired or served on various technical committees in these fields.

Louis Rivalland also holds directorships in the companies below;

Aprica Investments Co Ltd, Manufacturers' Distributing Station Limited, Mauritius Investment Corporation Ltd, Processure Compagnie Limitée, Swan Corporate Affairs Ltd, Swan Digital Ltd, Swan Financial Solutions Ltd, Swan Foundation, Swan International Co Ltd, Swan Life Ltd, Swan Pensions Ltd, Swan Reinsurance PCC, Swan Special Risks Co Ltd, Swan Wealth International Ltd, Swan Wealth Managers Ltd, Swan Wealth Structured Products Ltd

NICOLAS **MAIGROT**

Non-Executive Chairperson

Born in 1968, Nicolas Maigrot holds a BSc in Management Sciences from the London School of Economics and Political Sciences. He is currently the Managing Director of Terra Mauricia Ltd, and has acquired a rich experience at executive levels in the course of his career. He has operated in various manufacturing industries, as well as in the finance and services sectors. Throughout his career, he has held various leadership positions, including Chief Executive Officer of CIEL Textile Ltd (knits and knitwear division) and of Ireland Blyth Limited.

Nicolas Maigrot also holds directorships in the companies below;

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

SÉBASTIEN **MAMET**

Non-Executive

Born in 1975, Sébastien Mamet worked in the audit department of Ernst & Young London and Mauritius for eight years, before joining 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 other subjects.

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 of 13 May 2016, he was appointed General Manager of Terragri Ltd, in charge of Terra's agricultural operations in Mauritius and abroad.

Sebastien Mamet also holds directorships in the companies below;

Intendance Holding Ltd, Ivoirel Limitee, Sucrivoire, Swan Life Ltd, Terra Services Ltd, Terragen Ltd, Terragen Management Ltd, Terra Milling Ltd, Terrarock Ltd

SENIOR MANAGEMENT

From left to right

Herbert Madanamoothoo
Maîtrise de Droit – Customer Relations, Complaints, CSR, MLRO

Vishnoo Luximan
Dip Personnel Management, Dip Business Management,
Dip Public Relations, MSc, MSHRI – Group Human Resources

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

Patrice Bastide
BSc, MSc – Group Marketing

Ishwari Madhub
BSc (Hons), FCCA, MBCS, MBA –
Business Transformation & Solutions (up to 28 February 2022)

Geerijeshsingh Woozageer
Hon. Degree in Information Technology –
Business Transformation & Solutions (as of 01 March 2022)

Devsingh Sobha
BA (Eco), MBA, Adv Dip CILA – Claims (as of 01 January 2022)

Ivan Thomas
Senior Manager - Health

Gianduth Jeeawock
BSc (Hons), CFA – Capital Markets

Tse Kwong Philippe Lo Fan Hin
FCII - Reinsurance and Statistics

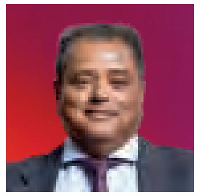
Shailen Soobah
FCCA, MBA, ACG
Risk Officer, Group Company Secretary - Corporate Office

Karine Morel
BCom, FCCA, MIPA (M) – Group Finance

Guillaume Bouic
BSc, ACII - Business Development & SME

Julien Rivet
Cert CII - Corporate Business

SENIOR **MANAGEMENT** *(cont'd)*



Patrice BASTIDE

BSc and MSc –
Group Marketing

Responsible for SWAN's international development, Patrice oversees a number of projects, primarily 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 their local regulatory environments, and is a Board Director for several 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.

Vishnoo LUXIMAN

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

Born in 1962, Vishnoo 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) in 1988 as Assistant Personnel Manager/Public Relations Officer, and 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 seven companies in the CIEL Group, including TPC Ltd, in Tanzania. Vishnoo combined the responsibility of Acting Secretary of the Mauritius Sugar Producers' Association with that of Human Resources Manager of DRBC from September to December 2005, before joining SWANp in 2006.

KARINE MOREL

BCom, FCCA, MIPA (M) –
Group Finance

Born in 1979, Karine 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 to Manager – Finance and Accounts in August 2007. She has held the position of Senior Manager – Group Finance since January 2019, leading the finance and accounting teams for both the Short Term and Long Term business of SWAN. Karine also oversees the financial operations of local and foreign subsidiaries.

Gianduth (Alvin) JEEAWOCK

BSC (Hons), CFA –
Capital Markets

Alvin has been a CFA charter holder since 2010 and is currently reading for an MBA International Paris. A seasoned professional, with more than a decade of experience in Capital Markets, in his senior management role, he provides strategic directives in SWAN's Capital Markets division. He is also one ofthe driving forces behind the 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.

Tse Kwong (Philippe) LO FAN HIN

FCII - Reinsurance and Statistics

Born in 1958, Philippe joined the Company in 1978. He qualified as an Associate of the Chartered Insurance Institute (London) in 1983 (A.C.I.I.) and obtained his Fellowship (F.C.I.I.) in 1991. A Chartered Insurer and a member of the Insurance Institute of Mauritius (IIM), he joined the Senior Management team in 2003. He has worked in the Insurance Industry for 45 years - for the past 28 of those years, as head of the Reinsurance and Statistics department. His main responsibility at Swan General Ltd is to ensure that the company is adequately reinsured with first class security Reinsurers for all the risks emanating from our underwriting activities. He has been a member of the Board of Directors of Swan Reinsurance PCC since 2011, of Swan Special Risks Company Limited since 2014, and of AfResure Reinsurance Brokers Ltd since 2020.

Herbert MADANAMOOTHOO

Maîtrise de Droit – Customer Relations, Complaints, CSR, MLRO

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 Manager in 2001. He was subsequently appointed as Money Laundering Reporting Officer in 2007 and since then, has also occupied the positions of Compliance Officer and Data Protection Officer at SWAN, and Complaints Co-ordinator at Swan Life Ltd. As of January 2022, he is the Senior Manager, Customer Relations and Complaints Co-ordinator & Corporate Social Responsibility, and retains the role of Money Laundering Reporting Officer. Herbert is also a member of the Motor Vehicle Insurance Arbitration Committee.

Devsing (Dev) SOBHA

BA (Eco), MBA,
Adv Dip CILA – Claims

Born in 1977, Dev is a member of the Chartered Institute of Loss Adjusters and holds a Master in Business Administration. He started his career with Mauritius Union Assurance Co Ltd in 2000 and joined Munich Re (Mauritius) eight years later. He joined SWAN in 2014 as Loss Adjuster in the Technical Department. In 2018, he joined the Claims Department as Principal Claims Manager and was promoted to Senior Manager in 2022. In this role, he oversees all matters relating to Motor and Non-Motor Claims.

ISHWARI MADHUB

BSc (Hons), FCCA, MBCS, MBA –
Business Transformation & Solutions

Born in 1967, Ishwari 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 in 1987, and subsequently held different positions in IT. After five years as senior manager of the Business Transformation & Solutions department, she moved to the position of IT Consultant in March 2022.

SENIOR MANAGEMENT *(cont'd)*

Guillaume BOUIC

BSc, ACII – Business Development & SME

Born in 1975, Guillaume holds a double major degree in 'Accounting & Corporate Administration' from Curtin University W.A. Guillaume is a Chartered Insurer, qualifying as an Associate of the Chartered Insurance Institute (London – UK) in 2001 (ACII). He started his career with SWAN in 1996, before moving to the insurance broking industry from 2006 to 2016, takingManagement and Senior Management roles at a local insurance broker and a foreign local established insurance broker respectively. Guillaume returned to SWAN in December 2016, and was appointed Senior Manager – Health & Business Development in 2017. Since 2018, Guillaume has oversight exclusively of Business Development (IBU), Affinity partners, IBU Sales inc. Branches, Agents, Brokers, and Bancassurance (Short-term).

Neelkamal (Bipin) RAGOO

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

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

JULIEN RIVET

Corporate Business

Born in 1979, Julien joined Swan Insurance Company Limited in 2000 as a trainee Underwriter in the then Fire and Accident Department, before being was promoted to Commercial Underwriter in 2005. In 2014, he was further promoted to a managerial position within the Corporate Business (Property and Casualty) Unit. He is a member of the Chartered Insurance Institute (UK) and the Mauritius Institute of Directors (MIoD). Throughout his career, Julien has successfully evolved through the technical sphere (underwriting and claims) to client-management and leadership roles. Since July 2018, he has headed theCorporate Business Unit and overseen the operations of the Property and Casualty, Specialty Risks, Marine, Travel, Documentation and Processing Business Units.

JAIYANSING (SHAILEN) SOOBAH

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

Born in 1974 and a resident of Mauritius, Shailen is a Fellow of the Association of Chartered Certified Accountants, holds a Master in Business Administration and is a Chartered Governance Professional. He started his career with De Chazal Du Mée (now BDO) where he spent ten 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 Senior Manager for Compliance of the insurance and investment cluster. He joined SWAN with the merger of the insurance businesses of Swan and CIM in June 2012. Currently Senior Manager – Group Company Secretary and Group Risk Officer, he also holds directorship positions in the subsidiaries of the SWAN Group. He is also a Non-Executive Director of The Stock Exchange of Mauritius Ltd and of Central Depository & Settlement Co. Ltd.

IVAN THOMAS

Health

Born in 1960, Ivan joined the Swan Insurance Company Ltd in 1984 as an underwriting officer in the Fire & Accident Department. He qualified as an Associate of the Australian Insurance Institute in 1990 and is now a Certified Insurance Professional of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF (Assoc) CIP). He was selected to join the Health & Travel Department in 1992 with the task of launching the Health and Travel product as a main class of insurance for the company. He was then promoted to Individual Business in 2009 to modernise the individual line products and to setup the concept of a one stop shop. Having completed this challenge, he was transferred to the Health Department in 2018 to revamp the Health product, improve service levels, digitalise and automate the processes. He was appointed Senior Manager in 2020 to advise on strategic orientation and business development.

GEERIJESHSING (SUJIT) WOOZAGEER

Hon. Degree in Information Technology – Business Transformation & Solutions

Sujit, born in 1968, 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 was subsequently appointed Managing Director of Medscheme (Mtius) Ltd., Medscheme International Ltd., and Afrocentric International Ltd., all headquartered in South Africa. He assumed the latter role for six 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 Senior Manager: Business Transformation and Solutions in March 2022.

MANAGEMENT **TEAM**

From left to right

Nathalie LO WING KWAN
Certified Accounting Technician, ACCA Diploma in Accounting and Business - Finance & Accounts

Benoit BANCILHON
Intermediaries (as of 01 May 2022)

Stéphanie TADDEBOIS
FCII, MBA – Claims

Ashley NUCKCHADY
Motor

Clotilde DOMINGUE
LLB (Hons) – Compliance (as of 01 January 2022)

Armand MARTINET
Branch & Affinity (as of 01 February 2022)

Mylene HENRY
Marine

Nathalie TONG SAM
ACII - Documentation and Policy Processing

Twayyab TAUJOO
ACII, FCCA, MSc - Finance

Sonia KALACHAND
BA (Hons), MA - Group Human Resources

Randhir MUNGRA
MSc, MBA - Project Office

Jean Francois CATEAUX
BSc MORSE, AIA – International Development

MANAGEMENT TEAM

From left to right

Sonia CHAROUX
ACII, MBA - Reinsurance and Statistics

Jean-Marc LECKNING
Group Credit Control

Dave LUCHMUN
Group Facilities

Stephanie MARECHAL
Diploma in Business Practice – Procurement

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

Carine ADELSON
BA, MA – Group Marketing

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

Costain NIKISI
BCom (Hons), MBA – Captive Solutions (as of 01 November 2022)

Didier ADRIEN
Diploma in Information Technology – Business Transformation & Solutions

Mary Jane KWOK-HIN
Dip CII – Individual Business

Isabelle PADAYACHY
Health

Javed BUROKUR
BBA, ACCA – Investments

Jonathan ACKING
Maîtrise en Droit des Affaires, Master of Laws, Post Graduate Diploma in Bar Training – Legal (until 21 August 2022)

Bruno NALLETAMBY
ACII, ACIS, ACI Arb – Marine (until 31 December 2022)

Vashish REETOO
BEng (Hons) - Specialty Risks, Property & Liability (until 31 July 2022)

Adventure AWAITS!

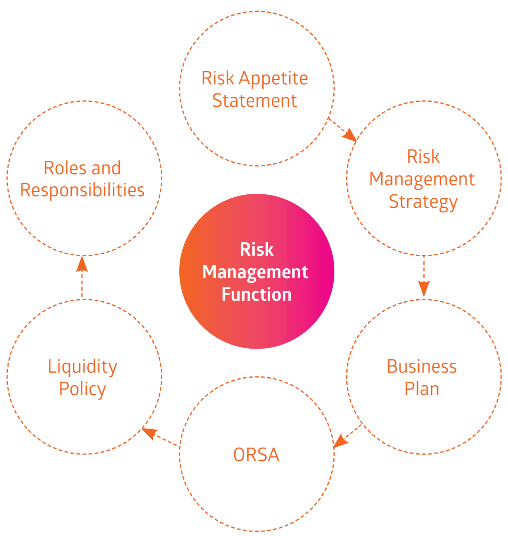
Let your journey be full of adventure, not worries.

RISK MANAGEMENT

Effective risk management is fundamental and essential to the achievement of the Company's and Group's strategic objectives. In place formally since 2017, the Company's and Group's risk management framework (the 'RMF') undergoes regular enhancements and complies with the Insurance (Risk Management) Rules 2016 made by the Financial Services Commission (the 'FSC Rules').

THE RISK MANAGEMENT FRAMEWORK

The RMF has the following elements:



The risk management framework is reviewed by the Actuary for its effectiveness and by the Auditor for compliance with the FSC Rules.

SWAN has privileged the three lines of defense model for its RMF. It's a well-known and widely used regulated framework designed to facilitate an effective risk management system and is used as it provides a standardised and comprehensive risk management process that clarifies roles, reduces cost and optimises effort.

1st line of defence — Risk Owners

The first line of defence is provided by front line staff and operational management. The systems, internal controls, control environment and culture developed and implemented by these business units is crucial in anticipating and managing operational and non-financial risks.

2nd line of defence — Risk Oversight

The second line of defence is provided by the risk management and compliance functions. These functions provide the oversight and the tools, systems and advice necessary to support the first line in identifying, managing and monitoring risks.

3rd line of defence — Risk Assurance

The third line of defence is provided by the internal audit function. This function provides a level of independent assurance that the risk management and internal control framework is working as designed.

ROLES AND RESPONSIBILITIES

The RMF is established to effectively develop and implement strategies, policies, procedures and controls to manage the material risks. The Board has ultimate responsibility for, inter alia:

- Setting up the RMF;
- Overseeing the implementation and subsequent monitoring of the RMF;
- Determining the risk culture;
- Defining the roles and responsibilities in relation to risk management.

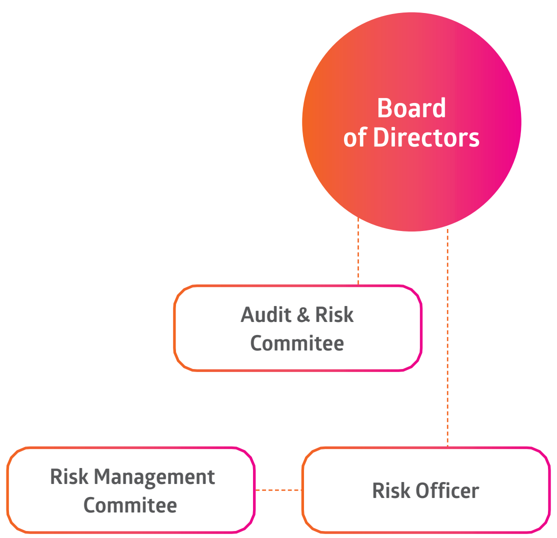
A **Risk Management Committee** (RMC) oversees the whole process. Among other responsibilities, the RMC has the duty to:

- Assist the Board/Audit & Risk Committee in its review of the adequacy and effectiveness of the system of internal controls in operation;
- 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 organisation 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 organisation'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 organization.

RISK MANAGEMENT *(cont'd)*

The responsibility of risk management has been delegated by the Board to the Audit & Risk Committee.

As required by the FSC Rules, the Company has appointed a Risk Officer, who is a senior manager and is suitably qualified and experienced. The Risk Officer is responsible for the risk management function and has a direct reporting line to the Board/ Audit & Risk Committee. He is independent from business lines, revenue generating activities and the finance function. The appointment of the Risk Officer has been approved by the FSC.



RISKS

Risk identification is a continuous process. Risks are identified using top-down approach as well as bottom-up approach. Other sources of risk identification include internal audit reports, external auditors management letters, regulators inspection reports, brainstorming and incident reporting.

All material risks identified are logged in a **risk register**. The risk register is reviewed on a regular basis, whenever there is a change in strategy, a new event or a change in the environment (internal and external) within which we operate.

The risk register is properly documented with, inter alia, the following:

Risk appetite statements (RAS) are developed for all material risks. For each risk, four tolerance levels are determined and one of these is the chosen risk appetite of the Company. The RAS also contain the risk management strategy for each risk. The RAS are assessed on a quarterly basis, breaches investigated, and actions taken as per the risk management strategies.

The main inherent material risks faced by the Company include the following:

Category	Description
Human resource	Scarcity of qualified and experience technicians
Distribution channel	Dependency on traditional distribution channels
Compliance	Increased regulatory obligations Non-compliance with laws and regulations Late filings
Insurance	High and increasing cost of claims
Marketing	Absence of critical customer and market data
Information system	Cybersecurity

Appropriate mitigating measures for proper risk management exist for all the above risks, such that the residual risks remain withing manageable limits.

RISK POLICIES

A set of formal risk policies have been adopted for the core material risks.

- Credit Risk Policy
- Human Capital Risk Policy
- Information Technology Risk Policy
- Internal Control Policy
- Investment Risk Policy
- Liquidity Risk Policy
- Outsourcing Risk Policy
- Reserving Risk Policy
- Underwriting and Reinsurance Risk Policy

BUSINESS PLAN

We maintain a three-year rolling business plan, which includes a forecasted income statement, balance sheet and solvency. The business plan sets out our objectives and targets and is reviewed and updated yearly or whenever there has been a change in objectives or in our operating and business environment. The business plan is stress tested for different scenarios. The choice of the scenarios is based on the appreciation of our business/operating environment. Typical scenarios/stress tests include variations in claims ratio, investment returns, management expenses, increases in inadmissible assets etc.

RISK MANAGEMENT *(cont'd)*

ORSA - OWN RISK & SOLVENCY ASSESSMENT

The ORSA is an assessment of the overall financial resources necessary to manage our business based on our risk appetite and risk tolerance levels, while maintaining the solvency requirements required by the regulator. The ORSA is conducted at least once a year and is reviewed on a quarterly basis to assess the adequacy of our risk management and solvency position. The solvency is modelled for the different levels of risk tolerances for each risk.

LIQUIDITY

Liquidity is one of the most critical risk for an insurer, as it goes to the heart of an insurer's business, that is, its ability to settle claims in a timely manner. The Company has a comprehensive liquidity policy which sets out, inter alia, the level of liquidity to be maintained having regard to its operating expenses and claims experience. There should also, at all times be sufficient liquid and near liquid assets to cover its current liabilities. The liquidity position is tested for different stresses.

INDEPENDENT REVIEWS

One of the particularities of the FSC Rules is that the insurer's framework should be reviewed by the insurer's auditors and actuary. The auditors review and report on the insurer's compliance with the FSC Rules, while the actuary review and report on the effectiveness of the framework. The Company submits both the auditors' report and the actuary's report to the FSC on a yearly basis.

REGULATORY

As required by the FSC Rules, we annually submit the following documents and reports to the FSC:

- Risk appetite statements
- Own risk and solvency assessment report (ORSA)
- Liquidity policy
- Risk management framework
- Effectiveness report of the actuary
- Compliance report of the auditors

30 March 2023

COMPANY SECRETARY'S CERTIFICATE

YEAR ENDED DECEMBER 31, 2022

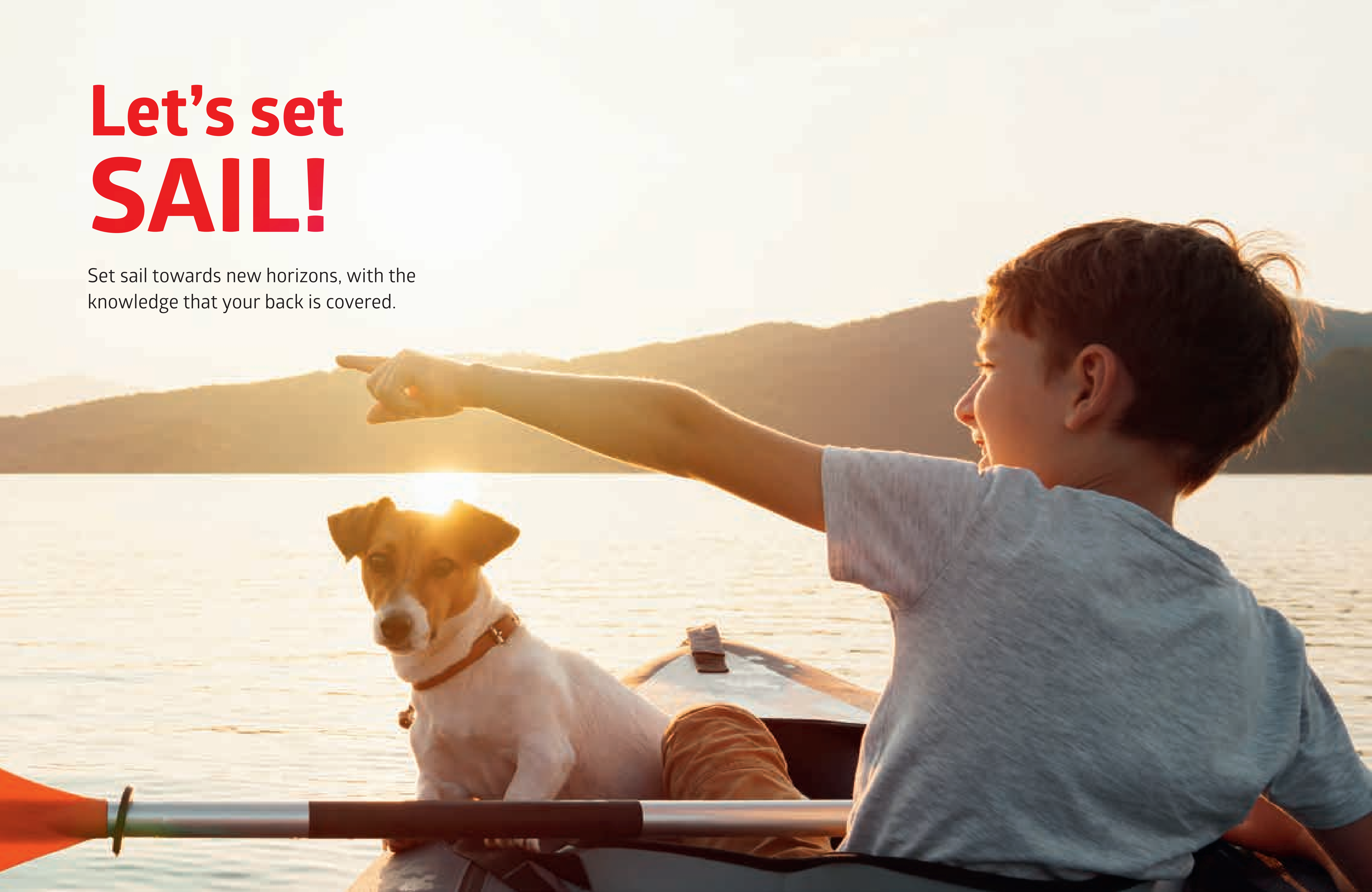
We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001.

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

Date: 30 March 2023

Let's set SAIL!

Set sail towards new horizons, with the knowledge that your back is covered.



DIRECTORS' **REPORT**

FINANCIAL STATEMENTS

The Directors of Swan General Ltd (the "Company") are responsible for the integrity of the audited financial statements of the Group and the Company and the objectivity of the other information presented in these statements.

The Board confirms that, in preparing the audited financial statements, it has:

(i) selected suitable accounting policies and applied them consistently;

(ii) made judgements and estimates that are reasonable and prudent;

(iii) stated whether International Financial Reporting Standards, Mauritius Companies Act and the Financial Reporting Act have been followed, subject to any material departures explained in the financial statements;

(iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company;

(v) safeguarded the assets of the Group and the Company by maintaining internal accounting and administrative control systems and procedures; and

(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN STATEMENT

On the basis of current projections, the directors are confident that the Group and the Company have adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the system of Internal Control and Risk Management for the Company and its subsidiaries. The Group is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group and the Company. The Board believes that the Group's systems of Internal Control and Risk Management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

DONATIONS

For details on political and charitable donations made by the Company, please refer to page 211.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group and the Company which appear on pages 82 to 208 were approved by the Board on 30 March 2023 and are signed on their behalf by:

Nicolas Maigrot
Chairman
30 March 2023

Louis Rivalland
Director & CEO

INDEPENDENT AUDITORS' REPORT **TO THE SHAREHOLDERS OF SWAN GENERAL LTD**

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of Swan General Ltd (the Group and Company), which comprise the consolidated and separate statements of financial position at December 31, 2022 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 82 to 208.

In our opinion, these consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Swan General Ltd at December 31, 2022, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTERS (CONTINUED)

Gross Written Premium - General Insurance (short term insurance)

This key audit matter applies to both the consolidated and separate financial statements.
Refer to significant accounting policies on notes 2.13, 2.15 and note 26 to the consolidated and separate financial statements.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Gross written premiums for general insurance comprise of premiums written for fire & allied perils, motor, health and other short term insurance. We identified gross written premiums as a key audit matter because of: · the inherent risk of error which exists due to the volume of transactions; and · the possibility for management to overstate revenue in respect of premiums received to meet specific targets or expectations.	Our audit procedures included the following: · We obtained an overall understanding of the processes for the different sources of premiums within the general insurance business. On a sample basis, for the gross written premiums, we: · Agreed the premium to the underlying policy documents for new and renewal contracts; · Agreed receipts to bank statements for new and renewal contracts; · Traced premiums to broker placing slips, where relevant; · Inquired on the rationale and obtained supporting documents for adjustments to and cancellations of premiums; · Ensured that premiums have been recorded in the correct accounting period based on the terms of the contract; · Reviewed the premium listing after year end to ensure that policies which were relevant for the year end December 31, 2022 had not been subsequently cancelled; and · Ensured that duplicate policy numbers in the premium listing for the year did not pertain to the same transaction by corroborating to relevant supporting documentation.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTERS (CONTINUED)

Gross premium and consideration for annuities - Life Insurance

This key audit matter applies to the consolidated financial statements.
Refer to significant accounting policies on notes 2.13, 2.15 and note 26 to the consolidated and separate financial statements.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Gross premiums comprise of premiums received from individuals, corporates in terms of defined benefit schemes ("DB Schemes") and defined contribution schemes ("DC Schemes"). Gross premiums also comprise of premiums received from Group Credit Insurance ("GCI"). Consideration for annuities is also considered as revenue for the Group. We identified gross premiums written and consideration from annuities in the life insurance business as a key audit matter because of: · the inherent risk of error which exists due to the volume of transactions; and · the possibility for management to overstate revenue in respect of premiums received from individuals, corporates (in terms of defined benefit schemes (DB Schemes), defined contribution schemes (DC Schemes) and consideration for annuities to meet specific targets or expectations.	Our audit procedures included the following: · Obtained an overall understanding of the processes for the different sources of premiums, including any updates from the prior year; and · Evaluated the design and implementation of the controls related to premiums. · For premiums received from individuals, DB Schemes and DC Schemes and consideration for annuities, we: · Agreed the premiums for the year, on a sample basis to the related 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 defined contribution premiums paid to the Group for the year ended December 31, 2022; 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 with the counterparties; · Agreed premiums received to the bank statements; · Obtained independent confirmations for a sample of counterparties for the premiums received during the year; and · Ensured that premiums have been recognised in the correct accounting period based on the terms of the contracts.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTERS (CONTINUED)

Impairment of insurance receivables and recoveries from third party insurers - General Insurance

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

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group and Company made an assessment of the recoverability of its insurance receivables (which is part of the trade and other receivables financial statement caption) for the general insurance business. Management's impairment assessment of insurance receivables is based on a number of factors which include ageing of overdue insurance receivables, customers' repayment history, customers' financial position and current market conditions, all of which involve a significant degree of management judgement. Recoveries from third party insurers involve judgements and estimates and is complex. There is risk that the assumptions and estimates used are not reflective of the actual market conditions and the actual amount being recovered from third parties is lower. We identified assessing the impairment of insurance receivables including expected recoveries as a key audit matter as the assessment is inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias.	Our procedures included the following: For insurance receivables, we: · Obtained an understanding of the processes relating to the impairment of insurance receivables and whether there has been any updates in the process compared to prior year; · Evaluated the appropriateness of the accounting policies based on IAS 39, *Financial instruments: recognition and measurement* requirements, our business understanding and industry practice; · Reviewed management's methodology and judgement used in the impairment assessment of insurance receivables and challenged the assumptions applied; · Tested the ageing of the insurance receivables to ensure recorded in the correct ageing profile based on the period overdue. We further verified the reasonableness of the impairment recognised; and · Assessed the impairment recognised in the past against amounts subsequently recovered to evaluate the accuracy of the methodology applied in the determination of the impairment required to be recognised. For recoveries from third party insurers, we: · Obtained an understanding of the process of recognising recoveries from third party insurers; · Performed a review of the accuracy of the recoveries from third party insurers by comparing the recovery rate applied during the year to the historical recoveries received; · Assessed and evaluated the methods and assumptions used by management to recognise the recoveries from third party insurers; and · Reviewed management's assessment of the recoverability of the recoveries from third party insurers.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTERS (CONTINUED)

Valuation of technical provisions for the general insurance business - incurred but not reported (IBNR) claims and outstanding claims

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

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTERS (CONTINUED)

Valuation of insurance contract liabilities - Life Assurance Fund ("LAF")

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

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Life Assurance Fund is the net assets attributable to the policy holders and shareholders and consist of actuarial assumption. Actuarial assumptions and methodologies involve judgement about future events for which small changes can result in a material impact to the valuation of the insurance contract liabilities. The focus area in respect to the insurance contract liabilities is thus linked to the following: · The appropriateness of the actuarial assumptions (as set out in note 4.1(ii)), methodology and models used in the calculation of the liabilities; and · The underlying data used in the valuation of the liabilities. We therefore identified the valuation of insurance contract liabilities as a key audit matter because of significant judgements and assumptions used in assessing the valuation of the liabilities.	Our audit procedures included the following: · We obtained an overall understanding of the 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; and · 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 life insurance business, and whether this is in line with the regulatory requirements; and · Assessed the reasonableness of the insurance contract liabilities at December 31, 2022. · 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 component 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 insurance contract liabilities to the component's records.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTERS (CONTINUED)

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

This key audit matter applies to the consolidated and separate financial statements.
Refer to accounting policies on note 2.9 and 3.2.6, critical accounting estimates and judgements in applying accounting policies on note 4.8 and note 11 to the consolidated and separate financial statements.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group and the Company have investment in financial assets, classified as Level 3 investments. The valuation of these financial assets is based on models which often require significant judgement and estimates as well as unobservable inputs. This is thus considered as complex. 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 which involves significant management judgement. Accordingly we have identified the fair value of the available for sale financial assets, classified as level 3 as a key audit matter.	Our audit procedures included the following: · Obtained an overall understanding of the 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's expert against an appropriate range of values. Furthermore, the unobservable inputs were corroborated through benchmarking against available market data; and · Evaluated the impairment assessment provided by management by making use of both qualitative and quantitative factors to assess whether any indication of impairment existed.

OTHER INFORMATION

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

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 IFRS Standards as issued by the International Accounting Standards Board and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

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

- 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's 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 the Company to cease to continue as a going concern.

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN GENERAL LTD

Report on the Audit of the Consolidated and Separate Financial Statements

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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

USE OF OUR REPORT

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

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

KPMG
KPMG
Ebène, Mauritius

VBishundat
Varsha Bishundat
Licensed by FRC

Date: 30 March 2023

CONSOLIDATED AND SEPARATE
STATEMENTS OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
ASSETS					
Non-current assets					
Property and equipment	5	**355,727**	377,448	**66,291**	68,461
Right-of-use assets	5A	**21,079**	13,072	**4,289**	7,286
Investment properties	6A	**408,263**	422,105	**-**	-
Intangible assets	7	**136,088**	114,570	**31,788**	28,933
Investments in subsidiary companies	8	**-**	-	**643,575**	565,874
Investments in associated companies	9	**274,445**	222,295	**103,989**	103,989
Investment in joint venture	10	**4,717**	4,135	**500**	500
Available-for-sale financial assets	11	**26,196,521**	31,987,893	**1,960,450**	2,771,104
Held-to-maturity financial assets	11	**17,781,453**	15,415,648	**445,959**	218,151
Loans and receivables	12	**5,726,107**	5,530,075	**48,770**	73,365
Non-current receivables	13	**3,605**	4,895	**-**	-
Deferred tax assets	14(b)	**76,851**	78,485	**68,508**	56,212
		50,984,856	54,170,621	**3,374,119**	3,893,875
Current assets					
Held-to-maturity financial assets	11	**1,809,307**	1,524,996	**4,985**	11,915
Loans and receivables	12	**409,340**	1,158,958	**6,265**	5,902
Trade and other receivables	15	**4,124,268**	3,460,937	**2,479,998**	2,238,889
Seized properties	6B	**92,637**	45,441	**-**	-
Current tax assets	23	**289**	-	**-**	-
Short-term deposits	30(b)	**2,144,590**	1,182,549	**38,683**	130,263
Cash and cash equivalents	30(b)	**2,575,711**	1,773,878	**207,496**	81,230
		11,156,142	9,146,759	**2,737,427**	2,468,199
Total assets		**62,140,998**	63,317,380	**6,111,546**	6,362,074

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

YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	17	**41,379**	41,379	**41,379**	41,379
Retained earnings		**4,664,579**	4,025,587	**2,545,141**	2,374,961
Other reserves		**158,402**	862,858	**45,569**	694,767
Attributable to owners of the parent		**4,864,360**	4,929,824	**2,632,089**	3,111,107
Non-controlling interests	19	**707,778**	601,041	**-**	-
Total equity		**5,572,138**	5,530,865	**2,632,089**	3,111,107
Technical provisions					
Life assurance fund	16	**51,132,212**	52,790,703	**-**	-
Outstanding claims and IBNR	24/31(a)	**1,475,854**	1,284,948	**937,334**	875,091
Gross unearned premiums & additional unexpired risk reserve	24/31(b)	**1,845,897**	1,673,383	**1,579,879**	1,419,722
		54,453,963	55,749,034	**2,517,213**	2,294,813
Non-current liabilities					
Borrowings	20	**1,428**	-	**-**	-
Lease liabilities	5B	**13,935**	7,453	**2,522**	4,798
Retirement benefit obligations	21	**525,294**	418,619	**305,170**	242,758
Deferred tax liabilities	14(b)	**17,146**	21,168	**729**	1,238
Non-current payables	22	**159,401**	160,233	**106,471**	107,058
		717,204	607,473	**414,892**	355,852
Current liabilities					
Trade and other payables	22	**1,229,757**	1,254,456	**419,453**	426,968
Borrowings	20	**-**	-	**-**	50,000
Lease liabilities	5B	**8,323**	6,923	**2,385**	3,100
Current tax liabilities	23	**34,483**	49,458	**384**	1,063
Dividend payable	28	**125,130**	119,171	**125,130**	119,171
		1,397,693	1,430,008	**547,352**	600,302
Total equity and liabilities		**62,140,998**	63,317,380	**6,111,546**	6,362,074

These consolidated and separate financial statements have been approved and authorised for issue by the Board of Directors on: March 30, 2023.

Nicolas Maigrot
Chairman

Louis Rivalland
Director & CEO

The notes on pages 89 to 208 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 73 to 81.

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

YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	26	10,139,744	8,975,070	3,848,229	3,246,476
Premiums ceded to reinsurers		(1,466,880)	(1,403,368)	(866,821)	(787,095)
Change in gross unearned premiums	31(b)	(180,592)	(95,741)	(160,157)	(78,855)
Change in reinsurers share of unearned premiums	31(b)	7,749	24,307	(8,740)	28,123
Net earned premiums	2.13	8,500,021	7,500,268	2,812,511	2,408,649
Gross claims paid	31(a)	(6,912,692)	(5,555,230)	(2,440,372)	(1,794,417)
Claims recovered from reinsurers	31(a)	570,201	357,521	389,204	158,451
Movement in gross outstanding claims and IBNR	31(a)	(168,201)	(4,139)	(18,854)	(1,206)
Movement in gross outstanding claims recoverable from reinsurers	31(a)	210,669	101,152	103,717	86,399
Net claims incurred		(6,300,023)	(5,100,696)	(1,966,305)	(1,550,773)
Movement in additional unexpired risk reserve	31(c)	2,125	(412)	-	-
Commissions receivable from reinsurers		343,080	349,991	215,229	209,383
Commissions paid to agents and brokers		(540,253)	(586,902)	(342,469)	(328,048)
Net commissions		(197,173)	(236,911)	(127,240)	(118,665)
Fee income on insurance contracts		362,086	313,250	-	-
Fees payable		(80,850)	(129,948)	-	-
Underwriting surplus		2,286,186	2,345,551	718,966	739,211
Investment income	25	1,737,818	1,491,734	196,555	160,612
Operating profit		4,024,004	3,837,285	915,521	899,823
Other income	26	1,878,132	1,061,671	139,724	73,527
		5,902,136	4,898,956	1,055,245	973,350
Marketing and administrative expenses	27(a)	(1,290,068)	(1,214,311)	(657,070)	(631,293)
Finance costs		(2,212)	(1,408)	(1,287)	(711)
Movement in allowances for credit impairment of financial assets	27(b)(ii)	3,447	(9,781)	(9,225)	(2,163)
Impairment of financial/non financial/ insurance assets	27(b)(i)	(29,326)	(19,045)	(22,962)	(17,333)
Movement in allowances for credit impairment of non financial assets		-	(197)	-	-
Depreciation and amortisation	5/5A/6(a)/7	(93,051)	(88,107)	(41,200)	(40,087)
Net (loss)/gains on exchange		(20,437)	287,439	(19,348)	31,240
Movement in life assurance fund	16	(3,537,678)	(2,938,075)	-	-
Share of results of associated companies and joint venture, net of tax	9/10	46,951	13,729	-	-

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

YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		Rs'000	Rs'000	Rs'000	Rs'000
Profit before income tax expense		979,762	929,200	304,153	313,003
Income tax expense	23	(63,644)	(83,080)	(8,843)	(18,834)
Profit for the year, net of tax		916,118	846,120	295,310	294,169
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Remeasurements of retirement benefit obligations, net of tax	18	(84,715)	(7,217)	(43,688)	(13,189)
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets - net change in fair value	18	(5,825,403)	5,288,355	(605,510)	455,767
Share of associate reserves	9/18	855	1,370	-	-
Exchange differences on translating foreign entities	18	7,102	81,660	-	-
	18	(5,817,446)	5,371,385	(605,510)	455,767
Movement in life assurance fund:					
Remeasurements of retirement benefit obligations	16	37,210	(2,059)	-	-
Available-for-sale financial assets - net change in fair value	16	5,158,959	(4,766,230)	-	-
		5,196,169	(4,768,289)	-	-
Other comprehensive income for the year, net of tax		(705,992)	595,879	(649,198)	442,578
Total comprehensive income for the year		210,126	1,441,999	(353,888)	736,747
Profit for the year					
Attributable to:					
Owners of the parent		764,122	692,505	295,310	294,169
Non-controlling interests	19	151,996	153,615	-	-
		916,118	846,120	295,310	294,169
Total comprehensive income for the year					
Attributable to:					
Owners of the parent		59,666	1,283,431	(353,888)	736,747
Non-controlling interests	19	150,460	158,568	-	-
		210,126	1,441,999	(353,888)	736,747
Basic and diluted earnings per share					
(Rupees and cents)	29	92.33	83.68	35.68	35.55

The notes on pages 89 to 208 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 73 to 81.

CONSOLIDATED AND SEPARATE
STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

(a) **THE GROUP**

	Notes	Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Amalgamation Reserve	Actuarial Gains/ (Losses)	Total	Interests	Total Equity
		Attributable to owners of the parent								
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2022		41,379	665,497	78,350	4,025,587	267,477	(148,466)	4,929,824	601,041	5,530,865
Total comprehensive income for the year:-										
Profit for the year		-	-	-	764,122	-	-	764,122	151,996	916,118
Other comprehensive income for the year:	18	-	(5,824,877)	7,752	-	-	(83,500)	(5,900,625)	(1,536)	(5,902,161)
Transfer to life assurance fund	16	-	5,158,959	-	-	-	37,210	5,196,169	-	5,196,169
Total other comprehensive income for the year		-	(665,918)	7,752	-	-	(46,290)	(704,456)	(1,536)	(705,992)
Total comprehensive income for the year		-	(665,918)	7,752	764,122	-	(46,290)	59,666	150,460	210,126
Transaction with the owners of the Company:-										
Dividends	19/28	-	-	-	(125,130)	-	-	(125,130)	(43,723)	(168,853)
Total transactions with owners of the parent		-	-	-	(125,130)	-	-	(125,130)	(43,723)	(168,853)
Balance at December 31, 2022		41,379	(421)	86,102	4,664,579	267,477	(194,756)	4,864,360	707,778	5,572,138
At January 1, 2021		41,379	145,401	(3,003)	3,452,120	267,477	(137,818)	3,765,556	489,496	4,255,052
Total comprehensive income for the year:-										
Profit for the year		-	-	-	692,505	-	-	692,505	153,615	846,120
Other comprehensive income for the year:	18	-	5,286,451	81,353	-	-	(8,589)	5,359,215	4,953	5,364,168
Transfer to life assurance fund	16	-	(4,766,230)	-	-	-	(2,059)	(4,768,289)	-	(4,768,289)
Total other comprehensive income for the year		-	520,221	81,353	-	-	(10,648)	590,926	4,953	595,879
Total comprehensive income for the year		-	520,221	81,353	692,505	-	(10,648)	1,283,431	158,568	1,441,999
Other movements		-	(125)	-	133	-	-	8	-	8
Transaction with the owners of the Company:-										
Dividends	19/28	-	-	-	(119,171)	-	-	(119,171)	(47,023)	(166,194)
Total transactions with owners of the parent		-	(125)	-	(119,038)	-	-	(119,163)	(47,023)	(166,186)
Balance at December 31, 2021		41,379	665,497	78,350	4,025,587	267,477	(148,466)	4,929,824	601,041	5,530,865

The notes on pages 89 to 208 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 73 to 81.

CONSOLIDATED AND SEPARATE
STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

(b) **THE COMPANY**

	Notes	Share Capital	Fair Value Reserve	Other Reserves	Retained Earnings	Amalgamation Reserve	Actuarial Gains/ (Losses)	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2022		41,379	577,213	43,099	2,374,961	220,593	(146,138)	3,111,107
Total comprehensive income for the year:-								
Profit for the year		-	-	-	295,310	-	-	295,310
Other comprehensive income for the year	18	-	(605,510)	-	-	-	(43,688)	(649,198)
Total comprehensive income for the year		-	(605,510)	-	295,310	-	(43,688)	(353,888)
Total transactions with owners of the parent :								
Dividends	28	-	-	-	(125,130)	-	-	(125,130)
Balance at December 31, 2022		41,379	(28,297)	43,099	2,545,141	220,593	(189,826)	2,632,089
At January 1, 2021		41,379	121,446	43,099	2,199,963	220,593	(132,949)	2,493,531
Total comprehensive income for the year:-								
Profit for the year		-	-	-	294,169	-	-	294,169
Other comprehensive income for the year	18	-	455,767	-	-	-	(13,189)	442,578
Total comprehensive income for the year		-	455,767	-	294,169	-	(13,189)	736,747
Total transactions with owners of the parent :								
Dividends	28	-	-	-	(119,171)	-	-	(119,171)
Balance at December 31, 2021		41,379	577,213	43,099	2,374,961	220,593	(146,138)	3,111,107

The notes on pages 89 to 208 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 73 to 81.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP 2022 Rs'000	THE GROUP 2021 Rs'000	THE COMPANY 2022 Rs'000	THE COMPANY 2021 Rs'000
Cash flows from operating activities					
Cash generated from operations	30(a)	756,217	939,595	35,750	17,809
Interest paid		(2,212)	(1,408)	(1,875)	(1,299)
Tax paid	23	(70,890)	(39,192)	(13,379)	(21,694)
Net cash generated from/(used in) operating activities		683,115	898,995	20,496	(5,184)
Cash flows from investing activities					
Purchase of property and equipment	5	(15,482)	(23,319)	(8,892)	(4,996)
Purchase of investment properties	6A	(1,444)	(2,594)	-	-
Purchase of seized properties	6B	(47,196)	(44)	-	-
Purchase of intangible assets	7	(44,248)	(15,379)	(29,996)	(7,350)
Proceeds from sale of property and equipment		124	1,327	9	241
Proceeds from sale of investment properties		17,193	-	-	-
Proceeds from sale of seized properties		-	6,671	-	-
Acquisition of subsidiary, net of cash acquired	35	(20,602)	-	(77,701)	-
Disposal of subsidiary, net of cash		-	1,423	-	-
Additional interest acquired in associate	9	-	(1,848)	-	(1,848)
Purchase of financial assets		(8,406,072)	(10,933,566)	(567,135)	(954,711)
Proceeds from disposal and maturity of financial assets		7,729,731	7,998,053	666,569	431,883
Loans granted		(1,045,440)	(869,184)	-	-
Loans recovered		1,598,190	806,481	24,232	12,960
Investment income received		1,568,628	1,543,014	198,614	159,524
Net cash generated from/(used in) investing activities		1,333,382	(1,488,965)	205,700	(364,297)
Cash flows from financing activities					
Net (payments)/proceeds on borrowings		(217)	-	(50,000)	50,000
Principal paid on lease liabilities	5B	(8,072)	(7,029)	(2,991)	(2,823)
Dividends paid to Company's shareholders	28	(119,171)	(119,171)	(119,171)	(119,171)
Dividends paid to non-controlling interests		(41,021)	(47,023)	-	-
Net cash used in financing activities		(168,481)	(173,223)	(172,162)	(71,994)
Increase/(decrease) in cash and cash equivalents		1,848,016	(763,193)	54,034	(441,475)
Movement in cash and cash equivalents					
At January 1,		2,956,427	3,552,803	211,493	621,728
Increase/(decrease)		1,848,016	(763,193)	54,034	(441,475)
Effect of foreign exchange rate changes on cash and cash equivalents		(84,142)	166,817	(19,348)	31,240
At December 31,	30(b)	4,720,301	2,956,427	246,179	211,493

The notes on pages 89 to 208 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 73 to 81.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

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

- financial assets and liabilities measured at amortised cost;
- 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, Amendments to published Standards and Interpretations effective in the reporting period

The below table summarises the standards and amdendments effective during the year ended December 31, 2022:

No	Standards or Amendments	Impact assesment
1.	Covid-19 Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16)	No Impact
2.	Onerous contracts - Cost of fulfiling a contract (Amendments to IAS 37)	No Impact
3.	Annual Improvements to IFRS Standards 2018-2020	No Impact
4.	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	No Impact
5.	Reference to the Conceptual Framework (Amendments to IFRS 3)	No Impact

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

IFRS 9 Financial Instruments

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

IFRS 9 Financial Instruments (cont'd)

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

(a) Classification of financial assets and financial liabilities

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

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

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

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

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

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

(b) Impairment of financial assets

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

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

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

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

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

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

The Group and the Company 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).

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

The Group and the Company have deferred the application of IFRS 9 until the effective date of the new insurance contract standard (IFRS 17) of January 01, 2023, opting the temporary exemption from applying IFRS 9 by the amendments to IFRS 4.

The Group and the Company structured their IFRS 9 implementation project in such a way as to effectively enable the delivery of the IFRS 9 requirements across the Group. The IFRS 9 implementation project team provided strategic direction to the project, monitored the project's progress, and identified required interventions and project interdependencies with other group initiatives.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

IFRS 9 Financial Instruments (cont'd)

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

The IFRS 9 impairment implementation progressed well during 2022. The following were the main areas of focus for 2022:

> Finalisation of the IFRS 9 impairment model methodology,

> Implementation of a framework facilitating efficient model execution and management,

> Documentation and consultation with external auditors

> Transitional impact

Impact assessment:

(i) Classification and measurement

The adoption of IFRS 9 shall have an impact on the classification and measurement of certain financial instruments in the consolidated and separate financial statements. The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). The financial liabilities are classified as either measured at amortised cost or at fair value.

Based on an analysis of the Group`s and Company's financial assets and liabilities as at December 31, 2021, on the basis of the facts and circumstances that exists as at that date, the directors have assessed the impact of IFRS 9 to the consolidated and separate financial statements as follows:

- Financial assets carried at amortised cost, are held to collect to contractual cashflows and are expected to give rise to cash flows representing solely payments of principal and interest. These financial assets will continue to be subsequently measured at amortised cost under IFRS 9. These comprise mainly held to maturity financial assets, loans and receivables, non-current receivables, trade and other receivables, short term deposits and cash and cash equivalents.

- There will be no impact on the Group's and Company's accounting for financial liabilities as the Company's financial liabilities will continue to be measured at amortised cost.

The Group and the Company are in the process of assessing the impact on the classification of the available-for-sale financial assets.

(ii) Impairment assessment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to financial instruments measured at amortiesed cost. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

The Group and the Company are in the process of assessing the quantitative impact of impairment on the financial assets.

IFRS 17 Insurance Contracts (and its related amendments)

The IASB issued IFRS 17 Insurance Contracts in May 2017 and on June 25, 2020, the IASB issued amendments to the standard. The effective date of IFRS 17 is for annual reporting periods beginning on or after January 01, 2023. The Group and Company shall apply the standard on January 01, 2023 with restatement of comparatives for the 2022 financial period.

Project Governance and Progress

The Group and the Company established an IFRS 17 implementation programme to coordinate the efforts and deliver the required models, systems and processes of the Company. The implementation programme is largely complete and the Company has begun its initial run. Accounting policy papers, actuarial methodologies have been prepared and are being reviewed by the external auditor.

As at December 31, 2022, the initial run for the Company remains to be finalised. The actuarial and finance team are closely monitoring all technical developments from the IASB and industry to evaluate the effects of such developments, and, where applicable, align the policy and methodology papers accordingly.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

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

The implementation of IFRS 17 is significant for the Group's and Company's insurance activities, specifically in areas such as revenue recognition, presentation in the statement of comprehensive income, level of transparency of the measurement components and significant additional disclosure requirements. Comprehensive effort has been applied to the technical interpretation of the standard and the design decisions required. While audit involvement has been critical to the project, management is mindful of the possibility of interpretation differences. Management is also cognisant that it remains possible that certain interpretations maybe further clarified as additional information becomes available.

The Group and the Company will focus on the following key areas during 2023:

- Finalising the initial run for January 01, 2022 and dry run for January 01, 2023.

- Assessing the disclosures for transition, interim financial statements, and annual financial statements.

- Refining remaining internal financial controls to ensure accuracy of reporting.

- Finalising the management reporting format and key performance measures.

Overview of IFRS 17

The definition and scope of contracts to be measured under IFRS 17 are largely aligned to IFRS 4 for the Company.

The main revenue recognition principle that IFRS 17 adopts is to recognise revenue (and consequently profit or loss) over the duration of the applicable policyholder contracts in a manner that best reflects the delivery of insurance contract services in the specific reporting period. The total recognised profit or loss outcome of contracts (i.e. the actual cash flows that emerge over the total contract term) naturally remains unchanged.

IFRS 17 does not allow for profits to emerge on "day one" (contract recognition date), while still avoiding the deferral of anticipated contracted losses (onerous contracts). Losses for each applicable contract are to be recognised immediately in profit or loss.

The accounting model to be applied by the Company to the insurance contracts, including reinsurance contracts issued and/or held, for liability measurement purposes is either the General Measurement Model (GMM) or Variable Fee Approach (VFA).

Some contracts include an amount that meets the definition of a 'non-distinct investment component' (NDIC) under IFRS 17. The NDIC is the amount that an insurance contract requires the Company to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. Under IFRS 17, the investment components that are highly inter-related with the insurance contract is not unbundled on contract inception.

Similarly, a contract with equivalent terms that could not be sold separately in the same market or jurisdiction are not unbundled.

IFRS 17 measurement principles are ambivalent to the type of insurance (i.e., life or non-life/general), and the permitted measurement model depends on the terms and conditions of the underlying contracts, including the related contract boundaries and coverage periods, rather than the insurance license type.

Portfolios are established for insurance contracts that have similar risks, however, each portfolio is limited to a maximum of a twelve-month duration between the first contract and the last contract recognised. At date of inception, the portfolios are further divided into distinct and ring-fenced cohort groups that differentiate the expected profitability of each contract between onerous, those that have a significant risk of becoming onerous over time and the remaining contracts. Subsequent measurement of insurance contracts is therefore applied to the cohort groups.

IFRS 17 includes three permitted measurement models. The measurement approach refers to the model used for valuing the liabilities and recognising profits in insurance revenue over time and should be appropriate for the contract being measured. All measurement models include two components, being a liability for remaining coverage (LRC) and a liability for incurred claims (LIC). The LRC relates to the measurement of the liability where the insured event has not occurred (i.e., the Company's obligation for insured events related to the unexpired portion of the coverage period). The LIC component relates to the measurement of the liability, where the insured event has occurred (i.e., the Company's obligation to investigate and pay claims for insured events that have already occurred and includes events that have occurred but have not been reported). The LRC measured component is dependent on what measurement model is applied, whereas the measurement of the LIC component is the same under all three measurement models.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

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

A general measurement model (GMM) is applicable to longer contract duration insurance contracts that do not have significant investment components (unless the criteria to use the simplified PAA model is met) and is based on a fulfilment objective (risk-adjustment added to the present value of probability-weighted estimates of future cash flows, which includes insurance acquisition cash flows). GMM is prescribed by the standard as the default measurement model for insurance and reinsurance contracts being predominantly risk type contracts and annuities. The GMM requires the use of current estimates, which are those informed by actual trends and investment markets, adjusted for the time value of money. A risk adjustment (RA) is established as an explicit, current adjustment to compensate the Group or Company for bearing non-financial risk. The risk adjustment is released over the contract duration in line with the reduction of the estimated risk.

The contractual service margin (CSM) established by IFRS 17 is measured at initial recognition and is a component of measuring the LRC. The CSM represents the unearned profit on the contract which is expected to be earned in the future and results in no profit at initial recognition. The CSM is released over the life of the contract in line with the level of service provided in each period. The interest rate used to discount cash flows and determine the initial CSM is locked in at the rate at inception for that contract, for all future CSM movements. For onerous groups of contracts, losses are recognised upfront in profit or loss.

Apart from the CSM, all other probability-weighted estimates of cash flows contained in the measurement of insurance assets or liabilities are measured at current values, taking future expectations into consideration.

For contracts that have a component of significant insurance risk but are substantially investment-related contracts with direct participation in a share of underlying items, the GMM is modified to measure such contracts using the variable fee measurement approach (VFA). This approach effectively amortises, over the remaining life of the contract, the impact to the future estimated revenue (e.g., asset-based investment management fees) that have arisen from changes in investment values at the reporting date. A key difference to the GMM approach is that the CSM is not locked in at the original discount rate.

Key revenue recognition differences between IFRS 17 and IFRS 4

Under current accounting policies, margins are established and deferred over future service periods, but these are not locked in at discount rates applicable on date of contract inception. For GMM contracts, the use of designated coverage units to release the margin over the remaining contract period under IFRS 17 differs to the current (mainly systematic time-based) approach to releasing the deferred margins on initial recognition.

The application of the CSM as guided under IFRS 17 is likely to result in lower volatility in insurance earnings between reporting periods over time. This is mainly a consequence of the requirement to, where applicable, absorb any changes to estimates of future contractual fulfilment cash flows into the CSM. This then systematically impacts future margin releases rather than the current treatment which impacts the profit or loss in the year of change.

IFRS 17 introduces a significant change to the statement of comprehensive income presentation by removing a cash flow presentation (gross premiums and claims). IFRS 17 introduces the concept of insurance revenue recognition that is intended to represent the price actually charged for the insurance contract services rendered and should not include any investment flows that are to be repaid (adjusted for applicable investment returns) in the future.

IFRS 17 comprehensively defines what is profit or loss derived from insurance services and the net finance income or expense. The insurance finance income or expense includes, inter alia, the effect of the time value of money on the best estimate cash flow assumptions.

Contracts measured under GMM (including reinsurance)

Under IFRS 17, the estimate of future cash flows depends on the assessment of the contract boundary term for the specific contracts and the determination of relevant cash flows that relate directly to the fulfilment of the contract. The estimation of future cash flows includes expected premiums received, expected claims and benefit payments, an allocation of directly attributable acquisition cost cash flows, attributable to the portfolio to which the contract belongs, claims handling costs, policy administration costs, an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts and transaction-based taxes.

Future fulfilment costs that are modelled under the GMM are closely aligned to the existing interpretation under IFRS 4, except for the IFRS 17 guidance of only including portfolio acquisition costs. This has led to a reduction of acquisition costs modelled in the best estimate cash flows (for insurance contracts issued).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

Contracts measured under VFA (not applicable to reinsurance)

A key difference in recognition between IFRS 4 and IFRS 17 pertains to investment fees referenced to investment activities and calculated based on referenced asset values. IFRS 17 accommodates measurement guidance for these services, that are integral to insurance contracts or are discretionary features, through a "recalibration mechanism" within the CSM. Variations to future fees arising from changes in asset values are deferred and amortised over the contract term. This effectively allows for a less volatile earnings recognition pattern compared to IFRS 4 where the full future impact to estimated asset-based future fees is recognised in profit or loss.

Contracts measured under PAA (including reinsurance)

Insurance contracts, which were defined as short-term or general insurance in previous financial reporting generally have short contract periods of one year or less. The Group and Company have elected to measure these under the PAA measurement model. In addition, the PAA has been elected for annually renewable contracts within corporate business. The LRC at initial recognition is measured as premiums received, minus acquisition costs and plus or minus any assets or liabilities previously recognised. Under IFRS 17, the LIC requires the calculation of a risk adjustment and includes future claims handling expenses to be incurred in settling the LIC.

The PAA measurement approach is therefore not expected to materially impact profit emergence on applicable portfolios going forward, when compared to the current basis.

Transition approaches

If it is impracticable to fully retrospectively adjust, an entity can choose either a modified retrospective or a fair value approach to measure the initial IFRS 17 balances on the first retrospective restatement date (1 January 2022). Based on the relevant grouping the Group and the Company have assessed that they will use full restrospective approach where it can do so. Where impracticable, they shall use the modified restrospective approach.

Financial Instruments

The Group and Company have deferred the application of IFRS 9 Financial Instruments until the adoption of IFRS 17. Details of impact of IFRS 9 Financial Instruments are disclosed above.

Other standards and amendments issued but not yet effective:

The below table summarises the remaining amendments and standards issued but not yet effective which are not expected to impact the Group or the Company materially.

1. Classification of liabilities as current or non-current (Amdendments to IAS 1)
2. Disclosure of Accounting Policies (Amendmens to IAS 1 and IFRS Practice statement 2)
3. Definition of Accounting Estimate (Amendments to IAS 8)
4. Deferred tax related to Assets and Liabilities arising from a single transaction- Amendmens to IAS 12 Income Taxes

These have not been applied in preparing these consolidated and separate financial statements and the Group and the Company do not plan to early adopt. These will be applied in the period that they become mandatory unless otherwise indicated.

2.2 PROPERTY AND EQUIPMENT

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 PROPERTY AND EQUIPMENT (CONT'D)

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

Buildings	2%
Motor vehicles	20%
Furniture & fittings	10%
Office equipment	15% - 33%

Land is not depreciated.

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

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

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

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

2.3(I) INVESTMENT PROPERTIES

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

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

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

Buildings	2%

Land is not depreciated.

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

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

2.3(II) SEIZED PROPERTIES

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

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

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 GOODWILL AND INTANGIBLE ASSETS

Recognition and measurement:

(i) Goodwill

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity over the fair value of the net identifiable assets is recorded as goodwill. Goodwill on acquisition of subsidiaries is included under intangible assets (note 2.6).

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

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

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

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

(ii) Computer software

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

(iii) Value of business acquired (VOBA)

Value of business acquired represents the value of the customer lists and customer relationships reflecting the expectation of future contracts that are not part of the contractual insurance rights and contractual insurance obligations that existed at the date of business acquisition. It is recorded in intangible asset and being amortised, on a straight-line basis, over a period of 15 years. VOBA is subsequently amortised over the expected life of the contracts as the profits of the related contracts emerge. It is tested through the liability adequacy test (refer to note 2.15 (iii)) and written down. VOBA is derecognised when the related contracts are terminated, settled or disposed.

(iv) Customer portfolio

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

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

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

Amortisation of intangible assets

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

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

Impairment

(I) Goodwill:

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 GOODWILL AND INTANGIBLE ASSETS (CONT'D)

(II) Intangible assets:

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

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

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

2.6 INVESTMENTS IN SUBSIDIARIES

Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the separate financial statements. Impairment is normally recognised in profit or loss in the line item "Impairment of financial/non-financial/insurance assets".

Consolidated financial statements

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Transactions and non-controlling interests

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

Disposal of subsidiaries

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. In addition, any amount previously recognised in other comprehensive income in respect of that entity is accounted for as if the Group and the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.7 (a) INVESTMENT IN ASSOCIATES

Separate financial statements of the Company

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

Consolidated financial statements

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 (b) INVESTMENT IN JOINT VENTURES

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

2.8 INVESTMENT IN STRUCTURED ENTITIES

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

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

2.9 FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

(b) Non-derivative financial assets - measurement

Held to Maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments that the Group and the Company intend and are able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 FINANCIAL INSTRUMENTS (CONT'D)

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

Loans and receivables

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

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

Available-for-sale financial assets

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

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

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

Other financial liabilities

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

(d) Amortised cost measurement

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

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

(e) Fair value measurement

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 FINANCIAL INSTRUMENTS (CONT'D)

(f) Identification and measurement of impairment

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

Objective evidence that financial assets are impaired includes:

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

Financial assets at amortised cost

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

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

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

Available-for-sale financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group and the Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 FINANCIAL INSTRUMENTS (CONT'D)

(g) Offsetting

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

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

(h) Specific instruments

Cash and cash equivalents and short term deposits

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

2.10 TAXATION

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

Current tax

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

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

Deferred tax

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

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

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

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

Deferred tax is not recognised for:

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 TAXATION (CONT'D)

Deferred tax (cont'd)

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

2.11 LIFE ASSURANCE FUND (THE 'FUND')

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

Additional disclosures surrounding insurance contracts are disclosed note in 2.15.

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

Actuarial reserves

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

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

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

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

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

The liability for the linked contracts on individual lives is taken to be the sum of the unit reserve and the non-unit reserve. The unit reserve is calculated to be the value of the units allocated as at the valuation date. The non-unit reserve is determined in the same way as the gross premium valuation i.e. it is based on a projection of future premiums, investment returns, expenses, claims and tax. The directors have assessed that the linked contracts meet the definition of IFRS 4 *Insurance contracts*.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 LIFE ASSURANCE FUND (CONT'D)

Bonus Stabilisation Reserve (BSR)

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

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

2.12 TECHNICAL PROVISIONS

The technical provisions of the Group and the Company comprise of the Life Assurance Fund (Refer to note 2.11), provision for unearned premiums (Refer to long term insurance in note 2.15 (v)), outstanding claim (Refer to 2.15 (iv) (b)) and IBNR (Refer to 2.15 (ii)).

2.13 REVENUE RECOGNITION

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

Short-term insurance

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

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

Long-term insurance

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

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

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

Consideration for annuities is recognised as revenue earned by Swan Life Ltd, its subsidiary, upon maturity of individual pension plans.

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 REVENUE RECOGNITION (CONT'D)

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

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

Type of service	Source of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms
Management and Consultancy services	Fee Income	The Group and the Company provide management and consultancy services (investment, actuarial and pension administration) to their customers.
		The fee income shall be calculated on a pro rata basis for any partial period.
		Therefore, revenue in the form of fee income is recognised at a point in time.
		Fee income is receivable quarterly or annually, depending on the terms and conditions of the agreements.

Type of service	Source of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms
Money changer activities	Gains from traiding activities	Swan Forex Ltd, one of the subsidiaries, generate gains from buying and selling of foreign currencies. Revenue is recognised when each transaction occurs, the performance obligation is satisfied, the currency is delivered, or at the end of each reporting period when revaluations of foreign exchange positions take place.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 REINSURANCE CONTRACTS

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

Short term insurance

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

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

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

Long term insurance

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

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

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

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

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

2.15 INSURANCE CONTRACTS

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 INSURANCE CONTRACTS (CONT'D)

Short term insurance

(i) Unearned premiums

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

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

(ii) Claims expenses and Outstanding claims provisions

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

Outstanding claims provisions are made up of:

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

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

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

(iii) Liability adequacy test

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

Long term insurance

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

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

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

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

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

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

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

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 INSURANCE CONTRACTS (CONT'D)

Long term insurance (cont'd)

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

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

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

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

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

(iii) Unit-Linked

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

(iv) Insurance benefits and claims

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

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

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

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

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 INSURANCE CONTRACTS (CONT'D)

Long term insurance (cont'd)

(v) Provision for unearned premiums

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

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

2.16 EQUITY HOLDER'S SHARE OF SURPLUS

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

2.17 RETIREMENT BENEFIT OBLIGATIONS

(i) Defined Benefit Plan

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

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

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

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

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

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

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

(ii) Defined Contribution Plan

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(iii) Termination benefits

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

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

(a) when the Group and the Company can no longer withdraw the offer of those benefits; and

(b) when the Group and the Company recognise costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

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

(a) when the employee accepts the offer; and

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

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

(a) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made.

(b) The plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations (but the plan need not identify each individual employee) and the expected completion date.

(c) The plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

(iv) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Right Act 2019 (2018 - Employment Rights Act 2018) is calculated by a qualified actuary using the projected unit credit method (refer to 2.17 (i)) and provided for similarly to the defined benefit plan of the Group and the Company. The obligations arising under this item are not funded. Refer to note 21 for further details.

2.18 FOREIGN CURRENCIES

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 FOREIGN CURRENCIES (CONT'D)

(iii) Translation of foreign entities

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

(a) assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date;

(b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) the resulting exchange differences are recognised in the "Other reserves", as a separate component of equity except to the extent that the translation difference is allocated to NCI.

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

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2.19.1 LEASES - AS LESSEE

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

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

Identifying leases

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

(a) There is an identified asset;

(b) Right to control the identified asset;

(c) The Group and the Company obtain substantially all the economic benefits from use of the asset; and

(d) The Group and the Company have the right to direct use of the asset.

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19.1 LEASES - AS LESSEE (CONT'D)

Identifying leases (cont'd)

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

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

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

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

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

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

Buildings	18% - 100%
Machinery	25%
Motor vehicles	20%

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19.1 LEASES - AS LESSEE (CONT'D)

Identifying leases (cont'd)

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

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

2.19.2 LEASES - AS LESSOR

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

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

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

2.20 PROVISIONS

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

2.21 DIVIDEND PAYABLE

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

2.22 SHARE CAPITAL

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

2.23 COMMISSIONS PAYABLE

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

2.24 MARKETING AND ADMINISTRATIVE EXPENSES

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

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

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

3.1 INSURANCE RISK

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

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

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

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

(a) **Insurance contracts**

(i) Frequency and severity of claims

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

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

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

(ii) Concentration of insurance risk

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.1 INSURANCE RISK (CONT'D)

(a) **Insurance contracts (cont'd)**

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

THE GROUP	Outstanding claims					
	2022			2021		
Class of Business	No of Claims	Gross	Net	No of Claims	Gross	Net
		Rs'000	Rs'000		Rs'000	Rs'000
Fire & Allied Perils	360	390,287	34,762	333	161,383	24,998
Motor	5,656	275,822	267,476	4,768	288,361	276,398
Health	2,350	96,786	96,780	6,308	117,812	117,800
Life	NA	296,866	278,367	NA	296,975	286,018
Others	2,530	238,902	109,245	3,088	240,897	91,655
	10,896	1,298,663	786,630	14,497	1,105,428	796,869
IBNR		177,191	84,540		179,520	79,526
		1,475,854	871,170		1,284,948	876,395

THE COMPANY	Outstanding claims					
	2022			2021		
Class of Business	No of Claims	Gross	Net	No of Claims	Gross	Net
		Rs'000	Rs'000		Rs'000	Rs'000
Fire & Allied Perils	310	296,935	22,354	302	157,104	23,758
Motor	4,170	228,413	220,635	3,595	248,830	239,957
Health	2,350	96,786	96,780	6,308	117,812	117,800
Others	860	189,498	83,270	670	209,056	85,110
	7,690	811,632	423,039	10,875	732,802	466,625
IBNR		125,702	72,215		142,289	70,103
		937,334	495,254		875,091	536,728

Long term insurance contracts

Concentration, frequency and severity of claims

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.1 INSURANCE RISK (CONT'D)

(a) **Insurance contracts (cont'd)**

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

Long term insurance contracts (cont'd)

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

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

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

Long term insurance

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

Benefits assured per life assured at end of:

	THE GROUP			
	Total benefits insured			
	2022		2021	
	Before reinsurance			
	Rs'000	%	Rs'000	%
Rs'000				
0-1,000	26,817,812	23%	28,724,080	26%
1,000-2,000	16,035,555	14%	15,250,035	14%
>2,000	74,478,452	63%	65,087,608	60%
	117,331,819	100%	109,061,723	100%

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.1 INSURANCE RISK (CONT'D)

(a) Insurance contracts (cont'd)

Concentration of insurance risk (cont'd)

Long term insurance contracts (cont'd)

Annuities payable per annum per life insured	THE GROUP			
	2022		2021	
	Rs'000	%	Rs'000	%
Rs'000				
0 -10	7,838	1%	6,506	1%
10 - 20	27,010	3%	22,409	3%
20 - 30	32,830	4%	27,368	4%
30 - 50	62,006	7%	51,814	7%
50 - 100	121,428	14%	101,157	14%
100+	602,193	71%	506,047	71%
	853,305	100%	715,301	100%

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

	THE GROUP	
	Gross Premium Reserve	
	2022	2021
	Rs'000	Rs'000
Total Gross Liability	44,695,556	46,010,860
Reinsurance	179,438	178,022
Total Net Liability	44,874,994	91,063,876

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.1 INSURANCE RISK (CONT'D)

(a) **Insurance contracts (cont'd)**

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

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

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

	THE GROUP				
	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
Average claim cost					
2022	**5%**	**73,793**	**30,234**	**(43,559)**	**(37,025)**
2021	5%	64,247	20,428	(43,820)	(37,247)

	THE COMPANY				
	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit	Impact on equity
		Rs'000	Rs'000	Rs'000	Rs'000
Average claim cost					
2022	**5%**	**46,867**	**22,104**	**(24,763)**	**(21,048)**
2021	5%	43,755	16,918	(26,836)	(22,811)

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.1 INSURANCE RISK (CONT'D)

(a) **Insurance contracts (cont'd)**

(v) Claims development table

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

THE GROUP

GROSS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Estimate of ultimate claim costs:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At end of claim year	303,730	250,919	309,417	383,428	538,236	413,961	322,374	433,352	442,356	457,699	3,855,472
- one year later	84,299	55,896	87,150	53,679	178,515	148,916	69,912	83,983	175,383	-	937,733
- two years later	31,735	28,235	55,280	20,293	29,282	48,029	32,035	35,725	-	-	280,614
- three years later	20,795	24,217	27,880	15,100	16,227	39,569	19,774	-	-	-	163,562
- four years later	19,703	20,629	25,187	15,944	14,528	12,173	-	-	-	-	108,164
- five years later	16,955	15,326	25,060	18,935	8,919	-	-	-	-	-	85,195
- six years later	9,990	14,643	15,973	10,458	-	-	-	-	-	-	51,064
- seven years later	10,153	14,897	14,593	-	-	-	-	-	-	-	39,643
- eight years later	13,669	17,715	-	-	-	-	-	-	-	-	31,384
- nine years later	10,843	-	-	-	-	-	-	-	-	-	10,843
Current estimate of cumulative claims	1,052,238	932,236	1,075,690	1,292,828	1,538,009	1,930,493	1,648,167	1,688,198	2,177,913	2,436,345	15,772,117
Less Cumulative payments to date	1,041,395	914,521	1,061,097	1,282,370	1,529,090	1,918,320	1,628,393	1,652,473	2,002,530	1,978,646	15,008,835
Liability recognised in the statements of financial position	10,843	17,715	14,593	10,458	8,919	12,173	19,774	35,725	175,383	457,699	763,282
Liability in respect of prior years											238,515
Total Gross outstanding claims at year end (Excluding Life business)											1,001,797
IBNR											177,191
Gross liability at year end ((Excluding Life business) -Note 24(i))											1,178,988

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.1 INSURANCE RISK (CONT'D)
(a) **Insurance contracts (cont'd)**

(v) Claims development table (cont'd)

THE GROUP (CONT'D)

NET	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Estimate of ultimate claim costs:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At end of claim year	115,553	108,798	166,163	178,385	195,610	221,945	215,869	340,072	318,507	281,651	2,142,553
- one year later	35,473	29,087	48,184	39,527	26,424	34,333	50,540	29,813	37,509		330,890
- two years later	20,914	20,155	31,328	14,984	15,188	18,920	22,944	15,859	-		160,292
- three years later	14,617	19,323	22,169	12,316	12,009	12,647	17,685	-	-		110,766
- four years later	13,801	16,026	20,862	14,202	11,524	9,770	-	-	-		86,185
- five years later	11,665	13,302	21,675	17,470	5,678	-	-	-	-		69,790
- six years later	7,105	12,990	13,529	10,046	-	-	-	-	-		43,670
- seven years later	6,565	13,446	12,666	-	-	-	-	-	-		32,677
- eight years later	7,965	16,120	-	-	-	-	-	-	-		24,085
- nine years later	6,170	-	-	-	-	-	-	-	-		6,170
Current estimate of cumulative claims	470,855	485,726	615,964	856,965	981,224	1,134,700	1,191,328	1,566,812	1,721,004	2,157,950	11,182,528
Less Cumulative payments to date	464,685	469,606	603,297	846,919	975,546	1,124,930	1,173,643	1,550,953	1,683,495	1,876,299	10,769,373
Liability recognised in the statements of financial position	6,170	16,120	12,666	10,046	5,678	9,770	17,685	15,859	37,509	281,651	413,154
Liability in respect of prior years											95,109
Total net outstanding claims at year end (Excluding Life business)											508,263
IBNR (Note 24)											84,540
Total net liability at year end ((Excluding Life business) -Note 24 (ii))											592,803

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

(v) Claims development table (cont'd)

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

THE COMPANY

GROSS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs:											
- At end of claim year	303,730	250,919	309,417	383,428	538,236	413,961	322,374	433,352	442,356	457,699	3,855,472
- one year later	84,299	55,896	87,150	53,679	178,515	148,916	69,912	83,983	175,383	-	937,733
- two years later	31,735	28,235	55,280	20,293	29,282	48,029	32,035	35,725	-	-	280,614
- three years later	20,795	24,217	27,880	15,100	16,227	39,569	19,774	-	-	-	163,562
- four years later	19,703	20,629	25,187	15,944	14,528	12,173	-	-	-	-	108,164
- five years later	16,955	15,326	25,060	18,935	8,919	-	-	-	-	-	85,195
- six years later	9,990	14,643	15,973	10,458	-	-	-	-	-	-	51,064
- seven years later	10,183	14,897	14,593	-	-	-	-	-	-	-	39,673
- eight years later	13,669	17,715	-	-	-	-	-	-	-	-	31,384
- nine years later	10,843	-	-	-	-	-	-	-	-	-	10,843
Current estimate of cumulative claims	1,052,238	932,236	1,075,690	1,292,828	1,538,009	1,930,493	1,648,167	1,688,198	2,177,913	2,436,345	15,772,117
Less Cumulative payments to date	1,041,395	914,521	1,061,097	1,282,370	1,529,090	1,918,320	1,628,393	1,652,473	2,002,530	1,978,646	15,008,835
Liability recognised in the statements of financial position	10,843	17,715	14,593	10,458	8,919	12,173	19,774	35,725	175,383	457,699	763,282
Liability in respect of prior years											48,350
											811,632
IBNR											125,702
Gross liability at year end (notes 24/31(a))											937,334

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.1 INSURANCE RISK (CONT'D)

(a) **Insurance contracts (cont'd)**

(v) Claims development table (cont'd)

THE COMPANY

NET

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Estimate of ultimate claim costs:											
- At end of claim year	115,553	108,798	166,163	178,385	195,610	221,945	215,869	340,072	318,507	281,651	2,142,553
- one year later	35,473	29,087	48,184	39,527	26,424	34,333	50,540	29,813	37,509	-	330,890
- two years later	20,914	20,155	31,328	14,984	15,188	18,920	22,944	15,859	-	-	160,292
- three years later	14,617	19,323	22,169	12,316	12,009	12,647	17,685	-	-	-	110,766
- four years later	13,801	16,026	20,862	14,202	11,524	9,770	-	-	-	-	86,185
- five years later	11,665	13,302	21,675	17,470	5,678	-	-	-	-	-	69,790
- six years later	7,105	12,990	13,529	10,046	-	-	-	-	-	-	43,670
- seven years later	6,565	13,446	12,667	-	-	-	-	-	-	-	32,678
- eight years later	7,965	16,120	-	-	-	-	-	-	-	-	24,085
- nine years later	6,171	-	-	-	-	-	-	-	-	-	6,171
Current estimate of cumulative claims	470,855	485,726	615,964	856,965	981,224	1,134,700	1,191,328	1,566,812	1,721,004	2,157,950	11,182,528
Less Cumulative payments to date	464,685	469,606	603,297	846,919	975,546	1,124,930	1,173,643	1,550,953	1,683,495	1,876,299	10,769,373
Liability recognised in the statements of financial position	6,170	16,120	12,667	10,046	5,678	9,770	17,685	15,859	37,509	281,651	413,155
Liability in respect of prior years											9,884
											423,039
IBNR											72,215
Net liability at year end (notes 24/31(a))											495,254

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK

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

The most important components of this financial risk are:

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

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

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

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

3.2.1 MARKET RISK

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

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

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.

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

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.1 MARKET RISK (CONT'D)

(i) Currency risk

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

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

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

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

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

THE GROUP

		Equivalent in Rs'000			
At December 31, 2022	**Rs'000**	**USD**	**Euro**	**Others***	**Total**
Financial and insurance assets					
- Investment in financial assets:					
· Held-to-Maturity	15,303,704	4,234,887	26,925	25,244	19,590,760
· Available-for-sale	14,731,490	11,047,218	356,306	61,507	26,196,521
- Loans and receivables (gross)	6,216,306	-	-	-	6,216,306
- Non-current receivables	3,605	-	-	-	3,605
- Trade and other receivables (gross)	3,533,802	318,870	29,680	241,952	4,124,304
- Bank balances, deposits and cash	2,435,696	2,036,478	138,500	109,627	4,720,301
	42,224,603	17,637,453	551,411	438,330	60,851,797
Less allowances for credit impairment					(179,950)
Total					60,671,847
Financial and Insurance liabilities					
- Technical Provisions:					
· Life assurance fund	51,132,212	-	-	-	51,132,212
· Outstanding claims and IBNR	1,270,594	1,075	30	204,155	1,475,854
- Lease liabilities	21,418	-	840	-	22,258
- Non-current payables	159,401	-	-	-	159,401
- Dividend payable	125,130	-	-	-	125,130
- Borrowings	1,428	-	-	-	1,428
- Trade and other payables	1,006,766	144,882	11,612	66,497	1,229,757
	53,716,949	145,957	12,482	270,652	54,146,040

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.1 MARKET RISK (CONT'D)

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

THE GROUP

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

THE COMPANY

		Equivalent in Rs'000			
At December 31, 2022	**Rs'000**	**USD**	**Euro**	**Others***	**Total**
Financial and insurance assets					
- Investment in financial assets:					
· Held-to-Maturity	245,441	205,503	-	-	450,944
· Available-for-sale	462,288	1,498,162	-	-	1,960,450
- Loans and receivables (gross)	55,035	-	-	-	55,035
- Trade and other receivables (gross)	2,461,722	31,596	14,138	282	2,507,738
- Bank balances, deposits and cash	127,133	113,476	5,532	38	246,179
	3,351,619	1,848,737	19,670	320	5,220,346
Less allowances for credit impairment					(50,657)
Total					5,169,689
Financial and Insurance liabilities					
- Technical Provisions:					
· Outstanding claims and IBNR	937,334	-	-	-	937,334
- Borrowings	-	-	-	-	-
- Lease liabilities	4,907	-	-	-	4,907
- Non-current payables	106,471	-	-	-	106,471
- Dividend payable	125,130	-	-	-	125,130
- Trade and other payables	404,375	10,585	4,493	-	419,453
	1,578,217	10,585	4,493	-	1,593,295

*Others consist of the ZAR, SCR and GBP

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.1 MARKET RISK (CONT'D)

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

THE COMPANY

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

*Others consist of the ZAR, SCR and GBP

Sensitivity

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

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.1 MARKET RISK (CONT'D)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE GROUP

	USD +3% Rs'000	USD -3% Rs'000	EURO +3% Rs'000	EURO -3% Rs'000
Impact on profit:				
At December 31, 2022				
- Investment in financial assets	**458,463**	**(458,463)**	**11,497**	**(11,497)**
- Bank balances, deposits and cash	**61,094**	**(61,094)**	**4,155**	**(4,155)**
- Trade and other receivables	**9,566**	**(9,566)**	**890**	**(890)**
- Trade and other payables	**(4,346)**	**4,346**	**(348)**	**348**
- Outstanding claims and IBNR	**(32)**	**32**	**(1)**	**1**

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

	USD +3% Rs'000	USD -3% Rs'000	EURO +3% Rs'000	EURO -3% Rs'000
Impact on equity:				
At December 31, 2022				
- Investment in financial assets	**458,463**	**(458,463)**	**11,497**	**(11,497)**
- Bank balances, deposits and cash	**61,094**	**(61,094)**	**4,155**	**(4,155)**
- Trade and other receivables	**9,566**	**(9,566)**	**890**	**(890)**
- Trade and other payables	**(4,346)**	**4,346**	**(348)**	**348**
- Outstanding claims and IBNR	**(32)**	**32**	**(1)**	**1**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.1 MARKET RISK (CONT'D)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE COMPANY

	USD		EURO	
	+5%	-5%	+5%	-5%
Impact on profit:	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022				
- Investment in financial assets	**85,184**	**(85,184)**	**-**	**-**
- Bank balances, deposits and cash	**5,674**	**(5,674)**	**277**	**(277)**
- Trade and other receivables	**1,580**	**(1,580)**	**707**	**(707)**
- Trade and other payables	**(529)**	**529**	**(225)**	**225**
At December 31, 2021				
- Investment in financial assets	108,215	(108,215)	-	-
- Bank balances, deposits and cash	463	(463)	47	(47)
- Trade and other receivables	2,487	(2,487)	797	(797)
- Trade and other payables	(2,030)	2,030	(277)	277

	USD		EURO	
	+5%	-5%	+5%	-5%
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on equity:				
At December 31, 2022				
- Investment in financial assets	**85,184**	**(85,184)**	**-**	**-**
- Bank balances, deposits and cash	**5,674**	**(5,674)**	**277**	**(277)**
- Trade and other receivables	**1,580**	**(1,580)**	**707**	**(707)**
- Trade and other payables	**(529)**	**529**	**(225)**	**225**
At December 31, 2021				
- Investment in financial assets	108,215	(108,215)	-	-
- Bank balances, deposits and cash	463	(463)	47	(47)
- Trade and other receivables	2,487	(2,487)	797	(797)
- Trade and other payables	(2,030)	2,030	(277)	277

The following exchange rates have been applied.

	Average rates		Closing rates	
	USD	EURO	USD	EURO
THE GROUP	Rs	Rs	Rs	Rs
December 31, 2022	**43.38**	**47.58**	**43.65**	**46.42**
December 31, 2021	41.23	48.52	43.10	48.74
THE COMPANY				
December 31, 2022	**43.38**	**47.58**	**43.65**	**46.42**
December 31, 2021	41.23	48.52	43.10	48.74

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.1 MARKET RISK (CONT'D)

(ii) Interest rate risk

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

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

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

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

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

Management regularly monitors the sensitivity of reported interest rate movements.

Sensitivity

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

THE GROUP

	Impact on profit/ (loss):		Impact on equity:	
	+1%-2.45%	-1%-2.45%	+1%-2.45%	-1%-2.45%
At December 31, 2022	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets :				
- Held-to-maturity investments	**115,247**	**(115,247)**	**115,247**	**(115,247)**
- Loans and receivables	**115,853**	**(115,853)**	**115,853**	**(115,853)**
- Cash and cash equivalents & Short term deposits	**33,478**	**(33,478)**	**33,478**	**(33,478)**
	+1%	-1%	+1%	-1%
At December 31, 2021	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets :				
- Held-to-maturity investments	19,224	(19,224)	19,224	(19,224)
- Loans and receivables	51,176	(51,176)	51,176	(51,176)
- Cash and cash equivalents & Short term deposits	2,332	(2,332)	2,332	(2,332)

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 FINANCIAL RISK (CONT'D)
3.2.1 MARKET RISK (CONT'D)

(ii) Interest rate risk (cont'd)

THE COMPANY

	Impact on profit/ (loss):		Impact on equity:	
	+1%	-1%	+1%	-1%
At December 31, 2022	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets :				
- Held-to-maturity investments	**17**	**(17)**	**17**	**(17)**
- Loans and receivables	**35**	**(35)**	**35**	**(35)**
- Short term deposits	**1**	**(1)**	**1**	**(1)**
- Cash and cash equivalents	**-**	**-**	**-**	**-**
Financial liabilities :				
- Borrowings	**(9)**	**9**	**(9)**	**9**
At December 31, 2021	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets :				
- Held-to-maturity investments	7	(7)	7	(7)
- Loans and receivables	47	(47)	47	(47)
- Short term deposits	1	(1)	1	(1)
- Cash and cash equivalents	-	-	-	-
Financial liabilities :				
- Borrowings	(2)	2	(2)	2

(iii) Equity price risk

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

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

Sensitivity

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

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 FINANCIAL RISK (CONT'D)
3.2.1 MARKET RISK (CONT'D)

(iii) Equity price risk (cont'd)

THE GROUP

	Impact on equity		Impact on OCI	
	+14%	-14%	+14%	-14%
At December 31, 2022	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	**3,270**	**(3,270)**	**3,270**	**(3,270)**
At December 31, 2021	+13%	-13%	+13%	-13%
	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	6,564	(6,564)	6,564	(6,564)

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

THE COMPANY

	Impact on equity		Impact on OCI	
	+22%	+22%	+22%	+22%
At December 31, 2022	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	**414**	**(414)**	**414**	**(414)**
	+13%	-13%	+13%	-13%
At December 31, 2021	Rs'm	Rs'm	Rs'm	Rs'm
- Available-for-sale financial assets	353	(353)	353	(353)

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

3.2.2 CREDIT RISK

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

- reinsurer's share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries/ third party insurers;
- investment in held to maturity financial assets;
- cash and cash equivalents;
- short term deposits; and
- loans and receivables.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.2 CREDIT RISK (CONT'D)

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

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

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

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

The Company uses a factoring rate to account for recoveries from third party insurers. The methodology is aligned with market practice and takes into account expected recovery from third party insurers as well as the ageing of those recoveries. The factoring rates shall be reviewed annually using the data as at 30th of November of the on-going financial year. The exercise was conducted on data of 2015 to 2022, and each third party recovery development ratio was computed. The historical averages were generated from the development table for each third party, to finally determine the percentage to be applied to the amount of recovery expected on open cases.

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

Reinsurance credit exposures

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

The Group and the Company manage their reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Group's largest reinsurance counterparty is Swiss Re. At December 31, 2022, the reinsurance assets recoverable for the Group and the Company was Rs 1,220m (2021: Rs 957m) and Rs 882m (2021: Rs 725m) respectively.

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

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

Short term deposits and cash and cash equivalents

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.2 CREDIT RISK (CONT'D)

Loans and receivables

For loans, all borrowers undergo a credit assessment undertaken by credit specialists of the Group and the Company. The credit assessment seeks to provide for all defaulting loans for expected future losses from borrowers who represent significant default risks except for some types of loans such as policy loans and investment backed loans for which there is no such risk. A loan is considered to be in default when it is clearly visible that the client is having serious financial difficulties such that a repayment plan cannot be devised; the borrower has been put under bankruptcy or financial reorganisation. The value to be considered in determining the recoverable amount of an impaired loan, shall not exceed 50 per cent of the estimated value of the collateral, discounted to its present value.

Receivables arising from insurance contracts

The Group and the Company have no significant concentration of credit risk in respect of their insurance business with exposure spread over a large number of clients, sold directly or via a larger number of agents and brokers. The Group and the Company have policies in place to ensure that sales of services are made to clients, with sound credit history. In addition to that, contract terms provide for contract being paid up in case of long outstanding payment for premium receivable from individuals.

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.2 CREDIT RISK (CONT'D)

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

THE GROUP

	Neither past due nor impaired	Past due or impaired	Provision for impairment	Impaired	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
- Available-for-sale financial assets (debts)	1,279,175	-	-	-	1,279,175
- Held-to-maturity financial assets	19,590,760	-	-	-	19,590,760
- Non-current receivables	3,605	-	-	-	3,605
- Loans and receivables	5,923,519	292,787	(80,859)	-	6,135,447
- Trade and other receivables					
Insurance receivables	1,436,371	1,008,961	(77,615)	(88)	2,367,629
Reinsurance assets	1,179,917	43,574	(3,534)	-	1,219,957
Other receivables	439,538	15,031	(17,942)	-	436,627
	3,055,826	1,067,566	(99,091)	(88)	4,024,213
Cash and cash equivalents and short term deposits	4,720,301	-	-	-	4,720,301
2021					
- Available-for-sale financial assets (debts)	554,105	-	-	-	554,105
- Held-to-maturity financial assets	16,940,644	-	-	-	16,940,644
- Non-current receivables	4,895	-	-	-	4,895
- Loans and receivables	6,377,412	411,224	(95,587)	(4,016)	6,689,033
- Trade and other receivables					-
Insurance receivables	917,795	957,347	(88,280)	(13,019)	1,773,843
Reinsurance assets	941,944	18,798	(3,534)	-	957,208
Other receivables	623,805	31,535	(21,902)	(2,010)	631,428
	2,483,544	1,007,680	(113,716)	(15,029)	3,362,479
Cash and cash equivalents and short term deposits	2,956,427	-	-	-	2,956,427

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISK (CONT'D)

3.2.2 CREDIT RISK (CONT'D)

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

THE COMPANY

	Neither past due nor impaired	Past due or impaired	Provision for impairment	Impaired	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
- Available-for-sale financial assets (debts)	-	-	-	-	-
- Held-to-maturity financial assets	450,944	-	-	-	450,944
- Loans and receivables	55,035	-	-	-	55,035
- Trade and other receivables					
Insurance receivables	410,201	900,625	(39,635)	-	1,271,191
Reinsurance assets	882,061	3,534	(3,534)	-	882,061
Other receivables	303,829	7,488	(7,488)	-	303,829
	1,596,091	911,647	(50,657)	-	2,457,081
Cash and cash equivalents and short term deposits	246,179	-	-	-	246,179
2021					
- Available-for-sale financial assets (debts)	-	4,314	-	(4,314)	-
- Held-to-maturity financial assets	230,066	-	-	-	230,066
- Loans and receivables	79,267	-	-	-	79,267
- Trade and other receivables					
Insurance receivables	332,367	899,636	(52,582)	(13,019)	1,166,402
Reinsurance assets	725,009	3,534	(3,534)	-	725,009
Other receivables	326,304	7,488	(7,488)	-	326,304
	1,383,680	910,658	(63,604)	(13,019)	2,217,715
Cash and cash equivalents and short term deposits	211,493	-	-	-	211,493

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

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

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 FINANCIAL RISK (CONT'D)
3.2.3 LIQUIDITY RISK

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

THE GROUP

Maturity analysis of financial and insurance assets and liabilities:

		Undiscounted cash flows				
At December 31, 2022	**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	26,196,521	-	-	-	26,196,521	26,196,521
- Held-to-maturity financial assets	19,590,760	2,494,258	9,465,720	13,728,289	-	25,688,267
- Loans and receivables	6,216,306	752,914	1,708,124	6,763,065	-	9,224,103
- Non-current receivables	3,605	-	3,605	-	-	3,605
- Trade and other receivables	4,123,304	4,123,304	-	-	-	4,123,304
- Short term deposits and cash and cash equivalents	4,720,301	4,720,301	-	-	-	4,720,301
	60,850,797	12,090,777	11,177,449	20,491,354	26,196,521	69,956,101
Less allowances for credit impairment	(179,950)					
Total	60,670,847					
Financial and insurance liabilities						
- Technical Provisions:						
• Life Assurance Fund *	51,132,212	1,486,443	4,540,877	12,617,958	32,486,934	51,132,212
• Outstanding claims and IBNR	1,475,854	1,178,988	296,866	-	-	1,475,854
- Lease liabilities	22,258	9,037	14,785	-	-	23,822
- Non-current payables	159,401	-	-	159,401	-	159,401
- Borrowings	1,428	-	1,428	-	-	1,428
- Dividend payable	125,130	125,130	-	-	-	125,130
- Trade and other payables	1,229,757	1,229,757	-	-	-	1,229,757
	54,146,040	4,029,355	4,853,956	12,777,359	32,486,934	54,147,604

		Undiscounted cash flows				
At December 31, 2021	Carrying Amount	< 1 year	1 to 5 years	> 5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	31,987,893	-	-	-	31,987,893	31,987,893
- Held-to-maturity financial assets	16,940,644	1,556,689	5,699,015	9,769,574	-	17,025,278
- Loans and receivables	6,784,620	1,158,958	452,318	5,173,344	-	6,784,620
- Non-current receivables	4,895	-	4,895	-	-	4,895
- Trade and other receivables	3,476,195	3,476,195	-	-	-	3,476,195
- Short term deposits and cash	2,956,427	2,956,427	-	-	-	2,956,427
	62,150,674	9,148,269	6,156,228	14,942,918	31,987,893	62,235,308
Less allowances for credit impairment	(209,303)					
Total	61,941,371					

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

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 FINANCIAL RISK (CONT'D)
3.2.3 LIQUIDITY RISK (CONT'D)

THE GROUP

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

		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 liabilities						
- Technical Provisions:						
· Life Assurance Fund *	52,790,703	1,486,704	4,891,293	13,362,216	33,050,490	52,790,703
· Outstanding claims and IBNR	1,284,948	987,973	296,975	-	-	1,284,948
- Lease liabilities	14,376	7,254	7,560	-	-	14,814
- Non-current payables	160,233	-	160,233	-	-	160,233
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	1,254,456	1,254,456	-	-	-	1,254,456
	55,623,887	3,855,558	5,356,061	13,362,216	33,050,490	55,624,325

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

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

THE COMPANY

Maturity analysis of financial and insurance assets and liabilities:

		Undiscounted cash flows				
At December 31, 2022	**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	1,960,450	-	-	-	1,960,450	1,960,450
- Held-to-maturity financial assets	450,944	4,985	214,417	231,542	-	450,944
- Loans and receivables	55,035	6,265	14,984	33,786	-	55,035
- Trade and other receivables	2,507,738	2,507,738	-	-	-	2,507,738
- Short term deposits and cash and cash equivalents	246,179	246,179	-	-	-	246,179
	5,220,346	2,765,167	229,401	265,328	1,960,450	5,220,346
Less allowances for credit impairment	(50,657)					
Total	5,169,689					
Financial and insurance liabilities						
- Technical Provisions:						
• Outstanding claims and IBNR	937,334	937,334	-	-	-	937,334
- Borrowings	-	-	-	-	-	-
- Lease liabilities	4,907	2,385	2,522	-	-	4,907
- Non-current payables	106,471	-	106,471	-	-	106,471
- Dividend payable	125,130	125,130	-	-	-	125,130
- Trade and other payables	419,453	419,453	-	-	-	419,453
	1,593,295	1,484,302	108,993	-	-	1,593,295

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 FINANCIAL RISK (CONT'D)
3.2.3 LIQUIDITY RISK (CONT'D)

THE COMPANY

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

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	2,771,104	-	-	-	2,771,104	2,771,104
- Held-to-maturity financial assets	230,066	11,915	45,577	172,574	-	230,066
- Loans and receivables	79,267	5,902	18,888	54,477	-	79,267
- Trade and other receivables	2,281,319	2,281,319	-	-	-	2,281,319
- Short term deposits and cash and cash equivalents	211,493	211,493	-	-	-	211,493
	5,573,249	2,510,629	64,465	227,051	2,771,104	5,573,249
Less allowances for credit impairment	(63,604)					
Total	5,509,645					
Financial and insurance liabilities						
- Technical Provisions:						
· Outstanding claims and IBNR	875,091	875,091	-	-	-	875,091
- Borrowings	50,000	50,000	-	-	-	50,000
- Lease liabilities	7,898	3,100	4,798	-	-	7,898
- Non-current payables	107,058	-	107,058	-	-	107,058
- Dividend payable	119,171	119,171	-	-	-	119,171
- Trade and other payables	426,968	426,968	-	-	-	426,968
	1,586,186	1,474,330	111,856	-	-	1,586,186

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

3.2.4 CAPITAL RISKS MANAGEMENT

The Group and the Company manage their capital, as defined by Insurance Rules 2007, to ensure that they will be able to continue as a going concern and also comply with applicable laws and regulations.

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2.4 CAPITAL RISKS MANAGEMENT (CONT'D)

- to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.
- to maintain the required level of stability of the Group and the Company thereby providing a degree of security to policyholders.
- to maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Group and the Company manage their capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended December 31, 2022 and 2021.

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

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

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

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

(b) the higher of:

an amount of Rs 25 million; or

an amount representing 13 weeks' operating financial services, with operating expenses as defined and reported in the annual statutory return submitted to the Financial Services Commission.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)
3.2 FINANCIAL RISK (CONT'D)
3.2.4 CAPITAL RISKS MANAGEMENT (CONT'D)

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

For the year ended December 31, 2022 and 31 December 2021, the Company ('Swan General Ltd') and the subsidiary ('Swan Life Ltd') have satisfied the minimum capital requirements.

Approach to capital management

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

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

3.2.5 FAIR VALUE ESTIMATION

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

YEAR ENDED DECEMBER 31, 2022

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

3.2.6 FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUES

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			
				2022		2021		2022		2021	
	IAS 39 Financial Instruments: Recognition and Measurement classification	Fair value hierarchy	Notes	Carrying Amount Rs'000	Fair Value Rs'000	Carrying Amount Rs'000	Fair Value Rs'000	Carrying Amount Rs'000	Fair Value Rs'000	Carrying Amount Rs'000	Fair Value Rs'000
Financial and insurance assets											
Investments in financial assets											
-Quoted securities (debt and equity instruments)	Available-for-sale	Level 1	11	21,944,313	21,944,313	29,446,829	29,446,829	1,814,090	1,814,090	2,647,255	2,647,255
-Investment funds (equity instruments)	Available-for-sale	Level 2	11	1,416,305	1,416,305	388,949	388,949	68,040	68,040	67,389	67,389
-Unquoted securities (equity instruments)	Available-for-sale	Level 3	11	2,835,903	2,835,903	2,152,115	2,152,115	78,320	78,320	56,460	56,460
-Held-to-maturity investments	Held-to-maturity	NA	11	19,590,760	20,525,663	16,940,644	18,214,459	450,944	459,900	230,066	374,355
Loans and receivables	Loans and receivables	NA	12	6,135,447	6,135,447	6,689,033	6,689,033	55,035	55,035	79,267	79,267
Non-current receivables	Loans and receivables	NA	13	3,605	3,605	4,895	4,895	-	-	-	-
Trade and other receivables	Loans and receivables	NA	15	4,024,213	4,024,213	3,362,479	3,362,479	2,457,081	2,457,081	2,217,715	2,217,715
Short term deposits and Cash and cash equivalents	Loans and receivables	NA	30	4,720,301	4,720,301	2,956,427	2,956,427	246,179	246,179	211,493	211,493
				60,670,847	61,605,750	61,941,371	63,215,186	5,169,689	5,178,645	5,509,645	5,653,934
Financial and insurance liabilities											
Technical provisions:											
-Life Assurance Fund	NA	NA	16	51,132,212	51,132,212	52,790,703	52,790,703	-	-	-	-
-Outstanding claims and IBNR	NA	NA	31	1,475,854	1,475,854	1,284,948	1,284,948	937,334	937,334	875,091	875,091
Lease liabilities	Financial liabilities at amortised cost	NA	5B	22,258	22,258	14,376	14,376	4,907	4,907	7,898	7,898
Borrowings	Financial liabilities at amortised cost	NA	20	1,428	1,428	-	-	-	-	50,000	50,000
Dividend payable	Financial liabilities at amortised cost	NA	28	125,130	125,130	119,171	119,171	125,130	125,130	119,171	119,171
Trade and other payables	Financial liabilities at amortised cost	NA	22	1,229,757	1,229,757	1,254,456	1,254,456	419,453	419,453	426,968	426,968
Non-current payables	Financial liabilities at amortised cost	NA	22	159,401	159,401	160,233	160,233	106,471	106,471	107,058	107,058
				54,146,040	54,146,040	55,623,887	55,623,887	1,593,295	1,593,295	1,586,186	1,586,186

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Critical accounting estimates and assumptions

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

4.1 INSURANCE CONTRACTS

The uncertainty inherent in the financial statements of the Group and the Company arises principally in respect of the technical provisions. The technical provisions of the Group and the Company include provision for unearned premiums and outstanding claims (including IBNR).

(i) Estimates of future claims payments - Short-term insurance

Outstanding claims provision is determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases and historical claims payment trends are also relevant.

The Group and the Company employ a variety of techniques and a number of different bases to determine appropriate provisions. These include:

- terms and conditions of the insurance contracts;
- knowledge of events;
- court judgement;
- economic conditions;
- previously settled claims;
- triangulation claim development analysis;
- estimates based upon a projection of claims numbers and average cost; and
- expected loss ratios.

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjuster's recommendations or based on management's experience.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provision and having due regard to collectability.

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

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

(ii) Estimates of future liabilities - Long-term insurance

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

4.1 INSURANCE CONTRACTS (CONT'D)

(ii) Estimates of future liabilities - Long-term insurance (Cont'd)

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

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

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

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

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

The main risks that Swan Life Ltd is exposed to are as follows:

(i) Mortality risk – risk of loss arising due to policyholder death experience being different than expected

(ii) Morbidity risk – risk of loss arising due to policyholder health experience being different than expected

(iii) Longevity risk – risk of loss arising due to the annuitant living longer than expected

(iv) Investment return risk – risk of loss arising from actual returns being different than expected

(v) Expense risk – risk of loss arising from expense experience being different than expected

(vi) Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

4.1 INSURANCE CONTRACTS (CONT'D)

(iii) Sensitivity

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

The results of the sensitivity testing are presented in the table below. It shows the impact of changing one item of the basis while keeping all other items in line with the base run:

	THE GROUP			
	2022			
	Total Assets	Total Liabilities	Surplus	Change from central value
	Rs '000	Rs '000	Rs '000	%
Central	51,127,074	40,576,861	6,252,080	-
All interest rates -1% but not CPI	51,127,074	41,755,544	4,228,796	-32.40%
CPI -1%	51,127,074	40,526,299	6,327,732	1.20%
Equity & Property market values -10%	48,668,933	40,141,364	4,027,728	-35.60%
Lapses -10%	51,127,074	40,589,659	6,169,010	-1.30%
Mortality & Morbidity -5%	51,127,074	40,672,625	6,122,572	-2.10%
Expenses -10%	51,127,074	40,513,871	6,343,537	1.50%
Terminal Bonus +10%	51,127,074	40,576,861	6,090,678	-2.60%
Reversionary Bonus +10%	51,127,074	40,576,861	5,744,810	-8.10%

	THE GROUP			
	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%

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

4.1 INSURANCE CONTRACTS (CONT'D)

(iv) Uncertainties and judgement

The uncertainty arising under insurance contracts may be characterised under a number of specific headings, such as:

- uncertainty as to whether an event has occurred which would give rise to a policy holder suffering an insured loss;
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring;
- uncertainty over the timing of a settlement to a policyholder for a loss suffered.

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks. For certain classes of policy, the maximum value of the settlement of a claim may be specified under the policy terms while for other classes, the cost of a claim will be determined by an actual loss suffered by the policyholder.

There may be some reporting lags between the occurrence of the insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends, unreported information etc.

4.2 REINSURANCE

The Group and the Company are exposed to disputes on, and defects in, contract wordings and the possibility of default by their reinsurers. The Group and the Company monitor the financial strength of their Reinsurers. Allowance is made in the consolidated and separate financial statements for non recoverability of amount due from reinsurers, as required.

4.3 IMPAIRMENT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group and the Company follow the guidance of IAS 39 Financial Instruments: *Recognition and Measurement* on determining when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group and the Company evaluate, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Please refer to note 11 for further details.

4.4 SIGNIFICANT INFLUENCE OVER ASSOCIATES AND JOINT VENTURE

The Directors assessed whether or not the Group and the Company have significant influence over their associates and joint ventures. In making their judgment, the Directors considered the nature and structure of the relationship and other facts and circumstances. The Directors have concluded that the Group and the Company have significant influence over their associates and joint ventures as detailed in note 9.

4.5 ESTIMATED IMPAIRMENT OF GOODWILL

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.4(i).

4.6 IMPAIRMENT OF FINANCIAL ASSETS

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

4.7 PENSION OBLIGATIONS

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

The Group and the Company determine the appropriate discount rate at the end of the year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group and the Company consider the interest rate of high quality corporate bond will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 21.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

4.8 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.

The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period in which the change has occured.

4.9 ASSET LIVES AND RESIDUAL VALUES

Property and equipment and intangible assets (except for goodwill) are depreciated and amortised respectively over their estimated useful lives taking into account residual values, where appropriate. The estimated lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing the estimated useful life an asset, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets. The depreciation/amortisation rates and methods have been disclosed in note 2.2 and note 2.4.

4.10 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

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

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

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

4.11 CONTROL OVER SUBSIDIARIES

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

4.12 FAIR VALUATION OF UNQUOTED AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

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

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

- Lower of Price-earnings ratio (''P/E''), or Dividend yield ratio (''D/Y'');

- Lower of Net asset Value ('NAV') or Price to Book Value ('PBV') for other investment which cannot be ascertained using the above methodologies.

Valuation Models:

- Net asset value (NAV)

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

- Price-to-book

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

- Price-Earnings Ratio

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

The Price-earnings ratio (P/E) 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.

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YEAR ENDED DECEMBER 31, 2022

5. PROPERTY AND EQUIPMENT	Freehold land and buildings	Motor vehicles	Furniture & fittings	Office equipment	Total
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2021	431,452	46,230	129,214	220,534	827,430
Transfer to Investment properties (note 6A)	(4,041)	-	-	-	(4,041)
Additions	5,750	1,287	1,675	14,607	23,319
Exchange differences	11,798	1,029	465	1,136	14,428
Disposals	-	(7,180)	(88)	-	(7,268)
Write off	-	-	-	(48,771)	(48,771)
At December 31, 2021/ January 01, 2022	444,959	41,366	131,266	187,506	805,097
Acquired through business combination (note 35)	-	2,997	-	415	3,412
Additions	488	-	712	14,282	15,482
Exchange differences	(4,790)	3,061	(3,344)	(527)	(5,600)
Disposals	-	-	(52)	(2,604)	(2,656)
Write off	-	-	-	-	-
At December 31, 2022	**440,657**	**47,424**	**128,582**	**199,072**	**815,735**
DEPRECIATION					
At January 1, 2021	122,467	24,357	108,151	187,646	442,621
Transfer to Investment properties (note 6A)	(757)	-	-	-	(757)
Charge for the year	7,572	4,304	6,194	19,110	37,180
Exchange differences	1,276	898	382	668	3,224
Disposal adjustment	-	(5,760)	(88)	-	(5,848)
Write off	-	-	-	(48,771)	(48,771)
At December 31, 2021/ January 01, 2022	130,558	23,799	114,639	158,653	427,649
Acquired through business combination (note 35)	-	1,611	-	189	1,800
Charge for the year	8,369	4,221	4,706	20,146	37,442
Exchange differences	(447)	(296)	(3,257)	(279)	(4,279)
Disposal adjustment	-	-	-	(2,604)	(2,604)
Write off	-	-	-	-	-
At December 31, 2022	**138,480**	**29,335**	**116,088**	**176,105**	**460,008**
CARRYING AMOUNTS					
At December 31, 2022	**302,177**	**18,089**	**12,494**	**22,967**	**355,727**
At December 31, 2021	314,401	17,567	16,627	28,853	377,448

For both 2022 and 2021, there were no transactions under finance lease and no non cash disposals.

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

5. PROPERTY AND EQUIPMENT	Freehold land and buildings	Motor vehicles	Furniture & fittings	Office equipment	Total
THE COMPANY	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2021	86,475	12,200	38,214	146,059	282,948
Additions	-	-	-	4,996	4,996
Disposals	-	(1,750)	-	-	(1,750)
Write off	-	-	-	(48,771)	(48,771)
At December 31, 2021/ January 01, 2022	86,475	10,450	38,214	102,284	237,423
Additions	-	-	-	8,892	8,892
Disposals	-	-	-	(413)	(413)
At December 31, 2022	**86,475**	**10,450**	**38,214**	**110,763**	**245,902**
DEPRECIATION					
At January 1, 2021	32,845	8,689	35,575	130,440	207,549
Charge for the year	1,730	624	1,463	7,638	11,455
Disposal adjustment	-	(1,271)	-	-	(1,271)
Write off	-	-	-	(48,771)	(48,771)
At December 31, 2021/ January 01, 2022	34,575	8,042	37,038	89,307	168,962
Charge for the year	1,730	247	690	8,395	11,062
Disposal adjustment	-	-	-	(413)	(413)
At December 31, 2022	**36,305**	**8,289**	**37,728**	**97,289**	**179,611**
CARRYING AMOUNTS					
At December 31, 2022	**50,170**	**2,161**	**486**	**13,474**	**66,291**
At December 31, 2021	51,900	2,408	1,176	12,977	68,461

For both 2022 and 2021, 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 DECEMBER 31, 2022

5A. RIGHT-OF-USE-ASSETS

	THE GROUP		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2021	13,972	4,903	18,875
Additions	791	-	791
Depreciation	(5,410)	(1,373)	(6,783)
Exchange differences	24	165	189
Carrying amount at December 31, 2021	9,377	3,695	13,072
Additions	15,843	-	15,843
Depreciation	(6,376)	(1,399)	(7,775)
Exchange differences	(34)	(27)	(61)
Carrying amount at December 31, 2022	**18,810**	**2,269**	**21,079**

	THE COMPANY		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2021	5,938	4,345	10,283
Depreciation	(1,863)	(1,134)	(2,997)
Carrying amount at December 31, 2021	4,075	3,211	7,286
Depreciation	(1,863)	(1,134)	(2,997)
Carrying amount at December 31, 2022	**2,212**	**2,077**	**4,289**

5B. LEASE LIABILITIES

	THE GROUP		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2021	14,768	5,535	20,303
Additions	791	-	791
Interest expense	713	318	1,031
Lease payments	(6,293)	(1,767)	(8,060)
Exchange differences	132	179	311
At December 31, 2021	10,111	4,265	14,376
Additions	15,843	-	15,843
Interest expense	685	214	899
Lease payments	(7,232)	(1,739)	(8,971)
Exchange differences	32	79	111
At December 31, 2022	**19,439**	**2,819**	**22,258**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

5B. LEASE LIABILITIES (CONT'D)

Analysed as:	2022	2021
	Rs'000	Rs'000
Current	8,323	6,923
Non-current	13,935	7,453
	22,258	14,376

	THE COMPANY		
	Land and buildings	Machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2021	6,237	4,484	10,721
Interest expense	294	223	517
Lease payments	(2,146)	(1,194)	(3,340)
At December 31, 2021	4,385	3,513	7,898
Interest expense	187	162	349
Lease payments	(2,146)	(1,194)	(3,340)
At December 31, 2022	**2,426**	**2,481**	**4,907**

Analysed as:	2022	2021
	Rs'000	Rs'000
Current	2,385	3,100
Non current	2,522	4,798
	4,907	7,898

(a) **Nature of leasing activities (in the capacity as lessee)**

The Group and the Company lease a number of properties in the jurisdictions from which they operate. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions, property leases the periodic rent is fixed over the lease term.

The Group and the Company lease a number of office space in the following regions in Mauritius; Black River, Goodlands, Rose Belle, Quatre Bornes, Ebène, Cascavelle and Curepipe.

The Group and the Company also lease certain items of property and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

5B. LEASE LIABILITIES (CONT'D)

(b) **Extension and termination options**

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

(c) **Lease term**

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

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

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

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

(d) **Interest expense**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense (included in finance cost)	**899**	1,031	**349**	517

The total cash outflow for leases in 2022 was Rs'000 8,971 (2021: Rs'000 8,060) for the Group and Rs'000 3,340 (2021: Rs'000 3,340) for the Company.

(e) The maturity analysis of the lease liabilities have been disclosed in the note 3.2.3.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

6A. INVESTMENT PROPERTIES

	THE GROUP
	Rs'000
COST	
At January 1, 2021	539,075
Transfer from property and equipment (note 5)	4,041
Additions	2,594
At December 31, 2021/ January 01, 2022	545,710
Additions	**1,444**
Disposals	**(6,169)**
At December 31, 2022	**540,985**
DEPRECIATION	
At January 1, 2021	113,758
Transfer from property and equipment (note 5)	757
Charge for the year	9,090
At December 31, 2021/ January 01, 2022	123,605
Charge for the year	**9,117**
At December 31, 2022	**132,722**
CARRYING AMOUNT	
At December 31, 2022	**408,263**
At December 31, 2021	422,105

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

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At December 31,	**1,563,835**	1,563,835

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

The investment properties were revalued in November 2020 by Messrs Noor Dilmohamed & Associates, an independent professionally qualified valuer. The fair value was determined using an open market value basis by reference to market evidence of transaction prices for similar properties using comparative cost approach and income capitalisation approach. The valuation is performed every 3 years. The directors have reassessed the fair values of the investment properties at December 31, 2022 and determined that the value have not changed significantly.

The valuation of the investment properties has been valued using unobservable inputs and are classified under level 3 hierarchy in the fair value hierarchy table.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

6A. INVESTMENT PROPERTIES (CONT'D)

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

	THE GROUP 2022	THE GROUP 2021
	Rs'000	Rs'000
Rental income	29,458	32,311
Direct operating expenses from investment properties that generate rental income	(9,662)	(10,707)
Direct operating expenses from investment properties that do not generate rental income	(10,459)	(17,937)

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 2022	THE GROUP 2021
	Rs'000	Rs'000
Less than one year	26,817	25,976
One to two years	18,154	16,191
Two to three years	11,415	9,513
Three to four years	10,142	8,458
Four to five years	7,105	7,290
More than five years	46,700	35,148
Total	120,333	102,576

6B. SEIZED PROPERTIES

	THE GROUP 2022	THE GROUP 2021
	Rs'000	Rs'000
At January 1,	45,441	53,238
Additions	47,196	44
Disposals	-	(7,841)
At December 31,	92,637	45,441

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

7. INTANGIBLE ASSETS

THE GROUP

	Goodwill	Computer software	VOBA	Customer list	Other intangibles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At January 1, 2021	66,349	121,642	28,477	55,375	51,090	322,933
Additions	-	15,379	-	-	-	15,379
At December 31, 2021/ January 01, 2022	66,349	137,021	28,477	55,375	51,090	338,312
Additions	16,704	44,248	-	-	-	60,952
Exchange differences	-	(893)	-	-	-	(893)
At December 31, 2022	83,053	180,376	28,477	55,375	51,090	398,371
AMORTISATION						
At January 1, 2021	-	73,637	20,880	44,301	49,870	188,688
Charge for the year	-	26,399	1,898	5,537	1,220	35,054
At December 31, 2021/ January 01, 2022	-	100,036	22,778	49,838	51,090	223,742
Charge for the year	-	31,282	1,898	5,537	-	38,717
Exchange differences	-	(176)	-	-	-	(176)
At December 31, 2022	-	131,142	24,676	55,375	51,090	262,283
CARRYING AMOUNTS						
At December 31, 2022	83,053	49,234	3,801	-	-	136,088
At December 31, 2021	66,349	36,985	5,699	5,537	-	114,570

There has been no impairment of goodwill during the financial year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY

	Computer software	Other intangibles	Total
	Rs'000	Rs'000	Rs'000
COST			
At January 1, 2021	102,486	14,990	117,476
Additions	7,350	-	7,350
At December 31, 2021/ January 01, 2022	109,836	14,990	124,826
Additions	29,996	-	29,996
At December 31, 2022	**139,832**	**14,990**	**154,822**
AMORTISATION			
At January 1, 2021	55,268	14,990	70,258
Charge for the year	25,635	-	25,635
At December 31, 2021/ January 01, 2022	80,903	14,990	95,893
Charge for the year	27,141		27,141
At December 31, 2022	**108,044**	**14,990**	**123,034**
CARRYING AMOUNTS			
At December 31, 2022	**31,788**	-	**31,7 88**
At December 31, 2021	28,933	-	28,933

8. INVESTMENTS IN SUBSIDIARY COMPANIES

(a) **THE COMPANY**

	2022	2021
	Total	Total
	Rs'000	Rs'000
At January 1,	565,874	565,874
Additions (note (ii))	77,701	-
At December 31,	**643,575**	565,874

(i) The market value of the subsidiary company, Swan Life Ltd based on the DEM bid price at December 31, 2022 amounted to Rs.3.3bn (2021: Rs.3.5bn).

(ii) During the year, the Company acquired 2,700,000 ordinary shares in Swan Forex Ltd for Rs 77.7m. (Refer to note 35)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The financial statements of the following subsidiaries have been included in the consolidated and separate financial statements for the year ended December 31, 2022 and 2021.

Name of subsidiaries	Class of shares held	Stated capital	Nominal value of investment		Proportion of ownership interest – Direct		Proportion of ownership interest – Indirect		Other group companies		Proportion of ownership held by non-controlling interests		Place of business / Country of incorporation	Main business
		2022	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
		Rs'000	Rs'000	Rs'000	%	%	%	%	%	%	%	%		
· Swan Life Ltd	Ordinary	26,322	239,435	239,435	82.72	82.72	-	-	-	-	17.28	17.28	Mauritius	· Life insurance, pensions, actuarial and investment business
· Swan Corporate Affairs Ltd	Ordinary	1,000	500	500	50.00	50.00	-	-	41.36	41.36	8.64	8.64	Mauritius	· Provision of secretarial services to the Group
· Swan International Co Ltd	Ordinary	156	80	80	51.00	51.00	-	-	40.53	40.53	8.47	8.47	Mauritius	· Reinsurance Brokers and Consultants
· Swan Reinsurance PCC (8c)	Core and Cellular	250,000	250,000	250,000	100.00	100.00	-	-	-	-	-	-	Mauritius	· Reinsurance of long term and short term business
· Swan Forex Ltd *	Ordinary	27,000	77,701	-	100.00	-	-	-	-	-	-	-	Mauritius	· Foreign exchange dealer and money changer
· Dolberg Rental (Pty) Ltd	Ordinary	18,319	6,788	6,788	100.00	100.00	-	-	-	-	-	-	South Africa	· Leasing of office and other related equipment
· Swan Foundation **	Limited by guarantee	1	-	-	50.00	50.00	-	-	50.00	50.00	-	-	Mauritius	· Management of Swan Group CSR fund (not consolidated)
· Swan Special Risks Company Limited ***	Ordinary	50,000	50,000	50,000	100.00	100.00	-	-	-	-	-	-	Mauritius	· Underwriter of short term and fronting business
· Aprica Investments Co Ltd (8f)	Ordinary	30	-	-	100.00	100.00	-	-	-	-	-	-	Mauritius	· Investment holding
· Swan Wealth Structured Products Ltd **	Ordinary	1	1	1	100.00	100.00	-	-	-	-	-	-	Mauritius	· Provider of structured solutions
· Swan Digital Ltd	Ordinary	1,300	1,440	1,440	100.00	100.00	-	-	-	-	-	-	Mauritius	· Software developer
· Swan Comoros SA	Ordinary	3,879	3,879	3,879	100.00	100.00	-	-	-	-	-	-	Comoros	· Underwriter of short term and fronting business
· Swan Smart Achiever Notes Ltd **	Ordinary	1	1	1	100.00	100.00	-	-	-	-	-	-	Mauritius	· Provider of structured solutions
· Swan General Insurance Company Zambia Limited (8g)	Ordinary	37,073	-	-	47.96	47.96	49.51	49.51	-	-	2.53	2.53	Zambia	· Underwriter of short term business
· Swan Wealth International Ltd ***	Ordinary	7,500	3,750	3,750	50.00	50.00	-	-	41.36	41.36	8.64	8.64	Mauritius	· Investment holding
· Afresure Reinsurance Brokers Ltd ***	Ordinary	10,000	10,000	10,000	100.00	100.00	-	-	-	-	-	-	Mauritius	· Reinsurance Brokers and Consultants
			643,575	565,874										
Held indirectly through Swan Life Ltd:														
· Swan Financial Solutions Ltd	Ordinary	586,876	-	-	-	-	66.18	66.18	66.18	66.18	33.82	33.82	Mauritius	· Investment holding
· Manufacturers' Distributing Station Limited (8d)	Ordinary	961	-	-	-	-	82.55	82.55	82.55	82.55	17.45	17.45	Mauritius	· Investment holding
· Swan Pensions Ltd	Ordinary	4,100	-	-	-	-	82.72	82.72	82.72	82.72	17.28	17.28	Mauritius	· Pension fund administration
· Swan Wealth Managers Ltd	Ordinary	1,600	-	-	-	-	66.18	66.18	66.18	66.18	33.82	33.82	Mauritius	· Fund management and investment
· Swan Securities Ltd	Ordinary	10,000	-	-	-	-	66.18	66.18	66.18	66.18	33.82	33.82	Mauritius	· Stockbroking
· Swan Corporate Advisors Ltd	Ordinary	1,300	-	-	-	-	66.18	66.18	66.18	66.18	33.82	33.82	Mauritius	· Advisory
· Société de La Croix (8d)	Parts	2,500	-	-	-	-	82.55	82.55	82.55	82.55	17.45	17.45	Mauritius	· Investment holding
· Société de La Montagne (8d)	Parts	45,604	-	-	-	-	82.55	82.55	82.55	82.55	17.45	17.45	Mauritius	· Investment holding
· Société de La Rivière (8d)	Parts	2,500	-	-	-	-	82.55	82.55	82.55	82.55	17.45	17.45	Mauritius	· Investment holding
· Swan Pensions Rwanda (SPR) Ltd ***	Ordinary	2,485	-	-	-	-	49.63	49.63	49.63	49.63	50.37	50.37	Rwanda	· Pension and fund administration
· Swan Actuarial Services Ltd	Ordinary	1,107	-	-	-	-	82.72	82.72	82.72	82.72	17.28	17.28	Mauritius	· Actuarial services

* Swan Forex Ltd was acquired during the year.
** Swan Foundation, Swan Wealth Structured Products Ltd and Swan Smart Achiever Notes Ltd are not consolidated. Refer to note 8 (h) for details.
*** The amounts are based on unaudited financial statements

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

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

(d) These Sociétés are consolidated in the financial statements of Swan Life Ltd, through holding 99.80% of the three Sociétés through Manufacturers' Distributing Station Limited.

(e) The financial year end is 31st December for all companies, except for 'Swan Forex Ltd' which is 30th September.

(f) The Group has provided financial support to one of its subsidiary, Aprica Investments Co Ltd.

(g) The Subsidiary has changed its name from Diamond General Insurance Limited to Swan General Insurance Company Zambia Limited.

(h) **Interest in structured entities not consolidated**

(I) Swan Wealth Structured Products Ltd

Swan Wealth Structured Products Ltd's (SWSPL) principal aim is to provide comprehensive structured financial solutions. SWSPL launched the Smart Dynamic Notes through the issue of debentures which will be matched to its assets which are classified as Held to Maturity investments.

Held to Maturity investments consist of various fixed deposits with reputable bank and financial institutions. The respective terms and conditions of the investments have been disclosed to the noteholders who bear all the benefits and risks associated with the products. The financial liabilities of the notes issued by SWSPL consist of two distinct obligations, the capital guarantee and the minimum guaranteed return. The financial liabilities have been measured at amortised cost using the effective interest rate methods.

	2022	2021
The financial position of SWSPL is as follows :	Rs'000	Rs'000
Financial assets at amortised cost	-	57,975
Other assets	73	186
Total assets	73	58,161
Other financial liabilities	-	58,360
Other liabilities	-	509
Equity	73	(708)
	73	58,161

The Group's maximum exposure to loss from its interests in Swan Wealth Structured Products Ltd as at December 31, 2022 is described above.

During the year ended December 31, 2022, the Group and the Company did not provide any financial support to the unconsolidated structured entity and has no intention of providing financial or other support.

The financial statements of Swan Wealth Structured Products Ltd (SWSPL) are not included in the consolidated financial statements since Swan General Ltd does not have any control over the operation of the entity. The Directors have assessed that the Company acts as an agent to SWSPL.

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) **Interest in structured entities not consolidated (cont'd)**

(II) Swan Smart Achiever Notes Ltd

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

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

	2022	2021
The financial position of SSANL is as follows :	Rs'000	Rs'000
Financial assets at fair value through profit or loss	2,448	7,698
Financial assets at amortised cost	213,039	222,588
Cash and cash equivalents	45,669	26,216
Other assets	52	-
Total assets	261,208	256,502
Other financial liabilities	250,396	245,013
Other liabilities	8,782	8,654
Equity	2,030	2,835
	261,208	256,502

The Group's maximum exposure to loss from its interests in Swan Smart Achiever Notes Ltd as at December 31, 2022 is described above.

During the year December 31, 2022, the Group and the Company did not provide any financial support to the unconsolidated structured entity and has no intention of providing financial or other support.

The financial statements of Swan Smart Achiever Notes Ltd (SSANL) are not included in the consolidated financial statements since Swan General Ltd does not have any control over the operation of the entity. The Directors have assessed that the Company acts as an agent to SSANL.

(III) Swan Foundation

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

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

Both Swan Life Ltd and Swan General Ltd had made a capital injection of Rs. 500 to Swan Foundation, which represents the Group's maximum exposure to loss from their interests in Swan Foundation.

The main activity of the organisation is to collect Corporate Social Responsibility (CSR) contributions from the group companies in order to donate to approved Non Governmental Organisations (NGO) and other approved corporate partners. Swan Foundation is governed by CSR guidelines.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) **Interest in structured entities not consolidated (cont'd)**

(III) Swan Foundation (cont'd)

Yearly contribution made to Swan Foundation represents 25% of CSR amount (equivalent to 2% of Taxable profit of group companies). The amount paid is recognised as an expense within the 'Income tax expense' in the Statement of Profit and Loss and accrued as 'Other payables' within Current Liabilities in the Statement of Financial Position.

During the year December 31, 2022, the Group and the Company did not provide any financial support to the unconsolidated structured entity and have no intention of providing financial or other support.

Name of Entity	Country of incorporation	
Swan Foundation	Mauritius	
Contributors	**Amount**	**Holdings**
Swan General Ltd	Rs.500	50%
Swan Life Ltd	Rs.500	50%

Below are the summarised results and financial position of the unconsolidated structured entity:

	2022	2021
	Rs'000	Rs'000
Revenue	1,090	971
Surplus for the year	(1)	(787)
Current Assets	204	658
Current Liabilities	203	546
Total Equity	1	112

(i) **Details for subsidiaries are as follows:**

Name of subsidiaries	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests as at December 31,
	Rs'000	Rs'000
2022		
· Swan Life Ltd (Group)	151,639	708,919
· Swan Corporate Affairs Ltd	67	901
· Swan International Co Ltd	283	(4,813)
· Swan General Insurance Company Zambia Limited	14	2,193
· Swan Wealth International Ltd	(7)	578
	151,996	707,778
2021		
· Swan Life Ltd (Group)	153,714	602,793
· Swan Corporate Affairs Ltd	140	834
· Swan International Co Ltd	(80)	(5,461)
· Swan General Insurance Company Zambia Limited	(145)	2,290
· Swan Wealth International Ltd	(14)	585
	153,615	601,041

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(j) **Summarised financial information on subsidiaries**

(a) The summarised statements of financial position and statement of profit or loss and other comprehensive income for the subsidiaries are shown below:

Name of subsidiaries	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Gross premium/ revenue	Profit/ (loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non controlling interests
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022									
Swan Life Ltd (Group)	7,775,167	47,573,070	833,897	51,766,869	5,682,104	652,700	(6,698)	646,002	43,723
Swan International Co Ltd	4,840	46,443	1,086	-	-	458	-	458	-
Swan Corporate Affairs Ltd	11,571	246	3,411	-	-	772	-	772	-
Swan Reinsurance PCC	70,780	326,350	9,193	2,120	8,253	32,962	-	32,962	-
Swan Forex Ltd	64,206	9,690	7,702	2,834	-	4,968	-	4,968	-
Dolberg Rental Pty Ltd	32,031	1	13,331	14,337	-	72	-	72	-
Aprica Investments Co Ltd	4	-	-	-	-	15,843	-	15,843	-
Swan Special Risks Company Limited *									-
Swan Digital Ltd	1,321	-	29	-	-	(47)	-	(47)	-
Swan Comoros SA *	6,906	-	996	1,167	5,494	(402)	-	(402)	-
Swan General Insurance Company Zambia Limited	254,957	165,970	64,793	303,320	343,810	539	-	539	-
Swan Wealth International Limited *	7,500	-	795	-	-	(91)	-	(91)	-
Afresure Reinsurance Brokers Ltd *	9,094	-	73	-	-	(177)	-	(177)	-
2021									
Swan Life Ltd (Group)	6,370,832	50,267,895	1,006,541	53,375,074	5,132,611	628,859	18,004	646,863	(47,023)
Swan International Co Ltd	6,202	49,350	2,951	-	-	91	-	91	-
Swan Corporate Affairs Ltd	11,342	2,554	4,242	-	5,082	1,619	-	1,619	-
Swan Reinsurance PCC *	80,964	316,144	7,586	3,885	3,948	6,939	45,873	52,812	-
Dolberg Rental Pty Ltd	30,932	2,734	13,294	15,853	3,371	(2,047)	-	(2,047)	-
Aprica Investments Co Ltd	524	-	16,232	-	-	987	-	987	-
Swan Special Risks Company Limited *	313,783	35,648	65,675	171,849	353,732	18,321	6,578	24,899	-
Swan Digital Ltd	1,258	-	167	-	-	(219)	-	(219)	-
Swan Comoros SA *	12,536	-	6,009	1,373	9,264	(99)	236	137	-
Swan General Insurance Company Zambia Limited	79,227	96,621	45,639	945,669	282,709	(6,616)	7,663	1,047	-
Swan Wealth International Limited *	7,500	-	719	-	-	(153)	-	(153)	-
Afresure Reinsurance Brokers Ltd *	9,959	-	761	-	-	(717)	-	(717)	-

* These amounts are based on unaudited financial statements

** Swan Forex Ltd was acquired during the year.

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(j) **Summarised financial information on subsidiaries (cont'd)**

(b) Summarised Cash flow information

Name of subsidiaries	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
	Rs'000	Rs'000	Rs'000	Rs'000
2022				
Swan Life Ltd (Group)	2,066,636	(209,593)	(175,537)	1,681,506
Swan International Co Ltd	(1,826)	-	-	(1,826)
Swan Corporate Affairs Ltd	1,308	-	-	1,308
Swan Reinsurance PCC	42,477	(34,136)	-	8,341
Dolberg Rental (Pty) Ltd	1,562	1,370	-	2,932
Aprica Investments Co Ltd	2,280	-	-	2,280
Swan Special Risks Company Limited	2,028	469	-	2,497
Swan Digital Ltd	(182)	-	-	(182)
Swan Comoros SA *	(4,717)	-	-	(4,717)
Swan General Insurance Company Zambia Limited	88,555	(67,853)	2,766	23,468
Swan Wealth International Limited *	-	-	-	-
Swan Forex Ltd**	11,876	230	(567)	11,539
Afresure Reinsurance Brokers Ltd	(865)	-	-	(865)
2021				
Swan Life Ltd (Group)	2,371,358	(2,483,675)	(180,342)	(292,659)
Swan International Co Ltd	(2,200)	-	-	(2,200)
Swan Corporate Affairs Ltd	1,374	(659)	-	715
Swan Reinsurance PCC *	10,020	1,917	-	11,937
Dolberg Rental (Pty) Ltd	3,373	-	-	3,373
Aprica Investments Co Ltd	(1,102)	-	-	(1,102)
Swan Special Risks Company Limited	13,394	4,764	-	18,158
Swan Digital Ltd	925	-	-	925
Swan Comoros SA *	1,063	-	-	1,063
Swan General Insurance Company Zambia Limited	47,511	(52,322)	8,765	3,954
Swan Wealth International Limited *	-	-	-	-
Afresure Reinsurance Brokers Ltd	9,950	-	-	9,950

* These amounts are based on unaudited financial statements.

** Swan Forex Ltd was acquired during the year.

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

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9. INVESTMENTS IN ASSOCIATED COMPANIES

(a) **Group's share of net assets in associated companies**

	THE GROUP 2022	THE GROUP 2021
	Rs'000	Rs'000
At January 1,	222,295	158,862
Additions	-	1,848
Share of results of associated companies	46,369	13,075
Dividends	(4,889)	(6,299)
Share of other comprehensive income	855	1,370
Exchange differences on translation	9,815	53,439
At December 31,	274,445	222,295

	THE COMPANY 2022	THE COMPANY 2021
	Rs'000	Rs'000
At January 1,	103,989	102,141
Additions	-	1,848
At December 31,	103,989	103,989

(b) Details of the associates at the end of the reporting period are as follows:

Name	Year end	Principal place of business/ country of incorporation	Proportion of ownership interest and voting rights (direct)	Proportion of ownership interest and voting rights (indirect)	Nature of business
2022			%	%	
SACOS Group Limited	Dec 31	Seychelles	18.61	8.08	Insurance activities
BK General Insurance Company Limited	Dec 31	Rwanda	30.00	-	Insurance activities
2021			%	%	
SACOS Group Limited	Dec 31	Seychelles	18.61	8.08	Insurance activities
BK General Insurance Company Limited	Dec 31	Rwanda	30.00	-	Insurance activities

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9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(i) The above associates are accounted for using the equity method.

(ii) The carrying value of SACOS Group Limited at December 31, 2022 reflects the share of net assets at December 31, 2022. SACOS Group Limited is a public company listed on the Seychelles Stock Exchange. The market price at December 31, 2022 is Rs.319.5 (2021: Rs.306) and the market value of the associate is Rs.171m (2021: Rs.163m).

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

Name	Current assets	Non-current assets	Technical provision	Current liabilities	Non-current liabilities	Revenue	Profit after tax	Dividend received during the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022								
SACOS Group Limited	**887,031**	**2,141,634**	**2,220,822**	**188,511**	**31,956**	**798,161**	**116,154**	**18,318**
BK General Insurance Company Limited	**864,155**	**86,058**	**323,230**	**124,410**	**-**	**471,141**	**109,546**	**-**
2021								
SACOS Group Limited	842,252	1,890,335	2,045,671	169,120	21,308	580,132	167,824	23,600
BK General Insurance Company Limited	796,260	88,659	335,192	116,259	28,232	481,676	108,782	-

(d) **Reconciliation of summarised financial information**

Name	At January 1,	Additions	Profit for the year	Other comprehensive income for the year	Dividend	Closing net assets	Ownership interest	Interest in associates	Group adjustment	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2022										
SACOS Group Limited	**496,488**	**-**	**55,435**	**53,708**	**(18,318)**	**587,313**	**26.69**	**156,754**	**(33,079)**	**123,675**
BK General Insurance Company Limited	**405,235**	**-**	**109,546**	**(12,216)**	**-**	**502,565**	**30.00**	**150,770**	**-**	**150,770**
2021										
SACOS Group Limited	290,517	-	42,323	187,248	(23,600)	496,488	26.69	132,513	(31,789)	100,724
BK General Insurance Company Limited	271,077	5,671	108,782	16,105	-	405,235	30.00	121,571	-	121,571

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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10. INVESTMENT IN JOINT VENTURE

(a) **Group's share of net assets in joint venture**

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At January 1,	4,135	3,481
Share of results	582	654
At December 31,	4,717	4,135

(b) **THE COMPANY**

	THE COMPANY	
	2022	2021
	Rs'000	Rs'000
At January 1 and December 31	500	500

(c) **Details of the joint venture at the end of the reporting period are as follows:**

Name of joint venture	Country of incorporation and place of business	Proportion of interest and voting rights held	Principal activity
Processure Compagnie Limitée	Mauritius	50%	Insurance Back Office

Processure Compagnie Limitée is a jointly controlled entity by Swan General Ltd and Tessi S.A, a company incorporated in France.

(d) **Summarised financial information**

Summarised financial information in respect of the Group's investment in joint venture is set out below. The summarised information below represents the amount as shown in the joint venture's financial statements prepared in accordance with IFRS, adjusted for equity accounting purposes such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies. The joint venture does not have any contingencies and commitments as at December 31, 2022 and 2021.

Summarised financial information in respect of each of the joint venture is set out below:

Name	Current assets	Current liabilities	Profit after tax	Other comprehensive income	Total comprehensive income for the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
Processure Compagnie Limitée	16,092	6,178	1,164	-	1,164
2021					
Processure Compagnie Limitée	12,694	4,423	1,308	-	1,308

(e) **Reconciliation of summarised financial information**

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

Name	Opening net assets	Profit for the year	Closing net assets	Ownership interest	Carrying value
2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Processure Compagnie Limitée	8,269	1,164	9,433	50%	4,717
Processure Compagnie Limitée	6,961	1,308	8,269	50%	4,135

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11. INVESTMENTS IN FINANCIAL ASSETS

(a)

THE GROUP	2022				2021			
	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	14,919,353	325,157	13,985,388	29,229,898	12,874,179	324,450	10,951,445	24,150,074
Addition through acquisition of subsidiary (Note 35)	8,135	-	-	8,135	-	-	-	-
Additions	3,056,842	327,406	828,876	4,213,124	5,650,740	58	332,209	5,983,007
Reclassification from equities to debt	-	-	-	-	-	250,000	(250,000)	-
Reclassification to foreign securities (see below)	-	-	4,322	4,322	-	(208,579)	-	(208,579)
Conversion to ordinary equity shares	(445)	-	445	-	-	-	-	-
Movement in fair value	-	46,368	(361,889)	(315,521)	-	(9,369)	3,024,704	3,015,335
Disposals	-	(43,246)	(585,928)	(629,174)	-	(31,403)	(72,970)	(104,373)
Maturity	(2,053,226)	-	-	(2,053,226)	(3,518,384)	-	-	(3,518,384)
Movement in accrued interest	45,760	-	-	45,760	(97,597)	-	-	(97,597)
Exchange differences	(1,343)	-	-	(1,343)	10,415	-	-	10,415
At December 31,	15,975,076	655,685	13,871,214	30,501,975	14,919,353	325,157	13,985,388	29,229,898
Foreign Securities								
At January 1,	2,021,291	228,948	17,448,400	19,698,639	1,595,770	-	13,818,343	15,414,113
Reclassification from local securities (see above)	-	-	(4,322)	(4,322)	-	208,579	-	208,579
Additions	1,703,464	434,018	2,251,154	4,388,636	379,290	-	4,630,521	5,009,811
Movement in fair value	-	9,033	(2,702,293)	(2,693,260)	-	20,369	2,960,118	2,980,487
Disposals	-	(48,509)	(5,948,937)	(5,997,446)	-	-	(3,960,710)	(3,960,710)
Maturity	(136,157)	-	-	(136,157)	(106,862)	-	-	(106,862)
Movement in accrued interest	(17,174)	-	-	(17,174)	(1,440)	-	-	(1,440)
Exchange differences	44,260	-	2,130	46,390	154,533	-	128	154,661
At December 31,	3,615,684	623,490	11,046,132	15,285,306	2,021,291	228,948	17,448,400	19,698,639
Total	19,590,760	1,279,175	24,917,346	45,787,281	16,940,644	554,105	31,433,788	48,928,537

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b)

THE COMPANY	2022				2021			
	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total	Held-to-maturity	Available-for-sale Debt	Available-for-sale Equities	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Local Securities								
At January 1,	230,066	-	605,605	835,671	221,756	-	334,681	556,437
Additions	25,000	-	28,781	53,781	25,000	-	57,046	82,046
Conversion to Ordinary shares	(445)	-	445	-	-	-	-	-
Movement in fair value	-	-	(91,349)	(91,349)	-	-	215,364	215,364
Disposals	-	-	(82,390)	(82,390)	-	-	(1,486)	(1,486)
Maturity	(10,000)	-	-	(10,000)	(14,894)	-	-	(14,894)
Movement in accrued interest	820	-	-	820	(1,796)	-	-	(1,796)
At December 31,	245,441	-	461,092	706,533	230,066	-	605,605	835,671
Foreign Securities								
At January 1,	-	-	2,165,499	2,165,499	-	-	1,402,118	1,402,118
Additions	222,388	-	303,635	526,023	-	4,314	872,664	876,978
Movement in fair value	-	-	(399,039)	(399,039)	-	-	306,336	306,336
Impairment (note 27 (b) (i))	-	-	-	-	-	(4,314)	-	(4,314)
Disposals	-	-	(570,737)	(570,737)	-	-	(415,619)	(415,619)
Movement in accrued interest	(14,015)	-	-	(14,015)	-	-	-	-
Exchange differences	(2,870)	-	-	(2,870)	-	-	-	-
At December 31,	205,503	-	1,499,358	1,704,861	-	-	2,165,499	2,165,499
Total	450,944	-	1,960,450	2,411,394	230,066	-	2,771,104	3,001,170

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Analysed as follows:				
Non-current				
Available-for-sale	26,196,521	31,987,893	1,960,450	2,771,104
Held-to-maturity	17,781,453	15,415,648	445,959	218,151
	43,977,974	47,403,541	2,406,409	2,989,255
Current				
Held-to-maturity	1,809,307	1,524,996	4,985	11,915
	45,787,281	48,928,537	2,411,394	3,001,170
Cumulative accrued interests	372,372	343,786	5,310	4,490

	THE GROUP				THE COMPANY			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022								
Available-for-sale								
-Equities	21,917,356	792,815	2,207,175	24,917,346	1,814,090	68,040	78,320	1,960,450
-Debt	26,957	623,490	628,728	1,279,175	-	-	-	-
	21,944,313	1,416,305	2,835,903	26,196,521	1,814,090	68,040	78,320	1,960,450
At December 31, 2021								
Available-for-sale								
-Equities	29,374,819	160,001	1,898,968	31,433,788	2,647,255	67,389	56,460	2,771,104
-Debt	72,010	228,948	253,147	554,105	-	-	-	-
	29,446,829	388,949	2,152,115	31,987,893	2,647,255	67,389	56,460	2,771,104

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Debenture Stocks, Notes, Treasury Bills, Corporate Bonds and Deposits with interest rates varying from 4.50% to 8.73% (2021: 4.64% to 12.75%).

(d) Available-for-sale financial assets comprise of quoted and unquoted financial assets.

(e) None of the financial assets are past due.

(f) Currency analysis of financial assets is disclosed in note 3.2.1.(i).

(g) The maturity of financial assets is disclosed in note 3.2.3.

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

(i) The non cash transactions were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Non-cash additions	195,688	59,252	12,669	-
Non-cash disposals	40,342	59,252	-	-

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(j) The table below shows the changes in level 3 equity instruments for the year ended December 31, 2022:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	2,152,115	2,034,930	56,460	67,312
Additions	694,701	93,374	25,450	4,314
Transfer to level 1	(66,065)	-	-	-
Impairment (note 27 (b))	-	-	-	(4,314)
Disposals *	(67,937)	(91,785)	-	(455)
Movement in fair value **	123,089	115,596	(3,590)	(10,397)
At December 31,	2,835,903	2,152,115	78,320	56,460

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

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

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

During the financial year, there were Rs 66.0m transfers from level 3 for the Group and nil for the Company (2021: nil for both the Group and the Company). It relates to the following:

(i) Oceanarium (Mauritius) Ltd Rs 66.0m - Listed on the Development Enterprise Market as from the 10th February 2022.

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

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

THE GROUP

Fair value at December 31, 2022

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	638,457	Price-Earning multiple	(i) Market multiple	7.77x - 11.74x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 18,041 while an increase in in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 18,041.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's.2,005 while an increase in discount rate by 10% would increase the value of the unquoted investment by Rs000's.2,005.
Equity instruments	117,009	Price Book Value	(i) Market multiple	0.71x - 0.89x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 11,701 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 11,701.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's 1,290 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,290.
Equity instruments	269,661	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 2,996 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's 2,996.
Debt/Equity instruments	1,139,672	Price of recent transaction	No unobservable input is used	NA	NA
Equity instruments	671,104	NAV and cost	No unobservable input is used	NA	NA
	2,835,903				

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11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

THE GROUP (CONT'D)

Fair value at December 31, 2021

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

THE COMPANY

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

Fair value at December 31, 2022

Description	Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Equity instruments	46,597	Price-Earning multiple	(i) Market multiple	7.77x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's. 4,660 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 4,660.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 518 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 518.
Equity instruments	4,708	Price Book Value	(i) Market multiple	0.76x	A decrease in market multiple by 10% would decrease value of the unquoted investment by Rs000's. 471 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 471.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 52 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 52.
Equity instruments	638	Discounted net asset value (NAV)	Discount rate	10%	A decrease in discount rate by 10% would increase value of the unquoted investment by Rs000's. 7 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 7.
Equity instruments	26,377	Price of recent transaction	No unobservable input is used	NA	NA
	78,320				

Fair value at December 31, 2021

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

11. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

m) Available-for-sale financial assets classified as Level 2 in the fair value hierarchy include Investments in funds . Their fair value is based on the net assets value of the funds and amounts to Rs.1,416.3m (2021: Rs.388.9m) and Rs.68.0m (2021: Rs.67.4m) 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, 2022. There has been no change in the valuation technique.

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

12. LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Policy loans	44,440	48,863	-	-
Loans on residential properties	2,573,345	2,806,847	55,035	79,267
Loan on business properties	3,303,172	3,680,149	-	-
Personal loans	168,518	106,365	-	-
Cumulative accrued interests	126,831	142,396	-	-
Less impairment provision (see note (i) below)	(80,859)	(95,587)	-	-
	6,135,447	6,689,033	55,035	79,267
Analysed as follows :				
Non-current	5,726,107	5,530,075	48,770	73,365
Current	409,340	1,158,958	6,265	5,902
	6,135,447	6,689,033	55,035	79,267

(a) The rate of interest on loans vary from 3.125% to 17.10% (2021: 3.125% to 14.95%).

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

12. LOANS AND RECEIVABLES (CONT'D)

(g) Interest income accrued on non-performing loans amounted to Rs 4.2m and nil during the year for the Group and the Company respectively (2021: Rs 2.2m for the Group and nil for the Company).

(h) Out of loans on business properties, an amount of Rs000's 2,783,718 and nil (2021: Rs'000 3,184,584 and nil) is receivable from related parties for the Group and Company respectively. The terms and conditions are disclosed in note 34.

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

		THE GROUP	
		2022	2021
		Rs'000	Rs'000
At January 1,		95,587	93,616
Movement for the year		(14,668)	2,573
Recoveries		(60)	(602)
	27(b)(ii)	(14,728)	1,971
At December 31,		80,859	95,587

(j) For the financial year ended December 31, 2022, an amount of Rs000's 6,270 and nil (2021: Rs.000's 4,016) has been written off for the Group and Company respectively (Refer to note 27 (b)(i)). These were previously not provided for.

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

13. NON-CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Interest and other receivables	3,605	4,895	-	-
	3,605	4,895	-	-

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

14. DEFERRED TAX ASSETS/LIABILITIES

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	57,317	60,191	54,974	52,023
Acquisition of subsidiary (Note 35)	(67)	-	-	-
(Credited)/charged to profit or loss (note 23)	(7,953)	(5,882)	3,857	250
Other comprehensive income (note 18)	9,730	1,901	8,948	2,701
Exchange differences	678	1,107	-	-
At December 31,	59,705	57,317	67,779	54,974

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets*	76,851	78,485	68,508	56,212
Deferred tax liabilities	(17,146)	(21,168)	(729)	(1,238)

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

14. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

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

	THE GROUP							
	At January 1, 2022	Acquisition of subsidiary (Note 35)	Credited to profit or loss	Credited to other comprehensive income	Exchange differences	At December 31, 2022	Deferred tax assets	Deferred tax liabilities
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets								
Retirement benefit obligations	55,357	37	4,776	9,730	-	69,900	69,900	-
Assessed losses and provisions	-	-	2	-	-	2	2	-
Accumulated tax losses	10,552	-	(4,025)	-	(832)	5,695	5,695	-
Lease liability	1,152	-	(318)	-	-	834	834	-
Other temporary differences	8,025	-	(8,586)	-	(276)	(837)	(837)	-
Provision for impairment	1,613	-	(652)	-	-	961	961	-
	76,699	37	(8,803)	9,730	(1,108)	76,555	76,555	-
Deferred tax liabilities								
Rights-of-use assets	(1,046)	-	317	-	-	(729)	(729)	-
Accelerated tax depreciation	(6,686)	(104)	(208)	-	646	(6,352)	1,025	(7,377)
Intangible assets	(755)	-	741	-	14	-	-	-
Revaluation surplus	(10,895)	-	-	-	1,126	(9,769)	-	(9,769)
	(19,382)	(104)	850	-	1,786	(16,850)	296	(17,146)
	57,317	(67)	(7,953)	9,730	678	59,705	76,851	(17,146)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

14. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

14. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

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

	THE COMPANY			
	At January 1, 2022	Credited to profit or loss	Credited to other comprehensive income	At December 31, 2022
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets				
Retirement benefit obligations	53,115	4,145	8,948	66,208
Accelerated tax depreciation	1,755	(289)	-	1,466
Lease liability	1,342	(508)	-	834
	56,212	3,348	8,948	68,508
Deferred tax liability				
Rights-of-use assets	(1,238)	509	-	(729)
	54,974	3,857	8,948	67,779

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

15. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Insurance receivables				
Due from contract holders	1,003,922	849,400	621,723	666,643
Due from brokers and agents	689,103	555,492	689,103	552,341
Due from schemes	752,219	457,231	-	-
	2,445,244	1,862,123	1,310,826	1,218,984
Less provision for impairment (b)	(77,615)	(88,280)	(39,635)	(52,582)
	2,367,629	1,773,843	1,271,191	1,166,402
Due from reinsurers/reinsurance assets				
- Share of outstanding claims (Note 24/31(a))	512,033	308,559	388,593	266,177
- Share of unearned premiums (Note 24/31(b))	489,535	484,992	314,243	322,983
- Incurred but not reported (Note 24/31(a))	92,651	99,994	53,487	72,186
- Commission and other receivables	129,272	67,197	129,272	67,197
- Provision for impairment of reinsurance assets (c)	(3,534)	(3,534)	(3,534)	(3,534)
	1,219,957	957,208	882,061	725,009
Other receivables				
Prepayments	100,055	98,458	22,917	21,174
Recoveries from third parties	146,300	102,909	146,300	102,909
Other receivables	308,269	550,421	165,017	230,883
- Provision for impairment of other receivables (d)	(17,942)	(21,902)	(7,488)	(7,488)
	536,682	729,886	326,746	347,478
	4,124,268	3,460,937	2,479,998	2,238,889

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

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	88,280	94,789	52,582	61,847
Charge for the year (Note 27(b))	12,050	5,274	9,225	3,754
Reduction in allowance of impairment losses*	(22,172)	(13,019)	(22,172)	(13,019)
Exchange differences	(543)	1,236	-	-
At December 31,	77,615	88,280	39,635	52,582

*During the year, insurance receivables amounting to Rs000's 22,172 which was already provided for, has been written off for both the Group and the Company (2021: Rs000's.13,019).

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

		THE GROUP		THE COMPANY	
	Note	2022	2021	2022	2021
		Rs'000	Rs'000	Rs'000	Rs'000
At January 1,		3,534	5,125	3,534	5,125
Charge for the year	27 (b)	-	-	-	-
Reduction in allowance of impairment losses	27 (b)	-	(1,591)	-	(1,591)
At December 31,		3,534	3,534	3,534	3,534

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

YEAR ENDED DECEMBER 31, 2022

15. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Note	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
		Rs'000	Rs'000	Rs'000	Rs'000
At January 1,		21,902	17,775	7,488	7,488
Charge for the year	27 (b)	(769)	4,127	-	-
Reduction in allowance of impairment losses	27 (b)	(3,191)	-	-	-
At December 31,		17,942	21,902	7,488	7,488

(e) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

(f) The Group and the Company do not hold any collateral as security for trade and other receivables.

(g) The carrying amounts of non-insurance trade and other receivables which are receivable within one year approximate their fair values.

(h) Related party transactions included in trade and other receivables amounted to:

	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
	Rs'000	Rs'000	Rs'000	Rs'000
Receivable from related parties (Note 34(a),(b))	480,107	135,008	94,045	92,003

16. LIFE ASSURANCE FUND

THE GROUP

2022	Actuarial liabilities	Fair value reserve	Actuarial losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	41,234,069	11,702,404	(145,770)	52,790,703
Movement in Life Assurance Fund for the year	3,537,678	(5,158,959)	(37,210)	(1,658,491)
At December 31,	44,771,747	6,543,445	(182,980)	51,132,212

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

The Life Assurance Fund pertains to net assets attributable to the policyholders and shareholders for long term insurance. Refer to 4.1 for the sensitivity analysis around the Life Assurance Fund.

17. SHARE CAPITAL

	THE GROUP AND THE COMPANY 2022	THE GROUP AND THE COMPANY 2021
	Rs'000	Rs'000
At January 1 & December 31,	41,379	41,379

The total authorised number of ordinary shares is 9,600,000 (2021: 9,600,000 shares) with a par value of Rs.5 per share (2021: Rs.5 per share). The number of shares issued is 8,275,769 (2021: 8,275,769 shares) which are fully paid.

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

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

YEAR ENDED DECEMBER 31, 2022

18. OTHER COMPREHENSIVE INCOME

THE GROUP	Retained earnings	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Non - controlling interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022						
- Change in value of available-for-sale financial assets (note 11)	-	(3,008,255)	-	-	(526)	(3,008,781)
- Release on disposal of available-for-sale financial assets	-	(2,816,622)	-	-	-	(2,816,622)
- Other movements:						
(i) Translation difference	-	-	6,897	-	205	7,102
(ii) Share of associates' other reserves (Note 9)	-	-	855	-	-	855
- Remeasurements of RBO (note 21)	-	-	-	(91,284)	(3,161)	(94,445)
- Deferred tax impact (note 14)	-	-	-	7,784	1,946	9,730
- Transfer to life assurance fund (note 16)	-	5,158,959	-	37,210	-	5,196,169
	-	(665,918)	7,752	(46,290)	(1,536)	(705,992)

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

For the subsidiary, Swan Life Ltd, the fair value gains/losses in available-for-sale financial assets and actuarial gains/losses on retirement benefit obligations is recognised in other comprehensive income and then transferred to the 'Life Assurance Fund' through the 'Movement in Life Assurance Fund' as shown in the consolidated statement of profit or loss and other comprehensive income.

For the Company and the subsidiaries, with the exception of Swan Life Ltd, the fair value gains/losses in available-for-sale financial assets and actuarial gains/losses on retirement benefit obligations is recognised in other comprehensive income and hence, booked in the below Reserves categories:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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18. OTHER COMPREHENSIVE INCOME (CONT'D)

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Other reserves

Other reserves comprise of all the movements arising in the reserves of associates and any translation reserves from translating the financial statements of foreign operations. The Group's share of its associates' post acquisition other comprehensive income movements are recognised in other reserves.

Actuarial gains/(losses)

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

Amalgamation reserve

The amalgamation reserves relates to the amalgamation of Cim Insurance Ltd (CIL) with and into the Company on June 30, 2012 whereby the Company issued 908,087 new ordinary shares of Rs. 5 each to Rogers and Company Limited (RCL) in consideration for the net assets of CIL.

THE COMPANY	Fair value reserve	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000
2022			
- Change in value of available-for-sale financial assets (note 11)	(490,388)	-	(490,388)
- Release on disposal of available-for-sale financial assets	(115,122)	-	(115,122)
- Remeasurement of retirement benefit obligations (note 21)	-	(52,636)	(52,636)
- Deferred tax impact (note 14)	-	8,948	8,948
	(605,510)	(43,688)	(649,198)
2021			
- Change in value of available-for-sale financial assets (note 11)	521,700	-	521,700
- Release on disposal of available-for-sale financial assets	(65,933)	-	(65,933)
- Remeasurement of retirement benefit obligations (note 21)	-	(15,890)	(15,890)
- Deferred tax impact (note 14)	-	2,701	2,701
	455,767	(13,189)	442,578

19. NON-CONTROLLING INTERESTS

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At January 1,	601,041	489,496
Share of profit (note 8(i))	151,996	153,615
Share of dividend	(43,723)	(47,023)
Movement in other comprehensive income (note 18)	(1,536)	4,953
At December 31,	707,778	601,041

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YEAR ENDED DECEMBER 31, 2022

20. BORROWINGS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current				
Loans from related parties (a)	-	-	-	50,000
	-	-	-	50,000
Non- Current				
Other loans	1,428	-	-	-
	1,428	-	-	-
Total borrowings	1,428	-	-	50,000

(a) The loans from related parties are at call and were unsecured and bear interest rate of 2.9%.

(b) The carrying value of current borrowings approximate their fair value.

(c) The nature of the borrowing is a loan at call with a related party. It is repayable upon demand and has no maturity term.

21. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
Amounts recognised in the statements of financial position	Rs'000	Rs'000	Rs'000	Rs'000
- Defined pension benefits (a)(ii)	339,955	305,835	193,046	170,912
- Other post retirement benefits (b)(i)	185,339	112,784	112,124	71,846
	525,294	418,619	305,170	242,758
Analysed as follows:				
Non-current liabilities	525,294	418,619	305,170	242,758
Amounts recognised in the statements of profit or loss :				
- Defined pension benefits (a)(v)	33,832	29,487	13,275	11,306
- Other post retirement benefits (b)(iii)	81,922	12,833	48,970	7,730
	115,754	42,320	62,245	19,036
Amounts recognised in the statements of other comprehensive income :				
- Defined pension benefits (a)(vi)	99,931	(3,004)	57,539	5,209
- Other post retirement benefits (b)(iv)	(5,486)	12,122	(4,903)	10,681
	94,445	9,118	52,636	15,890

(a) **Defined pension benefits**

(i) The Group and the Company contribute to a defined benefit pension. The plan is a defined benefit arrangement, with benefits based on salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The assets of which are held and administered by Swan Life Ltd. The most recent actuarial valuation of the present value of the defined benefits obligations were carried out at December 31, 2022. 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 DECEMBER 31, 2022

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligations	972,890	812,722	459,071	406,153
Fair value of plan assets	(632,935)	(506,887)	(266,025)	(235,241)
Liability in the statements of financial position	339,955	305,835	193,046	170,912

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	305,835	313,650	170,911	189,426
Charged to profit or loss	33,832	29,487	13,275	11,306
Charged /(Credited) to other comprehensive income	99,931	(3,004)	57,539	5,209
Transfer to trade and other receivables	-	3,096	-	-
Contributions paid	(99,643)	(37,394)	(48,679)	(35,029)
Net defined obligation at At December 31,	339,955	305,835	193,046	170,912

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	812,722	776,726	406,153	389,023
Current service cost	24,401	23,358	8,437	8,212
Net interest cost	30,057	16,182	12,985	6,931
Actuarial losses	131,011	9,134	56,797	9,842
Benefits paid	(25,301)	(12,678)	(25,301)	(7,855)
Present value of defined obligation at December 31,	972,890	812,722	459,071	406,153

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	506,887	463,076	235,241	199,597
Expected return on plan assets	20,626	10,135	8,148	3,837
Actuarial gains	31,080	12,138	(742)	4,633
Contributions by employer	99,643	37,394	48,679	35,029
Benefits paid	(25,301)	(12,678)	(25,301)	(7,855)
Scheme expenses	-	(82)	-	-
Transfer to trade and other receivables	-	(3,096)	-	-
Fair value of plan assets at December 31,	632,935	506,887	266,025	235,241
Actual return on plan assets	51,706	22,273	7,406	8,470

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	24,401	23,358	8,437	8,212
Net interest cost	9,431	6,047	4,838	3,094
Scheme expenses	-	82	-	-
Total included in staff costs	33,832	29,487	13,275	11,306

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Actuarial (gains)/losses recognised during the year				
(Gains)/losses on pension scheme assets	(31,080)	(12,138)	742	(4,633)
Liability experience losses/(gains)	41,482	(16,578)	21,299	(9,832)
Liability losses/(gains) due to change in financial assumptions	89,529	25,712	35,498	19,674
	99,931	(3,004)	57,539	5,209

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

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

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

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	%	%	**%**	%
Discount rate	**5.30-5.90**	3.30 - 4.20	**5.30**	3.30
Future salary increases	**4.00**	3.00	**4.00**	3.00
Future guarantee pension increases	**3.00**	0 - 3.0	**3.00**	3.00
NPS ceiling increase	**4.00**	4.00	**4.00**	4.00
Post retirement annuity rates	**Swan rates/ RMPRF Rates 2022**	Swan rates/ RMPRF Rates 2021	**Swan rates/ RMPRF Rates 2022**	Swan rates/ RMPRF Rates 2021

(viii) Sensitivity analysis on defined benefit obligations to changes in the weighted principal assumptions is:

December 31, 2022	THE GROUP		THE COMPANY	
	Increase	**Decrease**	**Increase**	**Decrease**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Future salary growth rate (1% increase)	**58,576**	**53,568**	**19,347**	**17,480**
Discount rate (1% increase)	**56,982**	**63,895**	**20,408**	**22,757**

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

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

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

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

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

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

(i) Investment risk

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

(ii) Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

(iii) Longevity risk

The plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability

(iv) Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

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

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

(xi) The Group and the Company expect to pay Rs.59.1m and Rs26.1m contributions respectively to its post-employment benefit plans for the year ending December 31, 2023.

(xii) The weighted average duration of the defined benefit obligation is 5-15 years for the Group at end of the reporting period (2021: 5 - 17 years) and 5 - 9 years for the Company (2021: 5 - 10 years).

(b) **Other post retirement benefits**

Other post retirement benefits comprise of residual retirement gratuities. Under the Workers Rights Act, employees are entitled to a retirement gratuity from which a portion of equivalent amount of the pension from the defined benefit schemes and defined contribution schemes can be offset. It is possible to have a residual liability from the retirement gratuity and any residual liabilities have been recognised in the Retirement Benefit Obligations at December 31, 2022.

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 reconciliation of the opening balances to the closing balances for the post retirement benefits is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**112,784**	90,132	**71,846**	54,306
Acquisition of subsidiary (Note 35)	**354**	-	**-**	-
Charged to profit or loss	**81,922**	12,833	**48,971**	7,730
Amount recognised in other comprehensive income	**(5,486)**	12,122	**(4,903)**	10,681
Benefits paid	**(445)**	(1,432)	**-**	-
Employer contributions	**(3,790)**	(871)	**(3,790)**	(871)
At December 31,	**185,339**	112,784	**112,124**	71,846

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**112,784**	90,132	**71,846**	54,306
Acquisition of subsidiary (Note 35)	**354**	-	**-**	-
Current service cost	**15,702**	11,008	**9,662**	6,761
Interest expense	**4,056**	1,825	**2,308**	969
Past service cost	**62,164**	-	**37,001**	-
Benefits paid	**(445)**	(1,432)	**-**	-
Employer contributions	**(3,790)**	(871)	**(3,790)**	(871)
Actuarial losses	**(5,486)**	12,122	**(4,903)**	10,681
At December 31,	**185,339**	112,784	**112,124**	71,846

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	15,702	11,008	9,662	6,761
Past service cost	62,164	-	37,001	-
Interest on net defined benefit liability	4,056	1,825	2,308	969
Total included in staff costs	81,922	12,833	48,971	7,730

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Liability experience gains due to change in financial assumptions	(15,813)	(9,567)	(10,969)	(4,216)
Liability experience losses	10,327	21,689	6,066	14,897
	(5,486)	12,122	(4,903)	10,681

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
Discount rate	5.30-5.90	3.30 - 4.20	5.30	3.30
Rate of salary increases	4.00-5.10	3.00	4.00	3.00
Average retirement age	60-65years	60 years	60 years	60 years
Post retirement annuity rates	Swan Rates 2022 or RPF Rates 2022	Swan Rates 2021 or RPF Rates 2021	Swan Rates 2022 or RPF Rates 2022	Swan Rates 2021 or RPF Rates 2021

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	21,517	17,123	12,060	9,498
Decrease due to 1% increase in discount rate	21,434	13,963	10,043	7,755

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

(vii) The weighted average duration of the defined benefit obligation is 5 - 9 years for the Company (2021 : 5 - 10 years) and 5 - 19 years for the Group at end of the reporting period (2021: 5 - 18 years).

(viii) The defined benefit pension plan exposes the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (premium) risk. These risks are defined in note a(ix) above.

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(ix) Portable Retirement Gratuity Fund (PRGF)

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

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

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

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

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

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

The gratuity on retirement payable represents a defined benefit obligation. The present value of this defined benefit obligation is calculated by a qualified actuary using the projected unit credit method (refer to 2.17 (i)), and is provided for similarly to the defined benefit plan of the Group and the Company.

(x) During the year ended 30 September 2022, following the introduction of the Finance (Miscellaneous Provisions) Act 2022 in August 2022, the Workers Rights Act 2019 was amended such that there was a change in the computation of retirement gratuity as follows:

A month shall be taken to consist of –

(i) 26 days in the case of a worker employed on a 6-day week; and

(ii) 22 days in the case of a worker employed on a 5-day week.

This change has impacted the Residual Retirement Gratuities calculation of the Group and the Company and the adjustments and their corresponding impact have been recognised as 'past service cost'.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Insurance payables				
Reinsurance liabilities	251,602	180,064	116,492	145,105
Insurance contracts	290,784	345,252	73,099	85,231
Other payables				
Accrued expenses	55,424	56,750	54,329	54,315
Amount payable to subsidiary companies (Note 34)		-	102,271	78,360
Other payables	791,348	832,623	179,733	171,015
	1,389,158	1,414,689	525,924	534,026
Less non-current portion :				
Other payables	(159,401)	(160,233)	(106,471)	(107,058)
	1,229,757	1,254,456	419,453	426,968

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

(b) The carrying amounts of non-insurance trade and other payables which are payable within one year approximate their fair values.

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

23. INCOME TAX

(a) **Net current tax liabilities**

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	49,458	10,759	1,063	3,673
Amount paid during the year	(45,737)	(17,213)	(2,080)	(9,036)
Current tax on the adjusted profit for the year at 15% (2021:15%)	57,702	68,383	10,227	13,839
Payment under Advance Payment System (APS)	(21,883)	(28,130)	(9,409)	(19,100)
Tax deducted at source on rental income	(46)	(56)	(46)	(56)
(Over)/under provision in prior year	(5,883)	5,009	1,110	3,400
Foreign tax credit	(239)	(239)	(239)	(239)
Corporate Social Responsibility tax expense	3,872	3,806	1,363	1,845
Corporate Social Responsibility tax paid	(2,985)	(1,774)	(1,605)	(1,767)
Advances from Government (WAS)	-	8,220	-	8,504
Exchange differences	(65)	693	-	-
Balance at December 31,	34,194	49,458	384	1,063
Current tax assets	(289)	-	-	-
Current tax liabilities	34,483	49,458	384	1,063

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

23. INCOME TAX (CONT'D)

(b) **Tax reconciliation**

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Profit or loss charge				
Current tax on the adjusted profit for the year at 10%-15% (2021:15%)	57,702	68,383	10,227	13,839
Deferred tax (note 14)	7,953	5,882	(3,857)	(250)
(Over)/under provision in prior year	(5,883)	5,009	1,110	3,400
Corporate Social Responsibility tax at 2% (2021: 2%)	3,872	3,806	1,363	1,845
	63,644	83,080	8,843	18,834

	THE GROUP & THE COMPANY	
Tax rates applicable in:	2022	2021
Mauritius (The Company and Subsidiaries)	15%	15%
Mauritius (Long term insurance companies)	Refer to note (d)	
Comores (Subsidiary)	35%	35%
Madagascar (Subsidiary)	20%	20%
Rwanda (Subsidiary)	30%	30%
South Africa (Subsidiaries)	28%	28%
Zambia (Subsidiary)	35%	35%

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

* Based on current tax laws, profit of its subsidiary, Swan life Ltd, i.e. attributable to the shareholders are not taxable.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Tax calculated at rate of 10%-15% (2021: 15%)	160,225	153,397	45,623	46,950
Effect of different tax rates in other countries	2,285	420	-	-
Income not subject to tax (e)	(134,778)	(115,816)	(48,013)	(46,552)
Expenses not deductible for tax purposes (e)	37,481	30,862	8,760	13,191
Capital gains tax effects	(166)	(36)	-	-
Tax losses for which no deferred tax asset was recognised	152	420	-	-
Others	456	5,018	-	-
(Over)/under provision in prior year	(5,883)	5,009	1,110	3,400
CSR tax at 2% (2021: 2%)	3,872	3,806	1,363	1,845
Tax charge for the year	63,644	83,080	8,843	18,834

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23. INCOME TAX (CONT'D)

(d) *The Subsidiary, Swan Life Ltd:*

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

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

Relevant profit relates to profit attributable to shareholders in respect of an income year:

(i) as reduced by capital gain attributable to shareholders where such gain has been credited to the consolidated statement of profit and loss; and

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

(e) Non deductible expenses comprise mostly of depreciation of property and equipment, amortisation of intangible assets and loss on foreign exchange and surplus not taxable which mainly includes dividends received and interest income.

(f) *Unrecognised deferred tax assets*

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom.

	THE GROUP			
	2022		2021	
	Gross amount	Tax effect	Gross amount	Tax effect
	Rs'000	Rs'000	Rs'000	Rs'000
Deductible temporary differences	261,578	44,468	261,578	47,164
Tax losses (Refer to note (g) below)	4,200,058	714,010	6,775,686	1,151,867
	4,461,636	758,478	7,037,264	1,199,031

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

(g) *Tax losses carried forward*

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

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Year 1	-	1,379,203
Year 2	1,610,756	-
Year 3	-	2,807,181
Year 4	2,589,302	-
Year 5	-	2,589,302
	4,200,058	6,775,686

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

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24. INSURANCE LIABILITIES AND REINSURANCE ASSETS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Gross				
- Claims reported and loss adjustment expenses (notes 3.1 (iv), 31(a))	1,298,663	1,105,428	811,632	732,802
- Claims incurred but not reported (IBNR) (note 31(a))	177,191	179,520	125,702	142,289
	1,475,854	1,284,948	937,334	875,091
- Unearned premiums (note 31(b))	1,845,769	1,671,129	1,579,879	1,419,722
- Additional unexpired risk reserve (note 31(c))	128	2,254	-	-
	1,845,897	1,673,383	1,579,879	1,419,722
Total gross insurance liabilities	3,321,751	2,958,331	2,517,213	2,294,813
Recoverable from reinsurers				
- Claims reported and loss adjustment expenses (notes 15,31(a))	512,033	308,559	388,593	266,177
- Unearned premiums (notes 15,31(b))	489,535	484,992	314,243	322,983
- Claims incurred but not reported (IBNR) (notes 15,31(a))	92,651	99,994	53,487	72,186
Total reinsurers' share of insurance liabilities	1,094,219	893,545	756,323	661,346
Net				
- Claims reported and loss adjustment expenses (notes 3.1 (iv), 31(a))	786,630	796,869	423,039	466,625
- Unearned premiums (note 31(b))	1,356,234	1,186,137	1,265,636	1,096,739
- Additional unexpired risk reserve (note 31(c))	128	2,254	-	-
- Claims incurred but not reported (IBNR) (note 31(a))	84,540	79,526	72,215	70,103
	2,227,532	2,064,786	1,760,890	1,633,467
Total net insurance liabilities	2,227,532	2,064,786	1,760,890	1,633,467
Breakdown of outstanding claims between Life and General business				
(i) Gross outstanding claims and IBNR				
General business (Note 3.19 (a)(iv))	1,178,988	987,973	937,334	875,091
Life business	296,866	296,975	-	-
	1,475,854	1,284,948	937,334	875,091
(ii) Net outstanding claims and IBNR				
General business (Note 3.19 (a)(iv))	592,803	590,377	495,254	536,728
Life business	278,367	286,018	-	-
	871,170	876,395	495,254	536,728

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

25. INVESTMENT INCOME

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	1,241,328	1,090,058	17,577	15,260
Dividend income	496,490	401,676	178,978	145,352
	1,737,818	1,491,734	196,555	160,612

26. GROSS WRITTEN PREMIUMS AND OTHER INCOME

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
Life insurance and pension premiums:	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums *	5,686,444	4,033,101	-	-
Consideration for annuities	1,388,163	1,107,363	-	-
	7,074,607	5,140,464	-	-
General insurance premiums:				
Gross written premiums **	3,065,137	3,834,606	3,848,229	3,246,476
	10,139,744	8,975,070	3,848,229	3,246,476

*Life insurance and pension's gross written premiums comprise of premiums received from individuals, corporates (in terms of defined benefit schemes ("DB Schemes" and defined contribution schemes ("DC Schemes"). Gross written premiums also comprise of premiums received from Group Credit insurance ("GCI") also.
**General insurance premiums consist of premiums written for fire & allied perils, motor, health and other short term insurance.

	THE GROUP		THE COMPANY	
Other income:				
(Loss)/Profit on disposal of financial assets	(1,045,930)	307,724	15,631	4,214
Reclassification adjustment from fair value reserve	2,816,622	707,467	115,122	65,932
Profit on disposal of investment properties	11,024	-		-
Profit/(loss) on disposal of property and equipment	72	(93)	9	(238)
Lease and rental income	29,458	32,311	1,124	1,124
Realised foreign exchange gains	12,116	525	-	-
Insurance consulting services fee	7,244	-	-	-
Management fee	17,393	12,128	-	-
Gains from money-changer trading activities	18,025	-	-	-
Others	12,108	1,609	7,838	2,495
	1,878,132	1,061,671	139,724	73,527

27. ADMINISTRATIVE EXPENSES AND IMPAIRMENT CHARGES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
(a) Marketing and administrative expenses mainly include:	Rs'000	Rs'000	Rs'000	Rs'000
- Internal audit fees	761	1,021	485	485
- Staff costs (c)	835,477	717,468	473,220	414,294
- Management fees	-	-	7,843	8,099

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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27. ADMINISTRATIVE EXPENSES AND IMPAIRMENT CHARGES (CONT'D)

(b) Impairment losses:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
(i) Impairment of financial/Insurance assets				
- Investment in financial assets (note 11)	-	-	-	4,314
- Loans and receivables (note 12)	6,270	4,016	-	-
- Insurance receivables (note 15)	22,172	13,019	22,172	13,019
- Other receivables	884	2,010	790	-
	29,326	19,045	22,962	17,333
(ii) Movement in provision for impairment:				
- Insurance receivables (note 15)	12,050	5,274	9,225	3,754
- Reinsurance assets (note 15)	-	(1,591)	-	(1,591)
- Other receivables (note 15)	(769)	4,127	-	-
- Loans and receivables (note 12)	(14,728)	1,971	-	-
	(3,447)	9,781	9,225	2,163

(c) Analysis of staff costs

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
- Salaries and wages	548,884	519,259	345,981	335,509
Retirement benefit obligation costs :				
- Defined pension benefits (note 21)	115,754	42,320	62,245	19,036
- Defined contribution plan	23,597	18,123	9,845	8,084
- Other costs*	147,242	137,766	55,149	51,665
	835,477	717,468	473,220	414,294

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

28. DIVIDENDS

	THE COMPANY	
	2022	2021
Declared and payable	Rs'000	Rs'000
Final dividend of Rs.15.12 payable per ordinary share (2021: Rs14.40 per share)	125,130	119,171

During the year, total dividend of Rs. 125,129,627 has been declared (2021: Rs. 119,171,074).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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29. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Earnings per share				
Profit attributable to equity holders of the Company (Rs'000)	764,122	692,505	295,310	294,169
Weighted average number of ordinary shares	8,275,769	8,275,769	8,275,769	8,275,769
Basic and diluted earnings per share (Rs/cs)	92.33	83.68	35.68	35.55

The calculation of basic earnings per share has been based on the basic profit attributable to equity holders of the Company and weighted average number of ordinary shares outstanding.
There are no dilutive instruments and therefore basic and diluted earnings per share are the same.

30. NOTES TO THE STATEMENTS OF CASH FLOWS

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		Rs'000	Rs'000	Rs'000	Rs'000
(a) Cash generated from operations					
Profit before taxation		979,762	929,200	304,153	313,003
Adjustments for:					
Movement in Life Assurance Fund	16	3,537,678	2,938,075	-	-
Depreciation on property and equipment and investment property	5/6	46,559	46,270	11,062	11,455
Depreciation of right-of-use assets	5A	7,775	6,783	2,997	2,997
Amortisation of intangible assets	7	38,717	35,054	27,141	25,635
Net loss/(gains) on exchange		20,437	(287,439)	19,348	(31,240)
Profit on disposal of subsidiary		-	(2,564)		-
(Profit)/loss on sale of property and equipment	26	(72)	93	(9)	238
Profit on disposal of investment properties	26	(11,024)	-	-	-
Loss on sale of seized properties			1,170	-	-
Release from fair value reserve on disposal of financial assets	26	(2,816,622)	(707,467)	(115,122)	(65,932)
Profit on disposal of financial assets	26	1,045,930	(307,724)	(15,631)	(4,214)
Investment income	25	(1,737,818)	(1,491,734)	(196,555)	(160,612)
Finance costs		2,212	1,408	1,287	711
Retirement benefit obligations	21	11,876	2,623	9,777	(16,864)
Impairment of insurance receivable	27(b)	22,172	13,019	22,172	13,019
Impairment of other receivable	27(b)	884	2,010	790	-
Impairment of loan and receivables	27(b)	6,270	4,016	-	-
Provision for impairment - insurance receivables	15/27(b)	12,050	5,274	9,225	3,754
Provision for impairment - reinsurance assets	15/27(b)	-	(1,591)	-	(1,591)
Provision for impairment - loans and receivables	27(b)	(14,728)	1,971	-	-
Provision for impairment - other receivables	27(b)	(769)	4,127	-	-
Impairment of financial assets		-	-	-	(4,314)
Change in gross unearned premiums and additional unexpired risk reserve	31(b)/(c)	178,467	96,154	160,157	78,855
Share of profit of associated companies and joint venture	9/10	(46,951)	(13,729)	-	-
Changes in working capital:					
- Trade and other receivables		(717,085)	(476,606)	(259,771)	(221,102)
- Trade and other payables		(32,569)	93,465	(7,514)	17,712
- Outstanding claims and IBNR	24/31(a)	223,066	47,737	62,243	56,299
Cash generated from operating activities		756,217	939,595	35,750	17,809

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

30. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) **Cash and cash equivalents and short term deposits**

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Short term deposits	2,144,590	1,182,549	38,683	130,263
Cash held at bank	2,575,711	1,773,878	207,496	81,230
Cash and cash equivalents	4,720,301	2,956,427	246,179	211,493

The interest rates on short-term local deposits ranges from nil to 0.50% (2021: nil to 0.50%).

(c) **Non cash transactions**

The principal non cash transactions are the acquisition of right-of-use assets (Note 5A).

(d) **Reconciliation of liabilities arising from financing activities**

	THE GROUP							
	2022							
	Opening balance	Acquisition of new subsidiary	New leases	Interest expense	Interest paid	Net(repayment) / receipt of capital	Foreign exchange movement	Closing balance
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	14,376	-	15,843	899	(899)	(8,072)	111	22,258
Borrowings	-	1,645	-	-	-	(217)	-	1,428
Non-current payables	160,233	-	-	(832)	-	-	-	159,401
	174,609	1,645	15,843	67	(899)	(8,289)	111	183,087
	2021							
Lease liabilities	20,303	-	791	1,031	(1,031)	(7,029)	311	14,376
Non-current payables	161,067	-	-	(834)	-	-	-	160,233
	181,370	-	791	197	(1,031)	(7,029)	311	174,609

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

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30. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(d) **Reconciliation of liabilities arising from financing activities (cont'd)**

THE COMPANY

	Opening balance	Interest expense	Interest paid	Net(repayment) /receipt of capital	Closing balance
2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	7,898	349	(349)	(2,991)	4,907
Borrowings	50,000	1,526	(1,526)	(50,000)	-
Non-current payables	107,058	(588)	-	-	106,470
	164,956	1,287	(1,875)	(52,991)	111,377
2021					
Lease liabilities	10,721	517	(517)	(2,823)	7,898
Borrowings	-	782	(782)	50,000	50,000
Non-current payables	107,646	(588)	-	-	107,058
	118,367	711	(1,299)	47,177	164,956

31. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS

(a) THE GROUP

	2022 Gross	2022 Reinsurance	2022 Net	2021 Gross	2021 Reinsurance	2021 Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) Outstanding claims						
At January 1,	1,105,428	(308,559)	796,869	1,091,693	(233,362)	858,331
Exchange differences	(11,459)	6,142	(5,317)	11,495	(1,536)	9,959
Increase in liabilities due to the notification of additional claims	7,117,386	(779,817)	6,337,569	5,557,470	(431,182)	5,126,288
Cash paid for claims settled in the year	(6,912,692)	570,201	(6,342,491)	(5,555,230)	357,521	(5,197,709)
At December 31,	1,298,663	(512,033)	786,630	1,105,428	(308,559)	796,869
(ii) Incurred but not reported						
At December 31,	177,191	(92,651)	84,540	179,520	(99,994)	79,526
At December 31,	1,475,854	(604,684)	871,170	1,284,948	(408,553)	876,395

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

YEAR ENDED DECEMBER 31, 2022

31. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONT'D)

(a) **Outstanding claims (cont'd)**

THE GROUP

	2022 Gross	2022 Reinsurance	2022 Net	2021 Gross	2021 Reinsurance	2021 Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(iii) Net claims incurred for the year						
Cash paid for claims settled in the year	-	-	6,342,491	-	-	5,197,709
Movement in outstanding claims/IBNR	211,607	(210,669)	938	59,232	(101,152)	(41,920)
Movement in expected recovery	(43,406)	-	(43,406)	(55,093)	-	(55,093)
	168,201	(210,669)		4,139	(101,152)	
Net claims incurred			6,300,023			5,100,696
Total claims and benefits paid						
Claims (group excluding life business)			2,098,589			1,630,831
Claims and benefits (life business)			4,201,434			3,469,865
			6,300,023			5,100,696

THE COMPANY

	2022 Gross	2022 Reinsurance	2022 Net	2021 Gross	2021 Reinsurance	2021 Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) Outstanding claims						
At January 1,	732,802	(266,177)	466,625	718,573	(197,142)	521,431
Increase in liabilities due to the notification of additional claims	2,519,202	(511,620)	2,007,582	1,808,646	(227,486)	1,581,160
Cash paid for claims settled in the year	(2,440,372)	389,204	(2,051,168)	(1,794,417)	158,451	(1,635,966)
At December 31,	811,632	(388,593)	423,039	732,802	(266,177)	466,625
(ii) Incurred but not reported						
At December 31,	125,702	(53,487)	72,215	142,289	(72,186)	70,103
At December 31,	937,334	(442,080)	495,254	875,091	(338,363)	536,728
(iii) Net claims incurred for the year						
Claims settled during the year			2,051,168			1,635,966
Movement in outstanding claims/ IBNR	62,243	(103,717)	(41,474)	56,299	(86,399)	(30,100)
Movement in expected recovery	(43,389)	-	(43,389)	(55,093)	-	(55,093)
	18,854	(103,717)		1,206	(86,399)	
Net claims incurred			1,966,305			1,550,773

Expected recovery amounts to Rs 146.3m as at December 31, 2022 (2021: Rs 102.9m).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

31. MOVEMENTS IN INSURANCE LIABILITIES AND REINSURANCE ASSETS (CONT'D)

(b)

	THE GROUP					
	2022			2021		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	1,671,129	(484,992)	1,186,137	1,560,535	(453,180)	1,107,355
Net increase in liabilities due to premium being earned	180,592	(7,749)	172,843	95,741	(24,307)	71,434
Exchange differences	(5,952)	3,206	(2,746)	14,853	(7,505)	7,348
At December 31,(note 24)	1,845,769	(489,535)	1,356,234	1,671,129	(484,992)	1,186,137

	THE COMPANY					
	2022			2021		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	1,419,722	(322,983)	1,096,739	1,340,867	(294,860)	1,046,007
Net increase during the year	160,157	8,740	168,897	78,855	(28,123)	50,732
At December 31,(note 24)	1,579,879	(314,243)	1,265,636	1,419,722	(322,983)	1,096,739

(c) **Provision for additional unexpired risk reserve**

	THE GROUP					
	2022			2021		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	2,254	-	2,254	1,614	-	1,614
Increase during the year	(2,125)	-	(2,125)	412	-	412
Exchange difference	(1)	-	(1)	228	-	228
At December 31,(note 24)	128	-	128	2,254	-	2,254

32. COMMITMENTS AND CONTINGENCIES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Financial commitments				
Outstanding commitments for the following:-				
Investments in financial assets	-	144,000	-	-
Loans to be granted	118,648	147,380	-	-

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
(b) Contingent liabilities	20,600	20,600	8,000	8,000
Letter of credit	2,500	2,500	-	-
	23,100	23,100	8,000	8,000

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

32. COMMITMENTS AND CONTINGENCIES (CONT'D)

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

Bank guarantees

At December 31, 2022, the Group and the Company had contingent liabilities in respect of bank and other guarantees amounting to Rs 000's 20,600 arising in the ordinary course of business, from which it is anticipated that no material liabilities would arise.

The guarantee has not materialised during the year and accordingly is not material.

Letter of credit

The Group has letter of credit facility amounting to Rs 000's 2,500 as security in favour of the Central Depository & Settlement Co Ltd (CDS) in the ordinary course of business.

33. SEGMENT INFORMATION - THE GROUP

(a) **Operating segment**

	2022			
	Life insurance business	General insurance business	Group elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	5,686,444	4,481,060	(27,760)	10,139,744
Net earned premiums	5,507,309	3,015,331	(22,619)	8,500,021
Underwriting surplus	1,506,789	799,953	(20,556)	2,286,186
Investment income	1,673,714	211,262	(147,158)	1,737,818
Operating profit	3,180,503	1,011,215	(167,714)	4,024,004
Other income	1,673,548	233,936	(29,352)	1,878,132
Marketing and administrative expenses	(583,570)	(739,080)	32,582	(1,290,068)
Finance costs	(583)	(1,629)	-	(2,212)
Movement in allowances for credit impairment of financial assets	15,497	(12,050)	-	3,447
Movement in allowances for credit impairment of non financial assets	-	-	-	-
Impairment of financial/non-financial/insurance assets	(6,358)	(22,968)	-	(29,326)
Depreciation and amortisation	(48,444)	(49,349)	4,742	(93,051)
Net gain on exchange	(10,381)	(10,056)	-	(20,437)
Share of results of associated companies and joint venture	-	-	46,951	46,951
Movement in Life Assurance Fund	(3,537,678)	-	-	(3,537,678)
Profit before taxation	682,534	410,019	(112,791)	979,762
Income tax expense	(29,481)	(33,459)	(704)	(63,644)
Profit for the year	653,053	376,560	(113,495)	916,118

	2022			
	Life insurance business	General insurance business	Group elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	55,318,719	7,620,645	(798,366)	62,140,998
Total liabilities	(52,602,689)	(4,307,916)	341,745	(56,568,860)
Total equity	2,716,030	3,312,729	(456,621)	5,572,138
Capital expenditure	32,517	61,204	-	93,721
Depreciation and amortisation	(48,444)	(49,349)	4,742	(93,051)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

33. SEGMENT INFORMATION - THE GROUP (CONT'D)

(a) **Operating segment**

	2021			
	Life insurance business	General insurance business	Group elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	5,140,464	3,849,266	(14,660)	8,975,070
Net earned premiums	4,956,811	2,550,690	(7,233)	7,500,268
				-
Underwriting surplus	1,537,893	814,891	(7,233)	2,345,551
Investment income	1,456,347	171,009	(135,622)	1,491,734
Operating profit	2,994,240	985,900	(142,855)	3,837,285
Other income	977,577	97,153	(13,059)	1,061,671
Marketing and administrative expenses	(546,825)	(690,423)	22,937	(1,214,311)
Finance costs	(569)	(839)	-	(1,408)
Movement in allowances for credit impairment of financial assets	(6,116)	(3,665)	-	(9,781)
Movement in allowances for credit impairment of non financial assets	(197)	-	-	(197)
Impairment of financial/non-financial/insurance assets	(15,908)	(19,804)	16,667	(19,045)
Depreciation and amortisation	(45,206)	(47,305)	4,404	(88,107)
Net gain on exchange	264,759	22,680	-	287,439
Share of results of associated companies and joint venture	-	-	13,729	13,729
Movement in Life Assurance Fund	(2,938,075)	-	-	(2,938,075)
Profit before taxation	683,680	343,697	(98,177)	929,200
Income tax expense	(54,799)	(28,281)	-	(83,080)
Profit for the year	628,881	315,416	(98,177)	846,120

	2021			
	Life insurance business	General insurance business	Group elimination	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	56,651,662	7,474,117	(808,399)	63,317,380
Total liabilities	(54,389,392)	(3,767,587)	370,464	(57,786,515)
Total equity	2,262,270	3,706,530	(437,935)	5,530,865
Capital expenditure	14,321	26,282	-	40,603
Depreciation and amortisation	45,206	47,305	(4,404)	88,107

(i) The operating segments are strategic business units offering services under:

- Life: long term insurance undertaken by Swan Life Ltd and Swan Comoros SA.
- General: short term insurance undertaken by Swan General Ltd, Swan Reinsurance PCC and Swan Special Risks Company Ltd and Swan General Insurance Company Zambia Limited.

(ii) The types of products and services from which each reportable segment generates revenue are disclosed in note 2.13.

(iii) Unallocated includes retirement benefit obligations, deferred tax liabilities, current tax liabilities and dividend payable.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

34. RELATED PARTY TRANSACTIONS

	Sale of services	Sale/ (Purchase) of foreign currencies	Investment income	Claims paid	Financial assets	Amount receivable from related parties	Amount payable to related parties	Short term loan payable	Loans receivable	Claims outstanding
(a) THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022										
Shareholders with significant influence	313,920	-	230,281	77,977	5,956,265	99,049	-	-	2,783,718	25,485
Enterprises on which the Group exerts significant influence	1,411,310	-	2,708	-	104,489	370,664	-	-	-	-
Directors and Key Management Personnel	2,493	-	3,522	1,999	-	606	-	-	110,067	170
Other related entities	22,974	311,601	-	-	-	9,788	-	160,004	-	-
	1,750,697	311,601	236,511	79,976	6,060,754	480,107	-	160,004	2,893,785	25,655
2021										
Shareholders with significant influence	279,002	-	167,934	69,021	2,810,099	106,977	-	-	3,184,584	26,489
Enterprises on which the Group exerts significant influence	999,153	-	2,622	-	104,489	16,686	-	-	-	-
Directors and Key Management Personnel	2,409	-	562	2,315	-	450	7	-	88,313	166
Other related entities	16,858	-	-	-	-	10,895	-	160,233	-	-
	1,297,422	-	171,118	71,336	2,914,588	135,008	7	160,233	3,272,897	26,655

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

34. RELATED PARTY TRANSACTIONS (CONT'D)

(b) **THE COMPANY**

	Sale of services	Investment income	Management fees paid	Claims paid	Financial assets	Loans receivables	Loans payables	Claims outstanding	Amount receivable from related parties	Amount owed to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022										
Subsidiary companies	**35,246**	**142,270**	**9,283**	**26,295**	**643,575**	**-**	**-**	**8,394**	**28,882**	**102,271**
Shareholders with significant influence	**158,479**	**1,792**	**-**	**77,977**	**80,154**	**-**	**-**	**25,485**	**64,017**	**-**
Enterprises on which the Company exerts significant influence	**-**	**2,708**	**-**	**-**	**104,489**	**-**	**-**	**-**	**540**	**-**
Directors and Key Management Personnel	**1,880**	**-**	**-**	**1,999**	**-**	**5,237**	**-**	**170**	**606**	**-**
Other related entities	**-**	**-**	**-**	**-**	**-**	**-**	**106,471**	**-**	**-**	**-**
	195,605	**146,770**	**9,283**	**106,271**	**828,218**	**5,237**	**106,471**	**34,049**	**94,045**	**102,271**
2021										
Subsidiary companies	7,233	129,336	9,539	21,568	565,874	-	-	7,021	9,797	78,360
Shareholders with significant influence	179,931	1,492	-	69,021	74,411	-	-	26,489	81,280	-
Enterprises on which the Company exerts significant influence	-	2,622	-	-	104,489	-	-	-	476	-
Directors and Key Management Personnel	1,610	-	-	2,315	-	5,622	-	166	450	-
Other related entities	-	-	-	-	-	-	107,058	-	-	-
	188,774	133,450	9,539	92,904	744,774	5,622	107,058	33,676	92,003	78,360

(c) **Key management personnel compensation**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Salaries and short-term employee benefits	**132,449**	133,828	**68,337**	71,344
Post-employment benefits	**10,025**	6,733	**3,894**	3,531
	142,474	140,561	**72,231**	74,875

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. For the year ended December 31, 2022, the Group and the Company have not recorded any impairment of receivables relating to amounts owed by related parties (2021: Nil). There have been no guarantees provided for any related party receivables or payables.

	Settlement terms	Security	Interest
Amount receivable from related parties	Within one year	Unsecured	Interest free
Amount payable to related parties	Within one year	Unsecured	Interest free
Loans/ deposit	1 to more than 5 years	Secured	1.25% to 6.6%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

35. ACQUISITION OF SUBSIDIARY

On July 01, 2022 , the Group acquired 100% of the shares and voting interests in Swan Forex Ltd (Previously known as Cim Forex Ltd).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Swan Forex Ltd are inputs, working processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Taking control of Swan Forex Ltd will enable the Group to optimise its currency and treasury needs. The acquisition is also expected to provide the Group with a new revenue line from dealing with foreign currencies.

For the six months ended December 31, 2022, Swan Forex Ltd contributed revenue of Rs 18m and profit of Rs 8m to the Group's results.

A. Consideration transferred

The subsidiary was acquired through a cash consideration of Rs 000's 77,701.

B. Acquisition-related costs

The Group incurred acquisition-related costs of Rs 000's 343 on legal fees and due diligence costs. These costs have been included in the consideration amount and capitalised.

C. Identifiable assets

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Amount
	Rs' 000
Property and equipment	1,612
Held to maturity financial assets	8,135
Trade and other receivables	553
Cash and cash equivalents	57,099
Borrowings	(1,645)
Deferred tax liablities	(67)
Retirement benefit obligations	(354)
Trade and other payables	(4,336)
Total identifiable net assets acquired	**60,997**

D. Measurment of fair values

The carrying amounts of the assets and liabilities acquired approximate their fair values as at the date of acquisition.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

35. ACQUISITION OF SUBSIDIARY (CONT'D)

E. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Amount Rs' 000
Consideration transferred	77,701
Fair value of identifiable net assets	(60,997)
Goodwill	16,704

The goodwill is attributable mainly to the skills and technical talent of Swan Forex Ltd work force and the synergies expected to be achieved from integrating the subsidiary into the Group's existing businesses.

F. Net cash outflow on acquisition of subsidiary

	Amount Rs' 000
Consideration paid in cash	77,701
Less: cash and cash equivalent balances acquired	(57,099)
Total consideration net of cash	20,602

36. GOING CONCERN

The directors have made an assessment of the Group's and the Company's ability to continue as a going concern and are satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, the directors and management are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern.

As part of their assessment, the directors have considered the overall impact of Covid 19 and other economic factors. The war between Russia and Ukraine continue to evolve as military activity proceeds and additional sanctions are imposed. The economic impact of the war depends on several variables that are difficult to predict.

37. EVENTS AFTER REPORTING PERIOD

(i) Acquisition of Rogers Capital Ltd by Swan Wealth Managers Ltd (A subsidiary of the 'Group')

In financial year 2022, Management informed the Board of Directors that it had initiated discussions with Rogers Capital Ltd ("RCL") regarding an opportunity to take a controlling stake in Rogers Capital Finance Ltd, a 100% subsidiary of RCL. While the methodology of arriving at the investment consideration has been agreed, the final investment figure, which is expected to range between MUR 150m and MUR 160m, is yet to be determined. Provided that Swan Wealth Managers Ltd receives regulatory approval from the Financial Services Commission ("FSC"), the investment under consideration will be channelled through a subsidiary that will be incorporated, wholly-owned, and capitalised by Swan Wealth Managers Ltd. At its Board Meeting of December 15, 2022, the Directors of the Company approved the contemplated investment subject to the Company receiving regulatory approval.

On February 08, 2023, the FSC issued a letter informing the Company that it had approved the latter's request to create a wholly-owned subsidiary for the investment being considered. As at date of signature of these Financial Statements, the wholly owned subsidiary – Swan Wealth Investment Holdings Ltd – has been incorporated and the Company is now finalising the Share Purchase Agreement and Shareholding Agreement with Rogers Capital Ltd.

Except from the above, there are no other 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, 2022.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

38. THREE YEAR SUMMARY

(a) THE GROUP

	2022 Rs'000	2021 Rs'000	2020 Rs'000
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS			
Gross premiums	10,139,744	8,975,070	8,157,438
Net earned premiums	8,500,021	7,500,268	6,865,213
Underwriting surplus	2,286,186	2,345,551	1,818,459
Operating profit	4,024,004	3,837,285	3,016,446
Profit before taxation	979,762	929,200	799,096
Income tax expense	(63,644)	(83,080)	(28,043)
Profit for the year	916,118	846,120	771,053
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit for the year	916,118	846,120	771,053
Other comprehensive income for the year	(705,992)	595,879	(234,367)
Total comprehensive income	210,126	1,441,999	536,686
Attributable to:			
Owners of the parent	59,666	1,283,431	411,981
Non-controlling interest	150,460	158,568	124,705
	210,126	1,441,999	536,686
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Non-current assets	50,984,856	54,170,621	43,630,402
Current assets	11,156,142	9,146,759	10,375,453
	62,140,998	63,317,380	54,005,855
Owners' interest	4,864,360	4,929,824	3,765,556
Non-controlling interest	707,778	601,041	489,496
Life Assurance Fund	51,132,212	52,790,703	45,084,339
Gross Unearned Premiums & Additional unexpired risk reserve	1,845,897	1,673,383	1,562,148
Outstanding claims & IBNR	1,475,854	1,284,948	1,212,011
Non-current liabilities	717,204	607,473	592,898
Current liabilities	1,397,693	1,430,008	1,299,407
	62,140,998	63,317,380	54,005,855
Dividends per share (rupees and cents)	15.12	14.40	14.40
Earnings per share (rupees and cents)	92.33	83.68	77.60
Net assets value per share (rupees and cents)	587.78	595.69	455.01
Number of shares used in calculation	8,275,769	8,275,769	8,275,769

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

38. THREE YEAR SUMMARY (CONT'D)

(b) THE COMPANY

	2022	2021	2020
	Rs'000	Rs'000	Rs'000
SEPARATE STATEMENTS OF PROFIT OR LOSS			
Gross premiums	3,848,229	3,246,476	3,051,387
Net earned premiums	2,812,511	2,408,649	2,297,335
Underwriting surplus	718,966	739,211	639,377
Operating profit	915,521	899,823	795,222
Profit before taxation	304,153	313,003	295,216
Income tax expense	8,843	18,834	16,541
Profit for the year	295,310	294,169	278,675
SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit for the year	295,310	294,169	278,675
Other comprehensive income for the year	(649,198)	442,578	(180,345)
Total comprehensive income	(353,888)	736,747	98,330

	2022	2021	2020
	Rs'000	Rs'000	Rs'000
SEPARATE STATEMENTS OF FINANCIAL POSITION			
Non-current assets	3,374,119	3,893,875	2,880,908
Current assets	2,737,427	2,468,199	2,676,857
	6,111,546	6,362,074	5,557,765
Owners' interest	2,632,089	3,111,107	2,493,531
Gross unearned premiums	1,579,879	1,419,722	1,340,867
Outstanding claims and IBNR	937,334	875,091	818,792
Non-current liabilities	414,892	355,852	360,916
Current liabilities	547,352	600,302	543,659
	6,111,546	6,362,074	5,557,765
Dividends per share (rupees and cents)	15.12	14.40	14.40
Earnings per share (rupees and cents)	35.68	35.55	33.67
Net assets value per share (rupees and cents)	318.05	375.93	301.31
Number of shares used in calculation	8,275,769	8,275,769	8,275,769

OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2022

(pursuant to Section 221 of the Companies Act)

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the Subsidiary companies have service contracts that need to be disclosed under Section 221 of the Companies Act.

DIRECTORS' REMUNERATION AND BENEFITS

The total remuneration and benefits received, due and receivable:

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

	From the Company		From the Subsidiaries	
	2022	2021	2022	2021
Executive Directors	Rs'000	Rs'000	Rs'000	Rs'000
Louis Rivalland	4,344	6,005	17,215	13,855
Michel Thomas	14,455	13,832	599	523
Non-executive Directors				
Nicolas Maigrot	175	175	175	175
Sebastien Mamet	90	90	90	90
Arif Fakhruddin Currimjee	140	140	140	140
Henri Harel	120	120	120	120
Gopallen Mooroogen	160	160	240	240
Victor Seevaye	-	140	40	180
Rene Leclezio	-	45	-	45
Philippe Espitalier Noel	90	90	90	90
Hector Espitalier Noel	-	60	-	60
Grace Leung Shing	90	58	90	58
Eric Espitalier Noel	90	23	90	23
	19,754	20,938	18,889	15,599

(ii) by the Directors of Subsidiaries who are not Directors of the Company are provided below:

	From the Subsidiaries	
	2022	2021
	Rs'000	Rs'000
Swan International Ltd		
Directors fees - Non Executive Director		
Jaiyansing Soobah	20	20
Swan Corporate Affairs Ltd		
Directors fees - Non Executive Director		
Jaiyansing Soobah	20	20

OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2022

(pursuant to Section 221 of the Companies Act)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

	From the Subsidiaries	
	2022	2021
	Rs'000	Rs'000
Swan Special Risks Ltd		
Directors fees - Non Executive Director		
Pierre Dinan	20	20
Swan Reinsurance PCC		
Directors fees - Non Executive Director		
Pierre Dinan	20	20
Swan Pensions Ltd		
Directors fees - Executive Director		
Alan Goder	20	20
Swan Wealth Managers Ltd		
Directors fees - Executive Director		
Gianduth Jeeawock	20	15
Swan Securities Ltd		
Directors fees - Non Executive Directors		
Karine Morel	20	20
Jaiyansing Soobah	20	20
	40	40
Swan Financial Solutions Ltd		
Directors fees - Non Executive Director		
Ashley Coomar Ruhee	10	10
Alan Goder	10	7
	20	17
Manufacturer's Distributing Station Limited		
Directors fees - Non Executive Director		
Jaiyansing Soobah	20	20

SWAN

OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2022

(pursuant to Section 221 of the Companies Act)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

	From the Subsidiaries	
	2022	2021
	Rs'000	Rs'000
Swan Actuarial Services Ltd		
Directors fees - Executive Director		
Richard Li Ting Chung	30	30
Directors fees - Non Executive Director		
Jaiyansing Soobah	30	30
	60	60

DONATIONS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	-	-	-	-
Charitable donations	15	163	15	163
	15	163	15	163

AUDITORS' FEES AND FEES FOR OTHER SERVICES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- KPMG	16,675	15,525	8,625	8,050
- BDO & Co	2,813	1,985	-	-
- Other firms	1,442	2,211	-	-
	20,930	19,721	8,625	8,050
Fees paid for other services provided by*:				
- KPMG	1,150	1,150	575	575
- BDO & Co	250	2,139	250	1,035
	1,400	3,289	825	1,610
* The breakdown of other services provided are as follows:				
Statutory services:				
-Review of insurance return	690	769	345	345
-Review of risk management framework	460	565	230	230
	1,150	1,334	575	575
Other services:				
-Review of quarterly consolidated accounts	-	-	-	-
-Review of year end consolidated accounts	-	-	-	-
-Preparation of Financial statements	250	1,955	250	1,035
	250	1,955	250	1,035
	1,400	3,289	825	1,610

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 - YEAR ENDED DECEMBER 31, 2022

(pursuant to Section 221 of the Companies Act)

DIRECTORS OF THE COMPANY

Mr. Arif F. CURRIMJEE
Mr. M. A. Eric ESPITALIER-NOËL
Mr. M. H. Philippe ESPITALIER-NOËL
Mr. M. D. Henri HAREL
Ms. Grace S. LEUNG SHING
Mr. Nicolas M. E. MAIGROT [Chairperson]
Mr. E. J. Sébastien MAMET
Mr. P. Gopallen MOOROOGEN
Mr. J. M. Louis RIVALLAND [Group Chief Executive]
Mr. A. Michel THOMAS [Chief Operations Officer]

DIRECTORS OF SUBSIDIARY COMPANIES

Swan Life Ltd	Mr. Arif F. CURRIMJEE Mr. M. A. Eric ESPITALIER-NOËL Mr. M. H. Philippe ESPITALIER-NOËL Mr. M. D. Henri HAREL Ms. Grace S. LEUNG SHING Mr. Nicolas MAIGROT [Chairperson] Mr. J. Sébastien MAMET Mr. Peroomal Gopallen MOOROOGEN Mr. J. M. Louis RIVALLAND [Group Chief Executive]
Swan International Co Ltd	Mr. J. M. Louis RIVALLAND Mr Jaiyansing SOOBAH
Manufacturers' Distributing Station Limited	Mr. J. M. Louis RIVALLAND Mr Jaiyansing SOOBAH
Swan Pensions Ltd	Mr. J. M. Alan GODER Mr. P. Gopallen MOOROOGEN Mr. J. M. Louis RIVALLAND
Processure Compagnie Ltée	Mr. Olivier Jean Albert DEVIN Mr. J. M. Alan GODER Mr. Olivier A. G. JOLLAND Mr. J. M. Louis RIVALLAND

OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2022

(pursuant to Section 221 of the Companies Act)

Swan Reinsurance PCC	Mr. M. D. Pierre DINAN, G.O.S.K. Mr. T. K. Philippe LO FAN HIN Mr. P. Gopallen MOOROOGEN Mr. Neelkamal RAGOO Mr. J. M. Louis RIVALLAND Mr. Victor C. SEEYAVE Mr. A. Michel THOMAS
Swan Corporate Affairs Ltd	Mr. J. M. Louis RIVALLAND Mr Jaiyansing SOOBAH
Swan Foundation	Mr. J. M. Louis RIVALLAND Mr Jaiyansing SOOBAH
Swan Wealth Managers Ltd	Mr. Gianduth JEEAWOCK Mr. J. M. Louis RIVALLAND Mr. P. Gopallen MOOROOGEN
Swan Securities Ltd	Mr Jaiyansing SOOBAH Mrs Karine MOREL
Swan Financial Solutions Ltd	Mr. J. M. Alan GODER Mr. J. M. Louis RIVALLAND Mr. Ashley Coomar RUHEE
Dolberg Rental (Pty) Ltd	Mr. Gianduth JEEAWOCK
Aprica Investments Co Ltd	Mr. M. G. M Patrice BASTIDE Mr M. H. Philippe ESPITALIER-NOËL Mr. M. E. Nicolas MAIGROT Mr. J. M. Louis RIVALLAND
Swan Special Risks Company Limited	Mr. M. D. Pierre DINAN, G.O.S.K Mr. T. K. Philippe LO FAN HIN Mr. P. Gopallen MOOROOGEN Mrs. Karine MOREL Mr. J. M. Louis RIVALLAND Mr. A. Michel THOMAS

OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2022

(pursuant to Section 221 of the Companies Act)

Swan Wealth Structured Products Ltd	Mr. Gianduth JEEAWOCK Mr. J. M. Louis RIVALLAND
Swan Digital Ltd	Mr. J. M. Alan GODER Mr. J. M. Louis RIVALLAND
Swan Corporate Advisors Ltd	Mr. Gianduth JEEAWOCK Mr. Jaiyansing SOOBAH
Swan Wealth International Ltd	Mr. Gianduth JEEAWOCK Mrs Karine MOREL Mr. J. M. Louis RIVALLAND
Swan Actuarial Services Ltd	Mr Richard LI TING CHUNG Mr Jaiyansing SOOBAH
Swan Pensions Rwanda (SPR) Ltd	Mr. J. M. Alan GODER Mr. Jean Pierre Mubiigi KANAMUGIRE Mr. J. M. Louis RIVALLAND Mrs. Charisma. D. ROOPUN
Swan General Insurance Company Zambia Limited	Mr. Patrice BASTIDE Mr. Larry Feston KALALA Mr. William Paul SAUNDERS Mr. Ewan WHEELER
Swan Smart Achiever Notes Ltd	Mr. Gianduth JEEAWOCK Mr. Jaiyansing SOOBAH
BK General Insurance Company Ltd	Mr. Patrice BASTIDE Mr. Yves GATSIMBANYI Mr. Jean Enock HABIYAMBERE Mr. Jack Nkusi KAYONGA Ms. Nathalie MPAKA Mr. Shehzad NOORDALLY Mrs. Sandra RWAMUSHAIJA Mr. Ephraim TURAHIRWA

OTHER STATUTORY DISCLOSURES - YEAR ENDED DECEMBER 31, 2022

(pursuant to Section 221 of the Companies Act)

Swan Comoros SA	Mr. Gaël ALIPHON Mr. Patrice BASTIDE Mr. Bernard KISHTOO
Afresure Reinsurance Brokers Ltd	Mr. T. K. Philippe LO FAN HIN Mr. Neelkamal RAGOO Ms. Sharon YAM KWAI YING
Swan Insurance Management Services Ltd (Formerly known as Afresure Reinsurance Brokers Ltd)	Mr. T. K. Philippe LO FAN HIN Mr. Neelkamal RAGOO
Swan Forex Ltd	Mr. Lim Tat Voon LIONG KEE Mr. Marie Joseph Jean-Pierre MONTOCCHIO Mr. Gianduth JEEAWOCK Mrs. Grace Sarah LEUNG SHING Mr. Louis RIVALLAND

NOTICE OF ANNUAL MEETING **OF SHAREHOLDERS**

Notice is hereby given that the Annual Meeting of Shareholders (the "Meeting") of Swan General Ltd (the "Company") will be held on 26 June 2023 at 11:00 a.m. at Swan Centre, 10, Intendance Street, Port Louis, to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the 2022 Annual Report of the Company.
2. To receive the report of KPMG, the external auditors of the Company.
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2022.
4. 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.
5. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2022.

BY ORDER OF THE BOARD

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary
Date: 4th May 2023

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 29 May 2023.*

PROXY **FORM**

I/We,

of

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

of

or failing him/her,

of

or failing him/her the Chairman of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at Swan Centre, 10, Intendance Street, Port Louis on 26 June 2023 at 11:00 a.m and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS	For	Against	Abstain
1. To consider the 2022 Annual Report of the Company.			
2. To receive the report of 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 2022			
4. 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.			
5. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2022.			

Signed this ..... day of .... 2023.

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.

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Swan General Ltd

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W swanforlife.com