SWAN

STRENGTHENING THE JOY

Swan Life 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 Life 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

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 Life 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. Likemost economies, Mauritius is facing increasingly difficult challenges – higher energy costs, inflation, a depreciating rupee, declining purchasing power, to name just 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.

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 the premium income with the insurance revenue and the introduction of the Contractual Service Margin (CSM).

LOUIS RIVALLAND
Director & Chief Executive

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 management processes for our different pension schemes, we felt it was the appropriate time to review and restructure the organisation of our pension department to improve operational efficiencies. We have therefore established collaborative working groups which specialise in specific aspects of the administrative processes. This approach enables us to better manage a 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.

NICOLAS MAIGROT
Chairperson

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 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 raised the key rate five times in 2022, from 1.85% to 4.50%, 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 in recruiting and retaining actuarial talent. Our primary focus will be on collaborating with our clients to achieve their objectives rather than just 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 combining asset management, corporate advisory, stockbroking, lending, and recently, forex services - while still abiding by 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 our 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 - a combination that pulled 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 training 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 has centred on the optimal delivery of service, generating investment ideas, and managing our ability to navigate the current market turmoil. These elements will serve as stepping-stones for further client acquisition and retention. In 2023, as Swan Capital Solutions' combined capabilities and expertise are deployed, we shall further 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 comprise 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. Furthermore, SCA is positioning itself as an instrumental financial partner to organisations in their quest to unlock value through financial reorganisation.

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. This top line strength provided resilience to weather a rise in operational costs essentially linked with higher service costs in the domestic inflationary environment and a one-off exceptional item linked to post-retirement pension benefits adjustment. The trading desk was restructured to provide more breadth to serve clients trading on the 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, that summarises 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 pro-active up-selling strategies. Indeed, the loans portfolio grew through different product offerings, namely investment-backed loans, home loans, and personal as well as commercial loans. While pricing of our loans was impacted by the rise in our prime lending rate as a result of the rise in the key rate from 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 the synergies under Swan Capital Solutions. Significant efforts are underway to intensify our presence in identified niche markets as we see significant room to grow the portfolio.

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

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 volumes. Top and bottom lines were 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 while 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 all-in-one 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 provide a better experience for 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 aim 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 towards 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, by providing easy access to digital learning resources and by enabling better sharing of knowledge through the all-in-one HR platform.

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. Nonetheless, 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 money laundering and terrorism financing risks faced by Mauritius. SWAN forms part of the insurance working group, comprised of other key market players. This has also drawn our focus to raising awareness among SWAN employees in the areas of cybersecurity and data protection. The "Think Twice" internal awareness campaign, delivered via a series of innovative videos, enabled employees to imagine themselves in real-life situations and become 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 that will 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 program, we aim at contributing 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 through the direct involvement of our colleagues in the CSR activities we organise. We have also initiated specific actions towards reducing our carbon footprint that have now been in place for several years.

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
Director &
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
100%
Swan Global Funds Ltd
Aprica Investments Co Ltd
100%
100%
AfResure Reinsurance Brokers Pte Ltd
100%
Swan Corporate Advisors Ltd
49.51%
Swan General Insurance Zambia Company Ltd
48%
50%
Processure Cie Ltee
100%
Swan Wealth Investment Holdings Ltd
100%
Swan Insurance Management Services Ltd

KEY FIGURES

At a glance (Group Figures)

Gross Earned Premiums
Y2022 - 5,682 m
Y2021 - 5,123 m

Net Earned Premiums
Y2022 - 5,507 m
Y2021 - 4,957 m

Life Assurance Fund
Y2022 - 51,132 m
Y2021 - 52,791 m

Total Assets
Y2022 - 55, 348 m
Y2021 - 56,669 m

Gross Claims
Y2022 - Rs 4232 m
Y2021 - 3,505 m

Retained Earnings
Y2022 - 2,376 m
Y2021 - 1,942 m

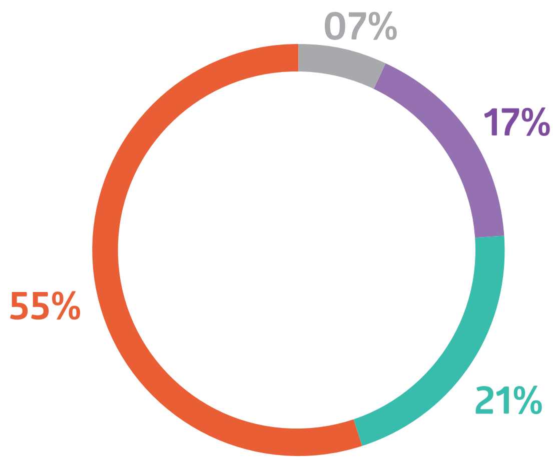
Dividend Paid
Y2022 - 172 m
Y2021 - 156 m

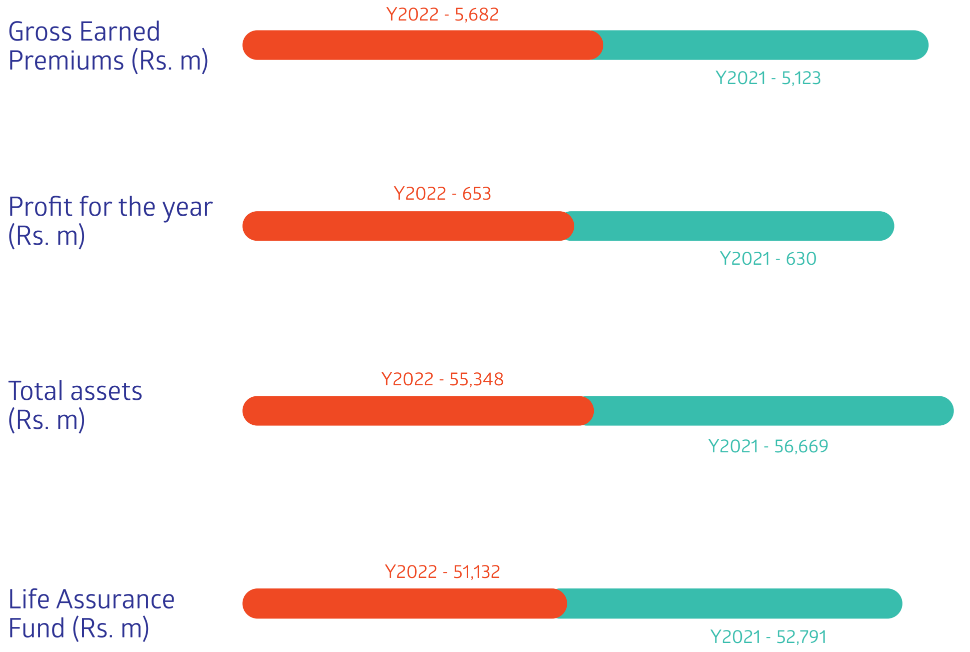
07% Gross Death and Disability Insurance Claims

17% Surrenders

21% Annuities

55% Maturity Claims





Unleash your INNER CHILD!

Celebrate life's silly moments, relaxed in the knowledge that your future is in safe hands.

EMPOWERING COMMUNITIES AND PROMOTING **SUSTAINABILITY**

SWAN recognizes 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 repainting 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. Every 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 that period than inDecember 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 collect 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.

SWAN

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 a toilet for the use of a severely handicapped pupil
ELLE C NOUS	Purchase of material for deprived children in Grades One through 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

Your Mini PICASSO?

Let their imagination soar, with the knowledge that their education is protected.

Corporate Governance **Report**

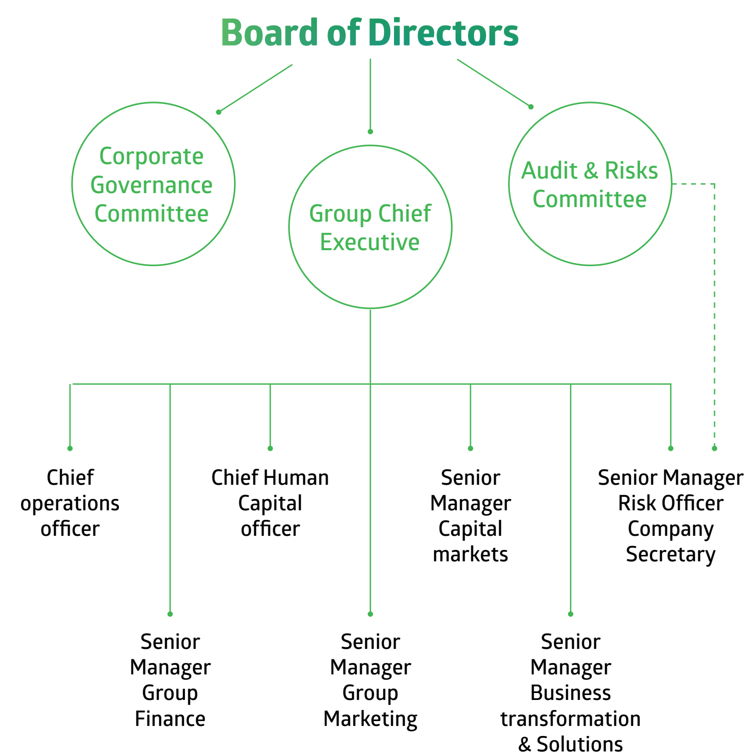
Swan Life Ltd (the 'Company') is a Public Interest Entity as defined by the Financial Reporting Act 2004. The Group, comprising of the Company and its subsidiaries, is also considered as a Public Interest Entity.

1. GOVERNANCE STRUCTURE

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

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

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



Profile of the senior management are on pages 50-53 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 Life Ltd is headed by a unitary Board with nine directors. The Board consists of executive, non-executive and independent non-executive directors. Members of the Board have a diverse set of skills, knowledge and come from different 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 is the executive member of the Board. There are three independent non-executive directors. The independent directors bring a wide range of experience and skills to the Board. They are free from any business or other relationships which could materially affect their ability to exercise independent judgement, constructively dissent and are critical 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. Board considers the current mix of executive, non-executive and independent directors to be appropriate. 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 Companies Act. The Company is fully compliant with the Companies Act, in that it has two independent directors who meet all the criteria. All the Directors are resident in Mauritius.

Directors of the Company

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

Profile of Directors are on pages 42-46.
All the 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 its Board and its Committees with all relevant information. The Company Secretary discharged his duties as per the statutory requirements. Mr. Jaiyansing (Shailen) Soobah acts as the Group Company Secretary.

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 for the major relevant subsidiaries.

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

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

Internal audit

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

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

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

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

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

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

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

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

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;

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

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

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

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

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

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

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

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

x. Reviewing special documents

Narrative reporting

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

For internal control and risks management

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

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

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

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

iii. Defining and reviewing the risk management strategy;

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

v. Reviewing the 3 year rolling business plan;

vi. Reviewing the Own Risk and Solvency Assessment report;

vii. Reviewing risk policies; 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 Audit & Risk Committee consisted of four Non-Executive Directors, three of whom are Independent, including the Chairperson. The Members are:

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

b) Mr. Henri Harel (non-executive)

c) Ms. Grace Sarah Leung Shing (independent non-executive)

d) Mr. Gopallen Mooroogen (Chairperson) (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 auditor and the internal auditor attend meetings of the Committee, as are relevant. The Committee meets regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage). The Committee has not met external auditor without management presence as there were no such request from either party, given that there were no material issues to be discussed.

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

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

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

f) Internal audit- consideration of internal audit reports and internal audit plan.

<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 Corporate Governance Committee consists of the following non-executive directors:

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

b) Ms. Grace Sarah Leung Shing (independent non-executive)

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

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

The Group Chief Executive is in attendance. Mr. Jaiyansing (Shailen) Soobah, acts as Secretary of the Committee.

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

Directors	Board Meetings	Audit & Risks Committee	Corporate Governance Committee
Number of meetings held	5	5	1
Arif Currimjee	3	4	1
Eric Espitalier-Noel	3	N/A	N/A
Philippe Espitalier-Noel	5	N/A	N/A
Henri Harel	5	5	N/A
Grace Sarah Leung Shing	3	5	1
Sebastien Mamet	4	N/A	N/A
Nicolas Maigrot (Chairperson)	4	N/A	1
Gopallen Mooroogen	5	5	1
Louis Rivalland	5	N/A	N/A

3. DIRECTOR APPOINTMENT PROCEDURES

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

Corporate Governance REPORT *(cont'd)*

4. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

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

The Company and the Group have a Code of Ethics, which is applicable to employees and Directors. Monitoring day-to-day compliance with the code rests with senior management. Important issues, if any, are escalated to the Board. The code explains SWAN's Group 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 Group 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;

a) Observe the highest degree of confidentiality;

b) Avoid situations of conflict of interest, and where such situations arise, disclose same and adhere to all procedures for dealing with it;

c) Consistently attend board meetings and devote sufficient time to the organisation's business;

d) Deal with shares of the company in strict compliance of all relevant laws;

e) Abstain from taking improper advantage of their position for personal gain; and

f) Abide by all directors' obligations imposed by all laws.

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

The Directors confirm that whenever they deal in the shares of the Company, they follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules. None of the Directors bought or sold shares of the Company during the year.

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

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

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

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

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

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

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

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

<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 Group risk appetite;

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

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

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

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

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:

Director	Company Rs	Subsidiaries Rs
Executive		
Louis Rivalland	7,534,000	9,641,000
Non-Executive		
Arif Currimjee	140,000	-
Eric Espitalier-Noel	90,000	-
Philippe Espitalier-Noel	90,000	-
Henri Harel	120,000	-
Grace Sarah Leung Shing	140,000	-
Sebastien Mamet	90,000	-
Nicolas Maigrot (Chairperson)	175,000	-
Gopallen Mooroogen	160,000	40,000

It has been agreed that the Company and the Group will conduct board evaluation every 3 years. The last board evaluation was conducted in 2021 through questionnaires and no independent evaluator was appointed.

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

5. RISK GOVERNANCE AND INTERNAL CONTROL

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

a) Setting up a risk management framework;

b) Overseeing the implementation and subsequent monitoring;

c) Determining the risk culture;

d) Providing management with leadership and guidance;

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

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 frameworkrespectively. 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; and

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

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

6. REPORTING WITH INTEGRITY

The Board is responsible for the preparation of the annual report and accounts, 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), Insurance Act 2005, Financial Reporting Act 2004 and the Companies Act 2001. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements.

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

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

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

For the year ended 31 December 2022, the following directors were common to both the Company and Swan General Ltd:

- Arif Currimjee
- Eric Espitalier-Noël
- Philippe Espitalier-Noël
- Henri Harel
- Grace Sarah Leung Shing
- Sebastien Mamet
- Nicolas Maigrot
- Gopallen Mooroogen
- Louis Rivalland

Dividend Policy

The Company does not follow a formal dividend policy. Dividends are declared after taking into account the Company's profitability and the solvency requirements of the Companies Act and the Insurance Act. The Company declares dividend in December based on best estimates of yearly results to 31 December. For the year under review, the Company declared and paid a dividend of Rs 65.34 per share.

Shareholders' Agreement

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

Environmental Issues

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

Health and Safety

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

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

Social Issues

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

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

Corporate Governance REPORT *(cont'd)*

7. AUDIT

Internal Audit

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

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 & 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 2022, internal audit covered the following areas:

a) Regional sales

b) Intercompany transactions

c) AML/CFT compliance

External Audit

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

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

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

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

For audit services	Rs 8,050,000
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.

8. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

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

As at 31 December 2022, Swan General Ltd held 82.72 % of the shareholding of the Company. No other single shareholder held more than 5% of the Company.

A summary by shareholder category:

Category	Count	No of Shares	% holding
Individuals	326	199,104	7.564
Insurance & Assurance Companies	1	2,177,375	82.72
Pension & Providence Funds	5	4,042	0.154
Investment & Trust Companies	4	54,198	2.059
Other Corporate Bodies	84	197,491	7.503
Total	420	2,632,210	100%

Breakdown of ownership by size:

Size	No of Shareholders	No of Shares	% holding
1-500	306	35,331	1.342
501-1000	30	21,204	0.806
1,001-5000	65	127,738	4.853
5,001-10,000	11	76,734	2.915
10,001-50,000	5	81,994	4.249
50,001-100,000	2	111,834	4.233
100,001-250,000	0	0	0
250,001-500,000	0	0	0
Over 500,000	1	2,177,375	82.72
Total	**407**	**2,632,210**	**100%**

Corporate Governance REPORT *(cont'd)*

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

Key events for the year are set out below:

January	Payment of dividend (for financial year 31 December 2021)
March	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 financial year 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 LIFE 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

30 March 2023

Rock your STYLE!

Style knows no age, just like insurance.

BOARD OF **DIRECTORS**

ARIF **CURRIMJEE**

Independent Non-Executive

Born in 1962, Arif Currimjee holds a degree in Economics from Williams College, MA and studied at the London School of Economics, McGill University, and INSEAD. The Chairman and Founder of ABANA (MAURITIUS), he is a non-executive Director for several companies within the Currimjee Group as well as sitting on its Ownership Board, and serves 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 organization, he has been a board member of several parastatal organizations including Enterprise Mauritius, The National Productivity and Competitiveness Council, and the National Committee for Corporate Governance.

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 General 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 General 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 for various companies evolving in those sectors. He is also a member of the Corporate Governance Committee.

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

Adnarev 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 Limited, ESP Landscapers Ltd, Field Good Fresh Foods Limited, Floreal Limited, Formation Recrutement Et Conseil Informatique Limitée, Freight Link Limited, Grewals (Mauritius) Limited, Hyperdist IO (Mauritius) Limited, Inter-Ex SA, Joinery and Metal Distribution International Limited, La Sablonniere 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 General 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). Returning to Mauritius in 1991, he worked for Société de Gérance de Mon Loisir as Financial Controller until 1996, when he joined Harel Frères Limited in a similar capacity. He is currently Terra Group's Chief Finance Officer and a Management Committee member. He has also served as the 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 Casse Limitée, New Fabulous Investment Ltd, New Goodwill Co. Ltd, Rehm Grinaker Construction Co Ltd, Sucrivoire S.A, Swan General 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 Comission works to bring 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;

Agria 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 General Ltd, Sweetwater Ltd, Velogic Holding Company Limited, BEBEZORS

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 been the Chairman of the SEM for several years. He is currently Head-Accounting for Mauritius Telecom.

Gopallen Mooroogen also holds directorships in the companies below;

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

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 from 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. He 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 General 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

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

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 the Managing Director of Terra Mauricia Ltd, having 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, holding various leadership positions such as 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 General 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 departments 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 has been

appointed General Manager of Terragri Ltd, in charge of Terra's agriculture sector activities in Mauritius and abroad.

Sebastien Mamet also holds directorships in the companies below;

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

SENIOR **MANAGEMENT**

From left to right

Richard LI TING CHUNG
BCom, FIA – Actuarial

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

Patrice BASTIDE
BSc, MSc – Group Marketing

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

Charisma JAWAHEER-ROOPUN
BSc (Hons), MBA – Pensions

Alan GODER
Chief Operations Officer

Geerijeshsingh WOOZAGEER
Hon. Degree in Information Technology – Business Transformation & Solution (BTS) (as of 01 March 2022)

Gaël ALIPHON
ACII – Sales, Business Development and Bancassurance

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

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

Ishwari MADHUB
BSc (Hons), FCCA, MBCS, MBA – Technology Solutions (until 28 February 2022)

Gianduth JEEAWOCK
BSc (Hons), CFA – Capital Markets

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

Alan GODER

Chief Operations Officer

Born in 1967, Alan worked in the Actuarial Department of The Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd) as Actuarial Clerk from February 1988 to April 1989. From May 1989 to December 1995, he was employed as Technical Supervisor in the Life Department of The Albatross Insurance Company Ltd. From August 1996 to June 2001, he was Executive Director of Actuarial & Capital Management Services Ltd, now the AXYS GROUP. From July 2001 to October 2004, he was the Chief Executive Officer of Pension Consultants & Administrators Limited (now known as Swan Pensions Ltd). He joined The Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd) as Senior Manager in November 2004 where he oversees the Claims and Fund Administration departments. He is also responsible for managing Swan Pensions Ltd. In August 2009, Alan wasn appointed to oversee the pension department of Swan Life Ltd. Alan was also Senior Manager to the Group Systems & Processes department until December 2017. Since January 2018, he has served as Chief Operations Officer of Swan Life Ltd. His key areas of specialisation are pensions administration and consulting.

Charisma JAWAHEER-ROOPUN

Bsc (Hons), MBA
Pensions

Born in 1977, Charisma started her career as Actuarial Analyst with Anglo-Mauritius Assurance Society Ltd in October 1999. In April 2005, she moved to Pension Consultants and Administrators (PCA, now known as Swan Pensions Ltd) as a Client Administrator. Before joining Swan Life Ltd anew in 2015 as Senior Consultant Pensions, she spent three years at the FSC as Executive-Surveillance Pensions. Charisma has held the position of Senior Manager - Pensions since July 2019, leading the pensions department. Charisma holds a BSc. (Hons) in Actuarial Science from the University of Kent, UK, as well as an MBA with a specialisation in Finance from the University of Technology, Mauritius.

Patrice BASTIDE

BSc and MSc
Group Marketing

Patrice is responsible for SWAN's international development and 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 that includes 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-Group Human Resources
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) as Assistant Personnel Manager/Public Relations Officer in 1988, 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, in that capacity, provided advice and services to seven companies of the CIEL Group, including TPC Ltd, in Tanzania. He combined the responsibilities of Acting Secretary of the Mauritius Sugar Producers' Association with that of Human Resources Manager of DRBC from September to December 2005, before joiningthe SWAN Group in 2006.

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

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, subsequently holding various positions in IT. After five years as senior manager in the Business Transformation & Solutions department, she moved to the position of IT Consultant in March 2022.

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. She also oversees the financial operations of both local and foreign subsidiaries,.

SENIOR MANAGEMENT *(cont'd)*

Richard LI TING CHUNG

BCom, FIA-Actuarial

Richard Li is a Fellow of the Institute and Faculty of Actuaries and holds a Bachelor of Commerce (Honours) from the University of Melbourne (Australia). The early stage of his career brought him to Feber Associates and Anglo Mauritius Assurance Society Ltd (now Swan Life Ltd). He then decided to pursue his career in London, UK where he qualified as an actuary. After spending just over seven years in the UK as a consulting actuary for Mercer, PwC, and KPMG, building up and consolidating his expertise in pensions and life insurance, he returned to Mauritius and joined Kross Border Corporate Services Ltd, a management company, which was subsequently acquired by Rogers Capital. During his time at Rogers Capital, he gained extensive experience in the Global Business industry. He was also a member of the Executive Committee of the Association of Trust and Management Company (ATMC) and held directorships in a number of high profile Global Business Companies with specialised licenses in the financial services industry. He also set up the actuarial and captive insurance unit at Rogers Capital. Richard joined SWAN at the end of 2019 when the actuarial unit of Rogers Capital was acquired by Swan Life Ltd.

Jaiyansing (Shailen) SOOBAH

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

Shailen, born in 1974 and a resident of Mauritius, is a Fellow of the Association of Chartered Certified Accountants, holds a Masters 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 Compliance of the insurance and investment cluster. He joined SWAN with the merger of the insurance businesses of SWAN and CIM in June 2012. He is currently Senior Manager – Group Company Secretary and Group Risk Officer. He also holds directorship positions in SWAN Groupsubsidiaries. He is also a Non-Executive Director of The Stock Exchange of Mauritius Ltd and of Central Depository & Settlement Co. Ltd.

Gaël ALIPHON

ACII
Sales, Business Development
and Bancassurance

Born in 1978, Gael holds an ACII from the Chartered Insurance Institute UK as well as an Advanced Diploma in Business Administration (ABE UK). Gael is also a Certified Meta-Coach of the International Society of Neuro-Semantics. He has accumulated more than 20 years of experience in the insurance field and has acquired an extensive and in-depth knowledge of sales force management, business development, and distribution channels management and has a broad experience in sales training and coaching as well. Gael joined SWAN in 2010 as Individual Business Unit Manager and was promoted Senior Manager, Sales, Business development & Bancassurance of Swan Life Ltd in September 2018. He is now entrusted with the responsibility of consolidating and enhancing the business development and sales capabilities for Swan Life Ltd.

Gianduth (Alvin) JEEAWOCK

BSC (Hons), CFA
Capital Markets

Alvin is a CFA charter holder since 2010 and is currently reading for an MBA International Paris. Alvin is a seasoned professional, with more than a decade of experience in Capital Markets. In his senior management role, he provides strategic directives for SWAN's Capital Markets division. Equally, he is one of thedriving 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.

MANAGEMENT **TEAM**

From left to right

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

Andrew CHEONG YUEN ZING
Finance & Accounts

Neeraj UMANEE
BA (Hons) – Swan Securities Ltd

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

Mario BUTTIE
FCCA – Fund Administration

Carine ADELSON
BA, MA – Group Marketing

Ouahiba DJAKOUR-GHURBURRUN
BTS – Informatique de Gestion – Business Development

Didier ADRIEN
Diploma in Information Technology – Business Transformation & Solutions

Gavin ANDERSON
BSc (Hons), FASSA – Actuarial

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

Navindranath BHUGALOO
ACII – Swan Pensions Ltd and Pensions (DC)

MANAGEMENT TEAM

From left to right

Jhaneshi JUGESSUR
BSc (Hons), MSc - Loans & Fixed Income (as of 01 March 2022)

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

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

Krystel HEE KWUN FONG
Dip CII, LLB (Hons) – Claims

Randhir MUNGRA
MSc,MBA – Project Office

Sabine LUCHMUN
BTS, Maitrise Sciences de Gestion – Pensions

Karmchandrasingh ROOPUN
BSc (Hons) – Actuarial

Javed BUROKUR
BBA, ACCA – Investments

Jennifer LAM SHEUNG YUEN
Dip CII – Life Underwriting

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

Sandra MAKONI
BCom, FIA – Pensions (until 31 May 2022) - Resigned

Follow that DREAM!

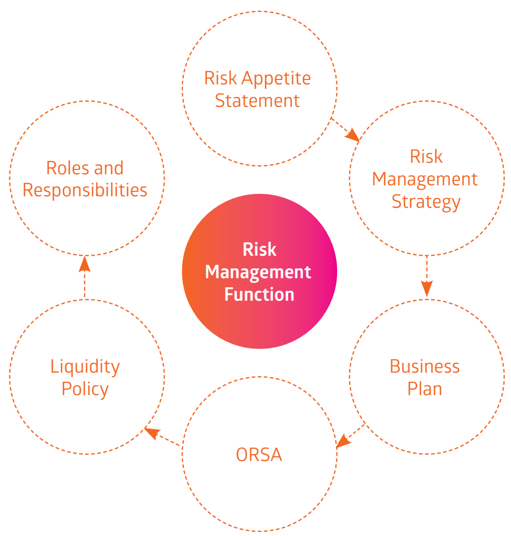
Plant the seeds of your future with confidence.

RISK MANAGEMENT

Effective risk management is fundamental and essential to the achievement of the Company's strategic objectives. In place formally since 2017, the Company'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.

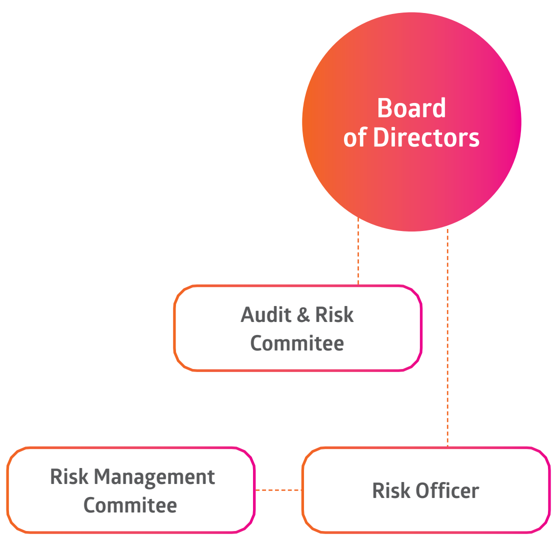
A Risk Management Committee (RMC) oversees the whole process. Among other responsibilities, the RMC has the duty to:

- 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
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

Celebrate every MOMENT!

Savour the moment and celebrate
life's wonders, knowing you're secure.

DIRECTORS' REPORT

FINANCIAL STATEMENTS

The Directors of Swan Life Ltd 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 178.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group and the Company which appear on pages 75 to 174 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 LIFE LTD

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of Swan Life Ltd (the Group and Company), which comprise the consolidated and separate statements of financial position at 31 December 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 75 to 174.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Swan Life Ltd at 31 December 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 ("IFRS Standards") and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act.

BASIS FOR OPINION

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

KEY AUDIT MATTER

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 LIFE LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTER (CONT'D)

Gross earned premiums consist of gross premiums and consideration for annuities

This key audit matter applies to both the consolidated and separate financial statements.
Refer to accounting policies in note 2.18 (ii) and note 21 to the consolidated and separate financial statements.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Gross premiums comprise of premiums received from individuals and corporates (in terms of defined benefit schemes ("DB schemes") and defined contribution schemes ("DC schemes")). Gross premiums also comprise of premiums received from group credit insurance ("GCI"). Consideration for annuities is also accounted as gross written premiums for the Group and Company. We identified gross premiums and consideration from annuities as a key audit matter because of: · the risk of error which exists due to the volume of transactions; and · the possibility for management to overstate revenue in respect of premiums received from individuals, corporates (in terms of DB schemes and 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 prior year; - Evaluated the design and implementation of the controls related to premiums. **For premiums received from individuals, and corporates (DB schemes and DC schemes) and consideration for annuities, we:** · Agreed the premiums for the year, on a sample basis to the 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 premiums received by the Company from DC Schemes, for the year ended 31 December 2022; · Obtained confirmations from Swan Defined Benefit Pension Scheme with respect to premiums received by the Company from DB Schemes the year ended 31 December 2022; and · Agreed the consideration for annuities for the year, on a sample basis to the signed option form. **For premiums received with respect to GCI, we:** · Inspected whether a signed agreement defining the terms of the transactions existed between the Company and 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 LIFE LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTER (CONT'D)

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

This key audit matter applies to both the consolidated and separate financial statements.
Refer to accounting policies in 2.13, note 4.1 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 ("LAF"). The focus area in respect to the insurance contract liabilities is thus linked to the following: · The appropriateness of the actuarial assumptions, methodology and models (as set out in note 4.1 (i) and (ii)) 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 the complexity and 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. With the assistance of our actuarial specialist, we: · Considered the valuations performed by management's external actuary, and we accordingly assessed their competence and capabilities. We also obtained an understanding of the work performed by the actuary and evaluated the adequacy of their work; · Assessed the appropriateness of the methodologies applied and the basis used to value the insurance contract liabilities. This has been evaluated against industry practice and the relevant regulations in place; · Assessed the methodology changes compared to prior years to evaluate consistency and reasonability thereof; · Challenged the assumptions used in the calculation of the insurance contract liabilities against industry practice and regulations in place to assess reasonableness thereof; · Considered the solvency position of the Company, and whether this is in line with the regulatory requirements; and · Assessed the reasonableness of the actuarial liabilities at 31 December 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 Company to those provided to the external actuary; and · Reconciled the data (number of policies, asset values and premiums) used by the actuary in valuing the actuarial liabilities to the Company's records.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN LIFE LTD

Report on the Audit of the Consolidated and Separate Financial Statements

KEY AUDIT MATTER (CONT'D)

Valuation of available for sale financial assets - Level 3

This key audit matter applies to both the consolidated and separate financial statements.
Refer to accounting policies in 2.8, note 3.2 note 4.11 and note 10 (a)(i) and 10 (b)(i) to the consolidated and separate financial statements.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group and the Company have investments in financial assets classified as Level 3 instruments. The valuation of these financial assets is based on models which often require significant judgements 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 appointed by the investment committee. Where observable data is not readily available, as in the case of all the available for sale financial assets – level 3, estimates are developed and these involve significant management judgement. 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 experts who are responsible for the valuation of the investments held; · Assessed the appropriateness of the valuation methods, assumptions and judgements used. We involved our own corporate finance specialist to evaluate the investment valuation performed by management expert against an appropriate range of values. Furthermore, the unobservable inputs were corroborated through benchmarking against available market data; and · Evaluated the impairment assessment provided by management by making use of both qualitative and quantitative factors to assess whether any indication of impairment existed.

OTHER INFORMATION

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

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not 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 LIFE 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 and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWAN LIFE LTD

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

KPMG

KPMG
Ebène, Mauritius

Imtiaz Ajeda
Licensed by FRC

Date: 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	241,253	259,156	218,788	236,645
Right-of-use assets	5A	17,435	7,184	16,217	4,841
Investment properties	6A	408,263	422,105	367,615	381,457
Intangible assets	7	78,626	79,228	5,137	6,936
Investments in subsidiary companies	8	-	-	548,512	548,512
Investments in associated companies	9	33,883	34,714	4,364	4,364
Available-for-sale financial assets	10	24,029,238	28,909,668	23,971,751	28,873,246
Held-to-maturity financial assets	10	17,079,331	15,120,668	16,521,076	14,664,371
Loans and receivables	11	5,677,337	5,456,710	5,677,337	5,456,710
Deferred tax assets	17	4,099	3,916	-	-
Other receivables	12	3,605	4,895	-	-
Total non-current assets		47,573,070	50,298,244	47,330,797	50,177,082
Current assets					
Trade and other receivables	12	1,301,604	1,116,780	1,269,595	1,037,455
Held-to-maturity financial assets	10	1,802,314	1,506,013	1,783,606	1,506,013
Loans and receivables	11	403,075	1,153,056	403,075	1,153,056
Seized properties	13	92,637	45,441	92,637	45,441
Short term deposits	28(b)	2,105,907	1,102,286	2,105,907	1,102,286
Cash and cash equivalents	28(b)	2,069,630	1,447,256	1,700,058	1,151,886
Total current assets		7,775,167	6,370,832	7,354,878	5,996,137
Total assets		55,348,237	56,669,076	54,685,675	56,173,219

CONSOLIDATED AND SEPARATE
STATEMENTS OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP December 31, 2022 Rs'000	THE GROUP December 31, 2021 Rs'000	THE COMPANY December 31, 2022 Rs'000	THE COMPANY December 31, 2021 Rs'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	14	26,322	26,322	26,322	26,322
Reserves		2,431,042	2,003,055	2,072,830	1,798,234
Owners' interest		2,457,364	2,029,377	2,099,152	1,824,556
Non-controlling interests	15	290,107	258,084	-	-
Total equity		2,747,471	2,287,461	2,099,152	1,824,556
Technical provisions					
Life Assurance Fund	16	51,132,212	52,790,703	51,132,212	52,790,703
Gross outstanding claims	29(a)	296,866	296,975	296,866	296,975
Gross unearned premiums	29(b)	54,513	54,636	54,513	54,636
Total technical provisions		51,483,591	53,142,314	51,483,591	53,142,314
Non-current liabilities					
Retirement benefit obligations	18	218,828	175,861	198,428	162,691
Lease liabilities	5A	11,520	3,724	11,413	2,369
Other payables	19	52,930	53,175	52,930	53,175
Total non-current liabilities		283,278	232,760	262,771	218,235
Current liabilities					
Trade and other payables	19	625,315	800,015	640,176	791,066
Lease liabilities	5A	6,346	4,163	5,098	2,983
Current tax liabilities	20(c)	30,247	46,010	22,898	37,712
Dividend payable	26	171,989	156,353	171,989	156,353
Total current liabilities		833,897	1,006,541	840,161	988,114
Total equity and liabilities		55,348,237	56,669,076	54,685,675	56,173,219

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 83 to 174 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 69 to 74.

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

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
Gross earned premiums	21	5,682,104	5,123,401	5,682,104	5,123,401
Premiums ceded to reinsurers		(174,795)	(166,590)	(174,795)	(166,590)
Net earned premiums		5,507,309	4,956,811	5,507,309	4,956,811
Fee income on insurance contracts		427,666	369,174	98,448	95,564
Investment income	22	1,673,714	1,456,347	1,724,688	1,539,082
Other income	23	1,644,090	945,266	1,643,635	944,576
(Loss)/Gain on exchange		(10,381)	264,759	(17,374)	227,011
Other operating income	6A	29,458	32,311	27,135	30,000
		9,271,856	8,024,668	8,983,841	7,793,044
Gross death and disability insurance claims		301,418	212,838	301,418	212,838
Recoverable from reinsurers		(30,647)	(35,447)	(30,647)	(35,447)
Net death and disability insurance claims		270,771	177,391	270,771	177,391
Maturity claims		2,330,282	2,012,637	2,330,282	2,012,637
Surrenders		706,471	447,385	706,471	447,385
Annuities		893,910	832,452	893,910	832,452
Commissions payable to agents and brokers		144,764	189,901	144,764	189,901
Fees payable		80,850	129,948	209,502	256,740
Depreciation, amortisation and write-off	5/5A/6/7	48,444	45,206	38,042	37,875
Movement in allowances for credit impairment of financial assets	11/12	(15,497)	6,198	(14,728)	1,971
Movement in allowances for credit impairment of non-financial assets		-	197	-	-
Impairment of financial assets	24B	6,358	15,908	6,270	15,908
Marketing and administrative expenses	24A	585,633	545,425	400,384	415,206
		5,051,986	4,402,648	4,985,668	4,387,466
Movement in Life Assurance Fund	16	(3,537,678)	(2,938,075)	(3,537,678)	(2,938,075)
Finance costs	25	583	569	465	386
Share of results of associated companies, net of tax	9	572	742	-	-
Profit before income tax expense		682,181	684,118	460,030	467,117
Income tax expense	20(a)	(29,481)	(54,517)	(13,445)	(37,712)
Profit for the year		652,700	629,601	446,585	429,405

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

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
Other comprehensive income, net of tax:					
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit obligations	18	(41,587)	6,772	(37,210)	2,059
Tax effect on remeasurements of post employment benefit obligations	17	744	(800)	-	-
		(40,843)	5,972	(37,210)	2,059
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets - net change in fair value	10A	(5,160,523)	4,771,836	(5,158,959)	4,766,230
Share of associate reserves	9	(1,403)	8,303	-	-
Exchange differences on translating foreign entities		(98)	182	-	-
		(5,162,024)	4,780,321	(5,158,959)	4,766,230
Movement in Life Assurance Fund:					
Remeasurements of defined benefit obligations		37,210	(2,059)	37,210	(2,059)
Available-for-sale financial assets - net change in fair value	16	5,158,959	(4,766,230)	5,158,959	(4,766,230)
		5,196,169	(4,768,289)	5,196,169	(4,768,289)
Other comprehensive income for the year, net of tax		(6,698)	18,004	-	-
Total comprehensive income for the year		646,002	647,605	446,585	429,405
Profit for the year attributable to:					
Owners of the parent		605,612	575,144	446,585	429,405
Non-controlling interests	15	47,088	54,457	-	-
		652,700	629,601	446,585	429,405
Total comprehensive income for the year attributable to:					
Owners of the parent		599,976	591,109	446,585	429,405
Non-controlling interests	15	46,026	56,496	-	-
		646,002	647,605	446,585	429,405
Basic/Diluted earnings per share (Rs/cts)	27	230.08	218.50	169.66	163.13

The notes on pages 83 to 174 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 69 to 74.

CONSOLIDATED AND SEPARATE
STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

THE GROUP

		Attributable to owners of the parent									
	Notes	Share capital	Retained earnings	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Amalgamation reserve	Foreign exchange difference reserve	Total owners' interest	Non-controlling interests	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2022		26,322	1,942,203	(1,720)	3,335	(2,539)	61,214	562	2,029,377	258,084	2,287,461
Total comprehensive income for the year:-											
Profit for the year		-	605,612	-	-	-	-	-	605,612	47,088	652,700
Other comprehensive income for the year:											
Available-for-sale financial assets - net change in fair value		-	-	(5,160,210)	-	-	-	-	(5,160,210)	(313)	(5,160,523)
Remeasurements of defined benefit obligations, net of tax		-	-	-	-	(40,133)	-	-	(40,133)	(710)	(40,843)
Share of associate reserves		-	-	-	(1,403)	-	-	-	(1,403)	-	(1,403)
Exchange differences on translating foreign entities		-	-	-	-	-	-	(59)	(59)	(39)	(98)
Transfer to life assurance fund		-	-	5,158,959	-	37,210	-	-	5,196,169	-	5,196,169
Total other comprehensive income for the year		-	-	(1,251)	(1,403)	(2,923)	-	(59)	(5,636)	(1,062)	(6,698)
Total comprehensive income for the year		-	605,612	(1,251)	(1,403)	(2,923)	-	(59)	599,976	46,026	646,002
Transaction with the own<ers of the Company:-											
Dividends	26	-	(171,989)	-	-	-	-	-	(171,989)	(14,003)	(185,992)
Balance at December 31, 2022		26,322	2,375,826	(2,971)	1,932	(5,462)	61,214	503	2,457,364	290,107	2,747,471

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

THE GROUP

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

The notes on pages 83 to 174 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 69 to 74.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2022

THE COMPANY

	Notes	Share capital	Retained earnings	Other reserves		Total Equity
				Amalgamation reserve	Other reserves	
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2022		26,322	1,268,591	61,214	468,429	1,824,556
Total comprehensive income for the year:-						
Profit for the year		-	446,585	-	-	446,585
Other comprehensive income for the year:						
Available-for-sale financial assets - net change in fair value		-	-	-	(5,158,959)	(5,158,959)
Remeasurements of defined benefit obligations, net of tax		-	-	-	(37,210)	(37,210)
		-	-	-	(5,196,169)	(5,196,169)
Movement in life assurance fund		-			5,196,169	5,196,169
Total other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	446,585	-	-	446,585
Transaction with the owners of the Company:-						
Dividends	26	-	(171,989)	-	-	(171,989)
Balance at December 31, 2022		26,322	1,543,187	61,214	468,429	2,099,152
Balance at January 1, 2021		26,322	995,539	61,214	468,429	1,551,504
Total comprehensive income for the year:-						
Profit for the year		-	429,405	-	-	429,405
Other comprehensive income for the year:						
Available-for-sale financial assets - net change in fair value		-	-	-	4,766,230	4,766,230
Remeasurements of defined benefit obligations, net of tax		-	-	-	2,059	2,059
		-	-	-	4,768,289	4,768,289
Movement in life assurance fund		-	-	-	(4,768,289)	(4,768,289)
Total other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	429,405	-	-	429,405
Transaction with the owners of the Company:-						
Dividends	26	-	(156,353)	-	-	(156,353)
Balance at December 31, 2021		26,322	1,268,591	61,214	468,429	1,824,556

The notes on pages 83 to 174 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 69 to 74.

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	28(a)	623,007	886,772	319,472	703,641
Investment income received		1,488,895	1,501,795	1,536,098	1,572,911
Tax and corporate social responsibility tax paid	20(c)	(44,683)	(16,356)	(28,259)	-
Interest paid	25	(583)	(569)	(465)	(386)
(Refund to)/Advance from Government		-	(284)	-	-
Net cash generated from operating activities		2,066,636	2,371,358	1,826,846	2,276,166
Cash flows from investing activities					
Purchase of property and equipment	5	(5,184)	(10,074)	(4,280)	(9,060)
Purchase of investment properties	6A	(1,444)	(2,594)	(1,444)	(2,489)
Purchase of intangible assets	7	(10,729)	(1,609)	(1,205)	(1,609)
Purchase of financial assets		(7,563,547)	(9,928,354)	(7,419,086)	(9,542,105)
Purchase of seized properties	13	(47,196)	(44)	(47,196)	(44)
Loans granted		(1,045,440)	(869,184)	(1,045,440)	(869,184)
Loans recovered		1,573,958	793,521	1,573,958	793,521
Proceeds from disposal and maturity of financial assets		6,872,733	7,526,906	6,867,988	7,361,457
Proceeds from sale of property and equipment		63	1,086	3	915
Proceeds from sale of investment properties		17,193	-	17,193	-
Proceeds from sale of seized properties		-	6,671	-	6,671
Net cash used in investing activities		(209,593)	(2,483,675)	(59,509)	(2,261,927)
Cash flows from financing activities					
Principal paid on lease liabilities	5A	(5,181)	(3,984)	(4,001)	(2,868)
Dividends paid to Company's shareholders	26	(156,353)	(156,353)	(156,353)	(156,353)
Dividends paid to non-controlling interest	15	(14,003)	(20,005)	-	-
Net cash used in financing activities		(175,537)	(180,342)	(160,354)	(159,221)
Increase/(Decrease) in cash and cash equivalents		1,681,506	(292,659)	1,606,983	(144,982)
Movement in cash and cash equivalents					
At January 1,		2,549,542	2,734,361	2,254,172	2,297,954
Increase/(Decrease) during the year		1,681,506	(292,659)	1,606,983	(144,982)
Effects of exchange rate changes		(55,511)	107,840	(55,190)	101,200
At December 31,	28(b)	4,175,537	2,549,542	3,805,965	2,254,172

The notes on pages 83 to 174 form an integral part of these consolidated and separate financial statements.

Auditors' report on pages 69 to 74.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

- Swan Life Ltd (the "Company") is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is Swan Centre, 10 Intendance Street, Port Louis. These consolidated and separate financial statements (the "financial statements") comprise of the Company and its subsidiaries (together the "Group") and will be submitted for consideration and approval at the forthcoming Annual Meeting of the Company.
- The principal activities of the Company consist of life insurance, pensions, actuarial and investment business and have remained unchanged during the year. The Company and its Subsidiaries listed in Note 8, forms the Group, and thereafter referred as the "Group".

2. PRINCIPAL ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

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

- available-for-sale financial assets that are stated at their fair values; and
- the liability for defined benefit obligations is recognised as the fair value of plan assets less the present value of the defined benefit obligations that are stated at their fair values.

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

The below table summarises the standards and amendments effective during the year ended 2022:

NO	STANDARDS OR AMENDMENTS	IMPACT ASSESSMENT
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 July 24, 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard will include changes in the measurement bases of the Group's and the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

IFRS 9 Financial Instruments (cont'd)

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

(a) Classification of financial assets and financial liabilities

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

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

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

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

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

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

(b) Impairment of financial assets

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

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

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

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

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

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

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

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

The subsidiaries and associates of the Company have already adopted IFRS 9. The directors have assessed that the impact of the adoption of IFRS 9 by the Company's subsidiaries and associates are immaterial on the consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

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

IFRS 9 Financial Instruments (cont'd)

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

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

The 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 iniatiatives.

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 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 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 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, trade and other recievables, 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 Company is in the process of assessing the impact on the classification of the available 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 amortised 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 Company is in the process of assessing the quantitative impact of impairment on the financial assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

IFRS 17 Insurance Contracts (and its related amendments)

The IASB issued IFRS 17 Insurance Contracts in May 2017 and on 25 June 2020, the IASB issued amendments to the standard. The effective date of IFRS 17 is for annual reporting periods beginning on or after 1 January 2023. The Group and Company shall apply the standard on 1 January 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 currently under review by various stakeholders before finalisation.

As at 31 December 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.

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 Company will focus on the following key areas during 2023:

- Finalising the initial run for 1 January 2022 and dry run for 1 January 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 group 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. 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 group 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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

Overview of IFRS 17 (cont'd)

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 group'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 group'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.

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 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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

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 income statement 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).

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.

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 Company has 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION (CONT'D)

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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

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

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

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

Land is not depreciated.

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

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

Gains and losses on disposal are determined by comparing proceeds with their carrying amount and are included in profit or loss.

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

2.3 INTANGIBLE ASSETS

Intangible assets consist of the following:

(i) Goodwill

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.3 INTANGIBLE ASSETS (CONT'D)

(i) Goodwill (cont'd)

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

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

Gain on bargain purchase represents the excess of net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed measured in terms of IFRS 3 over the sum of consideration transferred measured at the acquisition date fair value, the amount of non-controlling interests (NCI) in the acquiree measured in accordance with IFRS 3 and in a business achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree. Gain on bargain purchase is recognised immediately in profit or loss. (Refer to note 2.5)

Intangible assets consist of the following:

(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 2.17 (ii)) and written down. VOBA is derecognised when the related contracts are terminated, settled or disposed.

(iv) Customer portfolio

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

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

Amortisation of intangible assets

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

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

Impairment of intangible assets

(i) *Goodwill:*

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

(ii) *Other intangible assets:*

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.4.1 INVESTMENT PROPERTIES

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

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

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

Buildings	2%

Land is not depreciated.

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

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

2.4.2 SEIZED PROPERTIES

Seized properties represent properties acquired through auction at the Master's Bar further to the default of clients by the Company. The properties are held by the Group and the Company until they are sold. Seized properties are recognised at cost which represents the price paid at the Master's Bar together with all related expenses incurred on the acquisition. Realised loss/gain on the disposal of seized properties is taken to the profit or loss. No depreciation is charged on seized properties since they have beeen classified as current assets but they are assessed for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated and separate financial statements of profit or loss in the line item "Impairment of non-financial assets". Refer to note 2.9 for further details.

2.5 INVESTMENTS IN SUBSIDIARIES

Separate financial statements of the Company

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

Consolidated financial statements

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

The acquisition method of accounting is used to account for business combinations by the Group and the Company. The consideration transferred for the acquisition of a subsidiary is the acquisition date's fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group and the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Moreover, the consideration does not include any amounts related to the settlement of pre-existing relationships; which is rather recognised in profit or loss.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non controlling interest in the acquiree at fair value or at the non controlling interest's proportionate share of the acquiree's net assets.

Accounting policy on goodwill/bargain purchase arising on acquisition of subsidiaries is included under note 2.3(i).

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company. The impact of adoption of IFRS 9 by the Company's subsidiaries and associates are immaterial at Group level.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.5 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.

2.6 INVESTMENTS IN ASSOCIATED COMPANIES

Separate financial statements of the Company

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

Consolidated financial statements

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

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

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

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

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

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

2.7 INVESTMENTS IN STRUCTURED ENTITIES

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

The Company holds ownerships in one structured entity namely Swan Foundation. (Refer to note 8 (f)).

2.8 FINANCIAL INSTRUMENTS

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.8 FINANCIAL INSTRUMENTS (CONT'D)

(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.

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

Held-to-Maturity financial assets

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

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

Loans and receivables

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

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

Available-for-sale financial assets

These assets are initially measured at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on AFS instruments are recognised in OCI and accumulated in the fair value reserves. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. (Refer to Note 3.2.6 for details on classification).

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

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

Other financial liabilities

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

(d) Amortised cost measurement

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.8 FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair value measurement

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

(f) Identification and measurement of impairment

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

Objective evidence that financial assets are impaired includes:

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

Financial assets at amortised cost

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

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

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

Available- for- sale investments

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 consider a decline of 20% to be significant and a period of nine months to be prolonged.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.8 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 has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

(h) Specific instruments

Cash and cash equivalents

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

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

2.10.1 LEASES - AS LESSEE

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

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

Identifying Leases

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

(a) There is an identified asset;

(b) Right to control the identified asset;

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

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

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

In determining whether the Group and the Company 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.10.1 LEASES - AS LESSEE (CONT'D)

Identifying Leases (cont'd)

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.10.1 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 can not be readily determined.

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

2.10.2 LEASES - AS LESSOR

At inception or on modification of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease component on the basis of their relative standalone prices.

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

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

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

The Group and the company apply the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 5). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

2.11 SHARE CAPITAL AND RESERVES

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

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

2.12 EQUITY HOLDER'S SHARE OF SURPLUS

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

2.13 LIFE ASSURANCE FUND

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

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

Actuarial reserves

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.13 LIFE ASSURANCE FUND (CONT'D)

Actuarial reserves (cont'd)

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

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

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

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

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

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

Bonus Stabilisation Reserve

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

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

2.14 TECHNICAL PROVISIONS

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

2.15 RETIREMENT BENEFIT OBLIGATIONS

(i) Defined Benefit Plan

The following pension benefits are in place:

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

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

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

For Defined Benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which it occurs. Remeasurements recognised in other comprehensive income is reflected immediately in 'Actuarial gains/(losses)' (note 18(a)(vi)) and shall not be reclassified to profit or loss in subsequent periods.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.15 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(i) Defined Benefit Plan (cont'd)

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 benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in the profit or loss.

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

(ii) Defined Contribution Plan

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

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

(iii) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the gratuity on retirement payable under the Workers' Rights Act 2019 represents a defined benefit obligation. The present value of this defined benefit obligation is calculated by a qualified actuary using the projected unit credit method (refer to 2.15 (i)), and is provided for similarly to the defined benefit plan of the Group and the Company. Remeasurements are recognised in other comprehensive income (on the basis that this is a defined benefit obligation). The obligations arising under this plan are not funded.

(iv) Termination benefits

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

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

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

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

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

(a) when the employee accepts the offer; and

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.16 INCOME TAX EXPENSE

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

Current tax

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

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

Deferred tax

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

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

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

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

Deferred tax is not recognised for:

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

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

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

Corporate Social Responsibility (CSR)

Every Company in Mauritius is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year. The Company should remit 75% of the fund respectively to the Mauritian Tax Authorities and 25% is remitted to Swan Foundation (details on the entity is included in note 8 (f) (i)). This practice is interpreted and classified as taxation in the consolidated and separate financial statements (excluding foreign subsidiaries).

2.17 INSURANCE CONTRACTS

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.17 INSURANCE CONTRACTS (CONT'D)

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

Classification

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

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

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

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

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

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

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

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

(iii) Unit-Linked

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

(iv) Provision for unearned premiums

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.17 INSURANCE CONTRACTS - THE COMPANY (CONT'D)

Classification (cont'd)

(v) Insurance benefits and claims

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

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

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

2.18 REVENUE RECOGNITION

(i) Revenue

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

(ii) Insurance revenue

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

Gross earned premiums comprise the total premiums receivable for the accounting period. They start being recognised on the date on which the policy is effective.

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

Following a change in the Private Pension Scheme Act 2012 effective from January 01, 2015, the portfolio of the Defined Contribution group schemes and Defined Benefit group schemes aer in process of being transferred from Swan Life Ltd into separate trusts, Swan Defined Contribution Pension Scheme and Swan Defined Benefit Pension Scheme respectively. 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 FSC (governing body), in line with the 'The private pension schemes (Administration) rules 2014'.

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

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

(iii) Other revenue

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.18 REVENUE RECOGNITION (CONT'D)

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

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

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

The five steps in the model are as follows:

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

Disaggregation of revenue, performance obligations and significant judgments applied under IFRS 15:

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

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

2.19 REINSURANCE CONTRACTS

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

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

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

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

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

2.20 FOREIGN CURRENCIES

(a) Functional and presentation currency

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.20 FOREIGN CURRENCIES (CONT'D)

(b) Transactions and balances

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

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

(c) Translation of foreign entities

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

(i) assets and liabilities are translated at the end of the reporting period rate;

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

(iii) the resulting exchange differences are recognised in the 'foreign exchange difference reserve', as a separate component of equity.

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

2.21 PROVISIONS

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

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

2.22 DIVIDEND PAYABLE

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

2.23 COMMISSIONS PAYABLE

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

2.24 MARKETING AND ADMINISTRATIVE EXPENSES

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

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 insurance business and the way they are managed.

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

3.1 INSURANCE RISKS

The Company is the only entity within the Group which deals with insurance business. The Company has set up an Enterprise Risk Management Framework required under the Insurance (Risk Management) Rules 2016 made by the Financial Services Commission under section 130 of the Insurance Act and section 93 of the Financial Services Act 2007.

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

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

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

(a) **Insurance contracts**

(i) Concentration, frequency and severity of claims

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

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

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

Long term insurance

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

	THE GROUP & THE COMPANY	
Benefits assured per life assured at the end of 2022	**Total benefits insured Before reinsurance**	
	Rs'000	**%**
Rs'000		
0-1000	**26,817,812**	**23%**
1000-2000	**16,035,555**	**14%**
>2000	**74,478,452**	**63%**
	117,331,819	**100%**

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 RISKS (CONT'D)

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

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

Benefits assured per life assured at the end of 2021	THE GROUP & THE COMPANY Total benefits insured Before reinsurance	
	Rs'000	%
Rs'000		
0-1000	28,724,080	26%
1000-2000	15,250,035	14%
>2000	65,087,608	60%
	109,061,723	100%

*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.

Annuities payable per annum per life insured	THE GROUP & THE COMPANY			
	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 & THE COMPANY 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	46,188,882

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

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

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

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 RISKS (CONT'D)

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

(iii) Claims development

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

	2022	2021	2020	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross outstanding claims	296,866	296,975	321,410	261,096	278,908

3.2 FINANCIAL RISKS

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

The components of this financial risks are:

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

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

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

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

3.2.1 MARKET RISK

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

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

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

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 RISKS (CONT'D)

3.2.1 MARKET RISK

(i) **Currency risk**

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

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

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

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

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

At December 31, 2022	Rs.	JPY	USD	EUR	Others*	Total
Financial and insurance assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Available-for-sale financial assets	14,182,542	58,130	9,428,883	356,306	3,377	24,029,238
- Held-to-maturity financial assets	15,003,605	-	3,851,115	26,925	-	18,881,645
- Loans and receivables (Gross)	6,161,271	-	-	-	-	6,161,271
- Trade and other receivables (Gross)	1,235,116	-	34,068	14	2	1,269,200
- Short term deposits and Cash and cash equivalents	2,196,011	-	1,817,749	111,659	50,118	4,175,537
	38,778,545	58,130	15,131,815	494,904	3,379	54,516,891
Less allowances for credit impairment (Note 11 and 12)						(121,495)
Total						54,395,396
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund	51,132,212	-	-	-	-	51,132,212
· Gross outstanding claims	296,866	-	-	-	-	296,866
- Lease liabilities	17,866	-	-	-	-	17,866
- Trade and other payables	677,754	-	291	-	200	678,245
- Dividend payable	171,989	-	-	-	-	171,989
	52,296,687	-	291	-	200	52,297,178

*Others consist of the CHF, GBP, ZAR, SCR 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 RISKS (CONT'D)

3.2.1 MARKET RISK (CONT'D)

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

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

At December 31, 2021	Rs.	JPY	USD	EUR	Others*	Total
Financial and insurance assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Available-for-sale financial assets	13,892,848	73,119	13,911,837	1,025,565	6,299	28,909,668
- Held-to-maturity financial assets	14,548,869	-	2,077,812	-	-	16,626,681
- Loans and receivables (Gross)	6,705,353	-	-	-	-	6,705,353
- Trade and other receivables (Gross)	1,060,744	-	27,664	-	524	1,088,932
- Short term deposits and Cash and cash equivalents	1,498,943	-	973,819	37,948	38,832	2,549,542
	37,706,757	73,119	16,991,132	1,063,513	45,655	55,880,176
Less allowances for credit impairment (Note 11 and 12)						(140,183)
Total						55,739,993
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund	52,790,703	-	-	-	-	52,790,703
· Gross outstanding claims	296,975	-	-	-	-	296,975
- Lease liabilities	7,887	-	-	-	-	7,887
- Trade and other payables	852,694	-	132	158	206	853,190
- Dividend payable	156,353	-	-	-	-	156,353
	54,104,612	-	132	158	206	54,105,108

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

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 RISKS (CONT'D)

3.2.1 MARKET RISK (CONT'D)

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

Sensitivity

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

THE GROUP

	JPY			USD			EUR			OTHERS		
	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity
	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At December 31, 2022												
- Available-for-sale financial assets	-	1,744	1,744	-	282,866	282,866	-	10,689	10,689	-	101	101
- Held-to-maturity financial assets	-	-	-	115,533	-	115,533	808	-	808	-	-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	1,022	-	1,022	-	-	-	-	-	-
- Short term deposits and Cash and cash equivalents	-	-	-	54,532	-	54,532	3,350	-	3,350	1,504	-	1,504
	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At December 31, 2021												
- Available-for-sale financial assets	-	8,774	8,774	-	1,669,420	1,669,420	-	123,068	123,068	-	756	756
- Held-to-maturity financial assets		-	-	249,337	-	249,337	-	-	-		-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	3,320	-	3,320	-	-	-	63	-	63
- Short term deposits and Cash and cash equivalents	-	-	-	116,858	-	116,858	4,554	-	4,554	4,660	-	4,660

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 RISKS (CONT'D)

3.2.1 MARKET RISK (CONT'D)

(i) Currency risk (cont'd)

Sensitivity (cont'd)

THE COMPANY

	JPY			USD			EUR			OTHERS		
	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity	P&L	OCI	Equity
	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%	+/-3%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At December 31, 2022												
- Available-for-sale financial assets	-	1,744	1,744	-	281,938	281,938	-	10,689	10,689	-	92	92
- Held-to-maturity financial assets	-	-	-	99,032	-	99,032	-	-	-	-	-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Short term deposits and Cash and cash equivalents	-	-	-	52,277	-	52,277	3,224	-	3,224	1,335	-	1,335
	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%	+/-12%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- At December 31, 2021												
- Available-for-sale financial assets	-	8,774	8,774	-	1,668,175	1,668,175	-	123,068	123,068	-	716	716
- Held-to-maturity financial assets	-	-	-	194,582	-	194,582	-	-	-	-	-	-
- Loans and receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Net trade and other receivables (Gross)	-	-	-	-	-	-	-	-	-	-	-	-
- Short term deposits and Cash and cash equivalents	-	-	-	111,315	-	111,315	4,046	-	4,046	4,210	-	4,210

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 RISKS (CONT'D)
3.2.1 MARKET RISK (CONT'D)

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

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

At December 31, 2022	Rs.	JPY	USD	EUR	Others*	Total
Financial and insurance assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Available-for-sale financial assets	14,156,296	58,130	9,397,942	356,306	3,077	23,971,751
- Held-to-maturity financial assets	15,003,605	-	3,301,077	-	-	18,304,682
- Loans and receivables (Gross)	6,161,271	-	-	-	-	6,161,271
- Trade and other receivables (Gross)	1,230,472	-	-	-	-	1,230,472
- Short term deposits and Cash and cash equivalents	1,911,458	-	1,742,552	107,471	44,484	3,805,965
	38,463,102	58,130	14,441,571	463,777	47,561	53,474,141
Less allowances for credit impairment						(116,041)
Total						53,358,100
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund	51,132,212	-	-	-	-	51,132,212
· Gross outstanding claims	296,866	-	-	-	-	296,866
- Lease liabilities	16,511	-	-	-	-	16,511
- Trade and other payables	693,106	-	-	-	-	693,106
- Dividend payable	171,989	-	-	-	-	171,989
	52,310,684	-	-	-	-	52,310,684

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 RISKS (CONT'D)
3.2.1 MARKET RISK (CONT'D)

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

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

*Others consist of the CHF, GBP, ZAR, SCR 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 RISKS (CONT'D)

3.2.1 MARKET RISK (CONT'D)

(ii) Interest rate risk

THE GROUP

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

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	%	%	%	%
Held-to-Maturity investments	1.25 - 12.25	1.25 - 12.25	1.25 - 12.25	1.25 - 12.25
Loans and receivables	3.125 - 17.10	3.125 - 14.95	3.125 - 17.10	3.125 - 14.95
Cash and cash equivalents	1.90-3.10	0.00 - 0.50	1.90-3.10	0.00 - 0.50

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

	2022		2021	
	P&L	Equity	P&L	Equity
	Rs'000	Rs'000	Rs'000	Rs'000
Changes in interest rate	+/-2.45%		+/-1%	
The Group				
Held-to-Maturity investments	115,182	115,182	19,169	19,169
Loans and receivables	115,818	115,818	51,129	51,129
Short term deposits and Cash and cash equivalents	33,477	33,477	2,331	2,331
	264,477	264,477	72,629	72,629
The Company				
Held-to-Maturity investments	115,182	115,182	19,169	19,169
Loans and receivables	115,818	115,818	51,129	51,129
Short term deposits and Cash and cash equivalents	33,477	33,477	2,331	2,331
	264,477	264,477	72,629	72,629

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 RISKS (CONT'D)

3.2.1 MARKET RISK (CONT'D)

(ii) Interest rate risk (cont'd)

THE COMPANY

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

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

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

Management regularly monitors the sensitivity of reported interest rate movements.

(iii) Equity price risk

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

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

Sensitivity

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

	2022		2021	
	OCI	Equity	OCI	Equity
	Rs'000	Rs'000	Rs'000	Rs'000
Change in share price	+/-14%		+/-22%	
The Group	2,973,174	2,973,174	5,899,102	5,899,102
The Company	2,965,126	2,965,126	5,891,090	5,891,090

3.2.2 CREDIT RISK

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

- reinsurer's share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries;
- investment in held to maturity financial assets and available-for-sale debt securities;
- short terms deposits and cash and cash equivalents; and
- loans and receivables.

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 RISKS (CONT'D)

3.2.2 CREDIT RISK (CONT'D)

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

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

Reinsurance credit exposures - The Company

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

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Company's largest reinsurance counterparty is Swiss Re. At December 31, 2022, the reinsurance assets recoverable was Rs. 18.5 m (2021: Rs.11.0m).

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

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

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

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

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

Short term deposits and Cash and Cash equivalents

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

Loans and receivables

For loans, all borrowers undergo a credit assessment undertaken by credit specialists of the Group and the Company. The credit assessment seeks to provide for all defaulting loans for expected future losses from borrowers who represent significant default risks except for some types of loans such as policy loans and investment backed loans for which there is no such risk. A loan is considered to be in default when it is clearly visible that the client is having serious financial difficulties such that a repayment plan cannot be devised; the borrower has been put under bankruptcy or financial reorganisation. The value to be considered in determining the recoverable amount of an impaired loan, shall not exceed 50 per cent of the estimated value of the collateral, discounted to its present value.

Receivables arising from insurance contracts

The Company has no significant concentration of credit risk in respect of their insurance business with exposure spread over a large number of clients, sold directly or via a larger number of agents and brokers. The Company has policies in place to ensure that sales of services are made to clients, with sound credit history. In addition to that, contract terms provide for contract being paid up in case of long outstanding payment for premium receivable from individuals.

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

The concentration of receivables arising from insurance contracts between individuals and schemes are disclosed in note 12.

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 RISKS (CONT'D)

3.2.2 CREDIT RISK (CONT'D)

Receivables arising from insurance contracts (cont'd)

The following table provides information regarding the carrying value of financial and insurance assets:

	Neither past due nor impaired	Past due or impaired	Provision for impairment	Impaired	Carrying amount at year end
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2022					
- Available-for-sale financial assets (Debt)	**1,279,175**	**-**	**-**	**-**	**1,279,175**
- Held-to-maturity financial assets	**18,881,645**	**-**	**-**	**-**	**18,881,645**
- Trade and other receivables	**1,228,564**	**40,724**	**(40,636)**	**(88)**	**1,228,564**
- Loans and receivables	**5,868,484**	**292,787**	**(80,859)**	**-**	**6,080,412**
- Short term deposits and Cash and cash equivalents	**4,175,537**	**-**	**-**	**-**	**4,175,537**
2021					
- Available-for-sale financial assets (Debt)	554,105	4,302	-	(4,302)	554,105
- Held-to-maturity financial assets	16,626,681	-	-	-	16,626,681
- Trade and other receivables	1,044,336	52,186	(44,596)	(7,590)	1,044,336
- Loans and receivables	6,397,748	311,621	(95,587)	(4,016)	6,609,766
- Short term deposits and Cash and cash equivalents	2,549,542	-	-	-	2,549,542
THE COMPANY					
2022					
- Available-for-sale financial assets (Debt)	**1,279,175**	**-**	**-**	**-**	**1,279,175**
- Held-to-maturity financial assets	**18,304,682**	**-**	**-**	**-**	**18,304,682**
- Trade and other receivables	**1,195,290**	**35,182**	**(35,182)**	**-**	**1,195,290**
- Loans and receivables	**5,868,484**	**292,787**	**(80,859)**	**-**	**6,080,412**
- Short term deposits and Cash and cash equivalents	**3,805,965**	**-**	**-**	**-**	**3,805,965**
2021					
- Available-for-sale financial assets (Debt)	554,105	4,302	-	(4,302)	554,105
- Held-to-maturity financial assets	16,170,384	-	-	-	16,170,384
- Trade and other receivables	969,772	42,772	(35,182)	(7,590)	969,772
- Loans and receivables	6,397,748	311,621	(95,587)	(4,016)	6,609,766
- Short term deposits and Cash and cash equivalents	2,254,172	-	-	-	2,254,172

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISKS (CONT'D)

3.2.3 LIQUIDITY RISK

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

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

THE GROUP

Maturity analysis of financial and insurance assets and liabilities:

At December 31, 2022	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	24,029,238	-	-	-	24,029,238	24,029,238
- Held-to-maturity financial assets	18,881,645	2,384,804	9,100,560	13,493,789	-	24,979,153
- Loans and receivables (Gross)	6,161,271	746,649	1,693,140	6,729,279	-	9,169,068
- Trade and other receivables (Gross)	1,269,200	1,269,200	-	-	-	1,269,200
- Short term deposits and cash and cash equivalents	4,175,537	4,175,537	-	-	-	4,175,537
	54,516,891	8,576,190	10,793,700	20,223,068	24,029,238	63,622,196
Less allowances for credit impairment	(121,495)					
Total	54,395,396					
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
· Gross outstanding claims **	296,866	-	296,866	-	-	296,866
- Lease liabilities	17,866	7,106	12,370	-	-	19,476
- Trade and other payables	678,245	678,245	-	-	-	678,245
- Dividend payable	171,989	171,989	-	-	-	171,989
	52,297,178	2,343,783	4,850,113	12,617,958	32,486,934	52,298,788

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 RISKS (CONT'D)

3.2.3 LIQUIDITY RISK (CONT'D)

THE GROUP

Maturity analysis of financial and insurance assets and liabilities:

At December 31, 2021	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	>5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	28,909,668	-	-	-	28,909,668	28,909,668
- Held-to-maturity financial assets	16,626,681	2,441,553	8,871,432	13,005,646	-	24,318,631
- Loans and receivables (Gross)	6,705,353	1,180,093	842,001	5,189,824	-	7,211,918
- Trade and other receivables (Gross)	1,088,932	1,081,178	4,000	1,500	-	1,086,678
- Short term deposits and cash and cash equivalents	2,549,542	2,549,542	-	-	-	2,549,542
	55,880,176	7,252,366	9,717,433	18,196,970	28,909,668	64,076,437
Less allowances for credit impairment	(140,183)					
Total	55,739,993					
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund *	52,790,703	1,486,704	4,891,293	13,362,216	33,050,490	52,790,703
· Gross outstanding claims **	296,975	-	296,975	-	-	296,975
- Lease liabilities	7,887	4,495	3,831	-	-	8,326
- Trade and other payables	853,190	800,015	53,175	-	-	853,190
- Dividend payable	156,353	156,353	-	-	-	156,353
	54,105,108	2,447,567	5,245,274	13,362,216	33,050,490	54,105,547

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISKS (CONT'D)

3.2.3 LIQUIDITY RISK (CONT'D)

THE COMPANY

Maturity analysis of financial and insurance assets and liabilities:

At December 31, 2022	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	>5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	23,971,751	-	-	-	23,971,751	23,971,751
- Held-to-maturity financial assets	18,304,682	2,366,096	8,888,634	13,068,327	-	24,323,057
- Loans and receivables (Gross)	6,161,271	746,649	1,693,140	6,729,279	-	9,169,068
- Trade and other receivables (Gross)	1,230,472	1,230,472	-	-	-	1,230,472
- Short term deposits and cash and cash equivalents	3,805,965	3,805,965	-	-	-	3,805,965
	53,474,141	8,149,182	10,581,774	19,797,606	23,971,751	62,500,313
Less allowances for credit impairment	(116,041)					
Total	53,358,100					
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
· Gross outstanding claims **	296,866	-	296,866	-	-	296,866
- Lease liabilities	16,511	5,814	12,263	-	-	18,077
- Trade and other payables	693,106	640,176	52,930	-	-	693,106
- Dividend payable	171,989	171,989	-	-	-	171,989
	52,310,684	2,304,422	4,902,936	12,617,958	32,486,934	52,312,250

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 RISKS (CONT'D)

3.2.3 LIQUIDITY RISK (CONT'D)

THE COMPANY

Maturity analysis of financial and insurance assets and liabilities:

At December 31, 2021	Carrying Amount	Undiscounted cash flows < 1 year	1 to 5 years	>5 years	No stated Maturity	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial and insurance assets						
- Available-for-sale financial assets	28,873,246	-	-	-	28,873,246	28,873,246
- Held-to-maturity financial assets	16,170,384	2,441,553	8,871,432	13,005,646	-	24,318,631
- Loans and receivables (Gross)	6,705,353	1,180,093	842,001	5,189,824	-	7,211,918
- Trade and other receivables (Gross)	1,004,954	1,004,954	-	-	-	1,004,954
- Short term deposits and cash and cash equivalents	2,254,172	2,254,172	-	-	-	2,254,172
	55,008,109	6,880,772	9,713,433	18,195,470	28,873,246	63,662,921
Less allowances for credit impairment	(130,769)					
Total	54,877,340					
Financial and Insurance liabilities						
- Technical Provisions:						
· Life assurance fund *	52,790,703	1,486,704	4,891,293	13,362,216	33,050,490	52,790,703
· Gross outstanding claims **	296,975	-	296,975	-	-	296,975
- Lease liabilities	5,352	3,203	2,431	-	-	5,634
- Trade and other payables	844,241	791,066	53,175	-	-	844,241
- Dividend payable	156,353	156,353	-	-	-	156,353
	54,093,624	2,437,326	5,243,874	13,362,216	33,050,490	54,093,906

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

** Outstanding claims have been classified within the '1 -5 years' bucket as it represents the normal payment cycle of the Company.

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

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISKS (CONT'D)

3.2.4 CAPITAL MANAGEMENT

The main objectives of the Company when managing capital are:

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

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

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

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

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

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

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

3.2.5 FAIR VALUE ESTIMATION

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Only available-for-sale financial assets are measured at fair value in the consolidated and separate financial statements.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. Refer to note 4.11 for further details.

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

3.2 FINANCIAL RISKS (CONT'D)

3.2.6 FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUES

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

				THE GROUP				THE COMPANY			
				2022		2021		2022		2021	
	IAS 39 classification	Fair Value Hierarchy	Notes	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
				Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's	Rs 000's
Financial and insurance assets											
Available-for-sale financial assets											
- Quoted securities	Available-for-sale	Level 1	Note 10	19,923,734	19,923,734	25,961,995	25,961,995	19,895,713	19,895,713	26,189,134	26,189,134
- Investment funds	Available-for-sale	Level 2	Note 10	1,348,265	1,348,265	598,960	598,960	1,318,799	1,318,799	588,546	588,546
- Unquoted securities	Available-for-sale	Level 3	Note 10	2,757,239	2,757,239	2,348,713	2,348,713	2,757,239	2,757,239	2,095,566	2,095,566
Held-to-maturity financial assets	Held-to-maturity	NA	Note 10	18,881,645	19,807,640	16,626,681	17,756,207	18,304,682	19,230,677	16,170,384	17,302,772
Loans and receivables	Loans and receivables	NA	Note 11	6,080,412	6,080,412	6,609,766	6,609,766	6,080,412	6,080,412	6,609,766	6,609,766
Trade and other receivables	Loans and receivables	NA	Note 12	1,228,564	1,228,564	1,044,336	1,044,336	1,195,290	1,195,290	969,772	969,772
Short term deposits and cash and cash equivalents	Loans and receivables	NA	Note 28(b)	4,175,537	4,175,537	2,549,542	2,549,542	3,805,965	3,805,965	2,254,172	2,254,172
				54,395,396		55,739,993		53,358,100		54,877,340	
Financial and insurance liabilities											
Technical Provisions:											
- Life assurance fund	NA	NA	Note 16	51,132,212	51,132,212	52,790,703	52,790,703	51,132,212	51,132,212	52,790,703	52,790,703
- Gross outstanding claims	NA	NA	Note 29(a)	296,866	296,866	296,975	296,975	296,866	296,866	296,975	296,975
Lease liabilities	Other financial liabilities	NA	Note 5A	17,866	17,866	7,887	7,887	16,511	16,511	5,352	5,352
Trade and other payables	Other financial liabilities	NA	Note 19	678,245	678,245	853,190	853,190	693,106	693,106	844,241	844,241
Dividend payable	Other financial liabilities	NA	Note 26	171,989	171,989	156,353	156,353	171,989	171,989	156,353	156,353
				868,100		1,017,430		881,606		1,005,946	

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 RISKS (CONT'D)

3.2.6 FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUES (CONT'D)

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

The held to maturity financial assets comprise of fixed and variable rate instruments. The fair value of the fixed rate instruments of Group and the Company differs from its carrying amount by Rs'000 925,995 (2021 : Rs'000 1,129,526) for the Group and Rs'000 925,995 (2021: Rs'000 1,132,388) . This relates to fixed interest instruments whose been fair value have been determined using level 3 valuation techniques. The carrying value of the variable rate instruments approximate their fair value. The carrying value of the loans and receivables approximate their fair values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Critical accounting estimates and assumptions

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

4.1 INSURANCE CONTRACTS - THE COMPANY

(i) *Estimates of future liabilities*

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

4.1 INSURANCE CONTRACTS - THE COMPANY (CONT'D)

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

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

(i) Mortality risk – risk of loss arising due to policyholder death experience being different than expected

(ii) Morbidity risk – risk of loss arising due to policyholder health experience being different than expected

(iii) Longevity risk – risk of loss arising due to the annuitant living longer than expected

(iv) Investment return risk – risk of loss arising from actual returns being different than expected

(v) Expense risk – risk of loss arising from expense experience being different than expected

(vi) Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

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

(ii) Sensitivity

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

The results of the sensitivity testing are presented in the table below. It shows the impact of changing one item of the basis while keeping all other items in line with the base run:

	THE GROUP AND THE COMPANY			
	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%

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 - THE COMPANY (CONT'D)

(ii) Sensitivity (cont'd)

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

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

** Total assets excludes intangibles and includes shareholders non distributable reserves.

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

4.2 REINSURANCE - THE COMPANY

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

4.3 IMPAIRMENT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

4.4 IMPAIRMENT OF OTHER ASSETS

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

4.5 PENSION BENEFITS

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

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

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

Additional information is disclosed in Note 18.

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)

4.6 FAIR VALUE OF SECURITIES NOT QUOTED IN AN ACTIVE MARKET

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

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.

4.7 ASSET LIVES AND RESIDUAL VALUES

Property and equipment and intangible assets (except for goodwill) are depreciated and amortised respectively over their estimated useful lives taking into account residual values, where appropriate. The estimated lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing the estimated useful life an asset, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets. The depreciation/amortisation rates and methods have been disclosed in note 2.2 and note 2.3.

4.8 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

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

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

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

4.9 CONTROL OVER SUBSIDIARIES

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

4.10 SIGNIFICANT INFLUENCE OVER ASSOCIATES

The Directors of the Group and the Company assess whether or not the Group and the Company have significant influence over its associates. In making their judgment, the Directors consider the nature and structure of the relationship and other facts and circumstances. The Directors have concluded that the Group and the Company have significant influence over its associates as detailed in note 9.

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

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)

4.11 FAIR VALUATION OF UNQUOTED AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

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

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

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

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 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 Price-Earnings ratio shows the expectations of the market and represent the price per unit of current earnings.

- Dividend Yield Ratio

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

5. PROPERTY AND EQUIPMENT

(a) THE GROUP

	Freehold land and buildings	Furniture fixtures & fittings	Computer equipment	Electrical equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At January 1, 2021	312,452	86,593	68,364	2,248	31,186	500,843
Transfer to investment property (note6(A))	(4,041)	-	-	-	-	(4,041)
Additions	540	492	7,755	-	1,287	10,074
Disposals	-	(88)	-	-	(5,430)	(5,518)
At December 31, 2021/ January 01, 2022	**308,951**	**86,997**	**76,119**	**2,248**	**27,043**	**501,358**
Additions	-	710	4,474	-	-	5,184
Disposals	-	-	(2,191)	-	-	(2,191)
At December 31, 2022	**308,951**	**87,707**	**78,402**	**2,248**	**27,043**	**504,351**
DEPRECIATION						
At January 1, 2021	86,499	68,481	52,746	2,248	13,349	223,323
Transfer to investment property (note6(A))	(757)	-	-	-	-	(757)
Charge for the year	5,772	4,538	10,617	-	3,286	24,213
Disposal adjustments	-	(88)	-	-	(4,489)	(4,577)
At December 31, 2021/ January 01, 2022	**91,514**	**72,931**	**63,363**	**2,248**	**12,146**	**242,202**
Charge for the year	5,772	3,541	10,481	-	3,293	23,087
Disposal adjustments			(2,191)	-	-	(2,191)
At December 31, 2022	**97,286**	**76,472**	**71,653**	**2,248**	**15,439**	**263,098**
CARRYING AMOUNTS						
At December 31, 2022	**211,665**	**11,235**	**6,749**	**-**	**11,604**	**241,253**
At December 31, 2021	217,437	14,066	12,756	-	14,897	259,156

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 (CONT'D)

(b) THE COMPANY

	Buildings	Furniture fixtures & fittings	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2021	288,061	77,967	62,060	29,904	457,992
Additions	540	492	6,741	1,287	9,060
Disposals	-	(88)	-	(4,150)	(4,238)
At December 31, 2021/ January 01, 2022	**288,601**	**78,371**	**68,801**	**27,041**	**462,814**
Additions	-	709	3,571	-	4,280
Disposals	-	-	(145)	-	(145)
At December 31, 2022	**288,601**	**79,080**	**72,227**	**27,041**	**466,949**
DEPRECIATION					
At January 1, 2021	85,821	59,810	48,195	12,074	205,900
Charge for the year	5,772	4,515	9,994	3,285	23,566
Disposal adjustments	-	(88)	-	(3,209)	(3,297)
At December 31, 2021/ January 01, 2022	**91,593**	**64,237**	**58,189**	**12,150**	**226,169**
Charge for the year	5,772	3,523	9,556	3,286	22,137
Disposal adjustments	-	-	(145)	-	(145)
At December 31, 2022	**97,365**	**67,760**	**67,600**	**15,436**	**248,161**
CARRYING AMOUNTS					
At December 31, 2022	**191,236**	**11,320**	**4,627**	**11,605**	**218,788**
At December 31, 2021	197,008	14,134	10,612	14,891	236,645

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.(i) RIGHT-OF-USE ASSETS

	THE GROUP	THE COMPANY
Buildings	Rs'000	Rs'000
Carrying amount at January 1, 2021	11,134	7,666
Depreciation	(3,950)	(2,825)
Carrying amount at December 31, 2021/ January 01, 2022	**7,184**	**4,841**
Additions	15,160	15,160
Depreciation	(4,909)	(3,784)
Carrying amount at December 31, 2022	**17,435**	**16,217**

(ii) LEASE LIABILITIES

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At January 1, 2021	11,871	8,220
Interest expense	562	386
Lease payments	(4,546)	(3,254)
At December 31, 2021/ January 01, 2022	**7,887**	**5,352**
Additions	15,160	15,160
Interest expense	577	465
Lease payments	(5,758)	(4,466)
At December 31, 2022	**17,866**	**16,511**

Analysed as:	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current	6,346	4,163	5,098	2,983
Non-current	11,520	3,724	11,413	2,369
	17,866	7,887	16,511	5,352

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

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

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

The Group and the Company lease a number of office space in the following regions in Mauritius; Black River, Goodlands, Rose Belle, Quatre Bornes, Curepipe, Cascavelle and Ebène.

(v) **Lease term**

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

(vi)

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense (Included in finance costs - Note 25)	577	562	465	386

The total cash outflows for leases in 2022 was Rs 5,758,000 (2021: Rs 4,546,000) for the Group and Rs 4,466,000 (2021: Rs 3,254,000) for the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

6A. INVESTMENT PROPERTIES

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
COST		
At January 1, 2021	539,075	501,561
Transfer from property and equipment (Note 5(a))	4,041	-
Additions	2,594	2,489
At December 31, 2021/ January 01, 2022	545,710	504,050
Additions	1,444	1,444
Disposals	(6,169)	(6,169)
At December 31, 2022	540,985	499,325
DEPRECIATION		
At January 1, 2021	113,758	113,503
Transfer from property and equipment (Note 5(a))	757	-
Charge for the year	9,090	9,090
At December 31, 2021/ January 01, 2022	123,605	122,593
Charge for the year	9,117	9,117
At December 31, 2022	132,722	131,710
CARRYING AMOUNT		
At December 31, 2022	408,263	367,615
At December 31, 2021	422,105	381,457

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31,	1,563,835	1,563,835	1,469,110	1,469,110

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

The investment properties were last revalued in November 2020 by Messrs Noor Dilmohamed & Associates, an independent professionally qualified valuer. The fair value was determined on an open market value basis by reference to market evidence of transaction prices for similar properties using comparative cost approach and income capitalization 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 determined using unobservable inputs and are classified under level 3 hierarchy in the fair value hierarchy table as per IFRS 13 *Fair value measurement*.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

6A. INVESTMENT PROPERTIES (CONT'D)

The following have been recognised in the profit or loss.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income	29,458	32,311	27,135	30,000
Direct operating expenses from investment properties that generate rental income	9,662	10,707	9,080	10,222
Direct operating expenses from investment properties that do not generate rental income	10,459	17,937	10,459	17,751

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Less than one year	33,537	25,976	28,242	21,656
One to two years	18,154	16,191	13,104	11,871
Two to three years	14,424	9,513	9,549	5,438
Three to four years	10,142	8,458	5,267	4,558
Four to five years	7,105	7,290	2,230	3,390
More than five years	46,700	35,148	4,775	1,998
Total	130,062	102,576	63,167	48,911

7. INTANGIBLE ASSETS

(a) THE GROUP

	Goodwill	Computer software	VOBA	Customer portfolio	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2021	66,122	18,971	28,477	55,375	168,945
Additions	-	1,609	-	-	1,609
At December 31, 2021/ January 01, 2022	66,122	20,580	28,477	55,375	170,554
Additions	-	10,729	-	-	10,729
At December 31, 2022	66,122	31,309	28,477	55,375	181,283
AMORTISATION					
At January 1, 2021	-	18,194	20,879	44,300	83,373
Charge for the year	-	518	1,898	5,537	7,953
At December 31, 2021/ January 01, 2022	-	18,712	22,777	49,837	91,326
Charge for the year		3,895	1,898	5,538	11,331
At December 31, 2022	-	22,607	24,675	55,375	102,657
CARRYING AMOUNTS					
At December 31, 2022	66,122	8,702	3,802	-	78,626
At December 31, 2021	66,122	1,868	5,700	5,538	79,228

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

7. INTANGIBLE ASSETS (CONT'D)

(b) THE COMPANY

	Computer software	VOBA	Total
	Rs'000	Rs'000	Rs'000
COST			
At January 1, 2021	12,020	28,477	40,497
Additions	1,609	-	1,609
At December 31, 2021/ January 01, 2022	**13,629**	**28,477**	**42,106**
Additions	**1,205**	**-**	**1,205**
At December 31, 2022	**14,834**	**28,477**	**43,311**
AMORTISATION			
At January 1, 2021	11,897	20,879	32,776
Charge for the year	496	1,898	2,394
At December 31, 2021/ January 01, 2022	**12,393**	**22,777**	**35,170**
Charge for the year	**1,106**	**1,898**	**3,004**
At December 31, 2022	**13,499**	**24,675**	**38,174**
CARRYING AMOUNTS			
At December 31, 2022	**1,335**	**3,802**	**5,137**
At December 31, 2021	1,236	5,700	6,936

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2022	2021
	Rs'000	Rs'000
(a) UNQUOTED		
At January 1,	**548,512**	548,512
Additions	-	-
At December 31,	**548,512**	548,512

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The financial statements of the following subsidiaries, incorporated in Mauritius, have been included in the consolidated and separate financial statements for the year ended December 31, 2022 and 2021. The subsidiaries have a reporting date of December 31st and operate on the local market.

Name of subsidiaries	Class of shares held	Stated capital	Nominal value of investment	Proportion of ownership interest: Direct	Proportion of ownership interest: Indirect	Proportion of ownership interests held by non-controlling interests	Place of business	Country of incorporation	Main business
		Rs'000	Rs'000	%	%	%			
· Manufacturers' Distributing Station Limited	Ordinary	961	47,686	99.80%	-	0.20%	Port Louis	Mauritius	· Investment company
· Société de la Croix	Parts	2,500	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Property management
· Société de la Montagne	Parts	45,604	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Property management
· Société de la Rivière	Parts	2,500	-	0%	99.80%	0.20%	Port Louis	Mauritius	· Property management
· Swan Pensions Ltd	Ordinary	4,100	22,825	100%	-	-	Port Louis	Mauritius	· Pension and fund administration
· Swan Financial Solutions Ltd	Ordinary	586,876	469,500	80.00%	-	20.00%	Port Louis	Mauritius	· Investment company
· Swan Wealth Managers Ltd	Ordinary	1,600	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Fund management and investment consulting
· Swan Securities Ltd	Ordinary	10,000	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Stockbroking
· Swan Corporate Advisors Ltd	Ordinary	1,300	-	0%	80.00%	20.00%	Port Louis	Mauritius	· Advisory
· Swan Pensions Rwanda (SPR) Ltd	Ordinary	2,485	-	0%	60.00%	40.00%	Rwanda	Rwanda	· Pension administration
· Swan Foundation*	Limited by guarantee	1	1	50.00%	-	50.00%	Port Louis	Mauritius	· Management of Swan Group CSR fund (not consolidated)
· Swan Actuarial Services Ltd	Ordinary	1,100	8,500	100%	-	0%	Port Louis	Mauritius	· Actuarial services
			548,511						

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Details for subsidiaries are as follows:

Name of subsidiary	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
2022	**Rs'000**	**Rs'000**
· Manufacturers' Distributing Station Limited (group)	**5**	**228**
· Swan Financial Solutions Ltd	**(1,442)**	**(39,883)**
· Swan Wealth Managers Ltd	**46,248**	**307,918**
· Swan Securities Ltd	**1,653**	**20,475**
· Swan Corporate Advisors Ltd	**643**	**654**
· Swan Pensions Rwanda (SPR) Ltd	**(19)**	**715**
	47,088	**290,107**
2021		
· Manufacturers' Distributing Station Limited (group) *	5	226
· Swan Financial Solutions Ltd *	(1,317)	(25,441)
· Swan Wealth Managers Ltd *	53,862	262,316
· Swan Securities Ltd *	1,821	20,198
· Swan Corporate Advisors Ltd *	105	11
· Swan Pensions Rwanda (SPR) Ltd *	(19)	774
	54,457	258,084

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(d) Summarised financial information on subsidiaries

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

Name of subsidiary	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non-controlling interests
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
· Manufacturers' Distributing Station Limited (group)	**10,689**	**96,632**	**1,374**	**-**	**4,033**	**6,500**	**-**	**6,500**	**3**
· Swan Pensions Ltd	**116,712**	**8,231**	**41,119**	**5,954**	**87,827**	**17,854**	**(82)**	**17,772**	**-**
· Swan Financial Solutions Ltd	**57,955**	**531,501**	**1,119**	**-**	**80,000**	**72,789**	**-**	**72,789**	**13,000**
· Swan Wealth Managers Ltd	**248,966**	**578,899**	**23,361**	**9,607**	**301,676**	**231,297**	**(2,144)**	**229,153**	**-**
· Swan Securities Ltd	**69,141**	**47,294**	**30,938**	**5,063**	**28,494**	**8,134**	**(2,970)**	**5,164**	**1,000**
· Swan Corporate Advisors Ltd	**6,145**	**-**	**1,582**	**-**	**5,070**	**3,217**	**-**	**3,217**	**-**
· Swan Pensions Rwanda (SPR) Ltd	**2,954**	**394**	**200**	**-**	**-**	**(46)**	**-**	**(46)**	**-**
· Swan Actuarial Services Ltd	**28,360**	**341**	**16,671**	**-**	**34,803**	**17,107**	**-**	**17,107**	**-**
2021									
· Manufacturers' Distributing Station Limited (group)	9,237	41,685	988	-	4,603	2,526	-	2,526	5
· Swan Pensions Ltd	98,363	4,299	31,008	4,557	69,172	16,584	(292)	16,292	-
· Swan Financial Solutions Ltd	43,962	537,046	460	-	78,000	71,416	-	71,416	20,000
· Swan Wealth Managers Ltd	223,108	463,321	35,821	8,564	295,218	269,308	758	270,066	-
· Swan Securities Ltd	70,110	44,676	31,230	3,419	25,560	9,069	9,092	18,161	-
· Swan Corporate Advisors Ltd	2,003	-	656	-	698	(382)	-	(382)	-
· Swan Pensions Rwanda (SPR) Ltd	451	3,048	206	-	-	(49)	-	(49)	-
· Swan Actuarial Services Ltd	11,426	234	6,737	-	9,755	3,669	-	3,669	-

The amounts are based on unaudited financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

(ii) *Summarised cash flow information:*

Name of subsidiary	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
2022	Rs'000	Rs'000	Rs'000	Rs'000
· Manufacturers' Distributing Station Limited (group)	(1,554)	-	(1,300)	(2,854)
· Swan Pensions Ltd	50,124	(3,132)	(880)	46,112
· Swan Financial Solutions Ltd	(996)	80,000	(65,000)	14,004
· Swan Wealth Managers Ltd	182,049	(114,505)	(76,412)	(8,868)
· Swan Securities Ltd	19,243	(4,548)	(1,292)	13,403
· Swan Corporate Advisors Ltd	4,041	-	-	4,041
· Swan Pensions Rwanda (SPR) Ltd	(8)	-	-	(8)
· Swan Actuarial Services Ltd	12,288	-	-	12,288
2021	Rs'000	Rs'000	Rs'000	Rs'000
· Manufacturers' Distributing Station Limited (group)	2,510	432	(2,500)	442
· Swan Pensions Ltd	11,580	(219)	(10,881)	480
· Swan Financial Solutions Ltd	(1,055)	78,000	(100,000)	(23,055)
· Swan Wealth Managers Ltd	215,541	(202,429)	(79,412)	(66,300)
· Swan Securities Ltd	(25,620)	(7,360)	(1,292)	(34,272)
· Swan Corporate Advisors Ltd	(56)	-	-	(56)
· Swan Pensions Rwanda (SPR) Ltd	12	-	-	12
· Swan Actuarial Services Ltd	2,215	-	-	2,215

The amounts are based on unaudited financial statements.

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

(e) **Interest in structured entities not consolidated**

(i) **Swan Foundation**

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

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

Both Swan Life Ltd and Swan General Ltd had made a capital injection in prior years of Rs.500 to Swan Foundation, which represents the Group's maximum exposure to loss from its interests in Swan Foundation.

The main activity of the organisation is to collect Corporate Social Responsibility (CSR) contributions from the Group companies in order to donate to approved Non-Governmental Organisations (NGO) and other approved corporate partners. Swan Foundation is governed by CSR guidelines.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) **Interest in structured entities not consolidated (cont'd)**

(i) **Swan Foundation (cont'd)**

Yearly contribution made to Swan Foundation represents 50% of CSR amount (equivalent to 2% of Taxable profit of Group Companies). The amount paid is recognised as an expense within the 'Income tax expense' in the Statement of Profit and Loss and accrued as 'Other payables' within Current Liabilities in the Statement of Financial Position.

During the year ended December 31, 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.

Name of Entity	Country of incorporation	Contributors	Amount	Holdings
Swan Foundation	Mauritius	Swan Life Ltd	Rs.500	50%

Below are the summarised results and financial position of the unconsolidated structured entity:

	2022	2021
	Rs'000	Rs'000
Revenue	1,090	971
Deficit for the year	(1)	(787)
Current Assets	204	658
Current Liabilities	203	546
Total Equity	1	112

9. INVESTMENTS IN ASSOCIATED COMPANIES

(a) **THE COMPANY**

	2022	2021
	Rs'000	Rs'000
At January 1,	4,364	4,364
Additions	-	-
At December 31,	4,364	4,364

(b) **GROUP'S SHARE OF NET ASSETS**

	2022	2021
	Rs'000	Rs'000
At January 1,	34,714	25,669
Share of results of associated companies	572	742
Share of other comprehensive income	(1,733)	6,640
Exchange differences on translation	330	1,663
At December 31,	33,883	34,714

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YEAR ENDED DECEMBER 31, 2022

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

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

Name	Carrying Amount	Carrying Amount	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest Direct
	2022	2021					
	Rs'000	Rs'000					
Swan Corporate Affairs Ltd	500	500	Dec-31	Secretarial	Port Louis	Mauritius	50%
Swan International Co Ltd	114	114	Dec-31	Reinsurance brokers and consultants	Port Louis	Mauritius	49%
Swan Wealth International Ltd	3,750	3,750	Dec-31	Investment holding	Port Louis	Mauritius	50%
	4,364	4,364					

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

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

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

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

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend received during the year
2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Swan Corporate Affairs Ltd	11,570	2,266	3,411	-	4,654	772	-	772	-
Swan International Co Ltd	4,840	46,443	1,086		1,538	458	(2,863)	(2,405)	-
Swan Wealth International Ltd*	7,500	-	795	-	-	(83)	-	(83)	-
2021									
Swan Corporate Affairs Ltd	11,344	2,554	4,243	-	5,082	1,620	-	1,620	-
Swan International Co Ltd	6,180	49,350	2,931	-	2,226	91	13,550	13,641	-
Swan Wealth International Ltd*	7,500	-	719	-	-	(153)	-	(153)	-

*The amounts are based on unaudited financial statements.

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

YEAR ENDED DECEMBER 31, 2022

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(e) **Reconciliation of summarised financial information**

Name	Opening net assets January 1,	Profit/(loss) for the year	Other comprehensive income for the year	Other equity movement	Dividend	Closing net assets December 31,	Ownership interest	Interest in associates	Goodwill	Carrying value
2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
Swan Corporate Affairs Ltd	9,657	772	-	-	-	10,429	50%	5,215	-	5,215
Swan International Co Ltd	52,599	458	(2,863)	-	-	50,194	49%	24,595	721	25,316
Swan Wealth International Ltd*	6,788	(83)	-	-	-	6,705	50%	3,353	-	3,353
										33,884
2021										
Swan Corporate Affairs Ltd	8,100	1,557	-	-	-	9,657	50%	4,829	-	4,829
Swan International Co Ltd	35,564	91	13,550	3,394	-	52,599	49%	25,774	721	26,495
Swan Wealth International Ltd*	6,941	(153)	-	-	-	6,788	50%	3,390	-	3,390
										34,714

*The amounts are based on unaudited financial statements.

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

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS

(a)

	THE GROUP			
	2022			
	Held-to-maturity	Available-for-sale		
		Debt	Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	14,635,713	325,157	13,288,897	28,249,767
Reclassification from foreign securities	-	-	4,322	4,322
Additions	2,923,351	327,406	800,029	4,050,786
Movement in fair value**	-	46,368	(440,206)	(393,838)
Disposals	-	(43,246)	(330,005)	(373,251)
Matured during the year	(2,036,325)	-	-	(2,036,325)
Movement in accrued interests	44,981	-	-	44,981
Exchange Differences	(1,999)	-	-	(1,999)
At December 31,	15,565,721	655,685	13,323,037	29,544,443

	Held-to-maturity	Available-for-sale		
		Debt	Equities	Total
Foreign Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	1,990,968	228,948	15,066,666	17,286,582
Reclassification to local securities	-	-	(4,322)	(4,322)
Additions	1,312,106	434,018	1,945,003	3,691,127
Movement in fair value**	-	9,033	(4,775,718)	(4,766,685)
Disposals	-	(48,509)	(2,804,603)	(2,853,112)
Matured during the year	(29,761)	-	-	(29,761)
Movement in accrued interests	(4,420)	-	-	(4,420)
Exchange differences	47,031	-	-	47,031
At December 31,	3,315,924	623,490	9,427,026	13,366,440
Total	18,881,645	1,279,175	22,750,063	42,910,883

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(a)

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

** Movement in fair value consists of fair value release of Rs000's. 2,682,312 (2021: Rs000's.641,850), which has been recycled to profit or loss upon disposal of the investments.

Analysed as follows:	2022	2021
	Rs'000	Rs'000
Non-current:		
Available-for-sale	24,029,238	28,909,668
Held-to-maturity	17,079,331	15,120,668
	41,108,569	44,030,336
Current		
Held-to-maturity	1,802,314	1,506,013
	42,910,883	45,536,349
Cumulative accrued interests	263,953	214,890

(a)(i)

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022				
Available-for-sale:				
Equities	19,896,777	724,775	2,128,511	22,750,063
Debts	26,957	623,490	628,728	1,279,175
	19,923,734	1,348,265	2,757,239	24,029,238
At December 31, 2021				
Available-for-sale:				
Equities	25,889,985	370,012	2,095,566	28,355,563
Debts	72,010	228,948	253,147	554,105
	25,961,995	598,960	2,348,713	28,909,668

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

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b)

	THE COMPANY 2022			
	Held-to-maturity	Available-for-sale		
		Debt	Equities	Total
Local Securities	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Balance at January 1,	**14,635,714**	**325,157**	**13,252,808**	**28,213,679**
Reclassification from foreign equities	**-**	**-**	**4,322**	**4,322**
Additions	**2,923,351**	**327,406**	**773,324**	**4,024,081**
Movement in fair value**	**-**	**46,368**	**(438,694)**	**(392,326)**
Disposals	**-**	**(43,246)**	**(325,643)**	**(368,889)**
Matured during the year	**(2,036,325)**	**-**	**-**	**(2,036,325)**
Movement in accrued interests	**44,981**	**-**	**-**	**44,981**
Exchange differences	**(1,999)**	**-**	**-**	**(1,999)**
At December 31,	**15,565,722**	**655,685**	**13,266,117**	**29,487,524**

	Held-to-maturity	Available-for-sale		
		Debt	Equities	Total
Foreign Securities	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Balance at January 1,	**1,534,670**	**228,948**	**15,066,333**	**16,829,951**
Reclassification to Local equities	**-**	**-**	**(4,322)**	**(4,322)**
Additions	**1,194,236**	**434,018**	**1,944,468**	**3,572,722**
Movement in fair value**	**-**	**9,033**	**(4,775,666)**	**(4,766,633)**
Exchange differences	**39,815**	**-**	**-**	**39,815**
Disposals	**-**	**(48,509)**	**(2,804,354)**	**(2,852,863)**
Matured during the year	**(29,761)**	**-**	**-**	**(29,761)**
At December 31,	**2,738,960**	**623,490**	**9,426,459**	**12,788,909**
Total	**18,304,682**	**1,279,175**	**22,692,576**	**42,276,433**

	THE COMPANY 2021			
	Held-to-maturity	Available-for-sale		
		Debt	Equities	Total
Local Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	12,599,012	324,450	10,525,621	23,449,083
Reclassification from equities to debt	-	250,000	(250,000)	-
Reclassification to foreign equities	-	(208,579)	-	(208,579)
Additions	5,518,325	58	266,824	5,785,207
Movement in fair value**	-	(9,369)	2,785,449	2,776,080
Disposals	-	(31,403)	(75,086)	(106,489)
Matured during the year	(3,396,338)	-	-	(3,396,338)
Movement in accrued interests	(95,553)	-	-	(95,553)
Exchange differences	10,268	-	-	10,268
At December 31,	14,635,714	325,157	13,252,808	28,213,679

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b)

	THE COMPANY 2021			
	Held-to-maturity	Available-for-sale		
		Debt	Equities	Total
Foreign Securities	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1,	1,362,885	-	12,257,266	13,620,151
Reclassification from Local equities	-	208,579	-	208,579
Additions	56,241	4,302	3,752,596	3,813,139
Movement in fair value**	-	20,369	1,969,781	1,990,150
Exchange differences	115,544	-	-	115,544
Disposals	-	-	(2,913,310)	(2,913,310)
Written off	-	(4,302)	-	(4,302)
At December 31,	1,534,670	228,948	15,066,333	16,829,951
Total	16,170,384	554,105	28,319,141	45,043,630

** Movement in fair value consists of fair value release of Rs000's. 2,682,179 (2021: Rs000's. 641,808), which has been recycled to profit or loss upon disposal of the investments.

Analysed as follows:	2022	2021
	Rs'000	Rs'000
Non-current		
Available-for-sale	**23,971,751**	28,873,246
Held-to-maturity	**16,521,076**	14,664,371
	40,492,827	43,537,617
Current		
Held-to-maturity	**1,783,606**	1,506,013
	42,276,433	45,043,630
Cumulative accrued interests	**251,866**	206,885

(b)(i)

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2022				
Available-for-sale:				
Equities	**19,868,756**	**695,309**	**2,128,511**	**22,692,576**
Debts	**26,957**	**623,490**	**628,728**	**1,279,175**
	19,895,713	**1,318,799**	**2,757,239**	**23,971,751**
At December 31, 2021				
Available-for-sale:				
Equities	26,117,124	359,598	1,842,419	28,319,141
Debts	72,010	228,948	253,147	554,105
	26,189,134	588,546	2,095,566	28,873,246

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(c) 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	178,366	56,200	177,717	56,200
Non-cash disposals	40,342	56,200	40,342	56,200

(d) Available for sale investments classified as Level 2 in the fair value hiearchy include investment in Funds. Their fair value is based on the net assets value of the funds and amounts to Rs. 1,348.2 m (2021: Rs 599.0m) and Rs 1,318.8m (2021: Rs. 588.5m) 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.

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

During the financial year, there has been a transfer from level 3 to level 1 amounting to Rs 66.1m for both the Group and the Company. (2021:Nil).

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

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

	THE GROUP AND THE COMPANY	
	2022	2021
	Rs'000	Rs'000
At January 1,	2,095,566	1,967,512
Additions	669,251	97,676
Transfer to Level 1	(66,065)	-
Disposals	(67,937)	(91,330)
Impairment	-	(4,302)
Movement in fair value	126,424	126,010
At December 31,	2,757,239	2,095,566

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(g) The table below sets out information about significant unobservable inputs for the Group and the Company used at December 31, 2022 in measuring Available-for-sale investments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at December 31, 2022 Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
A.	591,860	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. 13,381 while an increase in in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 13,381.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's. 1,486 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,486.
B.	112,301	Present 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. 11,230 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 11,230.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's 1,238 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,238
C.	269,023	Discounted net asset value (NAV)	(i) Discount	10%	A decrease in discount by 10% would decrease the value of the unquoted investment by Rs000's 2,989 while an increase in discount by 10% would increase the value of the unquoted investment by Rs000's. 2,989.
D.	1,139,672	Price of recent investment	No unobservable input is used	NA	NA
E.	644,383	Nav and Cost	No unobservable input is used	NA	NA
	2,757,239				

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

The table below sets out information about significant unobservable inputs used for the Group and the Company at December 31, 2021 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at December 31, 2021 Rs'000	Valuation technique	Unobservable inputs	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
A.	157,891	Dividend yield multiple	(i) Market multiple	2.59x - 3.86x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 15,789 while an increase in in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 15,789.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's.1,754 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,754.
B.	333,060	Price-Earning multiple	(i) Market multiple	9.95x - 14x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 33,306 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 33,306.
			(ii) Discount rate	10% - 70%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's. 58,267 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 58,267.
C.	107,238	Present Book Value	(i) Market multiple	0.45x - 0.96x	A decrease in market multiple by 10% would decrease the value of the unquoted investment by Rs000's. 10,723 while an increase in market multiple by 10% would increase the value of the unquoted investment by Rs000's. 10,723.
			(ii) Discount rate	10%	A decrease in discount rate by 10% would increase the value of the unquoted investment by Rs000's 1,192 while an increase in discount rate by 10% would decrease the value of the unquoted investment by Rs000's. 1,192.
D.	44,329	Discounted net asset value (NAV)	(i) Discount	10%	A decrease in discount by 10% would decrease the value of the unquoted investment by Rs000's 493 while an increase in discount rate by 10% would increase the value of the unquoted investment by Rs000's. 493.
E.	1,323,209	Price of recent investment	No unobservable input is used	NA	NA
F.	129,839	Nav and Cost	No unobservable input is used	NA	NA
	2,095,566				

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(h) Held-to-maturity investments comprise of Mauritius Government Securities, listed and unquoted Debenture Stocks and Treasury Bills with interest rates varying from 1.25% to 12.25% (2021: 1.25% to 12.25%).

(i) Available-for-sale financial assets comprise of quoted and unquoted financial assets.

(j) The maturity of financial assets are disclosed in note 3.2.3.

(k) Financial instruments by category and fair values are disclosed in note 3.2.6.

11. LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Policy loans	44,440	48,863	44,440	48,863
Loans on residential properties	2,518,310	2,727,580	2,518,310	2,727,580
Loans on business properties	3,303,172	3,680,149	3,303,172	3,680,149
Personal loans	168,518	106,365	168,518	106,365
Cumulative accrued interests	126,831	142,396	126,831	142,396
Less impairment provision (see note (a) below)	(80,859)	(95,587)	(80,859)	(95,587)
	6,080,412	6,609,766	6,080,412	6,609,766
Analysed as follows:-				
Non-current	5,677,337	5,456,710	5,677,337	5,456,710
Current	403,075	1,153,056	403,075	1,153,056
	6,080,412	6,609,766	6,080,412	6,609,766

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

	THE GROUP AND THE COMPANY	
	2022	2021
	Rs'000	Rs'000
At January 1,	95,587	93,616
(Release)/Charge for the year	(14,668)	2,573
Recoveries	(60)	(602)
At December 31,	80,859	95,587

(b) The rate of interest on loans vary from 3.125% to 17.10% (2021: 3.125% to 14.95%).

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

(d) The ageing of loans and receivables is disclosed in note 3.2.3.

(e) The carrying amounts of loan and receivables approximate their fair values.

(f) The carrying value of loans and receivables that have been provided for impairment is disclosed in note 3.2.2.

(g) Interest income accrued on non-performing loans amounted to Rs 4.2m during the year for the Group and the Company (2021: Rs 2.2m).

(h) For the financial year ended December 31, 2022, an amount of Rs. 6.2m has been written off (2021: Rs000's 4.0m).

(i) Out of loans on business properties, an amount of Rs. 2,889m (2021: Rs. 3,317m) is receivable from related parties.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current Trade and other receivables				
· Receivables arising from insurance contracts				
- Due from contract holders - Individuals	101,538	102,356	101,538	102,356
- Schemes	752,219	457,231	752,219	457,231
· Claims recoverable from Reinsurers	18,499	10,957	18,499	10,957
· Interest and other receivables	287,028	419,853	180,178	278,548
· Prepayments	76,645	77,339	74,305	67,683
· Receivables from:				
- Holding company	92,902	74,488	90,086	72,531
- Subsidiary companies	-	-	74,845	64,209
- Entities under common control	13,409	19,152	13,107	19,122
	1,342,240	1,161,376	1,304,777	1,072,637
less provisions for impairment on				
(i) Receivables arising from insurance contracts -Schemes	30,182	30,182	30,182	30,182
(ii) Other receivables	10,454	14,414	5,000	5,000
	40,636	44,596	35,182	35,182
Net Trade and other receivables	1,301,604	1,116,780	1,269,595	1,037,455
Non-current receivables				
· Interest and other receivables	3,605	4,895	-	-
Total net Trade and other receivables	1,305,209	1,121,675	1,269,595	1,037,455

(a) The ageing of trade and other receivables is disclosed in note 3.2.3.

(b) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

(c) The Group and the Company do not hold any collateral security for trade and other receivables. Impairment provision has been booked where recovery was estimated as doubtful.

Movements on the provisions for impairment of trade and other receivables are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	44,596	40,369	35,182	35,182
Charge for the year	(769)	4,227	-	-
Amount written off	(3,191)	-	-	-
At December 31,	40,636	44,596	35,182	35,182

(d) The carrying value of trade and other receivables which have been impaired is disclosed in note 3.2.2.

(e) The carrying amounts of trade and other receivables approximate their fair values.

(f) Currency analysis of trade and other receivables is disclosed in note 3.2.1.

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

(h) For the financial year ended December 31, 2022, there were an impairment of trade and other receivables amounting to Rs000's 88 (2021: Rs000's 7,590) and Nil (2021: Rs000's 7,590) for the Group and the Company respectively.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

13. SEIZED PROPERTIES

	THE GROUP AND THE COMPANY	
	2022	2021
	Rs'000	Rs'000
Carrying amount at January 1,	45,441	53,238
Additions	47,196	44
Disposals	-	(7,841)
Carrying amount at December 31,	92,637	45,441

14. SHARE CAPITAL AND RESERVES

	THE GROUP AND THE COMPANY	
	2022	2021
(a) **Share Capital**	Rs'000	Rs'000
Authorised:		
At 31 December: 2,632,210 ordinary shares at a par value of Rs. 10	26,322	26,322
Issued and fully paid:		
At 31 December: 2,632,210 ordinary shares at a par value of Rs. 10	26,322	26,322

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

(b) **Reserves**

For the Company, the fair value gains/losses in available-for-sale financial assets and actuarial gains/losses on retirement benefit obligations is recognised in other comprehensive income and then transferred to the 'Life Assurance Fund' through the 'Movement in Life Assurance Fund' as shown in the consolidated and separate statement of profit or loss and other comprehensive income.

For the subsidiaries (at Group level excluding Swan Life Ltd), the fair value gains/losses in available-for-sale financial assets and actuarial gains/losses on retirement benefit obligations is recognised in other comprehensive income and hence, booked in the below Reserves categories:

Fair value reserve

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

Other reserves

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

Actuarial gains/(losses)

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

Foreign exchange difference reserves

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

Amalgamation reserves

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

15. NON-CONTROLLING INTERESTS

	THE GROUP 2022	THE GROUP 2021
	Rs'000	Rs'000
At January 1,	258,084	221,593
Share of profit (note 8(d))	47,088	54,457
Share of reserves	(1,062)	2,039
	46,026	56,496
Dividend declared	(14,003)	(20,005)
At December 31,	290,107	258,084

16. LIFE ASSURANCE FUND

THE GROUP AND THE COMPANY

	2022 Actuarial liabilities	2022 Fair value reserve	2022 Actuarial gains/ (losses)	2022 Total	2021 Actuarial liabilities	2021 Fair value reserve	2021 Actuarial gains/ (losses)	2021 Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1:	41,234,069	11,702,404	(145,770)	52,790,703	38,295,994	6,936,174	(147,829)	45,084,339
Movement in Life Assurance Fund for the year	3,537,678	(5,158,959)	(37,210)	(1,658,491)	2,938,075	4,766,230	2,059	7,706,364
At December 31,	44,771,747	6,543,445	(182,980)	51,132,212	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. Refer to 4.1 for the sensitivity analysis around the Life Assurance Fund.

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

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred income taxes are calculated on all temporary differences under the balance sheet method at 17% (2021: 17%).

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

	THE GROUP 2022	THE GROUP 2021
	Rs'000	Rs'000
Deferred tax assets	4,307	4,315
Deferred tax liabilities	(208)	(399)
	4,099	3,916

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

17. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

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

	THE GROUP 2022	THE GROUP 2021
	Rs'000	Rs'000
At January 1,	3,916	3,702
(Credited)/charged to profit or loss (note 20)	(561)	1,014
(Credited)/charged to other comprehensive income	744	(800)
At December 31,	4,099	3,916

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

(i) Deferred tax liabilities

	Accelerated capital	Right-of-use assets	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2021	366	590	956
Reclassification to Deferred tax assets	(366)	-	(366)
Credited to profit or loss	-	(191)	(191)
At December 31, 2021	-	399	399
Credited to profit or loss	-	(191)	(191)
At December 31, 2022	-	208	208

(ii) Deferred tax assets:

	Accelerated capital	Retirement benefit obligations	Lease liabilities	Provision for impairment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2021	-	2,343	629	1,686	4,658
Reclassification from deferred tax liabilities	111	334	(8)	(803)	(366)
(Charged)/credited to profit or loss	(79)	362	(190)	730	823
Charged to other comprehensive income	-	(800)	-	-	(800)
At December 31, 2021	32	2,239	431	1,613	4,315
(Charged)/credited to profit or loss	(384)	485	(201)	(652)	(752)
Charged to other comprehensive income	-	744	-	-	744
At December 31, 2022	(352)	3,468	230	961	4,307

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Amount recognised in the statement of financial position:				
Defined pension benefits (note (a) (ii))	146,909	134,923	144,670	132,591
Other post retirement benefits (note (b) (i))	71,919	40,938	53,758	30,100
	218,828	175,861	198,428	162,691
Analysed as follows:				
Non-current liabilities	218,828	175,861	198,428	162,691
Amount charged to profit or loss (note 24):				
Defined pension benefits (note (a) (v))	20,557	18,181	20,262	17,765
Other post retirement benefits (note (b) (iv))	32,232	5,103	26,740	3,822
	52,789	23,284	47,002	21,587
Amount charged/(credited) to other comprehensive income:				
Defined pension benefits (note (a) (vi))	42,392	(8,213)	39,846	(2,882)
Other post retirement benefits (note (b) (v))	(805)	1,441	(2,636)	823
	41,587	(6,772)	37,210	(2,059)

(a) **Defined pension benefits**

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

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

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

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

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

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

(ii) The amount recognised in the statement 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	513,818	406,569	499,675	395,819
Fair value of plan assets	(366,909)	(271,646)	(355,005)	(263,228)
Liability in the statement of financial position	146,909	134,923	144,670	132,591

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 01,	134,923	124,224	132,591	118,288
Charged to profit or loss	20,557	18,181	20,262	17,765
Charged/(Credited) to other comprehensive income	42,392	(8,213)	39,846	(2,882)
Employer's contributions	(50,963)	(2,365)	(48,029)	(580)
Transfer to other receivables	-	3,096	-	-
At December 31,	146,909	134,923	144,670	132,591

(iii) 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 01,	406,569	387,703	395,819	372,787
Current service cost	15,964	15,146	15,701	14,932
Interest cost	17,071	9,251	16,624	8,890
Actuarial losses/(gains)	74,214	(708)	71,531	4,033
Benefits paid	-	(4,823)	-	(4,823)
At December 31,	513,818	406,569	499,675	395,819

(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	271,646	263,479	263,228	254,499
Expected return on plan assets	12,478	6,298	12,063	6,057
Actuarial gains	31,822	7,505	31,685	6,915
Scheme expenses	-	(62)	-	-
Employer contributions	50,963	2,365	48,029	580
Cost of insuring risk benefits	-	(20)	-	-
Benefits paid	-	(4,823)	-	(4,823)
Transfer to other receivables	-	(3,096)	-	-
At December 31,	366,909	271,646	355,005	263,228

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	15,964	15,146	15,701	14,932
Interest cost	4,593	2,953	4,561	2,833
Scheme expenses	-	62	-	-
Cost of insuring risk benefits	-	20	-	-
			-	
Total included in employee benefit expense	20,557	18,181	20,262	17,765

(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
Liability experience losses/(gains)	20,183	(6,746)	18,735	(3,188)
Gains on pension scheme assets	(31,822)	(7,505)	(31,685)	(6,915)
Actuarial losses arising from changes in financial assumptions	54,031	6,038	52,796	7,221
	42,392	(8,213)	39,846	(2,882)

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

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

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	%	%	%	%
Discount rate	5.70% to 5.90%	4.20%	5.70%	4.20%
Future long-term salary increases	4.00%	3.00%	4.00%	3.00%
Future guarantee pension increases	0% to 3%	0% to 3%	0% to 3%	0% to 3%
NPS ceiling increases	4.00%	4.00%	4.00%	4.00%
Post retirement annuity rates	Swan Rates 2022/ RPF Rates 2022	Swan rates 2021/ RPF rates 2021	Swan Rates 2022/ RPF Rates 2022	Swan rates 2021/ RPF rates 2021

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	41,138	37,430	40,430	36,806
Decrease due to 1% increase in discount rate	36,574	32,978	35,926	32,415
Increase due to 1% increase in salary increase assumption	39,858	36,384	39,229	35,838
Decrease due to 1% decrease in salary increase assumption	36,088	32,365	35,497	31,858

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

(xii) The Group and the Company expect to pay Rs33.0m and Rs 29.6m respectively in contributions to their post-employment benefit plans for the year ending December 31, 2022.

(xiii) The weighted average duration of the defined benefit obligation is 5 - 15 years for the Group and 8-15 years for the Company at the end of the reporting period (2021: 6 - 15 years for the Group and 9 - 15 years for the Company).

(b) **Other post retirement benefits**

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Post retirement benefits	71,919	40,938	53,758	30,100

(ii) 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,	40,938	35,826	30,100	26,009
Charged to profit or loss	32,232	5,103	26,740	3,822
Credited to other comprehensive income	(805)	1,441	(2,636)	823
Benefits paid	(446)	(1,432)	(446)	(554)
At December 31,	71,919	40,938	53,758	30,100

(iii) 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,	40,938	35,826	30,100	26,009
Current service cost	5,996	4,247	21,113	3,205
Past service cost	24,521	-	4,372	-
Net interest cost	1,715	856	1,255	617
Actuarial gains	(805)	1,441	(2,636)	823
Benefits paid	(446)	(1,432)	(446)	(554)
At December 31,	71,919	40,938	53,758	30,100

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	5,996	4,247	4,372	3,205
Past service cost	24,521	-	21,113	-
Net interest cost	1,715	856	1,255	617
Total included in employee benefit expense	32,232	5,103	26,740	3,822

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Actuarial (gains)/loss arising from changes in financial assumptions	(4,922)	(5,351)	(3,714)	(4,704)
Liability experience gain due to change in financial assumptions	4,117	6,792	1,078	5,527
	(805)	1,441	(2,636)	823

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
Discount rate	5.70% to 5.90%	4.20%	5.70%	4.20%
Salary increase	4.00%	3.00%	4.00%	3.00%
Future pension increases	0% to 3%	0% to 3%	0% or 3%	0% or 3%
NPS ceiling increases	4.00%	4.00%	4.00%	4.00%
Average retirement age	60 years	60 years	60 years	60 years
Post retirement annuity rates	Swan Rates 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

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on present value of defined benefit obligation:				
Increase due to 1% decrease in discount rate	10,791	7,625	7,902	5,565
Decrease due to 1% increase in discount rate	8,933	6,208	6,553	4,519
Increase due to 1% increase in salary increase assumption	9,882	6,522	6,986	4,458
Decrease due to 1% decrease in salary increase assumption	8,271	5,428	5,849	3,706

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

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

(ix) The weighted average duration of the defined benefit obligation is 8 - 19 years for the Group and 13 years for the Company at the end of the reporting period (2021: 10-18 years for the Group and 14 years for the Company).

(x) *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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Current:				
· Trade payables:				
- Insurance contracts	172,393	260,021	172,393	260,021
· Other payables and accruals	434,564	530,958	404,343	500,236
· Amounts due to:				
- Holding company	18,358	9,036	17,651	8,513
- Subsidiary companies	-	-	45,789	22,296
	625,315	800,015	640,176	791,066

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current:				
Other payables	52,930	53,175	52,930	53,175

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

20. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Income tax charge				
Current tax on the adjusted profit for the year at 10%-15% (2021: 10-15%)	38,388	52,055	22,897	37,712
Corporate social responsibility tax at 2% (2021: 2%)	2,030	1,867	-	-
Over provision in prior year	(11,498)	1,609	(9,452)	-
Movement in deferred tax (note 17)	561	(1,014)	-	-
Tax charge for the year	29,481	54,517	13,445	37,712

Tax rates applicable in:	2022	2021
Mauritius (The Company)	REFER TO NOTE (II)	
Mauritius (Subsidiaries)	15%	15%
Rwanda (Subsidiary)	30%	30%

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

(ii) Following a change in legislation effective in 2021, a company carrying out life insurance business is liable to a tax at the rate of 10% of its relevant profit (method 1) or 15% of its taxable income (method 2), whichever is the higher.

Relevant profit relates to profit attributable to shareholders in respect of an income year:

(i) as reduced by capital gain attributable to shareholders where such gain has been credited to the separate statement of profit and loss; and

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

(iii) The accumulated tax losses arising from one method of tax calculation is not set off against the other method.

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Tax calculated at 10%- 15% (2021: 15%)	101,376	105,175	46,003	46,712
Corporate social responsibility tax at 2% (2021: 2%)	2,030	1,867	-	-
Income not subject to tax	(79,025)	(61,787)	(23,106)	(9,000)
Expenses not deductible for tax purposes	15,970	8,258	-	-
(Under)/ over provision in prior year	(11,498)	1,609	(9,452)	-
Others	794	(526)	-	-
Foreign tax credit	(166)	(36)	-	-
Deferred tax asset not recognised	-	(43)	-	-
	29,481	54,517	13,445	37,712

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

20. INCOME TAX EXPENSE (CONT'D)

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
(c) **Net current tax liabilities**				
Balance as at January 1,	46,010	7,119	37,712	-
Current tax on the adjusted profit for the year at 10%- 15% (2021: 15%)	38,388	52,055	22,897	37,712
Corporate social responsibility tax at 2% (2021: 2%)	2,030	1,867	-	-
Under/(over) provision in prior year	(11,498)	1,609	(9,452)	-
Advances from Government -Wage Assistance Scheme	-	(284)	-	-
Amount paid during the year	(34,985)	(7,678)	(28,259)	-
Payment under Advance Payment System (APS)	(9,698)	(8,678)	-	-
	30,247	46,010	22,898	37,712
Current tax liabilities	(30,247)	(46,010)	(22,898)	(37,712)
	(30,247)	(46,010)	(22,898)	(37,712)

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

(e) *Unrecognised deferred tax assets*

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.

	THE COMPANY			
	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	4,200,058	714,010	6,775,686	1,151,867
	4,461,636	758,478	7,037,264	1,199,031

(f) Tax losses carried forward

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

	THE COMPANY	
	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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

21. GROSS EARNED PREMIUMS

	THE GROUP AND THE COMPANY					
	2022			2021		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross Premiums	2,188,299	2,105,642	4,293,941	1,852,245	2,163,793	4,016,038
Consideration for annuities	-	1,388,163	1,388,163	1,107,363	-	1,107,363
	2,188,299	3,493,805	5,682,104	2,959,608	2,163,793	5,123,401

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

22. INVESTMENT INCOME

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Interest income	1,216,113	1,070,115
Dividend income	457,601	386,232
	1,673,714	1,456,347

	THE COMPANY					
	2022			2021		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	603,874	599,756	1,203,630	567,329	494,116	1,061,445
Dividend income	393,609	127,449	521,058	375,306	102,331	477,637
	997,483	727,205	1,724,688	942,635	596,447	1,539,082

23. OTHER INCOME

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Profit/(Loss) on disposal of:		
- Financial assets	1,620,626	945,360
- Property and Equipments	63	145
- Investment properties	11,024	-
Miscellaneous income	12,377	(239)
	1,644,090	945,266

	THE COMPANY					
	2022			2021		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(Loss) on disposal of:						
- Financial assets	864,272	756,220	1,620,492	807,451	137,868	945,319
- Property and Equipments	3	-	3	(26)	-	(26)
- Investment properties	11,024	-	11,024	-	-	-
Miscellaneous income	11,992	124	12,116	(717)	-	(717)
	887,291	756,344	1,643,635	806,708	137,868	944,576

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

24A MARKETING AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Marketing and administrative expenses mainly include:				
- Internal auditors' fees	276	536	276	536
- Staff costs (see note (a) below)	334,099	283,168	255,741	225,215

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
(a) Analysis of staff costs:	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and wages	179,950	166,866	120,168	119,493
Retirement benefit obligations:				
- defined benefit plans (note 18)	52,789	23,284	47,002	21,587
- defined contribution plans	13,147	8,574	8,388	6,408
Other costs	88,213	84,444	80,183	77,727
	334,099	283,168	255,741	225,215

24B IMPAIRMENT OF FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Impairment of financial assets are on the following:				
(i) Loans and receivables (note 11 (h))	6,270	4,016	6,270	4,016
(ii) Trade and other receivables (note 12 (h))	88	7,590	-	7,590
(iii) Investment in Available-for-sale financial assets (note 10)	-	4,302	-	4,302
	6,358	15,908	6,270	15,908

25. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
Interest expense:	Rs'000	Rs'000	Rs'000	Rs'000
- Lease (note 5A(vi))	577	562	465	386
- Others	6	7	-	-
	583	569	465	386

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

26. DIVIDEND PAYABLE

	THE GROUP AND THE COMPANY	
	2022	2021
	Rs'000	Rs'000
Declared and Payable		
Final dividend of Rs.65.34 per ordinary share (2021: Rs.59.40)	171,989	156,353

*Dividend accrued in year 2022 has been paid in year 2023.

27. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Profit attributable to equity holders of the Company	605,612	575,144	446,585	429,405
Weighted Average Number of ordinary shares (Basic)	2,632,210	2,632,210	2,632,210	2,632,210
Basic/Diluted Earnings per share (Rs/cts)	230.08	218.50	169.66	163.13

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

28. NOTES TO THE STATEMENT 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 for the year before income tax expense		682,181	684,118	460,030	467,117
Adjustments for:					
Depreciation on property and equipment	5	23,087	24,213	22,137	23,566
Depreciation on investment properties	6A	9,117	9,090	9,117	9,090
Amortisation of intangible assets	7	11,331	7,953	3,004	2,394
Depreciation on right-of-use asset	5A	4,909	3,950	3,784	2,825
Loss on sale of property and equipment	23	(63)	(145)	(3)	26
Loss on sale of seized properties		-	1,170	-	1,170
Profit on sale of Investment properties	23	(11,024)	-	(11,024)	-
Impairment on investments in financial assets	24B	-	4,302	-	4,302
Provision for impairment - loans and receivables	11	(14,728)	1,971	(14,728)	1,971
Impairment - loans and receivables	24B	6,270	4,016	6,270	4,016
Provision for impairment - trade and other receivables	12	(3,960)	4,227	-	-
Impairment - trade and other receivables	24B	88	7,590	-	7,590
Interest expense	25	583	569	465	386
Investment income	22	(1,673,714)	(1,456,347)	(1,724,688)	(1,539,082)
Net gain on exchange		10,381	(264,759)	17,374	(227,011)
Profit on sale of financial assets	23	(1,620,626)	(945,360)	(1,620,492)	(945,319)
Change in gross unearned premium		(123)	9,210	(123)	9,210
Amortisation of non-current payable		(245)	(246)	(245)	(246)
Net movement in Life Assurance Fund		3,537,678	2,938,075	3,537,678	2,938,075
Changes in working capital					
- Trade and other receivables		(164,134)	(164,138)	(216,612)	(99,356)
- Trade and other payables		(174,700)	23,003	(150,890)	46,899
- Retirement benefit obligations		1,380	19,487	(1,473)	20,453
- Outstanding claims		(109)	(24,435)	(109)	(24,435)
Share of results of associated companies, net of dividend		(572)	(742)	-	-
Cash generated from operations		623,007	886,772	319,472	703,641

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

(b) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Short term deposits	2,105,907	1,102,286	2,105,907	1,102,286
Cash held at banks	2,069,630	1,447,256	1,700,058	1,151,886
	4,175,537	2,549,542	3,805,965	2,254,172

Short term deposits comprise of foreign deposits, money-at-call and savings accounts. The rates of interest vary between 1.90% to 3.10% (2021: 0.00% to 0.50%).

(c) **Non-cash transactions**

- For the financial year ended December 31, 2022, non-cash transactions relates to dividend received in species amounting to Rs 138m and Rs 137m for the Group and the Company respectively.

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

(d) **Reconciliation of liability arising from financing activities**

THE GROUP

	2021	Non-cash movements	Cash flows	2022
	Rs'000		Rs'000	Rs'000
Lease liabilities	7,887	15,160	(5,181)	17,866

THE COMPANY

	2021	Non-cash movements	Cash flows	2022
	Rs'000		Rs'000	Rs'000
Lease liabilities	5,352	15,160	(4,001)	16,511

29. MOVEMENTS IN OUTSTANDING CLAIMS AND REINSURANCE ASSETS

	THE GROUP AND THE COMPANY		
	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000
(a) **Outstanding claims**			
2022			
At January 1, Notified claims	296,975	(10,957)	286,018
Increase in liabilities due to the notification of additional claims	4,232,081	(30,647)	4,201,434
Net cash paid for claims during the year	(4,232,190)	23,105	(4,209,085)
At December 31,	296,866	(18,499)	278,367
2021			
At January 1, Notified claims	321,410	(7,021)	314,389
Increase in liabilities due to the notification of additional claims	3,505,312	(35,447)	3,469,865
Net cash paid for claims during the year	(3,529,747)	31,511	(3,498,236)
At December 31,	296,975	(10,957)	286,018

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

	THE GROUP AND THE COMPANY	
	2022	2021
(b) **Gross unearned premiums**	Rs'000	Rs'000
At January 1,	54,636	45,426
Change in liabilities due to premium being earned	(123)	9,210
At December 31,	54,513	54,636

30. COMMITMENTS AND CONTINGENCIES

	THE GROUP		THE COMPANY	
(a) **Financial Commitments**	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Outstanding commitments for the following:-				
Investments in financial assets	-	144,000	-	144,000
Loans to be granted	118,648	147,380	118,648	147,380

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

31. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Directors regard Swan General Ltd, which owns 82.72 % (2021: 82.72%) of the Company's share capital, as the holding and ultimate holding company. The remaining shares are held by various other shareholders. The Company is incorporated in Mauritius and its registered offices is situated at Swan Centre, 10 Intendance Street, Port Louis.

32. SEGMENT INFORMATION

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

33. RELATED PARTY TRANSACTIONS

(A) THE GROUP

	Sales of services	Purchases of services	Investment income	Recharges	Lease liabilities	Interest expense	Financial assets	Loans/ deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022										
Holding company	8,038	29,833	938	17,555	1,355	6	-	-	92,902	18,358
Associated companies	-	2,450	-	6,419	-	-	-	-	7,651	3,750
Entities under common control	2,664	674	502	12,682	-	-	43,000	-	13,409	12
Other related companies	22,822	-	-	-	-	-	-	-	9,788	53,533
Shareholders with significant influence	155,441	-	228,489	-	-	-	5,876,111	2,783,718	35,032	-
Enterprise that have a number of key management/ directors in common	1,411,310	-	-	-	-	-	-	-	370,124	-
Key management personnel	613	-	3,522	-	-	-	-	104,830	-	-
	1,600,888	32,957	233,451	36,656	1,355	6	5,919,111	2,888,548	528,906	75,653

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

33. RELATED PARTY TRANSACTIONS (CONT'D)

(B) THE COMPANY

	Sales of services	Purchase of services	Investment income	Recharges	Rental Income	Financial assets	Loans/ deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022									
Holding company	-	23,043	938	26,980				90,086	17,651
Subsidiary companies	19	128,210	63,297	67,845	1,997	-	-	74,845	45,789
Associated companies	-	1,535	-	6,419	-	4,364	-	7,051	3,750
Entities under common control	-	-	502	12,682	-	43,000	-	13,107	-
Other related companies	-	-	-	-	-	-	-	-	52,930
Shareholders with significant influence	155,441	-	228,488	-	-	5,876,111	2,783,718	35,032	-
Enterprise that have a number of key management/ directors in common	1,411,310	-	-	-	-	-	-	370,124	-
Key management personnel	613	-	3,522	-	-	-	104,830	-	-
	1,567,383	152,788	296,747	113,926	1,997	5,923,475	2,888,548	590,245	120,120

	Sales of services	Purchase of services	Investment income	Recharges	Rental Income	Financial assets	Loans/ deposits	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021									
Holding company	-	20,485	194	20,080	-	-	50,000	72,531	8,513
Subsidiary companies	372	126,209	92,495	55,503	1,997	-	-	64,209	22,296
Associated companies	-	1,440	-	4,572	-	4,364	-	5,443	3,750
Entities under common control	-	-	274	11,689	-	100,975	-	19,122	-
Other related companies	-	-	-	-	-	-	-	-	53,175
Shareholders with significant influence	99,071	-	166,442	-	-	2,735,688	3,184,584	25,697	-
Enterprise that have a number of key management/ directors in common	999,153	-	-	-	-	-	-	16,210	-
Key management personnel	799	-	562	-	-	-	82,691	-	7
	1,099,395	148,134	259,967	91,844	1,997	2,841,027	3,317,275	203,212	87,741

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

33. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
(c) **Key management personnel compensation**	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	55,965	57,125	33,519	35,442
Post-employment benefits	3,797	2,779	1,905	1,817
	59,762	59,904	35,424	37,259

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

	Settlement terms	Security	Interest
Amount receivable from related parties	Within one year	Unsecured	Interest free
Amount payable to related parties	Within one year	Unsecured	Interest free
Loans/ deposit	1 to more than 5 years	Secured	1.25% to 6.6%

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

34. THREE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY		
	2022	2021	2020	2022	2021	2020
Statement of profit or loss and other comprehensive income	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross earned premiums	5,682,104	5,123,401	4,718,991	5,682,104	5,123,401	4,718,991
Net earned premiums	5,507,309	4,956,811	4,531,615	5,507,309	4,956,811	4,531,615
Investment and other income	3,764,547	3,067,857	3,092,960	3,476,532	2,836,233	2,915,841
Share of (loss)/profit of associates	572	742	(9,268)	-	-	-
	9,272,428	8,025,410	7,615,307	8,983,841	7,793,044	7,447,456
Transfer to Life Assurance Fund	(3,537,678)	(2,938,075)	(2,775,799)	(3,537,678)	(2,938,075)	(2,775,799)
Profit before tax	682,181	684,118	561,118	460,030	467,117	428,258
Income tax expense	(29,481)	(54,517)	(3,650)	(13,445)	(37,712)	-
Profit for the year	652,700	629,601	557,468	446,585	429,405	428,258
Other comprehensive income for the year, net of tax	(5,202,867)	4,786,293	(2,874,525)	(5,196,169)	4,768,289	(2,857,913)
Transfer to Life Assurance Fund	5,196,169	(4,768,289)	2,857,913	5,196,169	(4,768,289)	2,857,913
Total comprehensive income for the year	646,002	647,605	540,856	446,585	429,405	428,258

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

34. THREE YEAR FINANCIAL REVIEW (CONT'D)

	THE GROUP			THE COMPANY		
	2022	2021	2020	2022	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the year						
Attributable to:						
Owners of the parent	605,612	575,144	517,691	446,585	429,405	428,258
Non-controlling interests	47,088	54,457	39,777	-	-	-
	652,700	629,601	557,468	446,585	429,405	428,258
Total comprehensive income for the year						
Attributable to:						
Owners of the parent	599,976	591,109	502,804	446,585	429,405	428,258
Non-controlling interests	46,026	56,496	38,052	-	-	-
	646,002	647,605	540,856	446,585	429,405	428,258
Dividends	171,989	156,353	156,353	171,989	156,353	156,353
Earnings attributable to shareholders	605,612	575,144	517,691	446,585	429,405	428,258
Statement of Financial Position						
Non-current assets	47,573,070	50,298,244	40,938,738	47,330,797	50,177,082	41,094,191
Current assets	7,775,167	6,370,832	7,495,652	7,354,878	5,996,137	7,014,945
	55,348,237	56,669,076	48,434,390	54,685,675	56,173,219	48,109,136
Share capital	26,322	26,322	26,322	26,322	26,322	26,322
Retained earnings	2,375,826	1,942,203	1,523,412	1,543,187	1,268,591	995,539
Reserves	55,216	60,852	44,887	529,643	529,643	529,643
Non-controlling interests	290,107	258,084	221,593	-	-	-
Life Assurance Fund	51,132,212	52,790,703	45,084,339	51,132,212	52,790,703	45,084,339
Gross oustanding claims	296,866	296,975	321,410	296,866	296,975	321,410
Gross unearned premiums	54,513	54,636	45,426	54,513	54,636	45,426
Other non-current liabilities	283,278	232,760	221,358	262,771	218,235	203,070
Current liabilities	833,897	1,006,541	945,643	840,161	988,114	903,387
	55,348,237	56,669,076	48,434,390	54,685,675	56,173,219	48,109,136

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

35. 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, 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.

36. EVENTS AFTER REPORTING PERIOD

(i) Acquisition of Rogers Capital Ltd by Swan Wealth Managers Ltd (A subsidiary of the 'Company')

In financial year 2022, the Company 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 is yet to be determined. Provided that Swan Wealth Managers Ltd (a subsidiary of the "Company") 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.

OTHER STATUTORY DISCLOSURES

(pursuant to Section 221 of the Mauritius Companies Act)

FOR THE YEAR ENDED DECEMBER 31, 2022

DIRECTORS OF THE COMPANY

Mr. M. E. Nicolas MAIGROT - Chairperson
Mr. J. M. Louis RIVALLAND - Group Chief Executive
Mr. Arif F. CURRIMJEE
Mr. M. A. Eric ESPITALIER-NOËL
Mr. M. H. Philippe ESPITALIER-NOËL
Mr. M. D. Henri HAREL
Ms. Grace Sarah LEUNG SHING
Mr. E. Jean-Sebastien MAMET
Mr. P. Gopallen MOOROOGEN

DIRECTORS OF THE SUBSIDIARY COMPANIES

Manufacturers' Distributing Station Limited	Mr. J. M. Louis RIVALLAND Mr. Jaiyansing SOOBAH
Swan Pensions Ltd	Mr. J. M. Alan GODER Mr. P. Gopallen MOOROOGEN Mr. J. M. Louis RIVALLAND
Swan Wealth Managers Ltd	Mr. J. M. Louis RIVALLAND Mr. P. Gopallen MOOROOGEN Mr. Gianduth JEEAWOCK (Appointed on 29 March 2021)
Swan Foundation	Mr. J. M. Louis RIVALLAND Mr. Jaiyansing SOOBAH
Swan Financial Solutions Ltd	Mr. Ashley C. RUHEE Mr. J. M. Louis RIVALLAND Mr. J. M. Alan GODER
Swan Securities Ltd	Mr. Jaiyansing SOOBAH Mrs. Karine MOREL
Swan Corporate Advisors Ltd	Mr. Gianduth JEEAWOCK Mr. Jaiyansing SOOBAH
Swan Pensions Rwanda (SPR) Ltd	Mr. J. M. Alan GODER Mr. Jean Pierre Mubiigi KANAMUGIRE Mr. J. M. Louis RIVALLAND Mrs. Charisma D. ROOPUN
Swan Actuarial Services Ltd	Mr. Richard LI TING CHUNG Mr. Jaiyansing SOOBAH

OTHER STATUTORY **DISCLOSURES**

(pursuant to Section 221 of the Mauritius Companies Act)

FOR THE YEAR ENDED DECEMBER 31, 2022

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the Subsidiary Companies have service contracts that need to be disclosed under Section 221 of the Mauritius Companies Act.

DIRECTORS' REMUNERATION AND BENEFITS

The total remuneration and benefits received, due and receivable:

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

	FROM THE COMPANY		FROM THE SUBSIDIARIES	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors				
Mr. J. M. Louis RIVALLAND	**7,534**	6,991	**9,641**	6,901
Non-executive Directors				
Mr. M. E. Nicolas MAIGROT	**175**	175	-	-
Mr. Arif CURRIMJEE	**140**	140	-	-
Mr. M. M. Hector ESPITALIER-NOËL	-	60	-	-
Mr. M. H. Philippe ESPITALIER-NOËL	**90**	90	-	-
Mr. M. D. Henri HAREL	**120**	120	-	-
Mr. J. M. René LECLÉZIO	-	45	-	-
Mr. Jean-Sebastien MAMET	**90**	90	-	-
Mr. A. Eric Espitalier-Noël	**90**	23	-	-
Miss Grace Sarah Leung Shing	**140**	60	-	-
Mr. Peroomal Gopallen MOOROOGEN	**160**	160	**40**	40
Mr. Victor C. SEEYAVE	-	140	-	-
	8,539	8,094	**9,681**	6,941

(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**	Rs'000	Rs'000
Manufacturers' Distributing Station Limited				
Executive Director				
Mr. J. M. Louis RIVALLAND	**20**		20	
Non-executive Director				
Mr. Jaiyansing SOOBAH	**20**		20	
		40		40
Swan Pensions Ltd				
Executive Director				
Mr. J. M. Louis RIVALLAND	**20**		20	
Mr. Alan GODER	**20**		20	
Non-executive Director				
Mr. Peroomal Gopallen MOOROOGEN	**20**		20	
		60		60

OTHER STATUTORY **DISCLOSURES**

(pursuant to Section 221 of the Mauritius Companies Act)

FOR THE YEAR ENDED DECEMBER 31, 2022

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

	FROM THE SUBSIDIARIES			
	2022		2021	
	Rs'000	**Rs'000**	Rs'000	Rs'000
Swan Wealth Managers Ltd				
Executive Director				
Mr. Gianduth JEEAWOCK	**20**		15	
Mr. J. M. Louis RIVALLAND	**20**		20	
Non-executive Director				
Mr. Peroomal Gopallen MOOROOGEN	**20**		20	
		60		55
Swan Foundation				
Non-executive Director				
Mr. Jaiyansing SOOBAH	-		-	
				-
Swan Financial Solutions Ltd				
Executive Director				
Mr. J. M. Louis RIVALLAND	**10**		10	
Non-executive Director				
Mr. Alan GODER	**10**		10	
Mr. Ashley Coomar RUHEE	**10**		10	
		30		30
Swan Securities Ltd				
Non-executive Directors				
Mrs. Karine MOREL	**20**		20	
Mr. Jaiyansing SOOBAH	**20**		20	
		40		40
Swan Corporate Advisors Ltd				
Non-executive Directors				
Mr. Gianduth JEEAWOCK	**30**		-	
Mr. Jaiyansing SOOBAH	**30**		-	
		60		-
Swan Pensions Rwanda (SPR) Ltd				
Non-executive Directors				
Mr. Alan GODER	-		-	
Mr. Jean Pierre Mubiigi KANAMUGIRE	-		-	
Mrs. Charisma Devi Roopun JAWAHEER	-		-	
		-		-

OTHER STATUTORY DISCLOSURES

(pursuant to Section 221 of the Mauritius Companies Act)

FOR THE YEAR ENDED DECEMBER 31, 2022

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

	FROM THE SUBSIDIARIES			
	2022		2021	
	Rs'000	Rs'000	Rs'000	Rs'000
Swan Actuarial Services Ltd				
Executive Director				
Mr. Richard LI TING CHUNG	30		30	
Non-executive Director				
Mr. Jaiyansing SOOBAH	30		30	
		60		60
		290		285

DONATIONS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	-	-	-	-
Charitable donations	-	-	-	-

CONTRACT OF SIGNIFICANCE

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

AUDITORS' FEES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- KPMG	8,050	7,475	8,050	7,475
- BDO & Co	914	780	-	-
- Other firms	143	137	-	-
	9,107	8,392	8,050	7,475
Fees paid for other services provided by:				
- KPMG	575	575	575	575
- BDO & Co	-	920	-	920
	575	1,495	575	1,495
The breakdown of other services provided are as follows:				
Statutory services:				
-Review of insurance return	345	345	345	345
-Review of risk management framework	230	230	230	230
	575	575	575	575
Other services:				
-Preparation of Financial statements	-	920	-	920
	-	920	-	920
	575	1,495	575	1,495

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders (the "Meeting") of Swan Life Ltd (the "Company") will be held on 26 June 2023 at 11:30 a.m. at Swan Centre, 10, Intendance Street, Port Louis, to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the 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: 04 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 Life Ltd ("the Company), do hereby appoint:

of

or failing him/her,

of

or failing him/her the Chairman of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at Swan Centre, 10, Intendance Street, Port Louis on 26 June 2023 at 11:30 a.m and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS		For	Against	Abstain
1.	To consider the 2022 Annual Report of the Company.			
2.	To receive the report of Messrs. KPMG, the auditors of the Company.			
3.	To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 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 Life Ltd

10 Intendance Street | Port Louis | Mauritius

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