This Report has been printed on paper certified by FSC (Forest Stewarding Council A.C.)
and PEFC (Programme for the Endorsement of Forest Certification Schemes).

Our vision

To be the reference
in the region as a provider
of financial solutions

Our values

- customer oriented
- professionalism
- competitiveness
- knowledge
- quality and security
- people focus

contents

corporate profile

The Anglo-Mauritius Assurance Society Limited, one of the market leaders in the life assurance, pensions, actuarial and investment business in Mauritius, has developed over the years a full range of insurance products and services to serve the needs of corporate and individual clients either directly or through its sales representatives' network.

Swan Insurance Company Limited is the major shareholder of The Anglo-Mauritius Assurance Society Limited.

Assets under the management of The Anglo-Mauritius amounted to Rs. 21.2 billion and the Life Assurance Fund reached Rs. 20.9 billion at 31st December 2011.

The Company manages both locally and internationally an investment portfolio which consists, inter alia, of equities at market value of Rs. 9.2 billion and debenture stocks at market value of Rs. 60.3 million at 31st December 2011.

Investments are made in key sectors of activity namely tourism, real estate, sugar, trade and financial services in Mauritius and in the region. The Company caters for the insurance requirements of its clients in the region.

The Company participates actively in the socio-economic development of the country by granting loans for the construction or purchase of residential and business properties. Residential loans granted to policyholders amounted to Rs. 2.3 billion and loans on business properties totalled Rs. 620 million at 31st December 2011.

Benefits paid to policyholders, beneficiaries and annuitants amounted to Rs. 1.2 billion at 31st December 2011.

Market capitalisation of the Company on the Mauritian Stock Exchange at 31st December 2011 was Rs. 1,500 million.

notice of annual meeting to shareholders

Notice is hereby given that the Annual Meeting of the shareholders of **The Anglo-Mauritius Assurance Society Ltd.** will be held on Tuesday 26th June 2012 at 09:00 hours on the 6th floor of the Swan Group Centre, Intendance Street, Port-Louis to transact the following business:

1. To consider the Annual Report 2011 of the Company.
2. To receive the report of BDO & Co, the Auditors of the Company.
3. To consider and approve the Audited Financial Statements of the Company and the Group for the year ended 31st December 2011.
4. To re-appoint BDO & Co as Auditors of the Company in compliance with Section 40 (3) of the Insurance Act 2005 until the conclusion of the next Annual Meeting and authorise the Board of Directors to fix their remuneration.
5. To re-elect Me. M. F. I. Jean Hugues Maigrot, G.O.S.K. as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138 (6) of the Companies Act 2001.
6. To re-elect Mr. M. D. Pierre Dinan, G.O.S.K. as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138 (6) of the Companies Act 2001.
7. To elect Mr. J. M. René Leclézio as Director of the Company.

By order of the Board of Directors

Jean Paul Chasteau de Balyon
For SWAN GROUP CORPORATE SERVICES LIMITED
SECRETARY

3rd May 2012

Swan Group Centre
Port-Louis
Mauritius

N.B. Members entitled to attend and vote at the meeting may appoint proxies, whether members of the Company or not, to attend and vote for them. 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 hours before the day fixed for the meeting or else the instrument of proxy shall not be treated as valid.

annual report
DECEMBER 31, 2011

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of The Anglo-Mauritius Assurance Society Limited for the year ended December 31, 2011, contents of which are listed below:

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This Annual Report was approved by the Board of Directors on 28th March 2012

M. E. Cyril Mayer
Chairperson

M. A. Eric Espitalier-Noël
Director

principal activities

DECEMBER 31, 2011

The principal activities of the Company consist of life assurance, pensions, actuarial and investment business. The principal activities of each subsidiary are shown hereunder and have remained unchanged during the year.

Manufacturers' Distributing Station Ltd.	Investment Company
Pension Consultants and Administrators Ltd.	Pension and Fund Administration
Swan Group Corporate Services Limited	Provision of Secretarial Services to Swan Group
Swan Group Foundation	Corporate Social Responsibility
Swan International Ltd.	Reinsurance Broking, Consultancy and Investment
The Anglo-Mauritius Financial Services Ltd.	Fund Management and Investment Consulting
Société de la Croix	Investment entity
Société de la Montagne	Investment entity
Société de la Rivière	Investment entity

directorate & management

DIRECTORS

Non-Executive

M. E. Cyril MAYER / B.Com., C.A. (SA) – Chairperson

J. Jean-Pierre P. DALAIS / M.B.A. (USA)

F. M. J. Pierre DOGER DE SPÉVILLE [Up to 6 October 2011]

George J. DUMBELL / A.C.I.B. (UK)

M. A. Eric ESPITALIER-NOËL / B.Soc. Sc. (SA), M.B.A. (UK)

M. D. Henri HAREL / A.C.I.S.

J. M. René LECLEZIO / B.Sc. Chemical Engineering, M.B.A. (UK) [As from 6 October 2011]

M. F. I. Jean Hugues MAIGROT, G.O.S.K.

Independent Non-Executive

M. D. Pierre DINAN, G.O.S.K. / B.Sc. Economics (LSE), F.C.A. (England)

Peroomal Gopallen MOOROOGEN / F.C.C.A., M.B.A. (Wales)

Victor C. SEEYAVE / M.B.A. (USA), B.A. Economics (UK)

Executive

J. M. Louis RIVALLAND / B.Sc. (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)


M. E. Cyril Mayer


J. Jean-Pierre P. Dalais


George J. Dumbell


M. A. Eric Espitalier-Noël


M. D. Henri Harel


J. M. René Leclézio


M. F. I. Jean Hugues Maigrot

directorate & management (cont'd)

DIRECTORS' PROFILE

M. E. Cyril MAYER, B.Com, C.A. (SA)

Managing Director of Terra Mauricia Ltd

Positions presently held on

(a) *sugar sector private institutions:*

Member of the Selling and Executive Committee of the Mauritius Sugar Syndicate

President of the Mauritius Sugar Producers' Association and member of its Executive Committee

(b) *other institutions:*

Board Member of the Mauritius Sugar Authority

Has also served on the Joint Economic Council, the Mauritius Chamber of Agriculture, the Mauritius Sugar Industry Research Institute and the Mauritius Employers' Federation.

Directorships of listed Companies:

- Terra Mauricia Ltd
- Swan Insurance Company Limited (Non-executive Chairperson)
- United Docks Limited

J. JEAN-PIERRE P. DALAIS, M.B.A. (USA)

Executive Director, CIEL Investment Limited

Chief Executive Officer, CIEL Capital Limited

Mr. Jean-Pierre Dalais was appointed Director on October 9, 2007 and is a member of the Company's Investment Committee. He is the Chief Executive Officer of CIEL Capital Limited, the Investment Manager of CIEL Investment Limited. After graduating from the International University of America with an MBA, he joined Arthur Andersen in Mauritius and France. He later joined the CIEL Group and played an active role in the development of the Group's operations, both in Mauritius and internationally.

Directorships of listed Companies:

- IPRO Growth Fund Limited
- Phoenix Beverages Limited (Alternate Director)
- Sun Resorts Limited
- Swan Insurance Company Limited

George J. DUMBELL, A.C.I.B. (UK)

Chairperson, Constance Group of Companies

Worked 34 years for the HSBC Group at senior management level in nine countries across Asia, Americas, Middle East and Europe.
Former Director of various Banking and Financial Institutions across Asia and Europe.
Fellow and Past Director of the Mauritius Institute of Directors

Directorships of listed Companies:

- Belle Mare Holding Limited (Chairperson)
- State Bank of Mauritius Ltd.
- Swan Insurance Company Limited
- Terra Mauricia Ltd.

M. A. Eric ESPITALIER-NOËL, B.Soc. Sc. (SA), M.B.A. (UK)

Chief Executive of ENL Commercial Limited

Directorships of listed Companies:

- Automatic Systems Ltd. (Non-executive Chairperson)
- ENL Commercial Limited
- ENL Land Ltd.
- Rogers & Co. Ltd.
- Swan Insurance Company Limited

M. D. Henri HAREL, A.C.I.S.

Group Chief Finance Officer of Terra Mauricia Ltd

Directorships of listed Companies:

- Terra Mauricia Ltd
- Swan Insurance Company Limited

J. M. René LECLÉZIO, B.Sc Chemical Engineering, M.B.A. (UK)

Managing Director of Promotion and Development Ltd

Holds a B.Sc Chemical Engineering from Imperial College, London and an MBA from the London Business School.
Before being appointed CEO of Promotion and Development Ltd. in 1987, he worked in London as Consultant engineer in the oil and gas industry and with Lloyds Merchant Bank as Assistant Manager in Project Finance.
Acts as Director of several private and public companies.

Directorships of listed Companies:

- Caudan Development Ltd
- Promotion and Development Ltd
- Swan Insurance Company Limited

directorate & management (cont'd)

Me. M. F. I. Jean Hugues MAIGROT, G.O.S.K.

Notary Public since 1971

Legal adviser to a number of listed large public and private companies.

Directorships of listed Companies:

- Omnicane Limited
- Terra Mauricia Ltd. (Non-executive Chairperson)

M. D. Pierre DINAN, G.O.S.K., B.Sc. Economics (LSE), F.C.A. (England)

Economic Consultant

Positions presently held:

- Member of the Monetary Policy Committee of the Bank of Mauritius
- Board member Mauritius Institute of Directors
- Board member and Audit Committee Chairperson of a few local companies or institutions in the manufacturing and financial services sectors

Former Senior Partner at De Chazal Du Mée

Former Chairperson of the Mauritius Employers' Federation

Directorship of listed Company:

Swan Insurance Company Limited

Peroomal Gopallen MOOROOGEN, F.C.C.A., MBA (Wales)

Senior Executive – Mass Market – Mauritius Telecom

Director of The Stock Exchange of Mauritius Ltd.

Directorship of listed Company:

- Swan Insurance Company Limited

Victor C. SEEYAVE, M.B.A. (USA), B.A. Economics (UK)

Managing Director of Altima Limited

Directorships of listed Companies:

- Innodis Limited
- Swan Insurance Company Limited

MANAGEMENT TEAM

Group Chief Executive

Louis RIVALLAND, B.Sc. (Hons.) (SA), F.I.A. (UK), F.A.S (SA)

Senior Managers

Robert GALLET – Individual Business Marketing & Development, Group Communication & Properties

Alan GODER – Pensions Consultants & Administrators Limited, Pensions, Claims, Fund Administration and Group Systems and Processes

Sattar JACKARIA, B.Sc. (Hons.), F.I.A – Actuarial

Vincent LAMUSSE, M.S.G. – The Anglo-Mauritius Financial Services Ltd

Vishnoo LUXIMAN, M.Sc. – Group Human Resources

Maxime REY – Group Finance, Loans and Legal

George SUI TIT TONG, A.C.I.I. – Individual Business Operations

Managers

Gaël ALIPHON, A.C.I.I. – Individual Business

Navindranath BHUGALOO, A.C.I.I. – Pension Consultants & Administrators Ltd. and Pensions (DC)

Mario BUTTIE, F.C.C.A. – Fund Administration

Edward CUNNIAH – Claims

Patrick DE MARCY CHELIN – Loans

Eric HOODMAN, M.B.C.S. - Systems & Processes

Bernard KISHTOO – Pensions (DB)

Dave LUCHMUN – Group Facilities (As from 1st May 2011)

Herbert MADANAMOOTHOO, Maîtrise de Droit – Legal & Compliance, M.L.R.O.

Karine MOREL, B.Com., F.C.C.A., M.I.P.A. (M) - Finance

senior management team profile 2011

Louis RIVALLAND, B.Sc. (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)

Group Chief Executive

Louis Rivalland (41) holds a Bachelor's degree in Actuarial Science and Statistics and is a Fellow of the Institute of Actuaries (UK). He is currently the Group Chief Executive of Swan Insurance and The Anglo-Mauritius Assurance.

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

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

From January 2002 to December 2004, he acted as Executive Manager of Anglo-Mauritius. In January 2005 he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance and Anglo-Mauritius, and member of the Executive Management Committee of the Swan Group. Since January 2007 he is the Group Chief Executive of the Swan Group.

He has been the President of the Joint Economic Council and of the Insurers' Association of Mauritius, is currently a Board member of the Mauritius Revenue Authority and a member of the Financial Services Consultative Council. He has played an active role in the development of risk management, insurance and pensions in Mauritius having chaired or been part of various technical committees on these areas.

He is a Director to several private and public companies and is also a member of a number of Corporate Governance and Audit Committees. He is a Fellow member of the Mauritius Institute of Directors.

Jean Paul CHASTEAU DE BALYON, F.MIoD

Swan Group Corporate Services Limited

Fellow Member of the Mauritius Institute of Directors
Member of The Chartered Insurance Institute (C.I.I.) – U.K.
Member of The Association of Company Secretaries – Mauritius

Jean Paul Chasteau de Balyon (61) joined Swan Insurance in 1969 as Underwriter motor and non-motor insurance and was appointed Assistant Company Secretary in 1974. In 1976 he was appointed Company Secretary of Swan Insurance and also attributed the responsibilities of Administration and Human Resources. He was appointed Group Company Secretary of the Swan Group in January 2003.

He has been fully involved in the following key projects:

- Standardisation of the Swan Group conditions of employment (1979)
- Introduction of Swan Insurance on the official market of the Stock Exchange of Mauritius in 1990
- Scheme of Arrangement for the benefit of shareholders in 1991
- Swan Group Centre in 1992 and 1993

He has been Secretary General of the Insurers' Association and Secretary of the first consultative committee of the Swan Group. He has attended a number of management development courses given by the Chartered Insurance Institute of the United Kingdom.

He is the Chairperson of the sub-committee of the Insurers' Association on issues linked to the World Trade Organisation (WTO).

He is a member of the Working Group on Financial Services set up by the Government on issues connected with the WTO and was part of the national delegation which took part in the WTO negotiations in Geneva in 2002 and 2003.

He is a Council Member of the Mauritius Chamber of Commerce and Industry (member of its Nomination and Remuneration Committee) and a Member of the Consultative Committee of the Stock Exchange of Mauritius.

He also sits on the Board of Governors, Centre d'Études Commerciales (MCCI).

He acts as Director of the following Companies:-

- LUX* Island Resorts Ltd. (Member of its Governance, Remuneration and Audit Committees)
- Tropical Paradise Co. Ltd. (Member of its Governance Committee)
- Pharmacie Nouvelle Ltd. (Member of its Governance Committee)
- Sugarworld Ltd.

As from 1st January 2011, it is under a Service Agreement with the Group that Jean Paul Chasteau de Balyon acts as Company Secretary and Director of Swan Group Corporate Services Ltd.

senior management team profile 2011 (cont'd)

Robert GALLET

Senior Manager

Senior Management Course - Graduate School of Business Administration, South Africa (SA)
Diploma in Agency Management - Life Insurance Marketing and Research - Hartford, Connecticut
Diploma in Advanced Management Programme - Life Insurance Marketing and Research - Hartford, Connecticut

Robert Gallet (61) worked for eight years in the Pensions Business of Southern Life in South Africa. He held the position of assistant to Divisional Accountant responsible for the division's financial accounting function of the New Business, Underwriting, Claims, Commissions, Actuarial, Legal and IT departments, including budgeting, cost control and financial reporting, and general administration.

He worked for six years in the Individual Life Business of Southern Life in South Africa. He held the position of Manager and Senior Manager responsible for providing financial and administrative services to the New Business, Premium Collection, Underwriting, Policy Servicing, Claims, Actuarial, IT departments within the Division and all sixteen Regional offices and branches across the Country with special emphasis on yearly and long term financial planning and budgeting.

He joined The Anglo-Mauritius in March 1987 whereby he has spent eighteen years in Pensions and Individual Life Business. He holds the position of Senior Manager responsible for the marketing of the Individual Business including the overall responsibility of its sales force. He manages the communication and marketing support function of the Swan Group and is responsible for the administration of the immovable property portfolio of the Company and its subsidiaries.

His key areas of expertise are administration and marketing.

Alan GODER

Senior Manager

Alan Goder (44) worked in the Actuarial Department of The Anglo-Mauritius 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 Ltd.

He joined The Anglo-Mauritius as Senior Manager in November 2004 where he oversees the Claims and Fund Administration departments. He is also responsible for managing Pension Consultants & Administrators Ltd. Since August 2009, Alan has been appointed to oversee the pension department of Anglo-Mauritius.

Alan is also Senior Manager to the Group Systems & Processes department.

His key areas of specialisation are pensions administration and consulting.

Sattar JACKARIA, B.Sc. (Hons.), F.I.A.

Senior Manager

B.Sc. (Hons.) Mathematics, Operational Research, Statistics and Economics, UK
Fellow of the Institute of Actuaries (F.I.A.), UK

From September 1999 to September 2006, Sattar Jackaria (34) was working in the HR Services department of Towers Perrin in London, United Kingdom. Towers Perrin is a leading provider of HR consulting services worldwide.

He joined Towers Perrin as an actuarial trainee after completing a degree at Warwick University (UK). He qualified as an actuary and was promoted to consultant in 2004. During his time with Towers Perrin, he acquired a vast experience in the HR space dealing mainly with subsidiaries of large US multinational companies.

He joined the Actuarial Department of The Anglo-Mauritius as Actuary in October 2006 and is responsible for the day-to-day running of the department together with new product design and implementation. He has moreover been assigned the responsibility for the Bank Assurance department with effect from January 2011 and offers technical assistance to the other departments of the Group.

His key areas of specialisation include pensions business and actuarial consulting. He has been involved in a wide range of client facing activities including funding and investment advice, preparation of various types of GAAP disclosures, design and implementation of new pension schemes, advice in respect of merger and/or acquisition and day-to-day consulting.

Vincent LAMUSSE, M.S.G.

Senior Manager

Diplôme Universitaire en Sciences Economiques
Maîtrise de Science de Gestion (Bordeaux, France)

Vincent Lamusse (44) manages The Anglo-Mauritius Financial Services Ltd., a leading provider of Investment Management services to Pension Funds, Insurance Funds, Investments Companies, and individuals in Mauritius.

He joined The Anglo-Mauritius Assurance Society Ltd in 1991 and was subsequently appointed Assistant Manager (Investments) in 1994, and Investments Manager in 1999. He was trained in England at Eagle Star Assurance, London Life, Teacher's Assurance, Mercantile & General Reinsurance, and contributed substantially to the development of the range of Unit Linked Funds of The Anglo-Mauritius Assurance Society Ltd. He was promoted Senior Manager in 2005, after having set up The Anglo-Mauritius Financial Services Ltd.

He is also a non-executive director in a number of companies in the financial and tourism sectors.

senior management team profile 2011 (cont'd)

Vishnoo LUXIMAN, M.Sc.

Senior Manager

Master of Science in Human Resource Management (University of Surrey)
Diploma in Business Management (University of Surrey/ Mauritian Institute of Management)
Diploma in Personnel Management (University of Mauritius)
Member of the Singapore Human Resources Institute

Vishnoo Luximan (50) worked as Assistant Personnel & Public Relations Officer at the Constance & La Gaieté SE Company Ltd from 1983 to 1988. He joined Deep River-Beau Champ Ltd (DRBC) as Assistant Personnel Manager/Public Relations Officer in 1988. He was promoted to the position of Personnel Manager/Public Relations Officer with the same company in 1990.

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

He joined the Group in 2006.

He is a registered trainer, up to degree level, with the Mauritius Qualifications Authority and has been delivering courses in the field of human resource management since 1998.

His key areas of specialisation are labour legislation, employee resourcing, training & development, performance management, reward management and employee relations.

Maxime REY

Senior Manager

Maxime Rey (59) started an accounting career in 1973 in Mauritius, first in auditing, and then in the sugar industry.

Immigrating to South Africa in 1981, he worked for Kuehne and Nagel (Pty) Ltd, part of a worldwide transport, travel consulting and insurance broking organization, and was appointed Group Financial Controller in 1989 and Director in 1992.

Back in Mauritius in 1993, he joined the Swan Group where he is presently holding the position of Senior Manager - Group Finance, also heading the Loans and Legal departments and acting as Deputy Money Laundering Reporting Officer.

He is a Director to a number of companies in the commercial sector, also chairing or being a member of the Audit Committees of those companies.

George SUI TIT TONG, A.C.I.I.

Senior Manager

Associate of the Chartered Insurance Institute - UK
Chartered Insurer - UK
A founder member of the Insurance Institute of Mauritius

George Sui Tit Tong (64) joined The Anglo-Mauritius in January 1968.

He is a Senior Manager since July 2004 and is responsible for the overall operations pertaining to Individual Business and the medical organisation of the company.

His key area of specialisation is the underwriting of life assurance business. He has acquired international exposure through his participations in workshops and attending conferences relating to life assurance and underwriting in London, Oxford, Singapore, Cape Town, Johannesburg, Geneva and Shanghai.

chairperson's statement

M.E. Cyril Mayer
/ Chairperson

On behalf of the Board of Directors, I am pleased to submit the Annual Report and Audited Financial Statements of The Anglo-Mauritius Assurance Society Limited and of the Group, for the year ended 31st December 2011.

On the economic front, whilst the global economy was slowly recovering from the 2008 financial crisis, conditions on the international scene deteriorated significantly and made the recovery process even more vulnerable; especially on our main export markets where sovereign debt problem in particular resulted in downward revisions of economic growth projections.

The government on the occasion of its budgetary policy formulation for 2012 announced a series of measures with a view to strengthen its economic and social agenda, by setting the foundations for a stronger growth, riding out the crisis, reforming the fiscal policy and improving the social protection.

A Resilience Plan made up of four main strategies was also announced. They comprise support to enterprises at micro-economic level, increased public spending on infrastructure, financial system stabilisation and more coherent macro-economic response.

As for the Group's operations, I am pleased to report a year of strong operational results despite the challenging economic environment, the net premium income having experienced a substantial growth, particularly in the individual pension business. Furthermore, in spite of the global downfall of market indices, the Life Fund's equity portfolios performed quite well as a result of a cautious and discerning investment strategy.

A major initiative was taken by the Board to the effect of agreeing with CIM Financial Services Ltd. (CFS) of the Rogers Group the principle of amalgamating the insurance companies of CFS with those of the Swan Group. The Board believes that this decision will provide an opportunity to strengthen and expand the Group's insurance business and offer to its stakeholders an enhanced competitive alternative. Combining of these activities will also provide the required critical mass to open new avenues of development on the regional and international levels. Furthermore, the investment and asset management activities of both Groups will also be merged and combined with the stockbroking business of CFS.

In the context of its international development strategy, the Group set up an international consortium along with leading financial institutions whose principal objective consists in taking advantage of investment opportunities in insurance companies of sub-saharean Africa and South-Africa. Apart from being a founding stakeholder of the consortium, the Group is also its principal technical partner.

During the year, Mr. Pierre Doger de Spéville expressed the wish to retire from the Board of Directors of the Companies of the Group. He was replaced by Mr. René Leclézio. I wish to take this opportunity in expressing, on behalf of the Board, my gratitude to Mr. de Spéville for his significant contribution to the Group's development during the 11 years he served as Director, and to wish him a happy retirement. I also wish to congratulate Mr. Leclézio on his appointment.

I would like, on behalf of my colleagues of the Board, to express my appreciation to the Group Chief Executive, to the management team and to the personnel at large, who by their dedication and hard work, contributed to the commendable performance of the Group.

In concluding, may I express my gratitude to my colleagues of the Board, more especially to those who contributed to its Committees, for their valuable support and guidance throughout the year.

M. E. Cyril Mayer
Chairperson

group chief executive's review

Louis Rivalland /
Group Chief Executive

STRATEGIC REVIEW

Over the last few years, we have worked hard to establish a solid platform on which to build for the future. Our strategic initiatives which revolved around improving profitability, human capital, our areas of operation, synergies within the Group, the use of technology and the core processes are already yielding the expected results.

In line with our vision to be a provider of financial solutions in the region, the International Department set up in 2010 has been very active during 2011. One of the key initiatives has been to become a founding member of a consortium of institutional and financial partners. The objective of the consortium is to invest in Sub-Saharean African insurance companies, to restructure these companies using, where applicable, our technical know-how & expertise and to sell them on afterwards. This unique opportunity will enable us to better understand and evaluate the market dynamics and challenges of various African insurance countries so as to make informed and rational investment decisions regarding our appetite to penetrate the African market.

Our investment in SACOS, the State Assurance Company of Seychelles, has produced satisfactory results and we continue to collaborate both technically and strategically in the development of the Company. We are also looking at new opportunities in the Indian Ocean rim jurisdictions.

On the local front, as part of our strategy to strengthen and expand our operations and at the same time to further safeguard the interests of our stakeholders, we have initiated discussions with CIM Financial Services, a wholly owned subsidiary of Rogers and Company Ltd, to amalgamate its insurance activities with and into those of the Swan Group. At the time of writing, the Competition Commission has already given its approval but we are still waiting for the approval of the Financial Services Commission. We strongly believe that this amalgamation will enable us to be better equipped to respond to the changing consumer environment by providing innovative products and an even better quality of service. Moreover, it will provide us with the critical mass and expertise to pursue our international ventures in the region.

In order to be closer to our clientele and to service them better, we opened a branch in Black River in January 2011. We are now strategically positioned in 3 areas on the island and will continue looking into the possibility of opening up new branches.

Last but not least, 2011 was a landmark year for Anglo-Mauritius as it has celebrated its 60 years of existence. A number of events were organised to mark this very special milestone culminating with a garden party for staff, agents and pensioners at the State House, Le Reduit.

LONG-TERM OPERATIONS

Following the obligations of the Insurance Act requiring Insurance Companies to have separate legal entities for their Short-Term and Long-Term Operations as from 1 January 2011, the landscape of the long-term insurance industry has continued to change.

Other than Sun Insurance which transferred their life business to us back in August 2010, 3 other insurers have also decided to focus solely on the provision of short-term insurance. As such, there are now 8 insurers currently licensed by the FSC to provide long-term insurance products. However, the long-term insurance market remains very competitive in all aspects. Moreover, it is encouraging to note that policyholders are being more and more aware of the different types of products available on the market and are shopping around to get the policy that best suits their needs.

In terms of our operating result, despite challenging conditions prevailing in various sectors of our economy, the performance of our long-term operations has been very good and indeed exceeded our expectations. The total premium income (excluding consideration for annuities) net of reinsurance has experienced a substantial growth of around 21%. The pension business has been the biggest contributor to this growth with an increase in premiums (excluding consideration for annuities) net of reinsurance of around 34%.

Looking ahead, the proposed merger of CIM Life with and into Anglo-Mauritius, if approved by the regulators, will be our main project for the year. This will indeed be a challenge and we shall ensure that the business integration process will run as smoothly as possible, based on our recent experience when we took over the life portfolio of Sun Insurance.

Individual Business

Following the triennial actuarial valuation of our Life Fund at 31 December 2010, bonuses (as declared by our Statutory Actuary, Deloitte of South-Africa) were added to all of our with-profits policies.

The financial crisis of 2009 and its consequences thereafter have brought significant adverse conditions in financial and capital markets. The combination of poor returns on the stock exchange and the lower interest rate environment has impacted on the returns of our Life Fund. Based on these economic conditions, bonuses should in theory have been reduced. However, due to the strong solvency position of our Life Fund, Deloitte has been able to declare the same regular bonuses (for most of our with-profit policies) as was declared in 2008.

Each policyholder can now also view the revised bonuses that have accrued on their policies by simply logging on to their secured personal online accounts.

The difficult economic conditions above have also impacted on our unit-linked funds which have exposures to either local and/or overseas markets as has been the case for other providers of similar funds. Moreover, the low interest rate environment has also driven returns down in the funds that are invested in fixed-interest securities.

We are expecting 2012 to be a difficult year for our local economy. The European debt crisis and the uncertainty as to the sustainability of the Euro will definitely impact us even more in 2012. In the midst of uncertainties, the insured is likely to be looking for prudent investment opportunities and our range of conventional with-profits policies is well geared to provide a solution to these clients.

Despite the very competitive market and difficult economic conditions we are thankful to our agents' sales force for their remarkable performance during the year under review. We have built a solid foundation that we shall continue to nurture in order to meet the challenges that will confront us in 2012 and to combine our forces to seize opportunities and enhance our strengths.

Corporate Business

At the end of 2011, Anglo-Mauritius provided administrative services to around 570 pension schemes – 310 defined benefit and 260 defined contribution schemes. The total active membership of these schemes exceeds 20,500 lives. Our pensions business is supported by a strong actuarial team consisting of 2 qualified actuaries and 9 actuarial analysts. Coupled with our subsidiaries, Pension Consultants and Administrators Limited (PCA) and Anglo-Mauritius Financial Services Ltd (AMFS), we provide the whole spectrum of pension services to corporate entities (i.e. actuarial, administration and fund management). We are widely recognised as the leader in the private pensions business due to our long experience in this field and the excellent client service that we strive to provide.

During the year, we have also reviewed the scope of our former Group Credit Insurance Department, which we have now renamed the "Bank Assurance Department" so as to reflect adequately its larger objectives. The Bank Assurance Department deals mainly with banks in the provision of credit covers against loans granted. Our tailor made solutions for each bank together with our stream-lined processes allow us to offer the clients of a bank with a rapid and efficient service.

Pension Consultants & Administrators Ltd (PCA)

PCA contributes to our corporate business through the provision of administration and setting up services for self-administered occupational pension schemes and complements the administration services offered by Anglo-Mauritius Assurance.

group chief executive's review (cont'd)

In 2011, PCA has maintained its position as the market leader in the field of administration of self-administered pension schemes and process outsourcing for insurance companies. The reputation of PCA is well established and ever growing. This has impacted positively on our turnover which has grown by 13% from last year whilst profitability has been very healthy for yet another year.

At the end of 2011, the company provided administrative services to more than 175 companies under 20 pension schemes with total active membership reaching nearly 16,000 lives.

The year under review has been a challenging one with the merger of three big pension schemes. We have also been working more closely with the pensions department of Anglo-Mauritius for the benefit of our respective clients and the Group in general.

PCA's objective for the coming year will be to further strengthen its position on the market by being more attentive to our clients' needs in the rapidly changing and complex pension environment.

The Anglo-Mauritius Financial Services Ltd (AMFS)

AMFS provides investment management services to the Swan Group as well as other financial institutions, superannuation funds and private investors. Assets under management grew steadily during the year and exceeded the 22 billion rupees mark as at 31 December 2011, comprising investments in local equities, fixed income securities as well as foreign investments.

The relationship developed over the years with BlackRock the world largest investment management firm, and Schroders, the renowned British fund management house, provides the company with solid expertise for investments in foreign markets, and contributed substantially to its good performance.

ECONOMIC HIGHLIGHTS

The World Economy

World Growth rate decelerated in 2011 to around 3.8% as the European debt crisis weighed heavily on economic climate, especially the Greek situation. Euro Zone posted a modest +1.6% and US +1.8%, greatly assisted by accommodative monetary policies. Emerging and developing economies mostly continued their progression, though at a more moderate rate of +6.2% hampered by inflation.

Domestic Economy

The Mauritian economy recorded a lower estimated GDP growth of 4.1% in 2011 against 4.2% in prior year mainly due to the direct impact of the Euro zone's economic crisis. Per capita GDP, at current market prices, increased from Rs 233,413 (USD 7,593) in 2010 to Rs 252,471 (USD 8,607) in 2011. The main contributors to this growth were 'Real estate, renting and business activities' (+0.8%), 'Manufacturing' (+0.6%), 'Transport, storage and communications' (+0.5%) and 'Financial Intermediation' (+0.5%).

Sectorwise, the primary sector recorded an improved performance of 2.8% in 2011 after losing 1.3% in 2010. The main drivers to this growth were "Sugarcane" (+0.6%) and "Other agriculture" (+3.9%). The Sugarcane industry fared well through unfavourable climatic conditions and produced 430,000 tonnes of refined and special sugars, which is higher than the forecasted 390,000 tonnes at the beginning of the year.

The secondary sector grew at a lesser rate of 2.1% in 2011 compared to 2.8% in 2010. Within this segment, the Manufacturing output was up by 3.5% in 2011 (2010: 2.1%) driven by the good performances of 'Sugar milling' (+1.6%), 'Food processing' (+0.7%), 'Textile' (+8.3%) and 'Other manufacturing' (+2.5%). However the construction industry, another secondary sector constituent, contracted by 1.8% in 2011 after a growth of 4.3% in 2010.

The tertiary sector grew at a lower rate of 5.0% in 2011 compared to 5.1% in prior year, mainly due to lower performance of Hotels and Restaurants industry in 2011 (+4.0% against +6.0% in 2010). The Island welcomed 980,000 tourists in 2011 against 934,828 in prior year generating estimated revenue of Rs 42.5 billion against Rs. 39.4 billion in 2010. Moreover, financial intermediation benefited from an improved growth of 5.5% (2010: 4.3%) derived from sub-sectors: 'Insurance' (+4.5%), 'banks' (+5.9%) and 'Other financial intermediation activities' (+6.0%).

The headline inflation rate was 6.5% at close of 2011 against 2.9% in 2010, mostly due to higher food prices, cigarettes & alcoholic beverages and readymade clothing. Likewise, the unemployment rate is expected to increase marginally from 7.8% in 2010 to 7.9% in 2011. The investment rate decreased from 24.9% in 2010 to 23.9% in 2011, with the share of private sector investments falling to 75.2% from 75.5% in 2010 and public sector increasing to 24.8 % from 24.5% a year earlier.

FINANCIAL HIGHLIGHTS

The Life Assurance Fund at 31st December 2011 amounted to Rs. 20.5 billion (Rs. 20.8 billion in 2010) decreasing by Rs. 0.3 billion during the year (Rs. 2.4 billion increase in 2010).

The Life Assurance Fund includes a fair value reserve of Rs. 3.3 billion in 2011 (Rs. 4.3 billion in 2010). The decrease in fair value reserve of Rs. 1.0 billion made during the year (Rs. 0.7 billion increase in 2010) is due to the unrealised profit of our equities portfolio on the stock exchange.

The premiums receivable net of re-assurances and annuity considerations amounted to Rs. 2.1 billion in 2011 (Rs. 1.8 billion in 2010), including Rs. 942.5 million for the linked business (Rs. 744.0 million in 2010).

The Company sustained during the year death and disablement claims of Rs. 89.1 million as compared to Rs. 76.2 million in 2010. Maturities paid amounted to Rs. 854.6 million as compared to Rs. 805.0 million last year.

During the year, surrenders increased from Rs. 284.5 million to Rs. 889.0 million.

Realised capital appreciation of Rs. 116.6 million was made on the non-linked account during the year as compared to Rs. 158.8 million in 2010, and realised capital appreciation of Rs. 151.1 million was made on the linked account in 2011 as compared to an appreciation of Rs. 11.0 million last year.

Loss on exchange of Rs. 41.8 million was made on the non-linked account in 2011 as compared to a loss of Rs. 22.7 million last year, and loss on exchange of Rs. 7.7 million was made on the linked account during the year as compared to a loss of Rs. 0.2 million in 2010.

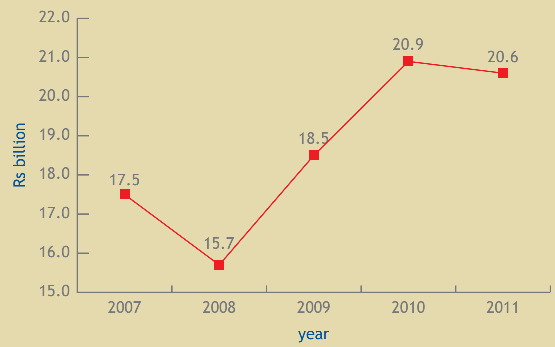
Dividends declared in 2011 amounted to Rs. 62.8 million (Rs. 57 million in 2010).

INVESTMENTS

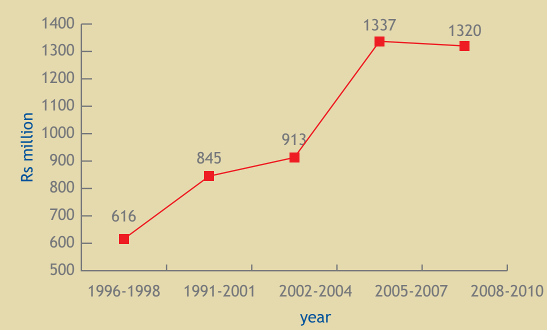
Equity Market

Globally, stock markets were increasingly volatile and registered losses over the year. In Mauritius, although the SEMTRI retreated by a mere 1.3%, its constituents posted mixed performances against the Euro fragility and its economic fallout. Furthermore, the Mauritian market witnessed a net foreign capital drain over the year to the tune of Rs.475 million.

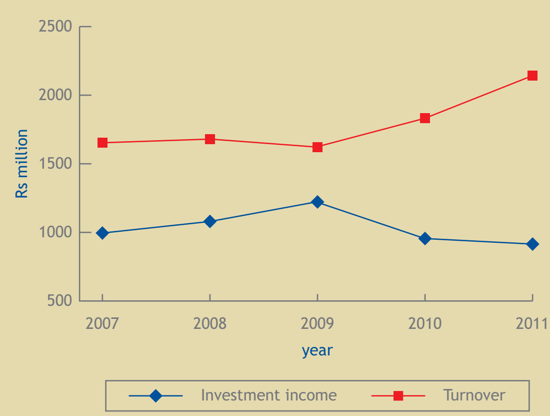
Life Assurance Fund



Distributed surplus



Revenue



group chief executive's review

The international equity markets mostly moved south, partially due to the situation in Europe and fears of a hard economic landing in China. During the year, developed equity markets returned -7.6% as measured by the MSCI World Index whilst MSCI Europe slipped by 13.8%. Emerging market equities were even weaker, as the MSCI EM Index returned -20.4% in 2011. On the other hand, US equities fared better as recorded by the modest gains of the S&P 500 Index by 2.1%.

Fixed Income Market

Excessive liquidity and high inflationary trend (headline inflation rate of 6.5% p.a at year end) were the predominant factors on the domestic fixed income market over the year. Monetary policy was tightened by a net 65 bps over the period as a counter move to contain inflation and improve the real savings rate which dropped into the red zone; the 364 Day counter managing a yield to maturity of only 4.79% p.a.

Currency display was marked by a strong rupee versus the major hard currencies - the EUR, USD and GBP depreciating by 6.2%, 3.7% and 3.9% respectively. The FOREX market was subject mainly to the worldwide repercussions of the European sovereign debt crisis.

Company's Investment Portfolio

The equity portion of the investment portfolio was affected by the poor performances of equity markets whilst the fixed income segment delivered rewarding yields in a difficult economic environment. The fund was invested in a mix of 35% in equities and 65% in fixed income securities. Over the year, the Fund's exposure to equities was conservatively reduced to mitigate the impact of the Euro zone turmoil. Investment income grew satisfactorily over the period due to a reallocation of short-term cash on longer termed higher rewarding prime instruments.

Performance of The Anglo-Mauritius Funds

A difficult year for equity markets in a low yielding fixed income environment were the challenges faced by the investment funds of Anglo-Mauritius. Nonetheless, the equity portfolios of the various unit-linked funds portrayed strong resilience in downturns due to an active strategy and selective diversification. On the other hand, fixed income portfolios generated competitive real rates of return.

In this context, a good unit-linked performer was the Secure Fund (Pension), which recorded an annualised performance of 6.6%. This conservative Fund invests wholly in prime fixed income instruments such as secured mortgage loans, government securities, rupee and forex deposits.

The Non-Linked Fund remains our largest fund as at 31st December 2011 with assets of Rs. 17.0 billion. The assets are allocated at approximately 48% in fixed income instruments and 52% in shares & properties. The fund performed satisfactorily over the year due to a prudent management of its foreign investment portfolio with regular diversification to money market alternatives and bonds during the year; a strategy which proved fruitful to contain overall fund value.

LEGAL AND REGULATORY FRAMEWORK

Following the budget presented by the Minister of Finance and Economic Development, the regulatory framework has also been revisited to cater amongst others for measures relating to the financial services sector.

The main measures include the following:

(1) Abolition of Capital Gains Tax in case of sale of immovable property.

(2) Requirement for a Protected Cell Company to file financial statements with the Registrar of Companies for each cell and pay tax on a cellular basis.

(3) Computation of Corporate Social Responsibility is now based on 2% of chargeable income instead of 2% of book profit.

(4) Amendments have been made to the Bank of Mauritius Act, Financial Services Act & Securities Act to allow the disclosure of information to the Financial Services Commission.

(5) Abrogation of legislation that would have allowed local assets to be insured in 2013 with an insurance company based in a foreign country.

(6) Employees are now allowed to use their monthly NSF contribution to pay for the premiums of a private health insurance.

(7) Amendment to The Borrower Protection Act to give financial institutions the option of issuing loan statements electronically.

(8) Removal of registration duty on registration of secured loans where the amount borrowed does not exceed Rs 1 Million.

(9) Amendment of the "Code Civil" to extend the time limit for renewal of inscription in connection with a secured loan from 10 years to 40 years.

(10) Financial institutions will be exempted from payment of land transfer tax on the sale of immovable property in connection with debt realisation provided that the property is being sold within a period of 12 months from its acquisition date.

(11) Tax deduction at source has been extended to services provided inter-alia by doctors, attorneys, barristers and legal consultants.

HUMAN RESOURCES AND ORGANISATION STRUCTURE

Mr. Gilbert Montenot, Manager of the Maintenance Department, has retired from his post at the end of April 2011. On behalf of the Board of Directors, the Management Committee, and, in my own name, I wish to thank him for his dedication and contribution to the Swan Group.

The Maintenance Department, whose attributions go beyond maintenance, has been renamed Group Facilities Department since May 2011 and Mr. Dave Luchmun has been promoted to the position of Group Facilities Manager.

During the year 2011, we have replaced our paper-based performance management system with a web-based electronic one. This new system aims at facilitating the annual performance reviews while, at the same time, providing Management with tools for the effective monitoring and analysis of performance. Our ultimate aim is to provide our staff with the constructive feedbacks and support they need to constantly improve the services we deliver to our internal and external customers.

The implementation of this new performance management and development system has coincided with the introduction of a performance-related reward system for our administrative, professional and managerial staff. This new way of rewarding employees constitutes one of the major changes we have brought to our remuneration practices over the past two years. We hope that this performance reward related system will enable us to give a better recognition to our high performers and will encourage our employees at large to go the extra mile.

In line with our profound belief in a greener globe, we have elaborated an environmental policy for the Swan Group. This policy will henceforth guide our actions in respect of environment protection. We shall enlist our employees in internal projects aimed at reducing our carbon footprint and in specific outdoor environmental protection activities.

Following the announcement of the proposed merger between CIM companies and Swan Group companies, we have given due attention to the human aspects of such a major change. On the assumption that this proposed merger will receive the approval of the authorities concerned, we have been working with our consultants in view of ensuring that the eventual integration of the businesses takes place with a minimum amount of discomfort to employees of all the entities.

Rivalland

J. M. Louis Rivalland
Group Chief Executive

corporate governance report 2011

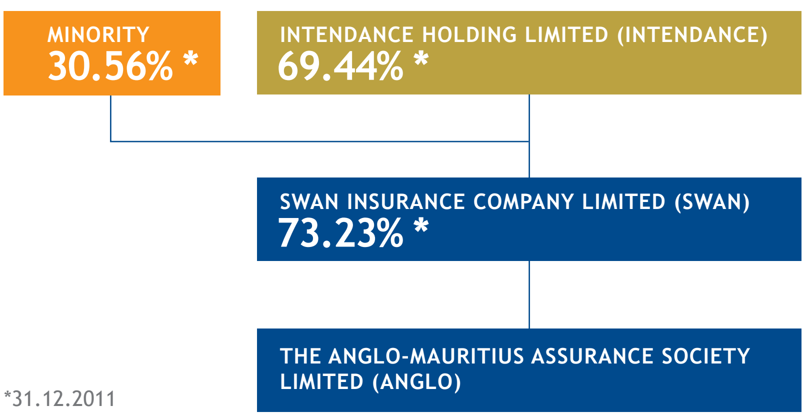
1. COMPLIANCE STATEMENT

The Group is committed to the highest standards of business integrity, transparency and professionalism. The management of the Group's activities is exercised ethically and responsibly with the ultimate objective of enhancing shareholders' value and having regard to stakeholders at large.

During the year under review, the Group ensured that its operations yielded acceptable returns to stakeholders and were conducted in a way that displayed the following characteristics of good governance, namely discipline, transparency, independence, accountability, fairness and social responsibility.

The Board of directors ensures that the principles of good governance are followed and applied throughout the Group.

2. ULTIMATE HOLDING COMPANY



*31.12.2011

3. COMMON DIRECTORS at 31/12/ 2011

	ANGLO	SWAN	INTENDANCE
M. E. Cyril Mayer	✓	✓	✓
J. Jean-Pierre P. Dalais	✓	✓	✓
M. A. Eric Espitalier-Noël	✓	✓	✓
M. D. Henri Harel	✓	✓	✓
J. M. René Leclézio (As from 06/10/2011)	✓	✓	✓

4. MAJOR SHAREHOLDERS

At April 30, 2012, the following shareholders held more than 5% of the ordinary share capital of the Company.

	Direct		Indirect
	No. of shares	% of voting rights	% of voting rights
Swan Insurance Company Limited	1,830,730	73.23	-
Intendance Holding Limited	-	-	50.85

5. DIVIDEND POLICY

Every three years, an actuarial valuation report is made by our Consulting Actuaries in accordance with the Insurance Act. The purpose of this valuation is to determine the surplus (deficiency) of the Life Assurance Fund for the period under review.
The surplus is distributed as follows:

- 90% to policyholders as bonuses on policies.
- 10% to shareholders through a transfer to Proprietors' Fund.

The above transfer to Proprietors' Fund is used for the payment of dividends over the next three years and Directors ensure that dividends are authorised and paid out only if the Company shall, upon the distribution being made, satisfy the solvency test.

6. THE BOARD OF DIRECTORS

There is a clear separation of the roles of the Chairperson and the Group Chief Executive. The Chairperson leads the Board, ensuring that each director, particularly the non-executive directors, 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 Group Chief Executive has the day-to-day management responsibility for the Group's operations, implementing the strategies and policies agreed by the Board. The non-executive directors constructively challenge and help develop proposals on strategy, scrutinise the performance of management in achieving objectives and monitor the reporting of performance.

The independent non-executive directors bring a wide range of experience and skills to the Board. They are free from any business or other relationships which would materially affect their ability to exercise independent judgement, constructively dissent and are critical by-standers.

All directors have access to the advice and services of the Company Secretary. Where necessary in the discharge of their duties, directors may seek independent professional advice at the Company's expense.

As part of the induction process, newly appointed directors receive an 'Induction Pack' containing key information on the Group and the sector in which it operates.

(a) Role of the Board

The Board leads and controls the Company and is the link between shareholders and the Company. It also is the focal point of the corporate governance system and is ultimately accountable for the performance of the affairs of the Company. Compliance is equally the responsibility of the Board, which ensures that the Company complies with the full set of laws, rules and regulatory framework in which it operates.

The Board is responsible for organising and directing the affairs of the Company in the best interests of shareholders, in conformity with legal and regulatory framework, and consistent with its constitution and best governance practices.

(b) Election of Directors

The Code of Corporate Governance provides for directors to be elected (or re-elected as the case may be) every year at the annual meeting of shareholders. However, the Board does not consider this recommendation to be appropriate within the context of the Group. In addition, the constitution of the Company does not make any provision for such a procedure. The Board believes that the complexity of the Group's operations is such that sufficient time should be allowed for an independent director to be reasonably conversant with its technicalities. This applies particularly to those Directors who are members of the Audit and Risks Committee.

corporate governance report 2011 (cont'd)

(c) Evaluation

1. The Board is composed of Directors coming from a wide cross section of the sectors of our economy. Every Director has drawn from his professional background and competence in positively contributing to the Board's activities; especially those who are members of the Board Committees.

2. The Board's collective appraisal has been postponed until such time as the amalgamation process with CIM currently underway is completed.

(d) Interests in shares at 31.12.2011

(i) Directors

Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
M.E. Cyril Mayer	-	-	200	0.008
J.M. Louis Rivalland	11,400	0.456	-	-
	11,400	0.456	200	0.008

(ii) Senior Officers other than Directors : NIL

(e) Directors' dealing in shares of the Company

With regard to directors' dealings in the shares of the Company, the directors confirm that they have followed the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

7. REMUNERATION POLICY

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

The Remuneration structure has been designed so as to support the following strategic aims:

- Provide a remuneration package that attracts, retains and motivates staff and help to develop a high performance culture.
- Ensure that pay levels are internally consistent and externally competitive.
- Reward employees according to their performance and contribution.
- Provide a right mix of non-financial as well as financial rewards.
- Ensure that the remuneration package promotes improved performance and is affordable.

Executive director's remuneration package consists of basic salary, annual performance bonus, pension provision, 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 being essential for the successful leadership and effective management of the Group.

Non-executive directors receive an annual fee for their knowledge, experience and insight given to the Board and Committees.

The remuneration policy for executive directors approaching retirement is determined by the Corporate Governance Committee on a case-to-case basis.

8. BOARD COMMITTEES

(a) The Audit and Risks Committee

The Committee consists of four non-executive directors, three of whom are independent including the Chairperson. The current members are Mr. Peroomal Gopallen Mooroogen (Chairperson), Mr. Pierre Dinan, Mr. Henri Harel and Mr. Victor Seeyave. The Group Chief Executive attends unless a conflict of interest is likely to arise. Members of the Committee (including the Chairperson) have adequate financial awareness.

Executives, Members of the Senior Management Team, the Partner in charge of external audit and the Internal Auditors regularly attend meetings of the Audit and Risks Committee.

The Audit and Risks Committee may secure the attendance of external professional advisers at its meetings in order to perform its duties.

The Committee is satisfied that it has discharged its responsibilities for the year in compliance with its terms of reference.

The Audit and Risks Committee's focus is on:

- The reliability and accuracy of the financial information provided by management to the Board and other users of financial information;
- The functioning of the internal control and the risk management systems;
- The functioning of the internal auditors;
- The risk areas of the operations to be covered in the scope of the internal and external audits;
- Whether the services of the current external and internal auditors should continue;
- Any accounting or auditing concerns identified as a result of the internal or external audits;
- Compliance with legal and regulatory requirements with regard to financial matters;
- The scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors;
- The nature and extent of non-audit services provided by the external auditors; and
- Financial information to be published by the Board.

(b) The Corporate Governance Committee

The Committee consists of four non-executive directors, three of whom are independent.

The current members are Mr. Cyril Mayer (Chairperson), Mr. Pierre Dinan, Mr. Peroomal Gopallen Mooroogen and Mr. Victor Seeyave. The Group Chief Executive is in attendance.

The Corporate Governance Committee's terms of reference which comprise areas covered by a nomination and remuneration committee include but are not limited to:

- Determining, agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;
- Assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executive and senior management;
- Putting in place plans for succession, in particular the Chairperson and the Group Chief Executive;
- Making recommendations to the Board on all new Board appointments; and
- Determining the level of emoluments of executive, non-executive, Independent non-executive directors and Board Committees members.

The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties and shall set the appropriate procedures accordingly.

The Committee is authorised to obtain, at the Group's expense, such outside legal or other independent professional advice as it considers necessary to perform its duties.

corporate governance report 2011 (cont'd)

9. (a) BOARD AND COMMITTEES' ATTENDANCE AND REMUNERATION IN 2011

		Board	Audit & Risks Committee	Corporate Governance Committee
Number of meetings held during the year		6	4	1
Directors	Classification	Attendance		
M.E. Cyril Mayer	Non-executive	6	N/A	1
J.Jean-Pierre P. Dalais	Non-executive	5	N/A	N/A
M.D. Pierre Dinan	Independent non-executive	5	2	1
F.M.J. Pierre Doger de Spéville (Up to 06/10/2012)	Non-executive	2	N/A	N/A
George J. Dumbell	Non-executive	3	N/A	N/A
M. A. Eric Espitalier Noël	Non-executive	4	N/A	N/A
M.D. Henri Harel	Non-executive	5	1	N/A
J. M. René Leclézio (As from 06/10/2011)	Non-executive	-	N/A	N/A
M.F.I. Jean Hugues Maigrot	Non-executive	3	N/A	N/A
Peroomal Gopallen Mooroogen	Independent non-executive	6	4	1
Victor C. Seeyave	Independent non-executive	6	3	1
J.M. Louis Rivalland	Executive	6	4	1

(b) DIRECTORS' REMUNERATION IN 2011

	From the Company	From Subsidiary Companies
	Rs.	Rs.
Non-Executives	939,000.-	34,000.-
Executive	4,224,767.-	3,300,930.-

The Directors' fees and remuneration are in accordance with market rates. They have not been disclosed on an individual basis due to the sensitive nature of the information.

10. COMPANY SECRETARY

All directors have access to the services of the Company Secretary who is responsible for ensuring that Board procedures are followed and plays an active role in the facilitation and induction of new directors and the improvement and monitoring of corporate governance processes.

11. RELATED PARTY TRANSACTIONS

For related party transactions, please refer to Note 31 to the financial statements.

12. CONSTITUTION

The constitution of the Company does not provide any ownership restriction or pre-emption rights. It is in conformity with the Companies Act 2001 and the Mauritius Stock Exchange Listing rules.

13. SHAREHOLDERS' AGREEMENTS/THIRD PARTY MANAGEMENT AGREEMENTS

There were no such agreements during the year under review.

14. INTERNAL AUDIT

Internal Audit is an objective assurance function reporting to the Audit and Risks Committee and the Board of Directors. It derives its authorities from the Board through the Audit and Risks Committee.

Messrs. Ernst & Young, Public Accountants perform the duties of Internal Auditors.

- **Role and Responsibilities**

The Internal Auditors are responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal control and risk management.

- **Reporting and disclosure**

  - Structure and Organisation
    The internal audit charter, which is reviewed and approved every three years by the Audit and Risks Committee, establishes the composition, role, scope, authority, independence, reporting procedures, auditing standards and responsibilities of the Internal Auditors.

  - Reporting lines
    The Internal Auditors have a direct reporting line to the Audit and 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 and the Audit and Risks Committee.

- **Coverage and Risk Management**

  The annual internal audit plan, which is approved by the Audit and Risks Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited.

- **Accessibility**

  The Internal Auditors have unrestricted access to the records, management or employees of the Group.
  The Internal Auditors act as a source of constructive advice and best practice, assisting the Audit and Risks Committee in its responsibility to improve the processes by which risks are identified and managed and to report and advise on the proper and effective use of resources.

15. RISK MANAGEMENT

In our business, successful management essentially means controlling risks in order to protect the financial strength of the Group and increase its value on a sustainable basis.

The Board has overall responsibility for the Group's systems of risk management and for reviewing their effectiveness at least annually. The systems are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Executive management has the responsibility for establishing and implementing appropriate systems and controls in their own areas of remit.

Risks Management refers to the process used by the Group to monitor and mitigate its exposure to risk. The objective of risk management is not to completely eliminate risk but to reduce it at an acceptable level having regard to risk appetite of the Group. It is the intention of the Group to align the risk management framework of the Group to best practices.

Risk assessment activities were carried out by the Internal Auditors following which management of the Group and the Internal Auditors have been working in collaboration to finalise the risk-monitoring framework. The risk management framework will be continuously reviewed and updated to reflect the ongoing risk facing the Group.

Risks discussed and identified for the Group are categorised as follows:

- **Insurance risk**

  The Group's insurance activities are primarily concerned with the pricing, acceptance and management of risks from customers.

  The Claims department closely monitors claims development. The Management of the underwriting and claims risks uses a number of tools to write certain higher risk classes of business, review performance and management of insurance portfolios throughout the Group.

- **Reinsurance risk**

  The Group's reinsurance strategy and appetite is set by management and recommended to the Board for approval. The Reinsurance team monitors and controls reinsurance activity and has the responsibility for the purchase of the Group's covers. Major treaty purchases are analysed to ensure that the level of cover purchased is aligned to the Group's risk appetite and strategy. Over and above treaty capacities, large risks are reinsured on the facultative reinsurance market.

- **Environment and Strategy risks**

  These risks arise when there are environmental forces that could either put the Group out of business or significantly change the fundamentals that drive the Group's overall objectives and strategies.

  Environment risks may arise from:
  — failure to understand customer needs;
  — failure to anticipate or react to actions of competitors; and
  — over dependence on vulnerable suppliers, etc.

  As the Group's competitive advantage becomes difficult to maintain, management's assumptions about the business environment provide a critical starting point for re-evaluating and formulating new business strategies.

These assumptions include the strategic profile of major competitors, demographic and social trends, new technologies that provide opportunities for competitive advantage and economic, political, and regulatory developments. The assessment of the Environment and Strategy risks also included discussions on:

— *Regulatory Risks:*
Changes in laws/regulations and actions by the local regulators can result in increased pressures and significantly affect the Group's ability to efficiently and competitively conduct business.

— *Industry Risks:*
Risks which make the industry less attractive as a result of changes in:
• Key factors for competitive success within the industry, including significant opportunities and threats;
• Capabilities of existing and potential competitors; and
• Group's strengths and weaknesses relative to present and future competitors.

- **Operational risks**

Operational risks are defined as risks of loss resulting from inadequate or failed internal processes and procedures, human error or system failure or from external events (e.g. legal risks). Operational loss events have significant negative impact on the market value of insurers.

Operational risks are further broken down into:
— Human resource risks:
Losses arising from acts inconsistent with employment, health and safety laws, personal injury claims, etc.

— Fraud risks:
Intentional or fraudulent acts intended to defraud or misappropriate property or circumvent regulations, law and policies and involving one internal party and/or a third party.

— Physical risks:
Losses due to fire, cyclone, explosion, riots etc.

— Business Continuity risks:
Losses from failed transaction processing, and process management, inadequate backups and loss of data.

— Reputational risks:
Losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.

- **Information Processing/Technology Risks**
These are risks that hardwares and softwares are not operating as intended, are compromising the integrity and reliability of data and information, are exposing significant assets to potential loss or misuse, or are exposing the Group's ability to maintain a high standard of its main business processes.

- **Financial Risks**
The primary sources of financial risks within the Group are reinsurance counterparties, credit risks inherent to insurance contracts, treasury and investment activities and premium debtors. Market risk arises from the Group's investment portfolios. Liquidity risk is considered to be low for the Group.

The management of these financial risks is further discussed in Note 3.2 to the financial statements.

corporate governance report 2011 (cont'd)

16. INTERNAL CONTROLS

The Board has the overall responsibility for maintaining a sound and effective system of internal controls to safeguard the Group's assets and shareholders' interests.

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

The key areas that the Board has put in place to provide effective internal controls are as follows:

1) The Board has established a clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, members of the Senior Management, and to the heads of operating units;

2) The Board assesses the effectiveness of internal controls by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, feedback from management and the external auditors;

3) A comprehensive management accounting system is in place to provide financial and operational performance data for management accounting purposes. Review of the accounting information takes place on a regular basis at Audit & Risks Committee and Board levels and remedial action is promptly taken, where necessary;

4) There is an ongoing effort to document the system and procedures for each operating unit. These documents are also being updated regularly;

5) A compliance function has been put in place under the leadership of the Money Laundering Reporting Officer and clear compliance procedures have been established. Regular training is being conducted to ensure that:
   - New staff are trained in compliance with requirements that the Group is subject to; and
   - Existing staff are regularly updated on compliance issues;

6) Management has put in place appropriate financial controls by way of segregation of duties of accounting staff; and

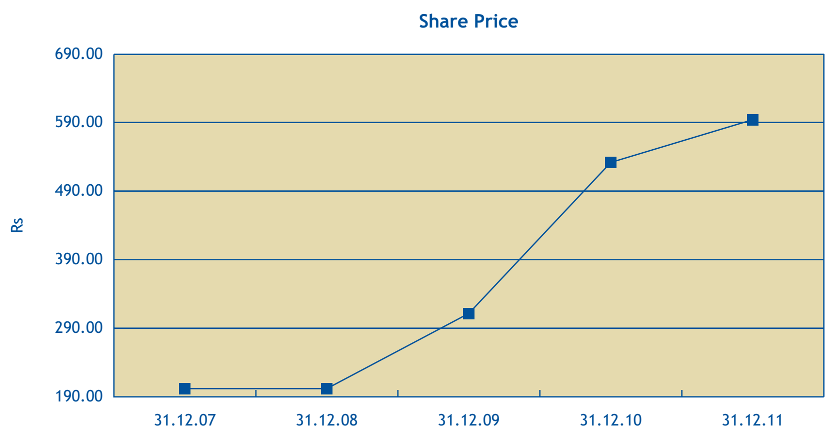
7) Management has put in place appropriate operational and compliance controls at all operating units.

17. SHARE OPTION

The Group has no share option plan.

18. SHARE PRICE INFORMATION

Share Price of the Company increased by 67% over the last five years, from Rs.200.-per share at December 31, 2007 to Rs.600.-per share in 2011.



19. SHAREHOLDERS' PROFILE

The Company's shareholders' profile at year-end was as follows:

(a)

Range of shares	No. of shareholders	No. of shares	% holding
1 - 500	237	26,172	1.04
501 - 1,000	36	27,467	1.1
1,001 - 5,000	56	117,274	4.69
5,001 - 10,000	13	89,838	3.6
10,001 - 50,000	5	89,836	3.6
50,001 - 100,000	5	318,683	12.74
100,001 - 250,000	-	-	-
250,001-500,000	-	-	-
Over 500,000	1	1,830,730	73.23
TOTAL	**353**	**2,500,000**	**100**

(b)

Category	No. of Shareholders	No. of shares	% holding
Individuals	286	222,419	8.9
Insurance and Assurance Companies	4	7,346	0.3
Pension & Provident Funds	9	16,346	0.65
Investment and Trust Companies	8	88,835	3.55
Other Corporate Bodies	45	334,324	13.37
The Holding Company	1	1,830,730	73.23
TOTAL	**353**	**2,500,000**	**100**

corporate governance report 2011 (cont'd)

20. CHARITABLE DONATIONS, CORPORATE SOCIAL RESPONSIBILITY AND POLITICAL CONTRIBUTIONS.

Please refer to 'Other Statutory Disclosures', on page 90.

21. STAKEHOLDERS' RELATIONS AND COMMUNICATION

The Group's objective is to properly understand the information needs of shareholders and to have an open and meaningful dialogue with all its stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure. All Board members are requested to attend the annual meeting of shareholders.

The Annual Report is sent to all shareholders and to a number of stakeholders and quarterly financial statements are published in the press. The Group's website provides financial, business and other information about the Group's activities and profile.

22. CODE OF ETHICS

The Group is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Group's Code of Ethics is based on the Model Code of the Joint Economic Council and adapted to meet the specific need of the Group.

23. SUSTAINABILITY REPORTING

The Group is committed to the development and implementation of social, safety, health and environmental policies and practices, which comply with existing legislative and regulatory frameworks. In this area, the Group is aiming for best practice in line with its corporate values and long-term objectives.

In reckoning its social responsibility and the significance of broadening its role to areas not directly connected with its operations, the Group, as a corporate citizen, contributed to the development of a number of organisations in the educational, training, sports development, cultural, social and humanitarian fields through the Swan Group Foundation.

24. TIME-TABLE OF IMPORTANT FORTHCOMING EVENTS

June 2012	Annual Meeting of Shareholders
August 2012	Publication of Unaudited Condensed Financial Statements for second quarter and half-year ending June 30, 2012.
November 2012	Publication of Unaudited Condensed Financial Statements for third quarter ending September 30, 2012. Board of Directors meets to decide on the advisability of declaring a dividend.

Jean Paul CHASTEAU DE BALYON
For Swan Group Corporate Services Limited
Secretary

statement of directors' responsibilities

Directors acknowledge their responsibilities for:

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

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

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgments.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

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

(ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;

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

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

Signed on behalf of the Board of Directors

M. E. Cyril Mayer	***M. A. Eric Espitalier-Noël***
Chairperson	*Director*

independent auditors' report to the members

This report is made solely to the members of The Anglo-Mauritius Assurance Society Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of The Anglo-Mauritius Assurance Society Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 42 to 88 which comprise the statements of financial position at December 31, 2011 and the life assurance funds, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 42 to 88 give a true and fair view of the financial position of the Group and of the Company at December 31, 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all 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 2005

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

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

BDO & Co

BDO & CO
Chartered Accountants

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Port-Louis,
Mauritius.

28th March 2012

statements of financial position

DECEMBER 31, 2011

	Notes	THE GROUP 2011	THE GROUP 2010	THE COMPANY 2011	THE COMPANY 2010
ASSETS		Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets					
Property and equipment	5	242,167	131,633	217,474	106,025
Investment properties	6	531,547	448,298	491,782	408,533
Intangible assets	7	56,816	66,127	34,514	42,790
Investments in subsidiary companies	8	-	-	71,512	72,126
Investment in associated companies	9	37,816	58,317	614	-
Investment in financial assets	10	13,162,053	12,873,202	13,162,053	12,873,202
Loans and receivables	11	2,741,414	2,465,976	2,754,853	2,465,976
		16,771,813	16,043,553	16,732,802	15,968,652
Current assets					
Trade and other receivables	12	210,944	193,453	204,664	201,836
Investment in financial assets	10	1,766,475	2,910,975	1,766,475	2,910,975
Loans and receivables	11	310,328	290,094	310,328	290,094
Short term deposits	13/26(b)	1,682,011	1,656,293	1,682,011	1,656,293
Cash in hand and at bank	26(b)	369,811	122,072	340,116	79,927
		4,339,569	5,172,887	4,303,594	5,139,125
Total assets		21,111,382	21,216,440	21,036,396	21,107,777
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Share capital	14	25,000	25,000	25,000	25,000
Proprietors' fund		119,244	8,256	119,244	8,256
Owners' interest		144,244	33,256	144,244	33,256
Non-controlling interest	15	200	24,661	-	-
Total equity		144,444	57,917	144,244	33,256
Technical Provisions					
Life Assurance Fund	2(i)/16	20,586,765	20,888,758	20,514,944	20,811,302
Gross outstanding claims	3.1(a) (iii)	18,547	18,747	18,547	18,747
		20,605,312	20,907,505	20,533,491	20,830,049
Non-current liabilities					
Deferred tax liabilities	17	6	137	-	-
Retirement benefit obligations	18	98,781	87,368	97,782	86,749
		98,787	87,505	97,782	86,749
Current liabilities					
Trade and other payables	19	190,574	158,491	191,854	157,396
Current tax liabilities		9,515	5,022	6,275	327
Dividend payable	24	62,750	-	62,750	-
		262,839	163,513	260,879	157,723
Total equity and liabilities		21,111,382	21,216,440	21,036,396	21,107,777

These financial statements have been approved for issue by the Board of Directors on 28th March 2012.

M. E. Cyril Mayer
Chairperson

M. A. Eric Espitalier-Noël
Director

The notes on pages 46 to 88 form an integral part of these financial statements.
Auditors' report on pages 40 and 41.

life assurance fund

YEAR ENDED DECEMBER 31, 2011

	Notes	THE GROUP 2011 Rs'000	THE GROUP 2010 Rs'000	THE COMPANY 2011 NON-LINKED Rs'000	THE COMPANY 2011 LINKED Rs'000	THE COMPANY 2011 TOTAL Rs'000	THE COMPANY 2010 NON-LINKED Rs'000	THE COMPANY 2010 LINKED Rs'000	THE COMPANY 2010 TOTAL Rs'000
Gross premiums		**2,004,450**	1,674,938	**1,061,924**	**942,526**	**2,004,450**	930,910	744,028	1,674,938
Ceded to reinsurers		**(81,571)**	(83,778)	**(81,571)**	**-**	**(81,571)**	(83,778)	-	(83,778)
Net insurance premiums		**1,922,879**	1,591,160	**980,353**	**942,526**	**1,922,879**	847,132	744,028	1,591,160
Consideration for annuities		**211,670**	235,757	**211,670**	**-**	**211,670**	235,757	-	235,757
Fee income on insurance and investment contracts		**143,300**	147,782	**93,651**	**-**	**93,651**	101,917	-	101,917
Investment income	21	**893,423**	933,056	**711,290**	**215,402**	**926,692**	755,098	205,553	960,651
Other income	22	**267,753**	170,023	**116,567**	**151,129**	**267,696**	158,771	11,022	169,793
Gain on exchange		**-**	311	**-**	**-**	**-**	-	-	-
Other operating income - rent		**17,195**	18,857	**13,255**	**-**	**13,255**	14,913	-	14,913
Share of results of associated companies	9	**193**	6,472	**-**	**-**	**-**	-	-	-
		3,456,413	3,103,418	**2,126,786**	**1,309,057**	**3,435,843**	2,113,588	960,603	3,074,191
Gross death and disablement insurance claims		**99,845**	90,748	**96,566**	**3,279**	**99,845**	87,496	3,252	90,748
Recoverable from reinsurers		**(10,760)**	(14,587)	**(10,760)**	**-**	**(10,760)**	(14,587)	-	(14,587)
Net death and disablement insurance claims		**89,085**	76,161	**85,806**	**3,279**	**89,085**	72,909	3,252	76,161
Maturity claims		**854,607**	804,962	**765,732**	**88,875**	**854,607**	695,336	109,626	804,962
Surrenders		**888,960**	284,511	**140,383**	**748,577**	**888,960**	145,117	139,394	284,511
Annuities		**252,545**	231,417	**233,034**	**19,511**	**252,545**	192,507	38,910	231,417
Commissions payable to agents and brokers		**102,551**	85,536	**102,551**	**-**	**102,551**	85,536	-	85,536
Fees payable		**82,535**	87,288	**49,544**	**61,138**	**110,682**	44,519	63,123	107,642
Depreciation of property and equipment	5	**12,600**	9,851	**12,094**	**-**	**12,094**	9,206	-	9,206
Depreciation of investment property	6	**10,040**	8,206	**10,040**	**-**	**10,040**	8,206	-	8,206
Amortisation of intangible assets	7	**8,867**	9,011	**8,442**	**-**	**8,442**	8,600	-	8,600
Computer development expenses		**3,227**	3,140	**3,227**	**-**	**3,227**	3,140	-	3,140
Bad debts		**2,847**	1,934	**2,847**	**-**	**2,847**	1,934	-	1,934
Marketing and administrative expenses	23	**181,689**	166,319	**150,756**	**-**	**150,756**	138,073	-	138,073
Loss on exchange		**49,491**	22,888	**41,751**	**7,740**	**49,491**	22,700	188	22,888
		2,539,044	1,791,224	**1,606,207**	**929,120**	**2,535,327**	1,427,783	354,493	1,782,276
Surplus for the year before taxation		**917,369**	1,312,194	**520,579**	**379,937**	**900,516**	685,805	606,110	1,291,915
Taxation	20	**(13,844)**	(319)	**(5,948)**	-	**(5,948)**	5,875	-	5,875
Surplus for the year		**903,525**	1,311,875	**514,631**	**379,937**	**894,568**	691,680	606,110	1,297,790
Surplus transferred as follows:									
- Life Assurance Fund	16	**739,043**	1,308,516	**350,155**	**379,937**	**730,092**	692,922	606,110	1,299,032
- Proprietors' Fund		**164,476**	(1,242)	**164,476**	**-**	**164,476**	(1,242)	-	(1,242)
- Non-controlling interest	15	**6**	4,601	**-**	**-**	**-**	-	-	-
		903,525	1,311,875	**514,631**	**379,937**	**894,568**	691,680	606,110	1,297,790

The notes on pages 46 to 88 form an integral part of these financial statements.
Auditors' report on pages 40 and 41.

statements of changes in equity

YEAR ENDED DECEMBER 31, 2011

THE GROUP		Attributable to owners of the parent				
	Notes	Share capital	Proprietors' fund	Total	Non-controlling interest	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2011		**25,000**	**8,256**	**33,256**	**24,661**	**57,917**
Interest allocated		**-**	**9,262**	**9,262**	**-**	**9,262**
Transfer from Life Assurance Fund		**-**	**164,476**	**164,476**	**-**	**164,476**
Net movement for the year	**15**	**-**	**-**	**-**	**6**	**6**
Effect of transfer from subsidiary to associate		**-**	**-**	**-**	**(24,467)**	**(24,467)**
Dividend	**24**	**-**	**(62,750)**	**(62,750)**	**-**	**(62,750)**
Balance at December 31, 2011		**25,000**	**119,244**	**144,244**	**200**	**144,444**
Balance at January 1, 2010		25,000	60,702	85,702	22,523	108,225
Interest allocated		-	5,796	5,796	-	5,796
Transfer to Life Assurance Fund		-	(1,242)	(1,242)	-	(1,242)
Net movement for the year	15	-	-	-	2,138	2,138
Dividend	24	-	(57,000)	(57,000)	-	(57,000)
Balance at December 31, 2010		25,000	8,256	33,256	24,661	57,917

THE COMPANY		Share Capital	Proprietors' Fund	Total Equity
		Rs'000	Rs'000	Rs'000
Balance at January 1, 2011		**25,000**	**8,256**	**33,256**
Interest allocated		**-**	**9,262**	**9,262**
Transfer from Life Assurance Fund		**-**	**164,476**	**164,476**
Dividend	**24**	**-**	**(62,750)**	**(62,750)**
Balance at December 31, 2011		**25,000**	**119,244**	**144,244**
Balance at January 1, 2010		25,000	60,702	85,702
Interest allocated		-	5,796	5,796
Transfer to Life Assurance Fund		-	(1,242)	(1,242)
Dividend	24	-	(57,000)	(57,000)
Balance at December 31, 2010		25,000	8,256	33,256

The notes on pages 46 to 88 form an integral part of these financial statements.
Auditors' report on pages 40 and 41.

statement of cash flows

YEAR ENDED DECEMBER 31, 2011

	Notes	THE GROUP		THE COMPANY	
		2011	2010	**2011**	2010
		Rs'000	Rs'000	**Rs'000**	Rs'000
Cash flows from operating activities					
Cash (used in)/generated from operations	26(a)	**(81,052)**	332,297	**(113,369)**	280,073
Investment income received		**893,755**	933,056	**926,692**	960,651
Tax paid		**(9,482)**	(3,861)	**-**	-
Net cash generated from operating activities		**803,221**	1,261,492	**813,323**	1,240,724
Cash flows from investing activities					
Purchase of property and equipment	5	**(47,575)**	(13,408)	**(47,524)**	(11,744)
Purchase of investment property	6	**(176,196)**	(53,053)	**(176,196)**	(53,053)
Purchase of intangible assets	7	**(240)**	(31,274)	**(166)**	(31,274)
Purchase of financial assets	10	**(5,697,532)**	(3,946,820)	**(5,697,532)**	(3,946,820)
Loans granted		**(654,251)**	(682,400)	**(654,251)**	(682,400)
Disposal/maturity of financial assets		**5,745,278**	3,366,354	**5,745,278**	3,366,354
Proceeds from sale of property and equipment		**1,430**	877	**1,131**	568
Proceeds from sale of investment properties		**7,465**	16,112	**7,465**	16,112
Loans received		**343,870**	374,302	**343,870**	374,302
Acquisition of subsidiary	8	**-**	-	**-**	(1)
Net cash used in investing activities		**(477,751)**	(969,310)	**(477,925)**	(967,956)
Cash flows from financing activity					
Dividends paid	24	**-**	(57,000)	**-**	(57,000)
Net cash used in financing activity		**-**	(57,000)	**-**	(57,000)
Increase in cash and cash equivalents		**325,470**	235,182	**335,398**	215,768
Movement in cash and cash equivalents					
At January 1,		**1,778,365**	1,525,518	**1,736,220**	1,503,303
Increase		**325,470**	235,182	**335,398**	215,768
Cash from acquisition of life business segment		**-**	40,037	**-**	40,037
Effect of transfer from subsidiary to associate		**(2,522)**	-	**-**	-
Effects of exchange rate changes		**(49,491)**	(22,372)	**(49,491)**	(22,888)
At December 31,	26(b)	**2,051,822**	1,778,365	**2,022,127**	1,736,220

The notes on pages 46 to 88 form an integral part of these financial statements.
Auditors' report on pages 40 and 41.

notes to the financial statements

YEAR ENDED DECEMBER 31, 2011

1. GENERAL INFORMATION

The Anglo-Mauritius Assurance Society Limited is a limited liability company incorporated and domiciled in Mauritius. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of the Company.

The principal activities of the Company consist of life assurance, pensions, actuarial and investment business and have remained unchanged during the year. The activities of the subsidiary companies are detailed in note 8.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) available-for-sale financial assets are stated at their fair values; and

(ii) held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised cost.

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

Amendment to IAS 32, ' Classification of rights issues', addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. This amendment is not expected to have any impact on the Group's financial statements.

Amendment to IFRS 1 Limited Exemption from Comparatives IFRS 7 Disclosures for First-time Adopters provides first-time adopters relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment is not expected to have any impact on the Group's financial statements.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. This IFRIC will not have any impact on the Group's financial statements.

IAS 24, 'Related Party Disclosures' (Revised 2009), clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group and the parent have disclosed transactions between its subsidiaries and its associates.

Amendments to IFRIC 14, 'Prepayments of a Minimum Funding Requirement' correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. These amendments are not expected to have any impact on the Group's financial statements.

Improvements to IFRSs (issued 6 May 2010)

IAS 1 (Amendment), 'Presentation of Financial Statements', clarifies that an entity may present the required reconciliations for each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This amendment is not expected to have any impact on the Group's financial statements.

IAS 27 (Amendment), 'Consolidated and Separate Financial Statements', clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively. This amendment is unlikely to have an impact on the Group's financial statements.

IAS 34 (Amendment), 'Interim Financial Reporting', emphasises the disclosure principles in IAS 34 and adds further guidance to illustrate how to apply these principles. This amendment is not expected to have any impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Improvements to IFRSs (issued 6 May 2010) (cont'd)

IFRS 1 (Amendment), 'First-time Adoption of International Financial Reporting Standards', clarifies that a first-time adopter is exempt from all the requirements of IAS 8 for the interim financial report it presents in accordance with IAS 34 for part of the period covered by its first IFRS financial statements and for its first IFRS financial statements. It also allows an entity to recognise an event-driven fair value measurement as deemed cost when the event occurs, provided that this is during the periods covered by its first IFRS financial statements. This amendment is not expected to have any impact on the Group's financial statements.

IFRS 3 (Amendment), 'Business Combinations', clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by IFRS. The application guidance in IFRS 3 applies to all share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards. This amendment is unlikely to have an impact on the Group's financial statements.

IFRS 7 (Amendment), 'Financial Instruments: Disclosures', clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosures regarding renegotiated loans. The Group has provided the required disclosures.

IFRIC 13 (Amendment), 'Customer Loyalty Programmes' clarifies that when the fair value of award credits is measured on the basis of the value of the awards for which they could be redeemed, the fair value of the award credits should take account of expected forfeitures as well as the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. This amendment is unlikely to have an impact on the Group's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2012 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1) (effective 1 July 2011)
Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)
Disclosures – Transfers of Financial Assets (Amendments to IFRS 7) (effective 1 July 2011)
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
IFRS 9 Financial Instruments
IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement
IAS 19 Employee Benefits (Revised 2011)

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property and Equipment

All property and equipment are stated at historical cost/deemed cost less depreciation. 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 in and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost of each asset, to their residual values over their estimated useful life, as follows:

Buildings	2%
Furniture, fixtures and fittings	10%
Computer equipment	15% - 33.3%
Electrical equipment	10%
Motor vehicles	20%

Land is not depreciated.

The assets' residual values and useful lives 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.

Gains and losses on disposal of property and equipment are determined by comparing proceeds with their carrying amount and are included in the Life Assurance Fund.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in the Life Assurance Fund. Decreases that offset previous increases of the same asset are charged against Life Assurance Fund.

(c) Intangible assets

Intangible assets consist of the following :

(i) Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of net asset of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Gains on bargain purchase represents the excess of the fair value of the Group's share of net asset acquired over the cost of acquisition and is recognised in the Life Assurance Fund.
Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Computer softwares

Acquired computer softwares are capitalised on the basis of costs incurred to acquire and bring to use and are amortised over their estimated useful lives of 3 years. The carrying amounts of the computer softwares are reviewed annually and adjusted for impairment where considered necessary.

(iii) Development and other costs

Development and other costs are recognised as assets and are amortised over their estimated useful life of 5 years.

(iv) 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. This intangible asset is amortised over the estimated life of the contracts i.e. 15 years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investment Properties

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

Investment property is 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 disposal of investment property are determined by reference to their carrying amount and are taken into account in determining the surplus on the Life Assurance Fund.

(e) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(f) Investment in subsidiaries

Separate financial statements of the investor
In the separate financial statements of the investor, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. 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. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. 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 either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests in the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Life Assurance Fund.

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment in subsidiaries (cont'd)

Consolidated financial statements (cont'd)
Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 are also recorded in equity.

(g) Investment in associate

Separate financial statements of the investor
In the separate financial statements of the investor, investment in associated company are carried at cost. 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 has significant influence but not control, or joint control. Investments in associates are accounted for by the equity method except when classified as held-for-sale. The Group's investment in associates may include goodwill, net of any accumulated impairment loss identified on acquisition. Investment in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

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

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

(h) Financial instruments

(i) Financial assets

A *Categories of financial assets*

The Group classifies its financial assets into the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the investments at initial recognition and re-evaluates this at every reporting date.

(a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments. They arise when the Group provides money or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months after the end of the reporting period or non-current assets for maturities greater than twelve months.

(b) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (cont'd)

(c) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting date.

(d) Trade and other receivables and payables

Trade receivables and payables relate to insurance contracts and are recognised when due. These include amounts due to and from reinsurers, agents, brokers and insurance contract holders.

B *Recognition and measurement*

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Investments are initially recorded at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity of the subsidiaries and in the Life Assurance Fund for the company, until the security is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognised in equity or in the Life Assurance Fund is included in the Income Statement or the Life Assurance Fund as gains and losses on financial assets. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the Life Assurance Fund as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices (Level 1). The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as on entity specific estimates (Level 2). If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and net assets basis (Level 3). (see note 10(b))

C *Impairment of financial assets*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that previously recognised in equity, is removed from equity and recognised in the Life Assurance Fund. Impairment loss for the Group is recognised in the Life Assurance Fund.

If there is evidence of impairment loss on loans or held-to-maturity investments carried at amortised cost, the amount of loss is measured as the difference between the asset's carrying amount and present value of estimated future cash flows (net of future credit losses), discounted at the asset's original effective interest rate. The amount of loss is recognised in the Life Assurance Fund.

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (cont'd)

(ii) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the Life Assurance Fund.

(iii) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amounts of trade receivables and payables and other receivables and payables are assumed to approximate their fair values.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash in hand , deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

(i) Life Assurance Fund

(i) Non-Linked Account

The surplus on the Life Assurance Fund-Non Linked Account for the year is retained in the Life Assurance Fund. The adequacy of the fund is determined by actuarial valuation every three years.

(ii) Linked Account

Earmarked assets in respect of segregated funds are assigned in the name of the Life Assurance Fund.

(j) Retirement Benefit Obligations

(i) Defined Benefit Plan

The Group contributes to a defined benefit plan, the assets of which are held independently and administered by The Anglo-Mauritius Assurance Society Limited.

A defined benefit plan is a pension plan that defines 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 cost of providing benefits is determined using the Projected Unit Credit Method, so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of plans every three years. Cumulative actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans in excess of the greater of 10% of the value of the Plan Assets or 10% of the defined benefit obligation are spread to income over the average remaining working lives of the related employees.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(ii) Defined Contribution Plan

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

The Group operates a defined contribution retirement benefit plan for all qualifying employees (new entrants and their dependents). Payments to deferred contribution retirement plans are charged as an expense as they fall due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Retirement Benefit Obligations (cont'd)

(iii) The Company

The Company, The Anglo-Mauritius Assurance Society Limited, has a retirement pension fund for its employees which is internally managed. Full liability of the retirement benefit obligations has been recognised as the assets are not legally separate and cannot therefore be considered as Plan Assets.

(k) Deferred Income Tax

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

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

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

(l) Alternative Minimum Tax

Alternative Minimum Tax (AMT) is provided for, where a company which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated as the lower of 10% of the dividend paid and 7.5% of book profit.

(m) Insurance contracts - The Company

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 virtually all its long term products are insurance contracts.

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

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

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

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

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. Equity holders' share of the DPF eligible surplus, equal to 10%, is transferred from the Life Assurance Fund to the Proprietors' funds on a triennial basis when bonuses are declared.

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

These contracts insure events with human life (for example death or survival) over a long duration. A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is based on assumptions such as mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Insurance contracts - The Company (cont'd)

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

(n) Revenue recognition - Premiums Earned

(i) The Group
Revenue comprises the fair value for services rendered and after eliminating revenue within the Group.

(ii) The Company

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

(o) Liability adequacy test

The Company's independent Actuaries review contract liabilities and carry out a liability adequacy test using current estimates of future contractual cash flows after taking into account the investment return expected on assets relating to the relevant long term business. Any deficiency is immediately recognised to the Life Assurance Fund by establishing a provision for the losses arising from liability adequacy test (the unexpired risk provision).

(p) Reinsurance contracts

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 impairments recognised in the Life Assurance Fund.

(q) Other revenue recognition

(i) Consideration for annuities - upon maturity of insurance contracts.
(ii) Rental income - as it accrues based on the terms of the rental contract.
(iii) Interest income - on a time-proportion basis using the effective interest method.
(iv) Dividend income - when the shareholder's right to receive payment is established.

(r) Foreign Currencies

(i) Functional and presentation currency
Items included in the 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 financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Foreign Currencies (cont'd)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement or Life Assurance Fund. 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 such as financial assets classified as available-for-sale financial assets, are included in the fair value reserve in the Life Assurance Fund.

(iii) 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 Company, are translated as follows:

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

In the event of disposal of the above associate, such translation differences are recognised in the Life Assurance Fund as part of the gain or loss on sale.

(s) Provisions

Provisions are recognised when the Group has 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.

(t) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Company issues 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 risk

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 faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities.

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

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts

(i) Concentration, frequency and severity of claims

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

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

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

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.

(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.

(iii) Claims development

The claims relate to death claims of the Company. The table below illustrates the outstanding claims at the end of the previous five years appearing in the statement of financial position:

	2007	2008	2009	2010	**2011**
	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**
Gross outstanding claims	18,072	21,286	13,982	18,747	**18,547**

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

3.2 Financial risk

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

The most important components of this financial risk are :

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

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

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

3.2.1 Market risk

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

The Group has 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 monitors adherence to this market risk policy through the Group Investment Committee. The Group Investment Committee is responsible for managing market risk at Company levels.

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

(i) Currency risk

<u>The Group</u> :

The Company has an investment in a Global Business Licence '(GBL)' company which in turn holds an equity investment in Seychelles. The net assets of the GBL company is exposed to currency translation risk.

<u>The Company</u> :

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

The Company also has a number of investments in foreign currencies, namely Euro, US Dollar, Seychelles Rupee SCR and Swiss Franc CHF, which are exposed to currency risk. The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

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

3.2.1 Market risk (cont'd)

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

At December 31, 2011	Rs.	GBP	USD	Euro	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Assets						
- Financial assets	11,380,544	1,148	2,714,295	702,190	130,351	14,928,528
- Loans and receivable	3,051,742	-	-	-	-	3,051,742
- Other non-current assets	868,346	-	-	-	-	868,346
- Current assets						
• Trade and other receivables	210,944	-	-	-	-	210,944
• Bank balances, deposits and cash	1,289,788	6,900	374,680	3,572	376,882	2,051,822
TOTAL ASSETS	16,801,364	8,048	3,088,975	705,762	507,233	21,111,382
Liabilities						
- Technical Provisions :						
• Life assurance fund	20,586,765	-	-	-	-	20,586,765
• Outstanding claims and IBNR	18,547	-	-	-	-	18,547
- Non-current liabilities	98,787	-	-	-	-	98,787
- Current liabilities	262,839	-	-	-	-	262,839
TOTAL LIABILITIES	20,966,938	-	-	-	-	20,966,938

At December 31, 2010	Rs.	GBP	USD	Euro	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Assets						
- Financial assets	11,851,608	2,339	3,129,717	647,118	153,395	15,784,177
- Loans and receivable	2,756,070	-	-	-	-	2,756,070
- Other non-current assets	704,375	-	-	-	-	704,375
- Current assets						
• Trade and other receivables	193,453	-	-	-	-	193,453
• Bank balances, deposits and cash	688,613	6,482	488,541	296,005	298,724	1,778,365
TOTAL ASSETS	16,194,119	8,821	3,618,258	943,123	452,119	21,216,440
Liabilities						
- Technical Provisions :						
• Life assurance fund	20,888,758	-	-	-	-	20,888,758
• Outstanding claims and IBNR	18,747	-	-	-	-	18,747
- Non-current liabilities	87,505	-	-	-	-	87,505
- Current liabilities	163,513	-	-	-	-	163,513
TOTAL LIABILITIES	21,158,523	-	-	-	-	21,158,523

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

3.2.1 Market risk (cont'd)

(i) Currency risk

Sensitivity

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

	GBP		USD		EURO		OTHERS	
	+5%	-5%	+5%	-5%	+5%	-5%	+5%	-5%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Impact on Life Assurance Fund :								
- At December 31, 2011								
- Financial assets	**57**	**(57)**	**135,720**	**(135,720)**	**35,109**	**(35,109)**	**6,518**	**(6,518)**
- Bank balances, deposits and cash	**345**	**(345)**	**18,734**	**(18,734)**	**179**	**(179)**	**18,844**	**(18,844)**
- At December 31, 2010								
- Financial assets	117	(117)	156,486	(156,486)	32,356	(32,356)	7,670	(7,670)
- Bank balances, deposits and cash	324	(324)	24,427	(24,427)	14,800	(14,800)	14,936	(14,936)

(ii) Interest rate risk

The Group :

Interest rate risk arises from the Group's investments in long term debt securities and fixed income securities (Held-to-Maturity Investments), bank balances and deposits 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 rate profiles of the financial assets of the Group as at December 31, were as follows:

	2011	2010
	%	%
Held-to-Maturity investments	2.00 - 7.50	2.00 - 8.00
Loans and receivables	6.5 - 11.75	6.00 - 14.00
Short term deposits	3.50 - 4.50	3.50 - 4.50
Bank balances	0.00 - 4.50	0.00 - 4.50

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended December 31, 2011 would increase/decrease by Rs.62.5m(2010: Rs.60.1m)

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.

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

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

3.2.1 Market risk (cont'd)

(ii) Interest rate risk (cont'd)

For unit linked contracts, the Company matches all the assets on which the unit prices are based with assets in the portfolio. There is therefore no price, currency or interest risk on these contracts.

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

Management regularly monitors the sensitivity of reported interest rate movements.

Sensitivity

A change of 50 basis point in interest rates has no material impact on the DPF eligible surplus of the life fund.

(iii) Equity price risk

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

Sensitivity

The impact on the Life Assurance Fund had the equity market values increased/decreased by 1% with other assumptions left unchanged would have been as follows :

	Impact on Shareholders' equity	
	+1%	-1%
	Rs'm	Rs'm
At December 31, 2011		
- Available for sale financial assets	**92**	**(92)**
At December 31, 2010		
- Available for sale financial assets	100	(100)

3.2.2 Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The Group'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, and
— amounts due from insurance intermediaries.

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

3.2.2 Credit risk (cont'd)

The amounts presented in the balance sheets are net of allowances for estimated irrecoverable amount receivables, based on management's prior experience and the current economic environment.

The Group has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers. The Group has policies in place to ensure that sales of services are made to clients, agents, and brokers with sound credit history.

Reinsurance credit exposures - The Company
The Company is however exposed to concentrations of risks with respect to its reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Company is exposed to the possibility of default by its reinsurers in respect of 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, 2011, the reinsurance assets recoverable was Rs 0.2m (2010 : Rs.6.9m).

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.

The following table provides information regarding the carrying value of loans and receivables that have been impaired.

	Neither past due nor impaired	Financial assets that have been impaired	Carrying amount at year end
	Rs'000	Rs'000	Rs'000
2011			
- Loans and receivables	**3,031,742**	**20,000**	**3,051,742**
- Trade and other receivables	**210,944**	**-**	**210,944**
2010			
- Loans and receivables	2,738,070	18,000	2,756,070
- Trade and other receivables	193,453	-	193,453

3.2.3 Liquidity risk

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

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

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

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

3.2.3 Liquidity risk (cont'd)

Maturities of financial assets and liabilities:

At December 31, 2011	< 1 year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Assets				
- Financial assets	**11,001,753**	**1,459,125**	**2,467,650**	**14,928,528**
- Loans and receivable	**310,328**	**2,741,414**	**-**	**3,051,742**
- Other non-current assets	**-**	**312,118**	**556,228**	**868,346**
- Current assets				
• Trade and other receivables	**210,944**	**-**	**-**	**210,944**
• Bank balances, deposits and cash	**2,051,822**	**-**	**-**	**2,051,822**
TOTAL ASSETS	**13,574,847**	**4,512,657**	**3,023,878**	**21,111,382**
Liabilities				
- Technical Provisions :				
• Life assurance fund	**20,586,765**	**-**	**-**	**20,586,765**
• Outstanding claims and IBNR	**18,547**	**-**	**-**	**18,547**
- Non-current liabilities	**-**	**98,787**	**-**	**98,787**
- Current liabilities	**262,839**	**-**	**-**	**262,839**
TOTAL LIABILITIES	**20,868,151**	**98,787**	**-**	**20,966,938**

At December 31, 2010	< 1 year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Assets				
- Financial assets	12,916,364	1,625,877	1,241,936	15,784,177
- Loans and receivable	290,094	2,465,976	-	2,756,070
- Other non-current assets	-	229,498	474,877	704,375
- Current assets				
• Trade and other receivables	193,453	-	-	193,453
• Bank balances, deposits and cash	1,778,365	-	-	1,778,365
TOTAL ASSETS	15,178,276	4,321,351	1,716,813	21,216,440
Liabilities				
- Technical Provisions :				
• Life assurance fund	20,888,758	-	-	20,888,758
• Outstanding claims and IBNR	18,747	-	-	18,747
- Non-current liabilities	-	87,505	-	87,505
- Current liabilities	163,513	-	-	163,513
TOTAL LIABILITIES	21,071,018	87,505	-	21,158,523

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (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 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 commesurately 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 value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group and the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each end of the reporting period.

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.

<u>Critical accounting estimates and assumptions</u>
The Group makes 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) <u>Estimates of future benefit payments</u>
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.

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

4.1 Insurance contracts - The Company (cont'd)

(i) Estimates of future benefit payments (cont'd)

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 has 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.

(ii) Sensitivity

The reasonableness of the estimation process of future benefit payments 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.

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 financial statements for non-recoverability due to Reinsurer's default as required.

4.3 Held-to-maturity investments

The Group applies International Accounting Standard (IAS) 39 - Financial Instruments "Recognition and Measurement" on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. In making their judgement for classification, the Group evaluates its intention and ability to hold such investments to maturity.

If the Group fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value and not amortised cost.

4.4 Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when a financial asset is permanently impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, 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, sector performance, changes in operations and technology.

4.5 Impairment of other assets

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

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

4.6 Pension obligations

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The Group contributes to a defined benefit plan, the assets of which are held independently and administered by The Anglo-Mauritius Assurance Society Limited.

4.7 Limitation of sensitivity analysis

The sensitivity analyses demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

5. PROPERTY AND EQUIPMENT

THE GROUP - 2011	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
(a) COST/DEEMED COST						
At January 1, 2011	130,307	83,406	42,863	2,248	20,537	279,361
Additions	39,777	1,695	4,243	-	1,860	47,575
Disposals	-	(388)	(294)	-	(4,805)	(5,487)
Transfer from investment property	82,310	-	-	-	-	82,310
Effect of transfer from subsidiary to associate	-	(302)	-	-	-	(302)
At December 31, 2011	**252,394**	**84,411**	**46,812**	**2,248**	**17,592**	**403,457**
DEPRECIATION						
At January 1, 2011	19,329	75,028	38,525	2,248	12,598	147,728
Charge for the year	4,566	1,732	4,429	-	1,873	12,600
Disposal adjustments	-	(39)	(294)	-	(3,605)	(3,938)
Transfer from investment property	4,984	-	-	-	-	4,984
Effect of transfer from subsidiary to associate	-	(84)	-	-	-	(84)
At December 31, 2011	**28,879**	**76,637**	**42,660**	**2,248**	**10,866**	**161,290**
NET BOOK VALUE						
At December 31, 2011	**223,515**	**7,774**	**4,152**	**-**	**6,726**	**242,167**

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

5. PROPERTY AND EQUIPMENT (CONT'D)

THE GROUP - 2010	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
(a) COST/DEEMED COST						
At January 1, 2010	129,736	79,254	39,522	2,248	17,875	268,635
Additions	571	4,152	3,610	-	5,075	13,408
Disposals	-	-	(269)	-	(2,413)	(2,682)
At December 31, 2010	**130,307**	**83,406**	**42,863**	**2,248**	**20,537**	**279,361**
DEPRECIATION						
At January 1, 2010	17,205	73,128	34,640	2,248	13,032	140,253
Charge for the year	2,124	1,900	4,154	-	1,673	9,851
Disposal adjustments	-	-	(269)	-	(2,107)	(2,376)
At December 31, 2010	**19,329**	**75,028**	**38,525**	**2,248**	**12,598**	**147,728**
NET BOOK VALUE						
At December 31, 2010	**110,978**	**8,378**	**4,338**	**-**	**7,939**	**131,633**

THE COMPANY - 2011	Freehold land and buildings	Furniture fixtures & fittings	Computer Equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) COST					
At January 1, 2011	106,208	82,294	41,119	18,282	247,903
Additions	39,777	1,644	4,243	1,860	47,524
Transfer from Investment Property	82,310	-	-	-	82,310
Disposals	-	(388)	(294)	(3,831)	(4,513)
At December 31, 2011	**228,295**	**83,550**	**45,068**	**16,311**	**373,224**
DEPRECIATION					
At January 1, 2011	18,807	74,333	37,061	11,677	141,878
Charge for the year	4,566	1,512	4,334	1,682	12,094
Transfer from Investment Property	4,984	-	-	-	4,984
Disposal adjustments	-	(39)	(294)	(2,873)	(3,206)
At December 31, 2011	**28,357**	**75,806**	**41,101**	**10,486**	**155,750**
NET BOOK VALUE					
At December 31, 2011	**199,938**	**7,744**	**3,967**	**5,825**	**217,474**

5. PROPERTY AND EQUIPMENT (CONT'D)

THE COMPANY - 2010	Freehold land and buildings	Furniture fixtures & fittings	Computer Equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) COST					
At January 1, 2010	105,637	78,327	37,977	16,074	238,015
Additions	571	3,967	3,411	3,795	11,744
Disposals	-	-	(269)	(1,587)	(1,856)
At December 31, 2010	**106,208**	**82,294**	**41,119**	**18,282**	**247,903**
DEPRECIATION					
At January 1, 2010	16,683	72,690	33,294	11,634	134,301
Charge for the year	2,124	1,643	4,036	1,403	9,206
Disposal adjustments	-	-	(269)	(1,360)	(1,629)
At December 31, 2010	**18,807**	**74,333**	**37,061**	**11,677**	**141,878**
NET BOOK VALUE					
At December 31, 2010	**87,401**	**7,961**	**4,058**	**6,605**	**106,025**

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

6. INVESTMENT PROPERTIES

	THE GROUP	THE COMPANY
2011	Rs'000	Rs'000
COST		
At January 1, 2011	503,352	463,339
Additions	176,196	176,196
Disposal	(5,590)	(5,590)
Transfer to Property and Equipment	(82,310)	(82,310)
At December 31, 2011	**591,648**	**551,635**
DEPRECIATION		
At January 1, 2011	55,054	54,806
Charge for the year	10,040	10,040
Disposal	(9)	(9)
Transfer to Property and Equipment	(4,984)	(4,984)
At December 31, 2011	**60,101**	**59,853**
NET BOOK VALUE	**531,547**	**491,782**
2010		
COST		
At January 1, 2010	464,776	424,763
Additions	53,053	53,053
Disposal	(14,477)	(14,477)
At December 31, 2010	**503,352**	**463,339**
DEPRECIATION		
At January 1, 2010	48,490	48,242
Charge for the year	8,206	8,206
Disposal	(1,642)	(1,642)
At December 31, 2010	**55,054**	**54,806**
NET BOOK VALUE	**448,298**	**408,533**

6. INVESTMENT PROPERTY - LAND AND BUILDINGS (CONT'D)

(a) The fair value of investment property is estimated as follows:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
At December 31,	**1,353,352**	975,397	**1,271,852**	908,897

The investment properties were revalued in December 2011 by International Valuers Limited, on an open market value basis and is performed every 3 years.

The following have been recognised in the Life Assurance Fund.

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income	**41,445**	38,627	**36,680**	34,683
Direct operating expenses	**23,425**	19,770	**23,425**	19,770

7. INTANGIBLE ASSETS

THE GROUP - 2011	Goodwill	Computer Softwares	Development Cost	VOBA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1,	22,128	13,207	21,975	28,477	85,787
Additions	-	240	-	-	240
Effect of transfer from subsidiary to associate	(684)	-	-	-	(684)
At December 31,	**21,444**	**13,447**	**21,975**	**28,477**	**85,343**
AMORTISATION					
At January 1,	-	8,972	8,790	1,898	19,660
Charge for the year	-	2,574	4,395	1,898	8,867
At December 31,	**-**	**11,546**	**13,185**	**3,796**	**28,527**
NET BOOK VALUE	**21,444**	**1,901**	**8,790**	**24,681**	**56,816**

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

7. INTANGIBLE ASSETS (CONT'D)

THE GROUP - 2010	Goodwill	Computer Softwares	Development Cost	VOBA	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1,	22,128	10,410	21,975	-	54,513
Additions	-	2,797	-	28,477	31,274
At December 31,	**22,128**	**13,207**	**21,975**	**28,477**	**85,787**
AMORTISATION					
At January 1,	-	6,254	4,395	-	10,649
Charge for the year	-	2,718	4,395	1,898	9,011
At December 31,	**-**	**8,972**	**8,790**	**1,898**	**19,660**
NET BOOK VALUE	**22,128**	**4,235**	**13,185**	**26,579**	**66,127**

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY - 2011	Computer Softwares	Development Cost	VOBA	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At January 1,	9,437	21,975	28,477	59,889
Additions	166	-	-	166
At December 31,	**9,603**	**21,975**	**28,477**	**60,055**
AMORTISATION				
At January 1,	6,411	8,790	1,898	17,099
Charge for the year	2,149	4,395	1,898	8,442
At December 31,	**8,560**	**13,185**	**3,796**	**25,541**
NET BOOK VALUE	**1,043**	**8,790**	**24,681**	**34,514**

THE COMPANY - 2010	Computer Softwares	Development Cost	VOBA	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At January 1,	6,640	21,975	-	28,615
Additions	2,797	-	28,477	31,274
At December 31,	**9,437**	**21,975**	**28,477**	**59,889**
AMORTISATION				
At January 1,	4,104	4,395	-	8,499
Charge for the year	2,307	4,395	1,898	8,600
At December 31,	**6,411**	**8,790**	**1,898**	**17,099**
NET BOOK VALUE	**3,026**	**13,185**	**26,579**	**42,790**

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2011	2010
	Rs'000	Rs'000
(a) UNQUOTED		
At January 1,	72,126	72,125
Additions	-	1
Effect of transfer from subsidiary to associate	(614)	-
At December 31,	**71,512**	72,126

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST (CONT'D)

(b) The financial statements of the following subsidiaries, incorporated in Mauritius, have been included in the consolidated financial statements. The subsidiaries have a reporting date of December 31st and operate on the local market, with the exception of Swan International Ltd which holds a Category 1 Global Business Licence.

Name of subsidiary	Class of shares held	Stated Capital		Nominal value of investment		Proportion of ownership interest and voting power held		Main business
		2011	2010	**2011**	2010	**2011**	2010	
		Rs'000	Rs'000	**Rs'000**	Rs'000	**%**	%	
• Manufacturers' Distributing Station Limited	Ordinary	**961**	961	**47,686**	47,686	**99.80%**	99.80%	• Investment Company
• Pension Consultant and Administration Limited **	Ordinary	**4,100**	4,100	**22,825**	22,825	**100%**	100%	• Pension and fund administration
• The Anglo-Mauritius Financial Services Limited **	Ordinary	**1,000**	1,000	**1,000**	1,000	**100%**	100%	• Fund management and investment consulting
• Swan Group Corporate Services Ltd***	Ordinary	**1,000**	1,000	**-**	500	**0%**	50%	• Provide secretarial services to Swan Group
• Société de la Croix *	Parts	**2,500**	2,500	**-**	-	**100%**	100%	• Investment entity
• Société de la Montagne *	Parts	**45,654**	45,654	**-**	-	**100%**	100%	• Investment entity
• Société de la Rivière *	Parts	**2,500**	2,500	**-**	-	**100%**	100%	• Investment entity
• Swan Group Foundation	Limited by guarantee	**1**	1	**1**	1	**50%**	50%	• Management of Swan Group CSR fund (not consolidated)
		USD	USD					
• Swan International Ltd***	Ordinary	**7,000**	7,000	**-**	114	**0%**	49%	• Reinsurance brokers and consultants
				71,512	72,126			

* The Company owns 99.8% of the three above-named sociétés through Manufacturers' Distributing Station Limited.
** As from 1st May 2010, an agreement has been reached whereby the proprietors will have a right to dividend of the company.
*** Accounted as associated company as from January 1, 2011.

9. INVESTMENTS IN ASSOCIATED COMPANIES

		2011	2010
(a) The Company		**Rs'000**	Rs'000
At January 1,		**-**	-
Effect of transfer from subsidiary to associate		**614**	-
At December 31,		**614**	-

		2011	2010
(b) Group's share of net assets		**Rs '000**	Rs '000
At January 1,		**58,317**	63,748
Share of results of associated company (page 43)		**193**	6,472
Dividends		**(332)**	-
Transfer from loan receivables		**13,439**	-
Transfer from intangible assets		**684**	-
Effect of transfer from subsidiary to associate		**(34,485)**	-
Other equity movements		**-**	(953)
Exchange difference		**-**	(10,950)
At December 31,	Rs.	**37,816**	58,317

The Group's interest in the associated company was as follows:

Name	Year end	Assets	Liabilities	Revenues	Profit	Proportion of ownership interest Indirect
		Rs '000	Rs '000	Rs '000	Rs '000	%
2011						
Swan Group Corporate Services Ltd (SGCSL)	**December 31,**	**4,199**	**2,718**	**614**	**86**	**50%**
Swan International Ltd	**December 31,**	**47,896**	**1,055**	**-**	**306**	**49%**
2010						
State Assurance Co. Ltd (SACL)	December 31,	354,543	227,335	259,560	35,697	18.13%

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

10. INVESTMENT IN FINANCIAL ASSETS

	THE GROUP AND THE COMPANY			
	2011			2010
	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Local Securities				
At January 1,	5,778,788	6,027,060	11,805,848	10,688,040
Additions	4,575,843	274,613	4,850,456	3,445,408
(Decrease)/increase in fair value	-	(389,859)	(389,859)	504,492
Disposals	-	(224,539)	(224,539)	(101,070)
Matured	(4,638,386)	-	(4,638,386)	(2,774,571)
Accrued interest	(22,975)	-	(22,975)	43,549
At December 31,	5,693,270	5,687,275	11,380,545	11,805,848

(b) Foreign Securities	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	3,978,329	3,978,329	3,374,800
Additions	-	847,076	847,076	802,559
(Decrease)/increase in fair value	-	(636,591)	(636,591)	200,942
Disposals	-	(640,831)	(640,831)	(399,972)
At December 31,	-	3,547,983	3,547,983	3,978,329
Total	5,693,270	9,235,258	14,928,528	15,784,177

Analysed as follows:	2011	2010
	Rs'000	Rs'000
Non-current	13,162,053	12,873,202
Current	1,766,475	2,910,975
	14,928,528	15,784,177

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2011				
Available-for-sale	8,948,570	54,930	231,758	9,235,258
At December 31, 2010				
Available-for-sale	9,652,651	51,676	301,062	10,005,389

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Listed and Unquoted Debenture Stocks and Treasury Bills with interest rates varying from 2.25% to 4.57% (2010: 4.45 % to 5.0%).

(d) Available-for-sale financial assets comprise of listed, quoted and unquoted financial assets.

(e) The Directors do not consider the investee companies with a shareholding in excess of 20% to be "Associated Companies" as The Anglo-Mauritius Assurance Society Limited does not exercise significant influence over these companies.

(f) None of the financial assets are either past due or impaired.

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

11. LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loans on policies	**90,451**	92,755	**90,451**	92,755
Loans on residential properties	**2,254,467**	2,035,764	**2,254,467**	2,035,764
Loans on business properties	**619,877**	520,893	**619,877**	520,893
Cumulative accrued interest	**104,907**	104,178	**104,907**	104,178
Less impairment provision (see note (a) below)	**(20,000)**	(18,000)	**(20,000)**	(18,000)
	3,049,702	2,735,590	**3,049,702**	2,735,590
Loans to related corporations	**15,479**	20,480	**15,479**	20,480
Effect of transfer from subsidiary to associate	**(13,439)**	-	**-**	-
	3,051,742	2,756,070	**3,065,181**	2,756,070
Analysed as follows:-				
Non-current	**2,741,414**	2,465,976	**2,754,853**	2,465,976
Current	**310,328**	290,094	**310,328**	290,094
	3,051,742	2,756,070	**3,065,181**	2,756,070

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

	THE GROUP AND THE COMPANY	
	2011	2010
	Rs'000	Rs'000
At January 1,	**18,000**	16,000
Impairment change for the year	**2,000**	2,000
At December 31,	**20,000**	18,000

(b) The rate of interest on loans vary from 6% to 11.75% (2010: 6% to 14%).

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

(d) Loans and receivables are secured by guarantees. Impairment provision has been booked where recovery was estimated as doubtful.

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

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

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs'000	Rs'000	Rs'000	Rs'000
• Receivables arising from insurance and reinsurance contracts:				
- Due from contract holders - Individuals	38,185	46,118	38,185	46,118
- Schemes	42,041	36,947	42,041	36,947
• Claims recoverable from Reinsurers	274	6,855	274	6,855
• Interest and other receivables	114,131	85,010	99,147	85,504
• Receivables from related parties:				
- Holding Company	16,313	18,523	16,313	18,523
- Subsidiary Companies	-	-	8,704	7,889
	210,944	193,453	204,664	201,836

(a) The ageing of trade and other receivables is disclosed in note 3.2.2.
(b) The other classes within trade and other receivables do not include impaired assets.
(c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.
(d) Trade and other receivables are neither past due nor impaired and the Group does not hold any collateral security for trade and other receivables.
(e) The carrying amounts of trade and other receivables approximate their fair values.

13. SHORT-TERM DEPOSITS

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs'000	Rs'000	Rs'000	Rs'000
Short-term deposits (see note (a) & 26(b))	1,682,011	1,656,293	1,682,011	1,656,293

(a) Short term deposits comprise of foreign deposits, moneys-at-call and savings accounts. The rates of interest vary between 3.5% to 4.5%. (2010: 3.5% to 5.5%).

14. SHARE CAPITAL

	Authorised	Issued and fully paid
	2011 & 2010	2011 & 2010
	Rs'000	Rs'000
2,500,000 ordinary shares of Rs 10.- each	25,000	25,000

15. NON-CONTROLLING INTEREST

	THE GROUP	
	2011	2010
	Rs'000	Rs'000
At January 1,	24,661	22,523
Share of net surplus for the year	6	4,601
Share of dividends of subsidiary companies	-	(2,463)
Effect of transfer from subsidiary to associate	(24,467)	-
At December 31,	200	24,661

16. LIFE ASSURANCE FUND

(a) THE GROUP

	2011				2010			
	Surplus	Fair value reserve	Other reserve	Total	Surplus	Fair value reserve	Other reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	16,545,516	4,331,515	11,727	20,888,758	14,857,471	3,626,081	23,584	18,507,136
Surplus on Life Assurance Fund for the year (page 43)	739,043	-	-	739,043	1,308,516	-	-	1,308,516
Acquisition of life business portfolio	-	-	-	-	379,529	-	-	379,529
Fair value changes on available-for-sale financial assets	-	(752,822)	-	(752,822)	-	735,763	-	735,763
Release from fair value reserve	-	(273,628)	-	(273,628)	-	(30,329)	-	(30,329)
Share of reserves of associated company	-	-	-	-	-	-	-	-
Effect of transfer from subsidiary to associate	(322)	-	(14,264)	(14,586)	-	-	(11,857)	(11,857)
At December 31,	17,284,237	3,305,065	(2,537)	20,586,765	16,545,516	4,331,515	11,727	20,888,758

(b) THE COMPANY

	2011				2010			
	Non-Linked	Linked	Fair value reserve	Total	Non-Linked	Linked	Fair value reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	12,590,346	3,889,441	4,331,515	20,811,302	11,517,895	3,283,331	3,626,081	18,427,307
Amalgamation adjustment	-	-	-	-	-	-	-	-
Surplus on Life Assurance Fund for the year (page 43)	350,155	379,937	-	730,092	692,922	606,110	-	1,299,032
Acquisition of life business portfolio	-	-	-	-	379,529	-	-	379,529
Fair value changes on available-for-sale financial assets	-	-	(752,822)	(752,822)	-	-	735,763	735,763
Release from fair value reserve	-	-	(273,628)	(273,628)	-	-	(30,329)	(30,329)
At December 31,	12,940,501	4,269,378	3,305,065	20,514,944	12,590,346	3,889,441	4,331,515	20,811,302

(c) The liability component of the Discretionary Participating Feature (DPF) within the Life Assurance Fund is included in the Non-Linked Account.

16. LIFE ASSURANCE FUND (CONT'D)

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in Life Assurance Fund until the investments are derecognised or impaired.

Other reserve

Other reserve is a translation reserve whereby differences obtained when translating the associate, Swan International Co. Limited and its investment, which have a functional currency different from that of the presentation currency of the Company, are accounted.

17. DEFERRED TAX LIABILITIES

Deferred taxes are calculated on all temporary differences under the liability method at 15% (2010: 15%).
The movement on the deferred tax account is as follows:

	THE GROUP	
	2011	2010
	Rs'000	Rs'000
At January 1,	**137**	189
Movement for the year	**(131)**	(52)
At December 31,	**6**	137

Deferred tax liabilities and deferred tax charge in the Life Assurance Fund are attributable to accelerated tax depreciation and retirement benefit obligations.

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
Amounts recognised in the statements of financial position:				
Pension benefits (note 18(a)(ii))	**98,781**	87,368	**97,782**	86,749
Analysed as follows:				
Non-current assets	**98,781**	87,368	**97,782**	86,749
Life assurance fund charge:				
- Pension benefits (note 18(a)(v))	**14,778**	15,457	**14,285**	15,059

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension benefits

(i) The assets of the fund are held independently and administered by The Anglo-Mauritius Assurance Society Limited.

	THE GROUP		THE COMPANY	
(ii) The amounts recognised in the statement of financial position are as follows:	**2011**	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations	**132,776**	107,177	**126,734**	102,993
Fair value of plan assets	**(3,873)**	(3,190)	**-**	-
	128,903	103,987	**126,734**	102,993
Unrecognised actuarial losses	**(30,122)**	(16,619)	**(28,952)**	(16,244)
Liability in the statement of financial position	**98,781**	87,368	**97,782**	86,749

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
(iii) The movement in the defined benefit obligation over the year is as follows:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At January 1,	**107,177**	99,697	**102,993**	96,072
Current service cost	**4,039**	4,377	**3,691**	4,093
Interest cost	**10,430**	10,408	**9,999**	10,016
Actuarial losses/(gains)	**13,935**	(2,976)	**13,303**	(2,859)
Benefits paid	**(2,393)**	(4,329)	**(3,252)**	(4,329)
Effect of transfer from subsidiary to associate	**(412)**	-	**-**	-
At December 31,	**132,776**	107,177	**126,734**	102,993

	THE GROUP		THE COMPANY	
(iv) The movement in the fair value of plan assets of the year is as follows:	**2011**	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**3,190**	3,004	**-**	-
Expected return on plan assets	**316**	316	**-**	-
Actuarial losses	**(143)**	(98)	**-**	-
Employer contributions	**-**	4,329	**3,252**	4,329
Cost of insuring risks benefits	**(30)**	(32)	**-**	-
Benefits paid	**859**	(4,329)	**(3,252)**	(4,329)
Effect of transfer from subsidiary to associate	**(319)**	-	**-**	-
At December 31,	**3,873**	3,190	**-**	-

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension benefits (cont'd)

(v) The amounts recognised in the Life Assurance Fund are as follows:

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	4,039	4,377	3,691	4,093
Interest cost	10,430	10,408	9,999	10,016
Expected return on plan assets	(316)	(316)	-	-
Net actuarial losses recognised during the year	595	956	595	950
Cost of insuring risks benefits	30	32	-	-
Total included in employee benefit expense (note 23)	14,778	15,457	14,285	15,059

(vi) The movement in the liability recognised in the statement of financial position.

	2011	2010	2011	2010
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	87,368	76,240	86,749	76,019
Total expenses as above	14,778	15,457	14,285	15,059
Employer contributions	(3,252)	(4,329)	(3,252)	(4,329)
Effect of transfer from subsidiary to associate	(113)	-	-	-
At December 31,	98,781	87,368	97,782	86,749
Actual return on plan assets	172	218	-	-

(vii) The assets in the plan and the expected return were:

	THE GROUP			
	2011		2010	
	Rs'000	%	Rs'000	%
Local Equities	1,452	12.5%	1,196	12.5%
Overseas Equities	871	12.5%	718	12.5%
Fixed Interest	1,356	9.5%	1,116	9.5%
Properties	194	7%	160	7%
Total Market value of assets	3,873		3,190	

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension benefits (cont'd)

(viii) The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

(ix) The Company is not expected to make any contributions to the pension scheme for the year ending December 31, 2012 while for the Group is Rs 600,000.

(x) Amounts for the current and previous five years for the Group are as follows:

	THE GROUP				
	2011	2010	2009	2008	2007
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of defined benefit obligation	**132,776**	107,177	99,697	97,968	85,160
Fair value of plan assets	**(3,873)**	(3,190)	(3,004)	(2,772)	(2,504)
Experience (losses)/gains on plan assets	**(143)**	(98)	(128)	(117)	31
Experience losses/(gains) on plan liabilities	**13,935**	(2,976)	(4,398)	7,642	8,478

(xi) Amounts for the current and previous five years for the Company are as follows:

	THE COMPANY				
	2011	2010	2009	2008	2007
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of defined benefit obligation	**126,734**	102,993	96,072	94,801	82,825
Experience losses/(gains) on plan liabilities	**13,303**	(2,858)	(4,260)	7,286	8,425

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

	THE GROUP AND THE COMPANY	
	2011	2010
	%	%
Discount rate	**9.5**	9.5
Expected return on plan assets	**10.5**	10.5
Future salary increases	**7.5**	7.5
Future pension increases	**-**	-

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
• Trade payables:				
- Insurance contracts	**30,042**	20,192	**30,042**	20,192
• Other payables and accruals	**150,251**	131,357	**147,141**	130,262
• Amounts due to related parties:				
- Holding company	**10,281**	6,942	**10,281**	6,942
- Subsidiary companies	**-**	-	**4,390**	-
	190,574	158,491	**191,854**	157,396

(a) Currency analysis of trade and other payables is disclosed in note 3.2.1.
(b) The carrying amounts of trade and other payables have been assumed to approximate their fair values.

20. CURRENT TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
Income tax charge	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Current tax on the adjusted profit for the year				
at 15% (2010: 15%)	**8,027**	6,246	**-**	-
Alternative minimum tax (AMT)	**6,275**	327	**6,275**	327
Reversal of provision of previous years	**(327)**	(6,202)	**(327)**	(6,202)
Movement in deferred tax	**(131)**	(52)	**-**	-
Tax charge/(credit) for the year	**13,844**	319	**5,948**	(5,875)

21. INVESTMENT INCOME

	THE GROUP		THE COMPANY			
	2011	2010	**2011**			2010
			Non-Linked	**Linked**	**Total**	Total
	Rs'000	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
Interest income	**744,572**	768,124	**558,584**	**185,988**	**744,572**	767,265
Dividend income	**148,851**	164,932	**152,706**	**29,414**	**182,120**	193,386
	893,423	933,056	**711,290**	**215,402**	**926,692**	960,651

22. OTHER INCOME

	THE GROUP		THE COMPANY			
	2011	2010	2011			2010
			Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of financial assets	241,522	90,741	90,393	151,129	241,522	90,741
Miscellaneous income	24,466	75,434	24,466	-	24,466	75,434
Profit on disposal of investment property	1,884	3,277	1,884	-	1,884	3,277
(Loss)/profit on disposal of property and equipment	(119)	571	(176)	-	(176)	341
	267,753	170,023	116,567	151,129	267,696	169,793

23. MARKETING AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	Rs'000	Rs'000	Rs'000	Rs'000
Marketing and administrative expenses include:				
- Contribution in respect of Corporate Social Responsibility	1,236	1,296	982	1,081
- Internal auditors' fees	370	368	370	368
- Staff costs (see note (a) below)	120,336	120,842	112,633	108,670

(a) Analysis of staff costs:

	THE GROUP 2011 Rs'000	THE GROUP 2010 Rs'000	THE COMPANY 2011 Rs'000	THE COMPANY 2010 Rs'000
Salaries and wages	75,610	74,647	71,145	65,518
Retirement benefit obligations:				
- defined benefit plan (note 18(v))	14,778	15,457	14,285	15,059
- defined contribution plan	780	505	486	291
Other costs	29,168	30,233	26,717	27,802
	120,336	120,842	112,633	108,670

24. DIVIDEND PAYABLE

	THE COMPANY	
	2011	2010
	Rs'000	Rs'000
Declared and payable		
Final dividend of Rs. 25.10 per ordinary share.	62,750	-
Declared and paid		
Final dividend of Rs. 22.80 per ordinary share.	-	57,000
	62,750	57,000

A final dividend of Rs 25.10 per ordinary share was declared on December 2011 and paid in January 2012.

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

25. EARNINGS PER SHARE

		THE GROUP AND THE COMPANY	
Earnings attributable to shareholders is based on:		**2011**	2010
- Amount transferred from Life Assurance Fund		**43,992**	44,561
- Interest allocated		**9,262**	5,796
- Amount transferred to/(from) Proprietors' Fund		**32,500**	(1,242)
		85,754	49,115
Number of ordinary shares in issue		**2,500,000**	2,500,000
Earnings per share	Rs.	**34.30**	19.65

The above amount of **Rs. 43.9m** (2010: Rs. 44.6m) represents one-third of the total amount transferred from the Life Assurance Fund to the Proprietors' Fund following the actuarial valuation at December 31, 2011.

26. NOTES TO THE CASH FLOW STATEMENTS

	Notes	THE GROUP		THE COMPANY	
		2011	2010	**2011**	2010
		Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Cash generated from operations					
Surplus on Life Assurance Fund		**917,369**	1,312,194	**900,516**	1,291,915
Adjustments for:					
Depreciation on property and equipment	5	**12,600**	9,851	**12,094**	9,206
Depreciation on investment property	6	**10,040**	8,206	**10,040**	8,206
Amortisation of intangible assets	7	**8,867**	9,011	**8,442**	8,600
Loss/(profit) on sale of property and equipment	22	**119**	(571)	**176**	(341)
Profit on sale of investment property	22	**(1,884)**	(3,277)	**(1,884)**	(3,277)
Interest allocated to proprietors' fund		**9,262**	5,796	**9,262**	5,796
Consolidation adjustment		**(1,828)**	-	**-**	-
Investment income	21	**(893,423)**	(933,056)	**(926,692)**	(960,651)
Net loss on exchange		**49,491**	22,577	**49,491**	22,888
Profit on sale of financial assets	22	**(241,522)**	(90,741)	**(241,522)**	(90,741)
Change in accrued interest		**24,245**	(46,917)	**24,245**	(46,917)
Changes in working capital (excluding the effects of acquisition and disposal):					
- Trade and other receivables		**(17,491)**	7,955	**(2,828)**	(14,213)
- Trade and other payables		**32,083**	21,848	**34,458**	34,107
- Retirement benefit obligations		**11,413**	11,128	**11,033**	10,730
- Outstanding claims		**(200)**	4,765	**(200)**	4,765
Share of results of associated company		**(193)**	(6,472)	**-**	-
Cash (absorbed in)/generated from operations		**(81,052)**	332,297	**(113,369)**	280,073

26. NOTES TO THE CASH FLOW STATEMENTS (CONT'D)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term deposits (note 13)	**1,682,011**	1,656,293	**1,682,011**	1,656,293
Cash at bank and in hand	**369,811**	122,072	**340,116**	79,927
	2,051,822	1,778,365	**2,022,127**	1,736,220

27. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2011	2010
	Rs'000	Rs'000
Outstanding commitments approved by the Board of Directors for the following:-		
Loans to be granted	**565,200**	227,100
Subordinated bonds	**75,000**	-
Investments in freehold properties	**37,500**	84,700
	677,700	311,800

28. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Directors regard Swan Insurance Company Limited which owns 73.23% (2010: 73.23%) of the Company's share capital, as the Holding Company. The remaining shares are widely held. The Ultimate Holding Company is Intendance Holding Limited which owns 69.44% of the Holding Company with the remaining shares also widely held. The companies are incorporated in Mauritius and their registered offices are situated at Swan Group Centre, Intendance Street, Port-Louis.

29. EVENTS AFTER THE REPORTING PERIOD

Amalgamation transaction

The Board of the Company made an announcement on October 13, 2011, with regards to the in-principle approvals by the Boards of Swan Insurance Company Limited ("Swan") and The Anglo-Mauritius Assurance Society Limited ("AMAS"), of the merger of their insurance businesses with those of Rogers Group (Cim Insurance Ltd with and into Swan and Cim Life Ltd with and into AMAS). The combination of the asset management and stockbroking arms of Rogers Group with those of Swan Group are also part of this restructuring.

On February 23, 2012, the Commissioners of the Competition Commission gave clearance on the proposed merger. The impact of the transaction could not be appropriately measured for disclosures.

30. SEGMENT INFORMATION

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

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

31. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Sales of services	Investment income	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2011						
Holding company	-	-	-	-	16,313	10,281
Shareholders with significant influence	-	306	162,246	13,439	-	-
Enterprises on which the Company and						
Subsidiaries exert significant influence	13,909	-	1,951,076	-	-	-
Key management personnel	1,100	-	-	6,539	25	-
	15,009	306	2,113,322	19,978	16,338	10,281

	Sales of services	Investment income	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2010						
Holding company	-	-	-	-	18,523	6,942
Shareholders with significant influence	-	610	42,840	2,400	-	-
Enterprises on which the Company and						
Subsidiaries exert significant influence	25,577	-	1,544,292	-	325	-
Key management personnel	1,063	-	-	7,066	7	12
	26,640	610	1,587,132	9,466	18,855	6,954

31. RELATED PARTY TRANSACTIONS (CONT'D)

(b) THE COMPANY

	Sales of services	Investment income	Management fees paid	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2011							
Holding company	-	-	-	-	-	16,313	10,281
Subsidiary companies	-	-	27,298	71,512	-	8,704	4,390
Shareholders with significant influence	-	306	-	162,246	13,439	-	-
Enterprises on which the Company							
exerts significant influence	13,909	-	-	1,951,076	-	-	-
Key management personnel	1,100	-	-	-	6,539	25	-
	15,009	306	27,298	2,184,834	19,978	25,042	14,671

	Sales of services	Investment income	Management fees paid	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2010							
Holding company	-	-	-	-	-	18,523	6,942
Subsidiary companies	-	-	19,452	72,125	16,447	7,889	-
Shareholders with significant influence	-	610	-	42,840	2,400	-	-
Enterprises on which the Company							
exerts significant influence	25,577	-	-	1,544,292	-	325	-
Key management personnel	1,063	-	-	-	7,066	7	12
	26,640	610	19,452	1,659,257	25,913	26,744	6,954

The related party transactions are within the normal course of the business at rate varying between 6% and 12%, secured by life policies of the party.

notes to the financial statements (cont'd)

YEAR ENDED DECEMBER 31, 2011

31. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Salaries and short-term employee benefits	**26,830**	26,890	**19,592**	20,262
Post-employment benefits - current service cost	**1,106**	1,136	**717**	789
- others	**59**	56	**44**	43
	27,995	28,082	**20,353**	21,094

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. There are no provisions held against receivables from related parties.

32. THREE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY		
	2011	2010	2009	**2011**	2010	2009
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Issued and paid up Share Capital	**25,000**	25,000	25,000	**25,000**	25,000	25,000
Proprietors' Fund	**119,244**	8,256	60,702	**119,244**	8,256	60,702
Life Assurance Fund	**20,586,765**	20,888,758	18,507,136	**20,514,944**	20,811,302	18,427,307
Dividends	**62,750**	57,000	52,000	**62,750**	57,000	52,000
Earnings attributable to shareholders	**85,754**	49,115	54,057	**85,754**	49,115	54,057

other statutory disclosures

FOR THE YEAR ENDED DECEMBER 31, 2011(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS OF THE COMPANY

Mr. M. E. Cyril MAYER / B.Com., C.A. (SA) - Chairperson
Mr. J. Jean-Pierre P. DALAIS / M.B.A. (USA)
Mr. M. D. Pierre DINAN, G.O.S.K. / B.Sc. Economics (LSE), F.C.A. (England)
Mr. F. M. J. Pierre DOGER DE SPÉVILLE [Up to 6 October 2011]
Mr. George J. DUMBELL / A.C.I.B. (UK)
Mr. M. A. Eric ESPITALIER-NOËL / B. Soc. Sc. (SA), M.B.A. (UK)
Mr. M. D. Henri HAREL / A.C.I.S.
Mr. J. M. René LECLÉZIO / B.Sc Chemical Engineering, M.B.A. (UK) [As from 6 October 2011]
Me. M. F. I. Jean Hugues MAIGROT, G.O.S.K.
Mr. Peroomal Gopallen MOOROOGEN / F.C.C.A., M.B.A. (Wales)
Mr. J. M. Louis RIVALLAND / B.Sc (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)
Mr. Victor C. SEEYAVE / M.B.A. (USA), B.A. Economics (UK)

DIRECTORS OF THE SUBSIDIARY COMPANIES

Manufacturers' Distributing Station Limited

Mr. M. E. Cyril MAYER / B.Com., C.A. (SA) - Chairperson
Mr. J. M. Louis RIVALLAND / B.Sc (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)
Mr. Gerald E. R. J. LINCOLN
Mr. M. J. Jean Paul CHASTEAU DE BALYON, F.MIoD

Pension Consultants and Administrators Ltd.

Mr. M. E. Cyril MAYER / B.Com., C.A. (SA) - Chairperson
Mr. J. M. Louis RIVALLAND / B.Sc (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)
Mr. Peroomal Gopallen MOOROOGEN / F.C.C.A., M.B.A. (Wales)

Swan Group Corporate Services Limited

Mr. J. M. Louis RIVALLAND / B.Sc (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)
Mr. M. J. Jean Paul CHASTEAU DE BALYON, F.MIoD

The Anglo-Mauritius Financial Services Ltd.

Mr. M. E. Cyril MAYER / B.Com., C.A. (SA) - Chairperson
Mr. J. M. Louis RIVALLAND / B.Sc (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)
Mr. Peroomal Gopallen MOOROOGEN / F.C.C.A., M.B.A. (Wales)

Swan Group Foundation

Mr. M. E. Cyril MAYER / B.Com., C.A. (SA) - Chairperson
Mr. J. M. Louis RIVALLAND / B.Sc (Hons.) (SA), F.I.A. (UK), F.A.S. (SA)

other statutory disclosures (cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2011(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the Subsidiary Companies have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received, or due and receivable:

- Directors of The Anglo-Mauritius Assurance Society Limited

	From the Company		From Subsidiaries	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors				
- Full-time	**4,225**	3,798	**3,301**	2,969
Non-executive Directors	**939**	983	**34**	41
	5,164	4,781	**3,335**	3,010

	From the Subsidiaries	
	2011	2010
	Rs'000	Rs'000
- Directors of subsidiary companies who are not directors of the Company		
- Non-executive Director	**10**	10

DONATIONS	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Political donations	**-**	750	**-**	750
Charitable donations	**57**	111	**57**	111
Corporate social responsibility	**1,236**	1,296	**982**	1,081

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 fees paid to the auditors, for audit and other services were:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees paid to:				
- BDO & Co	**961**	1,107	**825**	920
- Other firms	**78**	72	**-**	-
	1,039	1,179	**825**	920
Fees paid for other services:				
- Review of consolidated financial statements	**230**	230	**230**	230
- Review of statutory return	**100**	86	**100**	86
- Tax services	**131**	122	**105**	102
	461	438	**435**	418

secretary's certificate

YEAR ENDED DECEMBER 31, 2011

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.

Jean Paul CHASTEAU DE BALYON
For Swan Group Corporate Services Limited
Secretary

28th March 2012

Auditors:	BDO & Co.
Bankers:	AfrAsia Bank Ltd. Bank of Baroda Bank One Banque des Mascareignes Barclays Bank PLC Bramer Banking Co Ltd. Habib Bank Ltd. Mauritius Post and Cooperative Bank SBI (Mauritius) Ltd. Standard Bank Ltd. State Bank of Mauritius Ltd. The HongKong and Shanghai Banking Corporation Ltd. The Mauritius Commercial Bank Ltd.
Consulting Actuaries:	Actuarial and Insurance Solutions Department of Deloitte & Touche
Legal Advisers:	De Comarmond-Koenig Me. Maxime Sauzier
Main Reinsurers:	Swiss Re Life & Health Ltd. Munich Mauritius Reinsurance Co. Ltd.

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED

proxy form

I/We...

of ....

being a member/s of THE ANGLO-MAURITIUS ASSURANCE SOCIETY LTD.

hereby appoint ....

of ....

or failing him ....

of .... as my/our proxy to vote for me/us on my/our behalf at the

Annual Meeting of the Company to be held on Tuesday 26th June 2012 at 09:00 hours and at any adjournment thereof:

I/We desire my/our vote to be cast on the ordinary resolutions as follows:

	FOR	AGAINST	ABSTAIN
3. To consider and approve the Audited Financial Statements of the Company and the Group for the year ended 31st December 2011.			
4. To re-appoint BDO & Co. as Auditors of the Company in compliance with Section 40 (3) of the Insurance Act 2005, until the conclusion of the next Annual Meeting and authorise the Board of Directors to fix their remuneration.			
5. To re-elect Me. M. F. I. Jean Hugues Maigrot, G.O.S.K. as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138 (6) of the Companies Act 2001.			
6. To re-elect Mr. Pierre Dinan, G.O.S.K. as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138 (6) of the Companies Act 2001.			
7. To elect Mr. J. M. René Leclézio as Director of the Company.			

Dated this .... day of .... 2012.

(S) ....

Notes:

1. A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice (whether a member or not) to attend and vote on his/her behalf.
2. Please mark in the appropriate space how you wish to vote. If no specific instruction as to voting is given, the proxy will exercise his/her discretion as how he/she votes.
3. 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 hours before the day fixed for the meeting or else the instrument of proxy shall not be treated as valid.

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LTD

Swan Group Centre / 10 Intendance Street
Port Louis / Mauritius

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Website www.swangroup.mu

Anglo-Mauritius

annual report 2011

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Swan Group