THE ANGLO-MAURITIUS ASSURANCE SOCIETY LTD

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Anglo-Mauritius

ANNUAL REPORT **2012**

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of **THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED** for the year ended 31 December 2012.

This Annual Report was approved by the Board of Directors on 28 March 2013.

M. E. Cyril Mayer	**J. M. Louis Rivalland**
Chairperson	**Director and Group Chief Executive**

CONTENTS

OUR VISION

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

OUR VALUES

"Passion, People, Performance"

OUR HISTORY

THE EARLY YEARS

1854

CREATION OF THE MAURITIUS FIRE INSURANCE COMPANY LTD.

1871

CREATION OF THE COLONIAL FIRE INSURANCE COMPANY LIMITED.

EXPANSION OF THE GROUP

1951

Creation of Anglo-Mauritius Assurance Society Limited. The company proposed life insurance policies for individuals and the management of pension funds for companies.

1955

Creation of Swan Insurance Company Limited, a fusion of The Mauritius Fire and The Colonial Fire.

1961 - SWAN INSURANCE BECOMES A PUBLIC COMPANY WITH A CAPITAL OF RS 3.5 M

DEVELOPMENT

1966

1. INAUGURATION OF ANGLO-MAURITIUS HOUSE, FIRST MULTI-STOREY BUILDING IN MAURITIUS

2. CONSTRUCTION OF SWAN BUILDING.

1972 - SWAN INSURANCE ACQUIRED A MAJORITY STAKE IN THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED.

A NEW ERA

1990

1. ANGLO-MAURITIUS IS LISTED ON THE OTC (NOW DEM) OF THE STOCK EXCHANGE OF MAURITIUS.
2. SWAN INSURANCE IS THE FIRST INSURANCE COMPANY TO BE LISTED ON THE OFFICIAL SEM MARKET.

1993

CONSTRUCTION OF THE SWAN GROUP CENTRE.

1997 - Creation of Swan International Company Ltd (SIL).

A NEW MILLENIUM

2004

1. Creation of The Anglo-Mauritius Financial Services Ltd (now Anglo-Mauritius Investment Managers Ltd), a subsidiary of Anglo-Mauritius.
2. Anglo-Mauritius acquires Pension Consultants and Administrators Ltd (PCA).

2006 - Swan International Company Ltd (SIL), in partnership with Seychelles Pension Fund, acquires 30% of SACOS capital, a Seychelles-based insurance company.

2007 - Opening of first regional branch in Flacq.

2008 - Introduction of electronic archiving which contributes to preservation of the environment.

2009

1. Creation of Processure Compagnie Limitée, specialising in outsourcing of insurance services, in partnership with the French group, Tessi.
2. Launch of the online access facilities to policy holders.

RECENT DEVELOPMENTS

2010

1. ACQUISITION OF THE LIFE-INSURANCE PORTFOLIO OF SUN INSURANCE CO LTD BY ANGLO-MAURITIUS.
2. LAUNCHING OF SWAN GROUP FOUNDATION.
3. OPENING OF BLACK RIVER BRANCH.

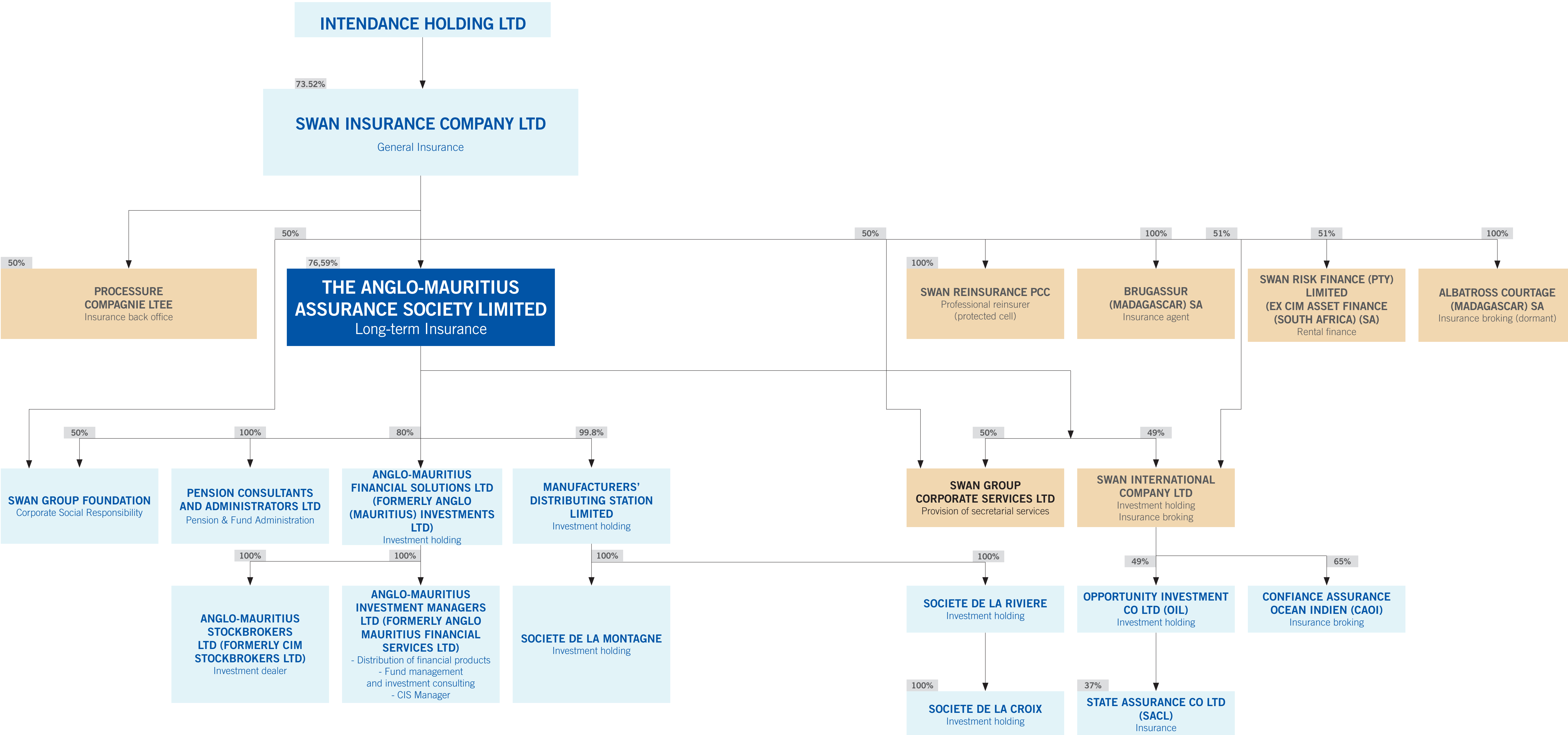
2011

LAUNCHING OF OXYGEN INSURANCE SHOP, IN PORT LOUIS.

2012

1. Amalgamation of the activities of Cim Insurance with and into Swan Insurance Co Ltd and those of Cim Life with and into The Anglo-Mauritius Assurance Society Limited.
2. Acquisition by the Swan Group of the stockbroking and asset management businesses of the Rogers Group.
3. Acquisition of 65% of Confiance Assurance Ocean Indien by the Swan Group.

GROUP STRUCTURE



CHAIRPERSON'S REPORT

M. E. Cyril Mayer /
Chairperson

"In the midst of all these changes, management remained focussed and the Group posted commendable results."

On behalf of the Board, I am pleased to present the Annual Report and Audited Financial Statements of The Anglo-Mauritius Assurance Society Limited and the Group for the year ended 31 December 2012.

2012 has been eventful for the Swan Group. A major venture initiated in 2011 was successfully completed in 2012. Having received all regulatory approvals from, inter alia, the Competition Commission and the Financial Services Commission, the insurance businesses of the Rogers group (Cim Insurance and Cim Life) amalgamated with and into those of the Swan Group (Swan Insurance and The Anglo-Mauritius Assurance) and the amalgamation became effective on 30 June 2012. The stockbroking and asset management businesses of the Rogers group were also transferred to the Swan Group.

The amalgamation necessitated substantial resources, especially from senior management in terms of dealing with regulators, financial due diligence, integration of human resources and operations. The physical move of 134 ex-Cim's staff members to the Swan Group Centre was completed and the Centre now accomodates 476 members. The Group also proposed a voluntary retirement scheme to those aged at least 50 years and having a minimum of 10 years' service. Some 40 staff members opted for the scheme. The Group has now an even stronger and more experienced team. In the midst of all these changes, management remained focussed and the Group posted commendable results.

On the local business scene, the economic downturn made business conditions difficult due to the testing situations both internationally and locally. Internationally, the investment market proved difficult with lots of uncertainties which resulted in high volatility on the major stock exchanges and the currency market. On the local regulatory front, the Private Pension Schemes Act 2012 was enacted. This Act provides for a framework for the licensing and supervision of private pension schemes. All necessary arrangements are being put in place for Anglo-Mauritius Assurance and its subsidiary to comply with the Act.

On the international business front, the Group continues to look for opportunities, while consolidating its on-going projects. Sizeable investments were made in Reunion Island and South Africa. The Group is now present in Seychelles, Reunion Island, Madagascar and South Africa.

SURPLUS AFTER TAX FOR THE YEAR ENDING 31.12.12

Rs. 2.1 billion

The results of the Company and the Group for this financial year are not directly comparable with last year since this year's results include those of Cim for the six months ending 31 December 2012. The amalgamation also resulted in the consolidation of new subsidiaries in the Group's results.

In 2012, the Company posted gross premium of Rs 2.3bn, a rise of 15% compared to Rs. 2bn in 2011. Surplus for the year reached Rs. 2.1bn, as opposed to Rs. 894m in 2011. Despite a difficult investment market, investment income grew by 19%, from Rs. 927m in 2011 to Rs. 1.1bn in 2012. The Life Assurance Fund progressed from Rs. 20.5bn in 2011 to Rs. 24.2bn in 2012. Total assets reached Rs. 25.4bn in 2012, compared to Rs. 21bn in 2011, up by 21%. These results are laudable, given the constraining economic situation.

Messrs Eric Espitalier-Noël, George Dumbell and Jean Pierre Dalais left the Board in 2012. After serving the Board for 27 years, Mr Hugues Maigrot submitted his resignation in January 2013. On behalf of the Board, I wish to express my appreciation to them for their significant contribution in the Company's and Group's development. I am pleased to welcome Messrs Philippe Espitalier-Noël and Hector Espitalier-Noël who joined the Board in the course of 2012. Their vast experience in the business field will undoubtedly benefit the Company and the Group.

On behalf of the Board, I wish to express my appreciation to the Group Chief Executive, Management and staff at large for their continued dedication and hard work in ensuring that the Group continues to achieve notable results in the midst of the current economic uncertainties. I also wish to thank all my fellow board members for their untiring support.

M. E. Cyril Mayer
Chairperson

DIRECTORATE

1 RENÉ LECLÉZIO

2 CYRIL MAYER

3 GOPALLEN MOOROOGEN

4 PHILIPPE ESPITALIER-NOËL

5 HECTOR ESPITALIER-NOËL

6 HENRI HAREL

7 PIERRE DINAN

8 LOUIS RIVALLAND

9 VICTOR SEEYAVE

10 HUGUES MAIGROT *(ABSENT FROM PHOTO)*

DIRECTORATE

CYRIL MAYER
CHAIRPERSON

Born in 1951, Cyril Mayer holds a Bachelor in Commerce (South Africa) and is a member of the Institute of South African Chartered Accountants.

He is presently the Managing Director of Terra Mauricia Ltd. He is a member of the selling and executive committee of the Mauritius Sugar Syndicate and President of the Mauritius Sugar Producers Association and a member of its executive committee. He 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 in other listed companies:

Terra Mauricia Ltd

United Docks Ltd

Swan Insurance Company Limited

LOUIS RIVALLAND
GROUP CHIEF EXECUTIVE

Louis Rivalland, born in 1971, 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 The Anglo-Mauritius Assurance. In January 2005 he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance and The Anglo-Mauritius Assurance, 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. He is currently a Board member of the Mauritius Revenue Authority and the Chairman of Standard Bank (Mauritius) Limited. He is also a Director to several private and public companies. 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.

Directorships in other listed companies:

Air Mauritius Ltd

Belle Mare Holding Ltd

ENL Commercial Ltd

ENL Land Ltd

Ireland Blyth Ltd

New Mauritius Hotels Ltd

The Mauritius Development Investment Trust Company Ltd

Swan Insurance Company Limited

GOPALLEN MOOROOGEN

Born in 1959, Mr Mooroogen is a Fellow of the Association of Chartered Certified Accountants (UK) and also holds an MBA (Wales).

Senior Executive – Mass Market – Mauritius Telecom

Director of The Stock Exchange of Mauritius Ltd

Directorships in other listed companies:

Swan Insurance Company Limited

HUGUES MAIGROT

Born in 1936, Mr Maigrot is a Notary Public since 1971. He is also legal adviser to a number of large private and public companies.

Directorships in other listed companies: None

PIERRE DINAN

Born in 1937, he holds a BSc. (Econ.) and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was a Senior Partner at De Chazal du Mee (DCDM) for 20 years until he retired in June 2004. He was also a Director of Multiconsult, a global business management services company for 12 years until 2004. He presently acts as a Company Director for a number of public companies in the manufacturing and financial services sectors respectively. He was the founder Chairman of the Mauritius Institute of Directors. He is an independent member of the Monetary Policy Committee set up under the Bank of Mauritius Act.

Directorships in other listed companies

Swan Insurance Company Limited

VICTOR SEEYAVE

Born in 1962, Victor Seeyave holds a B.A Economics (UK) and an MBA (USA).

He is currently the Managing Director of Altima Ltd and previously held several management positions in the food division of the Innodis Group.

Directorships in other listed companies

Innodis Limited

Swan Insurance Company Limited

HECTOR ESPITALIER-NOËL
(appointed on 27 September 2012)

Born in 1958, he is a member of the Institute of Chartered Accountants in England and Wales. He worked for Coopers and Lybrand in London and with De Chazal du Mée in Mauritius. He is presently the Chief Executive of ENL Limited. He is also Chairman of New Mauritius Hotels Ltd and Bel Ombre Sugar Estate Ltd. He is also a Past President of Rogers and Company Limited, The Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Mauritius Sugar Syndicate.

Directorships in other listed companies:

ENL Commercial Limited

ENL Land Ltd

New Mauritius Hotels Ltd

Rogers and Company Ltd

Swan Insurance Company Limited

HENRI HAREL

Born in 1960, Henri Harel holds a ACIS (South Africa) and is currently the Group Chief Finance Officer of Terra Mauricia Ltd.

Directorships in other listed companies:

Terra Mauricia Ltd

Swan Insurance Company Limited

PHILIPPE ESPITALIER-NOËL

Born in 1965, he holds a BSc in Agricultural Economics from the University of Natal in South Africa and an MBA from the London Business School. He worked for CSC index in London as a management consultant from 1994 to 1997. He joined Rogers and Company Ltd in 1997 and was appointed Chief Executive Officer in 2007.

Directorships in other listed companies:

Air Mauritius Ltd

Rogers and Company Ltd

Swan Insurance Company Limited

RENÉ LECLÉZIO

Born in 1956, Mr Leclézio holds a BSc in Chemical Engineering 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.

Directorships in other listed companies:

Caudan Development Ltd

Promotion and Development Ltd

Swan Insurance Company Limited

Executive	Louis Rivalland – Group Chief Executive
Independent Non-Executive	Gopallen Mooroogen
	Pierre Dinan
	Victor C. Seeyave
Non-Executive	Cyril Mayer - Chairperson
	Eric Espitalier Noël (until 27 September 2012)
	George Dumbell (until 30 June 2012)
	Hector Espitalier Noël (appointed on 27 September 2012)
	Henri Harel
	Jean-Pierre Dalais (until 30 June 2012)
	Philippe Espitalier Noël (appointed on 30 June 2012)
	René Leclézio
	Hugues Maigrot (until 31 December 2012)

SWEET HOME

MORE THAN Rs 2.5 BILLION HOME LOANS

Since its incorporation, Anglo-Mauritius played a decisive role on the housing loan market. Our social contribution in this field is recognized and valued by the Mauritian society. By granting loans for the construction or purchase of residential properties, thousands of families have been able to fulfil their dreams by becoming the owners of their homes.

"Following the merger, we have acquired people with a breadth of experience which will complement our existing structure in view of providing an even better level of service to our clients."

GROUP CHIEF EXECUTIVE'S REVIEW

Louis Rivalland /
Group Chief Executive

STRATEGIC REVIEW

The last year has been largely dominated by the amalgamation with CIM Insurance, CIM Life, CIM Asset Management and CIM Stockbrokers. This was a complex and demanding exercise which was initiated in 2011 and which required a lot of our resources and time during the course of 2012. I would like to thank all those concerned for all their hard work and commitment in making this important initiative a success.

In addition, we have also continued building on the important strategic initiatives started in the previous years regarding our core processes, use of technology, areas of operations, and human capital.

These should enable us to be better positioned to face the realities of a very challenging domestic market whilst trying to reap the benefits of new business ventures locally and internationally.

Looking ahead, we will continue to focus on consolidating customer relationship, better understanding customers' needs, adapt our service and product offering to meet their expectations and enhance customer experience by delivering value added services and offering more convenience to our customers. Our new branch at Grand Baie La Croisette and upcoming branch at Ebene, bringing to 5 the number of our branches, are strategically situated to service our clientele better. We remain committed in improving our level of service and online capabilities to intermediaries and in working together to find the best possible solutions for clients.

ADMINISTRATIVE SERVICES TO

692 pension schemes

INCREASE OF 125 PENSION SCHEMES

LONG TERM OPERATIONS

Following the merger, we have acquired people with a breadth of experience which will complement our existing structure in view of providing an even better level of service to our clients.

The insurance industry is very competitive; hence the need to be better prepared and to have access to a wider range of skills. The unification of the sales force of both entities has given us more muscle, resources and capabilities to penetrate new markets, be more competitive and we are now better equipped to respond to a changing environment and diversifying customer needs.

The year 2012 was also marked by the launch of a new product, the Money Harvest Payment by Instalment Policy. This, coupled with our new combined sales force, has created new business opportunities which have positively impacted on the performance of our individual business operations despite difficult economic conditions which prevailed during the year.

The upgrading of the consulting skills of our sales force remained at the fore front of our training strategy. Much emphasis was placed on developing a needs-based selling approach so as to better understand each and every client's needs and achieve enhanced customer satisfaction.

Our sales force plays a central role in maintaining our proximity with our clients and we are thankful for their dedication and support. We shall continue to expand our distribution channels to fit the market's needs of having professional and dedicated advisors of financial solutions.

In terms of our operating result, in view of the difficult economic conditions, we are satisfied with the total net premium increase of around 12.5%, from Rs. 1.9bn in 2011 to Rs. 2.2bn in 2012. This growth is of course partly attributable to the merger and also to the notable increase in premiums from our Pension's operations. However, the prevailing uncertain economic conditions have not been very conducive for the savings and investment portfolios. There has also been a shift in attitude of our policyholders who are now looking for guaranteed returns thereby favouring our with-profit policies at the expense of unit-linked ones.

The Competition Commission of Mauritius ("CCM") completed its investigation in relation to the bundling of insurance and credit products and concluded that 8 of the 13 banks were in breach of competition laws. The Commissioners have requested that these banks provide at least three different insurance companies quotes as well as provide more information to customers in relation to their freedom of choice. We shall monitor the situation in the coming year to assess the potential impact of this ruling on our business.

GROUP CHIEF EXECUTIVE'S REVIEW

CORPORATE BUSINESS

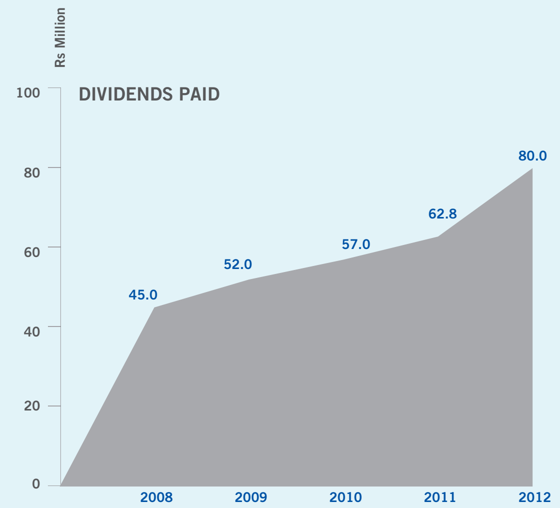
At the end of 2012, Anglo Mauritius provided administrative services to 692 pension schemes – 362 defined benefit and 330 defined contribution schemes. The total active membership of these schemes exceeds 24,000 lives.

Our pension business is supported by a strong actuarial team consisting of 2 qualified actuaries and 9 actuarial analysts. With the support of our subsidiaries, Pension Consultants and Administrators Limited (PCA) and Anglo-Mauritius Investment Managers Ltd (AMIM), we provide the whole spectrum of pension services to our corporate clients (i.e. actuarial, administration and fund management). We have consolidated our position as the leader in the pension business for private entities due to our long experience in this field.

During the year under review we have inherited the corporate portfolio of CIM Life following the merger of our activities. This has brought an additional 104 pension schemes with membership of around 2,600 lives under our custody and strengthened our team in terms of expertise and additional resources.

The forthcoming year promises to be a challenging one for us with the promulgation of the new 'Private Pension Schemes Act' with effect from 1 November 2012. In order to be in compliance with the new provisions of the Act, a complete rethinking of the structure of our group pension business is necessary. We are progressing rapidly on this aspect and hope to be ready with the new structure well before the deadline of 31 October 2013 imposed by the regulator.

We will continue to strengthen our position on the market by being more attentive to our clients' needs in the rapidly changing and more sophisticated pension environment.



" On n'achète pas une assurance, on planifie une vie. "

HUMAN RESOURCES

We were much sorrowed by the demise, on 04 August 2012, of Mr. Paul Lam Kwoh Hing, ex-Senior Manager of Anglo-Mauritius. I wish to place on record his contribution to the development of the pensions business during his long years of service with the Company.

The year 2012 was marked by a number of initiatives that aimed at ensuring that the CIM-SWAN merger takes place in the best possible conditions for employees of both entities. Employees were regularly updated about the merger and were also provided with change management training to enable them better understand and adjust to the changes in their working environment. Individual support was also provided to a few employees who found the process particularly challenging.

In view of rightsizing the merged entity, the Swan Group set up a voluntary retirement scheme. 40 employees took advantage of the package offered and retired at the end of December 2012. We wish to thank them for their loyalty and dedication during their long years of service with the two pre-merger entities and to wish them all the best in their future endeavours.

We are thankful to brokers and our agents for their significant contribution in our top line results. We are also indebted towards our staff for their engagement and for putting the customer at the centre of what they do.

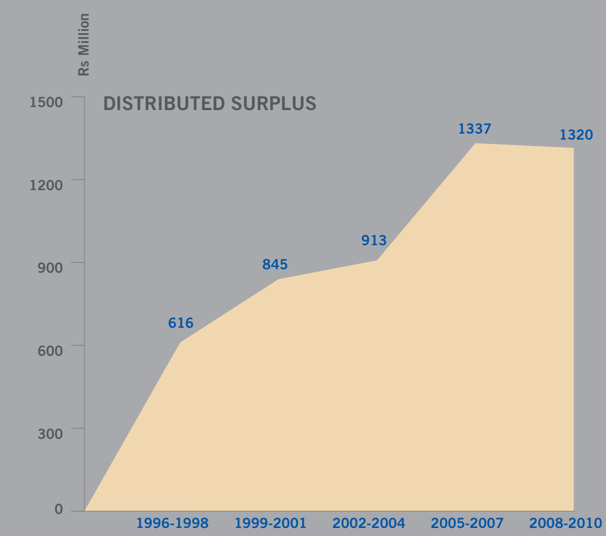
Louis Rivalland

Group Chief Executive

NET PREMIUM

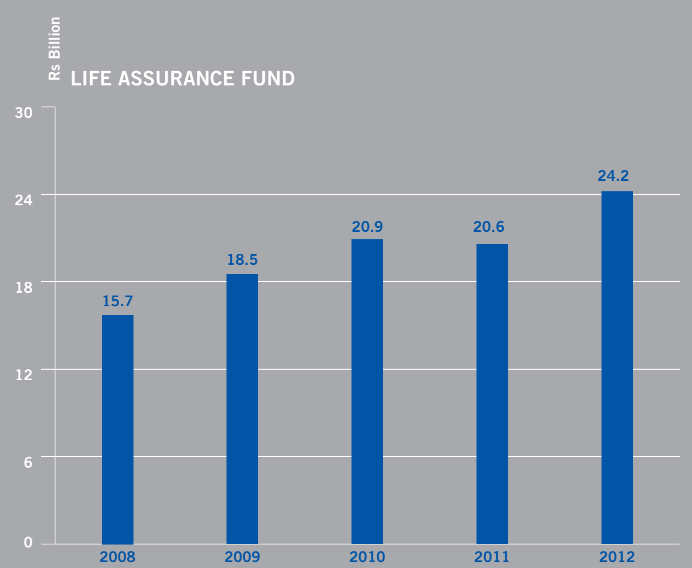
Rs. 2.2 billion

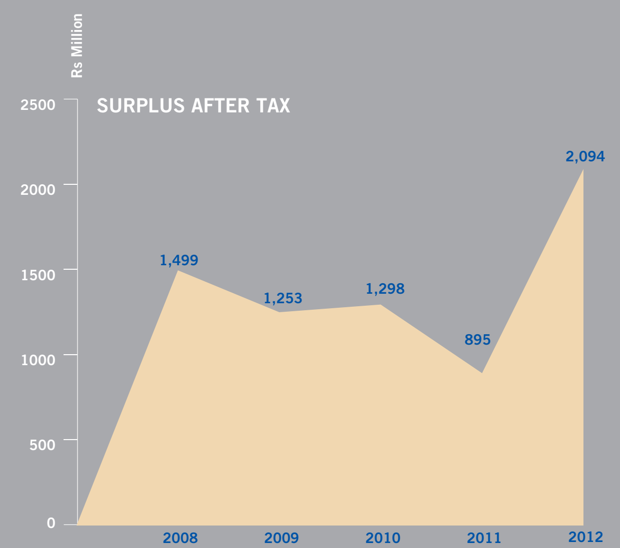
INCREASE BY RS 240.5 MILLION



KEY NUMBERS

FINANCIAL HIGHLIGHTS	2012	2011
	Rs'000	Rs'000
Gross Insurance Premiums	2,286,160	2,004,450
Net Insurance Premiums	2,163,414	1,922,879
Surplus Before Tax	2,103,951	900,516
Dividends Paid	80,019	62,750
LAF	24,208,418	20,514,944
Dividends per share	30.40	25.10
Earnings per share	35.17	34.30

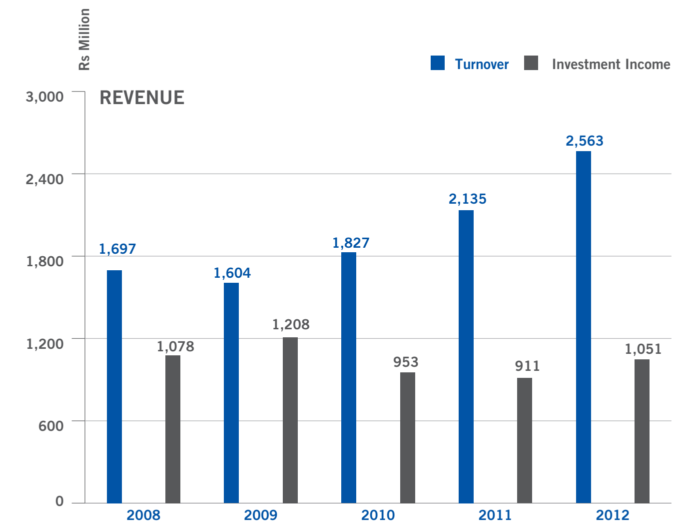


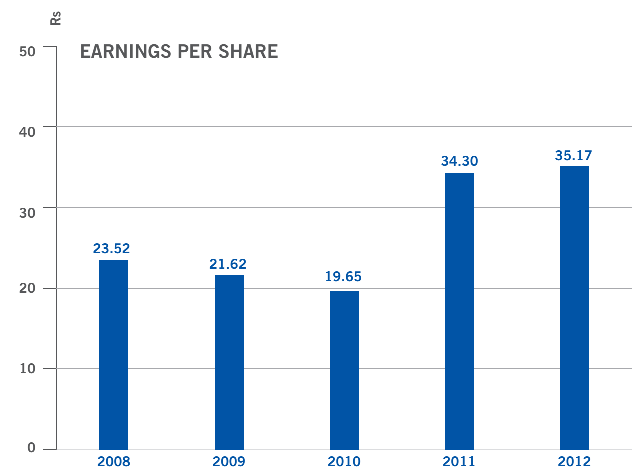


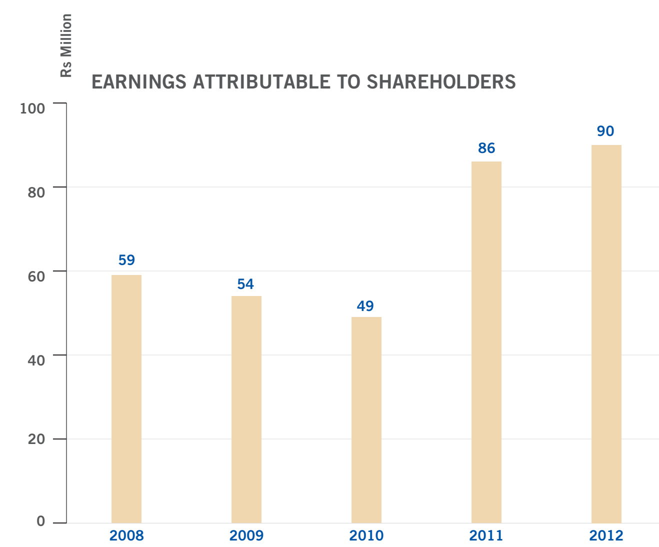
TOTAL ASSETS
AT 31ST DECEMBER 2012

Rs. 25.4 billion

INCREASE BY RS. 4.4 BILLION
DURING THE YEAR







SENIOR MANAGEMENT TEAM

ALAN GODER

PENSION CONSULTANTS & ADMINISTRATORS LTD, PENSIONS CLAIMS, FUND ADMINISTRATION AND GROUP SYSTEMS & PROCESSES

Alan Goder (45) 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 specializations are pensions administration and consulting.

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

INDIVIDUAL BUSINESS OPERATIONS

Associate of the Chartered Insurance Institute-U.K

Chartered Insurer-U.K

A founder member of the Insurance Institute of Mauritius

George Sui Tit Tong (65) 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 specializations 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.

MAXIME REY

GROUP FINANCE, LOANS AND LEGAL

Maxime Rey (60) started an accounting career in 1973 in Mauritius, first in Auditing (Kemp Chatteris/Touche Ross & DCDM/Coopers & Lybrand), and then in the Sugar Industry (Deep River Beau Champs S.E.).

Immigrating to South Africa in 1981, he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992.

Back in Mauritius in 1993, he joined the Swan Group, one of the market leaders in the Insurance sector in Mauritius, where he is presently holding the position of Senior Manager - Group Finance, also heading the Loans and Legal Departments of the Group.

He serves as Director of a number of Companies in the Commercial, Financial and Tourism sectors, and is a member of various Audit Committees.

Directorship of listed Company: Lux Island Resorts Ltd.

ROBERT GALLET

INDIVIDUAL BUSINESS MARKETING & DEVELOPMENT, GROUP COMMUNICATION & PROPERTIES

Senior Management Course - Graduate School of Business Administration, South Africa (S.A.)

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 (62) worked as assistant Divisional Accountant for eight years in the Pensions Business of Southern Life in South Africa. He then worked for six years in the Individual Life Business of Southern Life in South Africa where he held the position of Manager and Senior Manager.

He joined The Anglo-Mauritius Assurance 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.

SENIOR MANAGEMENT TEAM


SATTAR JACKARIA
B.SC. (HONS.), F.I.A

ACTUARIAL

B.Sc.(Hons.) Mathematics, Operational Research, Statistics and Economics, U.K.

Fellow of the Institute of Actuaries (F.I.A.), U.K.

Sattar Jackaria (36) 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. In January 2011, he was also assigned the responsibility for the Bank Assurance department. Other than these core activities, he is also responsible for product design and provides technical assistance to other departments of the Group. In particular, he offers his expertise to some general insurance lines of business such as Motor & Health.

Following completion of his degree at Warwick University and prior to joining the Company, he has been working for many years in London for a leading actuarial consulting firm. His key areas of specialisation include pensions business and actuarial consulting.


VINCENT LAMUSSE
M.S.G

ANGLO-MAURITIUS INVESTMENT MANAGERS LTD

Diplôme Universitaire en Sciences Economiques

Maîtrise de Science de Gestion (Bordeaux, France)

Vincent Lamusse (45) manages Anglo-Mauritius Investment Managers Ltd., a leading provider of investment management services to Pension Funds, Insurance Funds, Investments Companies, and individuals in Mauritius.

He joined The Anglo-Mauritius 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. He was promoted Senior Manager in 2005, after having set up The Anglo-Mauritius Financial Services Ltd, now Anglo-Mauritius Investment Managers Ltd.

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


VISHNOO LUXIMAN .
M.Sc.

GROUP HUMAN RESOURCES

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 (51) 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.

MANAGEMENT TEAM

1
HERBERT MADANAMOOTHOO
MAÎTRISE DE DROIT - *LEGAL & COMPLIANCE, M.L.R.O*

2
MARIO BUTTIE
F.C.C.A - *FUND ADMINISTRATION*

3
GAËL ALIPHON
A.C.I.I. - *INDIVIDUAL BUSINESS*

4
KARINE MOREL
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ANGLO-MAURITIUS INVESTMENT MANAGERS (AMIM)

Anglo-Mauritius Investment Managers (AMIM) is a leading provider of Asset Management services in Mauritius, and currently manages investment worth more than MUR 26 billion, across different asset classes, regions, and sectors. AMIM's customer base includes Pension Funds, Insurance Companies, Investment Funds, High Net Worth Individuals and the general investing public.

Formerly known as The Anglo-Mauritius Financial Services Ltd, the company changed its name following a merger with the Asset Management activities of Rogers & Company Ltd, with the latter taking a stake of 20% in AMIM's shareholdings. This merger has allowed the company to increase its clients and assets while benefitting from the expertise of additional employees with excellent competencies. This transaction has also opened access to the investment platform of the -Banque de Luxembourg - thereby further strengthening AMIM's already powerful offering in terms of investment funds. In addition, the CIS structure of Rogers Foreign Equity Fund (formerly Cim Foreign Equity Fund) has been transferred as well, after AMIM successfully obtained its CIS Manager licence from the FSC. The CIS Fund will be renamed accordingly.

AMIM's performance was satisfactory, with an on target growth rate. Profits are expected to continue to increase in 2013 thereby contributing to shareholders value.

ANGLO-MAURITIUS STOCKBROKERS LTD (AMS)

Anglo-Mauritius Stockbrokers Ltd, formally Cim Stockbrokers, is one of the leading stockbroking companies offering a wide range of services to both institutional and retail clients. The company started its operations in 1989 when the Stock Exchange of Mauritius was launched and was the first stockbroking company to establish a formal link with a major foreign house, namely Flemings. In 2006, the company acquired Cavell Securities to further consolidate its position on the market. In addition to Trading, its core activity, Anglo-Mauritius Stockbrokers also provides Research & Advisory services and acts as sponsoring broker for the listing of companies on the Stock Exchange of Mauritius.

2012 was a difficult trading year for the local stock exchange: the Semdex regressed by 8.3%, transacted value on of the official market regressed by 37% to Rs.9.4Bn (turnover per session fell to Rs. 38.3M compared to Rs.60.0M in 2011). Foreign activity represented 29% of total transacted value with foreign investors injecting a net Rs.100M in the stockmarket over the year compared to a net withdrawal of Rs.478M in 2011. Overall, the stockbroking business being a volume driven model, was affected by the dampened activity level but the company nevertheless managed to grow its market share.


NEERAJ UMANEE
B.A.(HONS) ECONOMICS

PENSION CONSULTANTS & ADMINISTRATORS LTD (PCA)

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

In 2012, PCA has consolidated its position as the market leader in the field of administration of pension schemes. This has impacted positively on our turnover which has grown by 12% from last year whilst profitability has been very healthy for yet another year.


NAVINDRANATH BHUGALOO
A.C.I.I

At the end of 2012, the company provided administrative services to more than 240 companies under 21 schemes with total active membership reaching nearly 20,000 lives.

During the year under review we have been entrusted with another big pension scheme, following the merger of the activities of Cim Life within the group. We have further consolidated the working relationship with the pensions department of Anglo-Mauritius Assurance for the benefit of our respective clients and the Group generally.

The year has also seen the coming into operation of the new 'Private Pension Schemes Act' with effect as from 1 November 2012. The Act has among its objectives the maintenance of a fair, safe, stable and efficient private pension industry in Mauritius through the regulator, the Financial Services Commission with focus on good governance, transparency and accountability and risk management.

We will spare no effort to strengthen our position on the market by being more attentive to our clients' needs in the rapidly changing and more sophisticated pension environment.

THE PRIVATE PENSION SCHEME ACT ("PPSA")


SATTAR JACKARIA
B.SC. (HONS.), F.I.A

After more than 10 years in the making, the Private Pension Scheme Act ("PPSA") came into force on 1 November 2012. Unlike the previous legislation which was fragmented into various Acts, the PPSA provides a consolidated legal framework for the regulation & supervision of Private Pension Schemes ("PPS") in Mauritius.

Henceforth, all PPS will have to be licensed by the Financial Services Commission ("FSC") and comply with the provisions of the PPSA. One important provision as detailed in the FSC Rules, is the requirement for all PPS to have a governing body with a minimum of 3 persons out of which one third will have to be nominated or elected by their corresponding members.

We are also pleased to note that many of the limits imposed on PPS have been removed so that sponsors will now be able to offer pension benefits which are more tailored to their specific needs.

Although we have been fortunate enough not to have any PPS scandals up to now, we very much welcome this long awaited piece of legislation. This will help to increase the confidence in this sector as well as enhance the reputation of Mauritius as a sound financial centre.

ENJOY LIFE

MORE THAN

Rs 1.1 BILLION

PENSION PLANS GROSS PREMIUMS

Planning for retirement is perhaps the most important aspect of financial planning. The social and economic trends have increased the need for retirement savings. With the rapid advances in medical science, life expectancy is increasing. The need for sound financial planning before and at retirement is of vital importance particularly in times of inflation. Anglo-Mauritius is specifically equipped to provide innovative solutions in financial planning for both the individual and corporate markets.

OXYGEN PRODUCTS

In 2007 Anglo-Mauritius launched Oxygen, an innovative and affordable insurance solution designed to meet the needs of individuals at every stage of their lives. The uniqueness of this product is that it combines advantageously several plans under one policy and allows access to a range of investment funds that corresponds to various risk profiles. Oxygen is flexible and can be altered to adapt to future needs of an individual or family as they develop throughout the various life stages be it for their housing loans, investment and savings plans, education plans or retirement plan.

OXYGEN HOME LOAN

Anglo-Mauritius' Oxygen Home Loan has been designed to help Mauritians to finance their projects thereby fulfilling their dreams. To build or renovate a house, buy a property or refinance an existing loan, Oxygen Home Loan provides a competitive fix or variable interest rate for a repayment period of up to 30 years. The plan is secured by a mortgage bond on the property guaranteed by a life insurance. Moreover, additional contributions can be made to finance forthcoming projects or retirement plan.

OXYGEN RETIREMENT PLAN

Oxygen Retirement Plan is designed to help building up capital that can be used to secure an income at retirement. The plan has in-built flexibility and additional features to suit personal needs such as premium waiver benefit and choice of investment funds.

OXYGEN EDUCATION PLAN

The Oxygen Education plan is ideal for helping children or grandchildren to start in life on a solid foundation. Anglo-Mauritius provides an advisory service to parents wishing to invest in an insurance plan for the studies of their children. With the Oxygen Education Plan, parents can start making provision right at birth of the child to finance future studies which can be supplemented by taking a loan.

OXYGEN INVESTMENT PLAN

The Anglo-Mauritius Oxygen Investment Plan has been designed in such a way so as to offer a wide range of investment funds namely the General Fund, the Mixed Fund, the Equity Fund the Foreign Bond Fund and the Foreign Equity Fund that best fit the client's risk profile. The features of the plan include the flexibility of apportioning the allocation of the contributions into the different funds offered and also changing the composition of the investment portfolio. The plan may be redeemed at any time and without penalty.

OXYGEN FOREIGN CURRENCY PLAN

The Oxygen Foreign Currency Plan of Anglo-Mauritius has been specifically designed to build up capital and financial protection in any of the three strong foreign currencies which are the British Pound Sterling, the Euro and the US Dollar. At maturity the value of the policy is paid exclusively in the currency initially invested.

MON3Y HARVE5T

Launched in 2012, the Mon3y Harve5t payment by installment policy guarantees the payment of a percentage of the sum insured every 3 or 5 years at the beneficiary's request regardless of the changing economic conditions. In addition to the guaranteed basic sum assured, bonuses are declared throughout the term of the plan and paid at maturity.

CORPORATE PRODUCTS

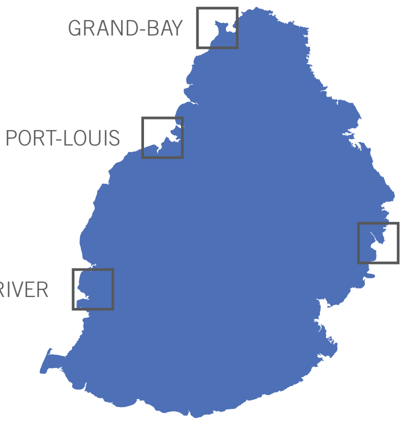
Throughout the years, we have forged an excellent reputation in the field of corporate business and we are now the leader in the provision of retirement solutions to the private sector. We have a specialised team of professionals including an in-house actuarial department enabling us to offer a one-stop shop for an employer wishing to propose pension benefits to its employees. Moreover, employers can select any one of our products or services below as part of an "unbundled" arrangement for their pension schemes.

- Administration services for the day-to-day running of the pension scheme;
- Actuarial Consulting advice in respect of benefit design, funding, merger & acquisition;
- Investment Consulting advice to design, implement & monitor the investment portfolio;
- Production of Pension Accounting disclosures in accordance with IFRS requirements;
- Provision of Group Life Insurance (death, disability or permanent health insurance) and Annuity contracts; and
- Investment related contracts whose returns can either be directly linked to the financial markets or smoothed over time.

The other key segment of our corporate business is the provision of group life arrangements to financial institutions that provide credit facilities. The borrowers would join the arrangement at pre-defined terms & conditions and would be covered for the outstanding balance of the loan due in case of death or disability during the tenure of the loan. We currently have arrangements in place with most of the major banks on the island.

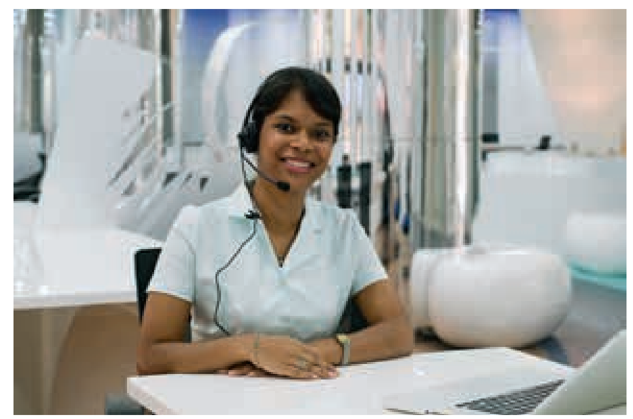
INSURANCE OUTLETS

In line with its strategy to come closer to its clients, the Swan Group has, since 2010, opened several Oxygen Insurance Shops around the island. The Oxygen Shops are similar to concept stores by offering the whole range of the Group's products and services to its clients under a single roof.

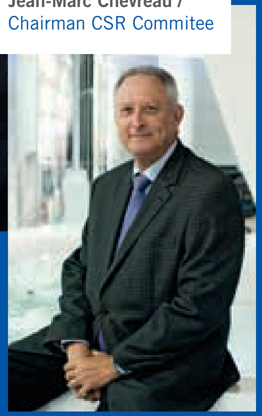


Located in Port-Louis, Flacq, Black River and Grand Baie, the Oxygen Insurance Shops facilitate a direct and privileged relationship with clients. The latter can enjoy the same quality of service which they have always experienced at Anglo-Mauritius and Swan Insurance. These modern shops aim at improving the customer's experience whilst conveying a modern and avant-garde image of the Swan Group.

Visitors are immediately impressed by the futuristic design of these shops which showcase the wide range of the Oxygen products.



CSR



Jean-Marc Chevreau /
Chairman CSR Commitee

"We believe in long term partnerships which will help us to measure over time the success of our contributions"

Tell us more about the projects supported by the Swan Group Foundation in 2012

For the year 2012, the Swan Group Foundation has given its support and donated more than Rs 5.2 millions to 23 NGOs engaged in various sectors. The Swan Group Foundation has shown its commitment towards these NGOs by donating sums ranging from Rs 50 000 to Rs 500,000 to projects linked to education, health, environment, sports and poverty alleviation and housing.

Swan Group Foundation has, for a number of years, worked closely with some of these NGOS, such as Caritas, PILS, APEIM, Rotary Club, Lions Club, Trust Fund for Excellence in Sports, Friends in Hope, Institut Cardinal Jean Margeot, Leonard Cheshire Home and the Muscular Distrophy Association.

We believe in long term partnerships which allow us to measure over time the success of our contributions to these NGOs. We favour working with NGOs which have been involved for years in a particular field and the Swan Group Foundation continue to support as far as possible on a long term basis.

To what extent are the employees of the group involved in dealing with the beneficiaries?

Indeed, we favour the active participation of our employees in the CSR projects which the group supports. Given that it is not possible for all the 400 employees to be on the field, their involvement is done on a voluntary basis. Some projects tend to give more immediate and positive results than others.

For example, in December 2012, a first group of employees has organised an intense clean-up campaign on the shores of Ile de la Passe to help the Mauritian Wildlife Foundation to which the Swan Group Foundation donated a cheque of Rs 300 000.

Many of our employees still remember the hard fought football match played between the Academy of Faucon Flacq Sports Club and the Swan Group football teams. This event has renewed the partnership between the Swan Group Foundation and the football club.

How do you help other NGOs?

Cheque remitting ceremonies have been organized for some of the NGOs at the Swan Group Centre whilst others received theirs in their premises.

In fact it is important for us to see the NGOs at work, to see their working conditions, to meet with the beneficiaries and to evaluate their needs and progress done from the time the fundings were provided by the Swan Group Foundation.

For example, NGOs like Communauté du Chemin Neuf, Link to Life, Association Quartier de Lumière, Atelier Sa Nou Vize of Mouvement Forces Vives Quartier EDC Rose Belle, Mauritius Wildlife Foundation, Link to Life, Chrysalide and Fondation Cours Jeanne d'Arc have strengthened their partnership with the Foundation after having explicitly demonstrated the success of their actions on the ground.

Rs. 5.6 million
DONATED TO 23 NGOS IN 2012

EDUCATE

MORE THAN
Rs 53.8 MILLION
EDUCATION PLANS

An education plan is an opportunity to provide a financial benefit at the start of a child's adult life. With the cost of private and tertiary education changing at an ever increasing pace the proceeds of an education plan will provide financial support for further education.

CORPORATE GOVERNANCE REPORT

1. COMPLIANCE STATEMENT

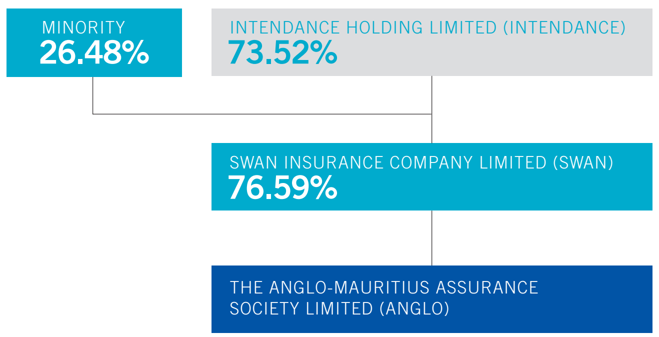
Corporate governance consists of a system of structuring, operating and controlling a company and involves a set of relationship between all the stakeholders. Sound principles of corporate governance are essential to ensure fairness, integrity, transparency and to achieve high level of stakeholders' trust and confidence in the organisation.

The Group is committed to attaining and sustaining the highest standards of corporate governance with the objective of enhancing shareholders' value and having regard to stakeholders at large.

The Board of directors ensure that the principles of good governance are followed and applied throughout the Group. The Group has complied in all material respects with the Code of Corporate Governance.

2. SHAREHOLDERS

2.1 Holding structure as at 31 December 2012



As at 31 December 2012, the following shareholders held more than 5% of the share capital of the Company.

	Direct		Indirect
	No. of shares	% holding	% holding
Swan Insurance Company Limited	2,015,940	76.59	-
Intendance Holding Limited	-	-	56.31

2.2 Common Directors

The following directors were common to the Company, Swan Insurance Company Limited and Intendance Holding Limited:

- M.E. Cyril Mayer
- Hector Espitalier-Noël (as from 27 September 2012)
- Philippe Espitalier-Noël (as from 30 June 2012)
- Henri Harel
- J.M. René Leclézio

2.3 Shareholding profile

Shareholding profile as at 31 December 2012 was as follows:

Size of shareholding	Number of shareholders	Number of shares	% of total issued shares
1 – 500	245	27,279	1.04
501 – 1,000	38	28,580	1.09
1,001 – 5,000	57	116,415	4.42
5,001 – 10,000	12	84,848	3.22
10,001 – 50,000	6	91,215	3.46
50,001 – 100,000	4	267,933	10.18
100,001 – 250,000	-	-	-
250,001 – 500,000	-	-	-
Over 500,000	1	2,015,940	76.59
TOTAL	**363**	**2,632,210**	**100**

2.4 Shareholder category

	Number of shareholders	Number of shares	% of total issued shares
Individuals	291	226,998	8.62
Insurance companies	4	2,023,948	76.89
Pensions and provident funds	8	16,146	0.61
Investment and trust companies	6	19,885	0.76
Other corporate bodies	54	345,233	13.12
TOTAL	**363**	**2,632,210**	**100**

Shareholder category	Number of shareholders	Number of shares	% of total issued shares
Local	348	2,548,100	96.80
Foreign	15	84,110	3.20
TOTAL	**363**	**2,632,210**	**100**

2.5 Shareholder communication and events

The Company ensures that shareholders are kept informed on matters affecting the Company. The Company communicates with its shareholders through press communiqués, publication of quarterly results, its annual report and at the meeting of shareholders. In addition, the Company's website is regularly updated with share price and financial results. Board members are encouraged to attend the annual meeting of shareholders. Key events are set out below:

December 2012	Declaration of dividend
January 2013	Payment of dividend
March 2013	Publication of end of year results
May 2013	Publication of first quarter results
June 2013	Annual meeting of shareholders
August 2013	Publication of half year results
November 2013	Publication of nine months results

2.6 Dividend policy

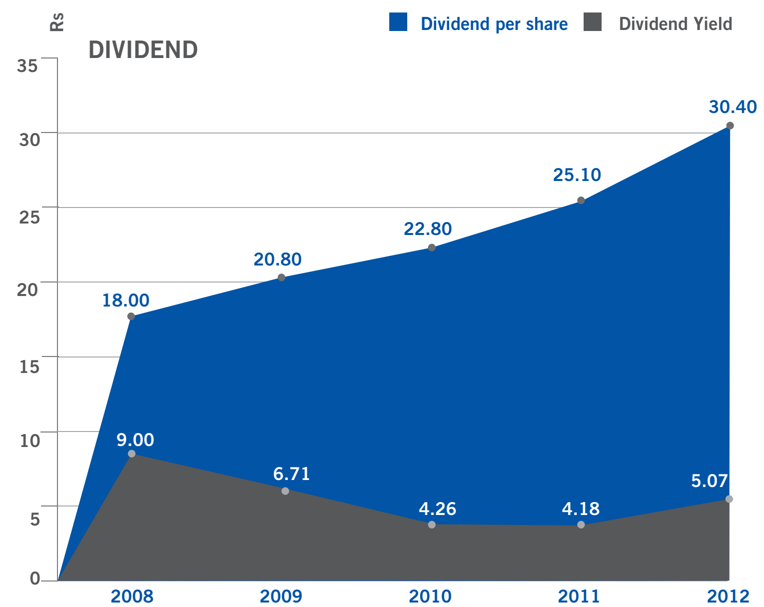
An actuarial valuation report is made by our Consulting Actuaries in accordance with the Insurance Act every three years. The purpose of this valuation is to determine the surplus of the Life Assurance Fund for the period under review.

In compliance with the Insurance Act, the surplus is distributed as follows:

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

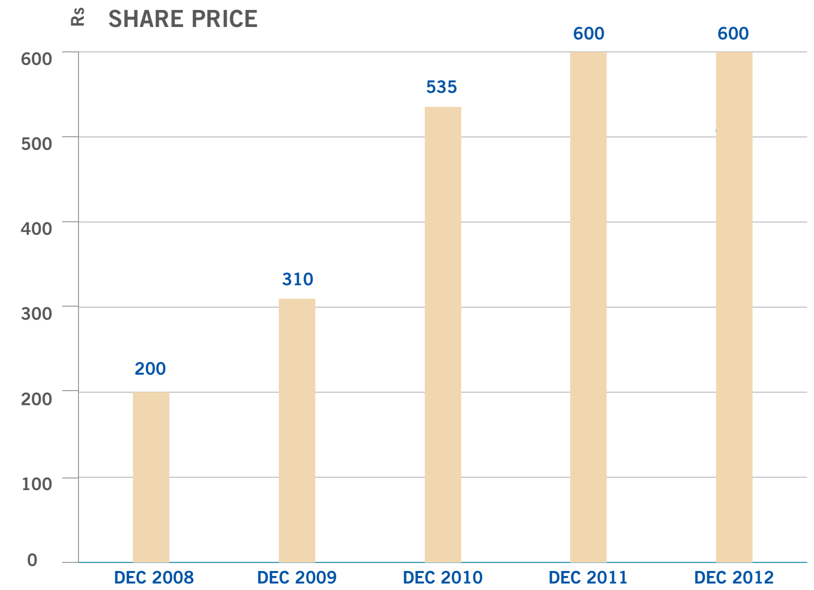
The above transfer to Proprietors' Fund is used for the payment of dividends and Directors ensure that dividends are authorised and paid out only if the Company shall, upon the distribution being made, satisfy the solvency test.

For the year under review, the Company declared and paid a dividend of Rs. 30.40 per share. Key dividend figures for the last 5 years are shown below:



***Dividend Yield is equal to the annual dividend per share divided by the market price.*

2.7 Share price information



3. 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.

The composition of the Board fully complies with the requirements of the Insurance Act which requires that all board shall be composed of not less than seven natural persons, of which 30% shall be independent directors. All new Board appointments are subject to the approval of the Financial Services Commission.

3.1 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.

3.2 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. Re-election of directors over the age of 70 years are made in compliance with section 138(6) of the Companies Act 2001.

3.3 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) (independent)

Mr. Pierre Dinan (independent)

Mr. Victor Seeyave (independent)

Mr. Henri Harel (non-executive)

The Committee meets at least four times a year. 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.

Members of the Senior Management, the External Auditors 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;
- recommending the appointment/reappointment of internal and external auditors to the Board;
- 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
- the 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) (non-executive)

Mr. Pierre Dinan (independent)

Mr. Peroomal Gopallen Mooroogen (independent)

Mr. Victor Seeyave (independent)

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

3.4 Attendance at Board and Committee Meetings

		Board	Audit & Risks Committee	Corporate Governance Committee	Annual meeting of Shareholders	Special meeting of Shareholders
	Number of meetings held	4	4	1	1	1
	Attendance					
Executive	Louis Rivalland	4	3*	1*	Yes	Yes
Independent Non-Executive	Gopallen Mooroogen	4	3	1	Yes	Yes
	Pierre Dinan	4	4	1	Yes	Yes
	Victor C. Seeyave	3	4	0	Yes	Yes
Non-Executive	Cyril Mayer	4	n/a	1	Yes	Yes
	Eric Espitalier Noël (until 27 September 2012)	2/2	n/a	n/a	Yes	Yes
	George Dumbell (until 30 June 2012)	2/2	n/a	n/a	Yes	Yes
	Hector Espitalier Noël (appointed on 27 September 2012)	1/2	n/a	n/a	n/a	n/a
	Henri Harel	4	4	n/a	Yes	Yes
	Hugues Maigrot	1	n/a	n/a	No	No
	Jean-Pierre Dalais (until 30 June 2012)	2/2	n/a	n/a	Yes	Yes
	Philippe Espitalier Noël (appointed on 30 June 2012)	2/2	n/a	n/a	n/a	n/a
	René Leclézio	3	n/a	n/a	Yes	No

**In attendance (not a member)*

3.5 Directors' interests and dealing in shares of the Company

In accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties are kept in a Register of Directors' Interests. Consequently, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with every transaction entered into by the Directors and persons closely associated with them.

All new Directors are required to notify in writing to the Company Secretary their holdings in the Company's shares. According to the Company's Constitution, a Director is not required to hold shares in the Company.

The Directors confirm that 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.

Directors' interests in shares at 31 December 2012 were as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
M. E. Cyril Mayer	-	-	200	0.008
J.M. Louis Rivalland	11,400	0.433	-	-

No directors dealt in the shares of the Company during the year.

3.6 Directors' remuneration

Remuneration and benefits received by the directors during the year were as follows:

	From the Company	From Subsidiary Companies
	Rs.	Rs.
Non- Executives	1,002,318	41,000
Executives	4,862,292	3,738,449

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.

4. 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 helps 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 is 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.

5. 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.

6. RELATED PARTY TRANSACTIONS

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

7. 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.

8. SHAREHOLDERS' AGREEMENTS/THIRD PARTY MANAGEMENT AGREEMENTS

There were no such agreements during the year.

9. INTERNAL AUDIT

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

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

- **Role and responsibilities**

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

- **Reporting and disclosures**

  - *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.

10. 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.

Risk 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 risks 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 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 back ups 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 risk, 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 of the financial statements.

11. 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's 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.

12. SHARE OPTION

The Group has no share option plan.

13. CHARITABLE DONATIONS, CORPORATE SOCIAL RESPONSIBILITY AND POLITICAL CONTRIBUTION.

Please refer to 'Other Statutory Disclosures' in the financial statements.

14. 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.

15. 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 needs of the Group.

16. 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, cultural, social and humanitarian fields through the Swan Group Foundation.

J. Soobah, FCCA
Swan Group Corporate Services Limited
Company Secretary
March 28, 2013

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) iinternational 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 on March 28, 2013

M. E. Cyril Mayer	**J. M. Louis Rivalland**
Chairperson	**Director and Group Chief Executive**

COMPANY SECRETARY'S CERTIFICATE

YEAR ENDED DECEMBER 31, 2012

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.

Nathalie Gallet, ACIS
Per Navitas Corporate Services Ltd
For and on behalf of Swan Group Corporate Services Limited
Company Secretary

March 28, 2013

HARVEST

MORE THAN Rs 24,2 BILLION LIFE ASSURANCE FUND

Since its foundation in 1951, The Anglo-Mauritius Assurance Society Limited has been a pioneer in providing sustainable financial protection to its individual and corporate clients. Its solid historical and long experience in the field of life insurances have contributed to service its customers with specifically tailored financial protection to suit their needs and budget at whatever stage of their life, from those starting a new journey to those winding down to retirement. Anglo-Mauritius stands by its customers to protect what they treasure.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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 60 to 110 which comprise the statements of financial position at December 31, 2012 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, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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.

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

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 60 to 110 give a true and fair view of the financial position of the Group and of the Company at December 31, 2012, 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

Chartered Accountants

Ameenah Ramdin, FCCA, ACA

Licensed by FRC

Port-Louis,

Mauritius.

March 28, 2013

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012

	Notes	THE GROUP		THE COMPANY	
		2012	2011	2012	2011
ASSETS		Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets					
Property and equipment	5	241,646	242,167	216,392	217,474
Investment properties	6	543,783	531,547	504,018	491,782
Intangible assets	7	142,684	56,816	27,232	34,514
Investments in subsidiary companies	8	-	-	540,012	71,512
Investments in associated companies	9	35,483	37,816	614	614
Investments in financial assets	10	15,873,374	13,162,053	15,872,171	13,162,053
Loans and receivables	11	3,497,483	2,741,414	3,528,127	2,754,853
Deferred tax assets	17	504	-	-	-
		20,334,957	16,771,813	20,688,566	16,732,802
Current assets					
Trade and other receivables	12	292,670	210,944	271,347	204,664
Investments in financial assets	10	2,081,368	1,766,475	2,081,368	1,766,475
Loans and receivables	11	349,372	310,328	339,654	310,328
Short term deposits	13/27(c)	1,648,324	1,682,011	1,648,324	1,682,011
Cash and cash equivalents	27(c)	472,008	369,811	400,226	340,116
		4,843,742	4,339,569	4,740,919	4,303,594
Total assets		25,178,699	21,111,382	25,429,485	21,036,396
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Share capital	14	26,322	25,000	26,322	25,000
Proprietors' fund		85,502	119,244	85,502	119,244
Reserves		61,214	-	529,643	-
Owners' interest		173,038	144,244	641,467	144,244
Non-controlling interests	15	125,148	200	-	-
Total equity		298,186	144,444	641,467	144,244
Technical Provisions					
Life Assurance Fund	2.12/16	24,284,794	20,586,765	24,208,418	20,514,944
Gross outstanding claims	3.1(a) (iii)	27,322	18,547	27,322	18,547
		24,312,116	20,605,312	24,235,740	20,533,491
Non-current liabilities					
Deferred tax liabilities	17	-	6	-	-
Retirement benefit obligations	18	87,820	98,781	86,144	97,782
		87,820	98,787	86,144	97,782
Current liabilities					
Trade and other payables	19	390,274	190,574	382,258	191,854
Current tax liabilities		10,284	9,515	3,857	6,275
Dividend payable	24	80,019	62,750	80,019	62,750
		480,577	262,839	466,134	260,879
Total equity and liabilities		25,178,699	21,111,382	25,429,485	21,036,396

These financial statements have been approved for issue by the Board of Directors on March 28, 2013.

M. E. Cyril Mayer
CHAIRPERSON

J. M. Louis Rivalland
DIRECTOR and GROUP CHIEF EXECUTIVE OFFICER

The notes on pages 64 to 110 form an integral part of these financial statements.
Auditors' report on pages 58 and 59.

LIFE ASSURANCE FUND

YEAR ENDED DECEMBER 31, 2012

	Notes	THE GROUP		THE COMPANY					
				NON-LINKED	LINKED	TOTAL	NON-LINKED	LINKED	TOTAL
		2012	2011	2012			2011		
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums		2,286,160	2,004,450	1,233,411	1,052,749	2,286,160	1,061,924	942,526	2,004,450
Ceded to reinsurers		(122,746)	(81,571)	(122,746)	-	(122,746)	(81,571)	-	(81,571)
Net insurance premiums		2,163,414	1,922,879	1,110,665	1,052,749	2,163,414	980,353	942,526	1,922,879
Consideration for annuities		399,233	211,670	399,233	-	399,233	211,670	-	211,670
Fee income on insurance and investment contracts		190,328	143,300	106,791	-	106,791	93,651	-	93,651
Investment income	21	1,013,055	893,423	780,492	270,401	1,050,893	711,290	215,402	926,692
Other income	22	88,003	267,753	565,717	(9,285)	556,432	116,567	151,129	267,696
Gain on exchange		43,178	-	29,560	13,618	43,178	-	-	-
Other operating income - rent		28,437	17,195	24,122	-	24,122	13,255	-	13,255
Share of results of associated companies	9	(117)	193	-	-	-	-	-	-
		3,925,531	3,456,413	3,016,580	1,327,483	4,344,063	2,126,786	1,309,057	3,435,843
Gross death and disablement insurance claims		177,558	99,845	170,180	7,121	177,301	96,566	3,279	99,845
Recoverable from reinsurers		(36,624)	(10,760)	(36,367)	-	(36,367)	(10,760)	-	(10,760)
Net death and disablement insurance claims		140,934	89,085	133,813	7,121	140,934	85,806	3,279	89,085
Maturity claims		994,027	854,607	891,961	102,066	994,027	765,732	88,875	854,607
Surrenders		285,950	888,960	102,729	183,221	285,950	140,383	748,577	888,960
Annuities		307,962	252,545	296,573	11,389	307,962	233,034	19,511	252,545
Commissions payable to agents and brokers		136,663	102,551	136,663	-	136,663	102,551	-	102,551
Fees payable		89,216	82,535	53,631	69,531	123,162	49,544	61,138	110,682
Depreciation of property and equipment	5	13,606	12,600	11,264	-	11,264	12,094	-	12,094
Depreciation of investment properties	6	10,418	10,040	10,418	-	10,418	10,040	-	10,040
Amortisation of intangible assets	7	7,661	8,867	7,282	-	7,282	8,442	-	8,442
Computer development expenses		5,896	3,227	5,896	-	5,896	3,227	-	3,227
Bad debts		1,412	2,847	1,412	-	1,412	2,847	-	2,847
Marketing and administrative expenses	23	240,986	181,689	199,151	-	199,151	150,756	-	150,756
Termination benefits	32	15,991	-	15,991	-	15,991	-	-	-
Loss on exchange		-	49,491	-	-	-	41,751	7,740	49,491
		2,250,722	2,539,044	1,866,784	373,328	2,240,112	1,606,207	929,120	2,535,327
Surplus for the year before taxation		1,674,809	917,369	1,149,796	954,155	2,103,951	520,579	379,937	900,516
Taxation	20	(22,320)	(13,844)	(9,895)	-	(9,895)	(5,948)	-	(5,948)
Surplus for the year		1,652,489	903,525	1,139,901	954,155	2,094,056	514,631	379,937	894,568
Surplus transferred as follows:									
- Life Assurance Fund	16	1,611,366	739,043	637,572	954,155	1,591,727	350,155	379,937	730,092
- Proprietors' Fund		33,900	164,476	33,900	-	33,900	164,476	-	164,476
- Other reserves		-	-	468,429	-	468,429	-	-	-
- Non-controlling interests	15	7,223	6	-	-	-	-	-	-
		1,652,489	903,525	1,139,901	954,155	2,094,056	514,631	379,937	894,568

The notes on pages 64 to 110 form an integral part of these financial statements.
Auditors' report on pages 58 and 59.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2012

THE GROUP

	Notes	Attributable to owners of the parent						
		Share capital	Proprietors' fund	Amalgamation reserve	Other reserve	Total	Non-controlling interests	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2012		**25,000**	**119,244**	**-**	**-**	**144,244**	**200**	**144,444**
Issue of share capital	14	**1,322**	**-**	**-**	**-**	**1,322**	**-**	**1,322**
Interest allocated		**-**	**12,377**	**-**	**-**	**12,377**	**-**	**12,377**
Transfer from Life Assurance Fund		**-**	**33,900**	**-**	**-**	**33,900**	**6,949**	**40,849**
Non-controlling interest arising on business combinations	26	**-**	**-**	**-**	**-**	**-**	**117,376**	**117,376**
Net movement for the year	15	**-**	**-**	**-**	**-**	**-**	**7,223**	**7,223**
Dividends	24/15	**-**	**(80,019)**	**-**	**-**	**(80,019)**	**(6,600)**	**(86,619)**
Effect of amalgamation	26	**-**	**-**	**61,214**	**-**	**61,214**	**-**	**61,214**
Balance at December 31, 2012		**26,322**	**85,502**	**61,214**	**-**	**173,038**	**125,148**	**298,186**
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)
Dividends	24	-	(62,750)	-	-	(62,750)	-	(62,750)
Balance at December 31, 2011		25,000	119,244	-	-	144,244	200	144,444

THE COMPANY

	Notes	Share capital	Proprietors' fund	Amalgamation reserve	Other reserve	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2012		**25,000**	**119,244**	**-**	**-**	**144,244**
Issue of share capital	14	**1,322**	**-**	**-**	**-**	**1,322**
Interest allocated		**-**	**12,377**	**-**	**-**	**12,377**
Transfer from Life Assurance Fund		**-**	**33,900**	**-**	**468,429**	**502,329**
Dividends	24	**-**	**(80,019)**	**-**	**-**	**(80,019)**
Effect of amalgamation	26	**-**	**-**	**61,214**	**-**	**61,214**
Balance at December 31, 2012		**26,322**	**85,502**	**61,214**	**468,429**	**641,467**
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
Dividends	24	-	(62,750)	-	-	(62,750)
Balance at December 31, 2011		25,000	119,244	-	-	144,244

The notes on pages 64 to 110 form an integral part of these financial statements.
Auditors' report on pages 58 and 59.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012

		THE GROUP		THE COMPANY	
	Notes	2012	2011	2012	2011
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Cash generated from/(absorbed in) operations	27(a)	**658,984**	(81,052)	**620,589**	(113,369)
Investment income received		**1,014,551**	893,755	**1,024,493**	926,692
Tax paid		**(22,250)**	(9,482)	**(12,313)**	-
Net cash generated from operating activities		**1,651,285**	803,221	**1,632,769**	813,323
Cash flows from investing activities					
Purchase of property and equipment	5	**(14,763)**	(47,575)	**(14,130)**	(47,524)
Purchase of investment property	6	**(20,564)**	(176,196)	**(20,564)**	(176,196)
Purchase of intangible assets	7	**-**	(240)	**-**	(166)
Purchase of financial assets	10	**(3,875,201)**	(5,697,532)	**(3,871,700)**	(5,697,532)
Loans granted		**(1,211,298)**	(654,251)	**(1,211,298)**	(654,251)
Disposal/maturity of financial assets		**2,918,839**	5,745,278	**2,915,212**	5,745,278
Proceeds from sale of property and equipment		**786**	1,430	**786**	1,131
Proceeds from sale of investment properties		**1,357**	7,465	**1,357**	7,465
Loans received		**525,649**	343,870	**525,649**	343,870
Cash and cash equivalents acquired on amalgamation	26(a)	**87,914**	-	**87,914**	-
Acquisition of subsidiary net of cash	26(b)	**24,078**	-	**-**	-
Net cash used in investing activities		**(1,563,203)**	(477,751)	**(1,586,774)**	(477,925)
Cash flows from financing activity					
Dividends paid to Company's shareholders	24	**(62,750)**	-	**(62,750)**	-
Net cash used in financing activity		**(62,750)**	-	**(62,750)**	-
Increase/(decrease) in cash and cash equivalents		**25,332**	325,470	**(16,755)**	335,398
Movement in cash and cash equivalents					
At January 1,		**2,051,822**	1,778,365	**2,022,127**	1,736,220
Increase/(decrease)		**25,332**	325,470	**(16,755)**	335,398
Effect of transfer from subsidiary to associate		**-**	(2,522)	**-**	-
Effects of exchange rate changes		**43,178**	(49,491)	**43,178**	(49,491)
At December 31,	27(c)	**2,120,332**	2,051,822	**2,048,550**	2,022,127

The notes on pages 64 to 110 form an integral part of these financial statements.
Auditors' report on pages 58 and 59.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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 forming part of the group, are detailed in note 8.

During the year, the Group amalgamated its insurance and investment activities with those of Rogers Group. The amalgamation is detailed in note 26.

2. PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The 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.

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

Disclosures – Transfers of Financial Assets (Amendments to IFRS 7).
These amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are not expected to have any impact on the Group's financial statements.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1).
These amendments replace references to a fixed transition date with 'the date of transition to IFRSs' and set out the requirements for how an entity resumes presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are not expected to have any impact on the Group's financial statements.

Deferred Tax.
Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This amendment is unlikely to have an impact on the Group's financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(b) 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 2013 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:

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income (Effective 1 July 2012)

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)

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amendment to IFRS 1 (Government Loans)

Annual Improvements to IFRSs 2009-2011 Cycle

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

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

YEAR ENDED DECEMBER 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 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 to the Group 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.

2.3 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 on acquisition of associates is included in investments in associates. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested annually for impairment.

On disposal of a subsidiary or associate, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Intangible assets (cont'd)

(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.

(v) Customer portfolio

Customer portfolio represents the value of the customer list. It is tested annually for impairment and carried at cost less accumulated impairment losses.

2.4 Investment properties

Properties held to earn rentals or capital appreciation or both and not occupied by the Group is classified as investment property. Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Buildings	**2%**

Land is not depreciated.

Gains and losses on 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.

2.5 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 assets' 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).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 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 acquire either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire (if any) 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.

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.

2.7 Investment in associates

Separate financial statements of the investor

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment in associates (cont'd)

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholder between 20% and 50% of the voting rights. 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.

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

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.

2.8 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.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are recognised initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

(ii) 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.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets (cont'd)

(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.

(c) Impairment of financial assets

(i) Financial assets classified as available-for-sale

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 equity investments 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.

(ii) Financial assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in the Life Assurance Fund. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets (cont'd)

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

If, in a subsequent period, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through the Life Assurance Fund to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.9 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.

2.10 Trade and other payables

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

2.11 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.

2.12 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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Retirement Benefit Obligations (cont'd)

(i) Defined Benefit Plan (cont'd)

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.

(iii) Termination benefits

Termination benefits are payable when the employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) 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.

2.14 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 or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 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.

2.16 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Revenue recognition

(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.

(iii) Other revenues earned by the Group are recognised on the following bases:

(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.

2.18 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).

2.19 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.

2.20 Foreign Currencies

(a) 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)

2.20 Foreign Currencies (cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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.

(c) Translation of foreign entities

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

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

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

(iii) the resulting exchange differences are recognised in the '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.

2.21 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.

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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.

(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.

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

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(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	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross outstanding claims	18 072	21 286	13 982	18 747	18 547	27 322

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

3.2 Financial risk (cont'd)

3.2.1 Market risk

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

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, UK pound sterling, 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.

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, 2012	Rs.	GBP	USD	Euro	Others	Total
Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Financial assets	13,827,890	1,642	3,452,550	536,333	136,327	17,954,742
- Loans and receivables	3,846,855	-	-	-	-	3,846,855
- Other non-current assets	964,100	-	-	-	-	964,100
- Current assets						
• Trade and other receivables	292,670	-	-	-	-	292,670
• Bank balances, deposits and cash	1,281,796	8,258	418,321	20,842	391,115	2,120,332
TOTAL ASSETS	20,213,311	9,900	3,870,871	557,175	527,442	25,178,699
Liabilities						
- Technical Provisions :						
• Life assurance fund	24,284,794	-	-	-	-	24,284,794
• Outstanding claims and IBNR	27,322	-	-	-	-	27,322
- Non-current liabilities	87,820	-	-	-	-	87,820
- Current liabilities	480,577	-	-	-	-	480,577
TOTAL LIABILITIES	24,880,513	-	-	-	-	24,880,513

At December 31, 2011	Rs.	GBP	USD	Euro	Others	Total
Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Financial assets	11,380,544	1,148	2,714,295	702,190	130,351	14,928,528
- Loans and receivables	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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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, 2012								
- Financial assets	**82**	**(82)**	**172,627**	**(172,627)**	**26,817**	**(26,817)**	**6,816**	**(6,816)**
- Bank balances, deposits and cash	**413**	**(413)**	**20,916**	**(20,916)**	**1,042**	**(1,042)**	**19,556**	**(19,556)**
- 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)

(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:

	2012	2011
	%	%
Held-to-Maturity investments	**2.00 - 7.75**	2.00 - 7.50
Loans and receivables	**6.00 - 12.00**	6.5 - 11.75
Short term deposits	**3.00 - 5.00**	3.50 - 4.50
Bank balances	**0.00 - 5.00**	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, 2012 would increase/decrease by Rs 62.2m (2011: Rs.62.5m)

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

3.2.1 Market risk (cont'd)

The Company :

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

For unit linked contracts, the Company matches all the assets on which the unit prices are based with assets in the portfolio. 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 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%
At December 31, 2012	Rs'm	Rs'm
- Available for sale financial assets	**107**	**(107)**
At December 31, 2011		
- Available for sale financial assets	92	(92)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails 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.

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

The 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, 2012, the reinsurance assets recoverable was Rs 23.4m (2011 : Rs.0.2m).

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.

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

3.2.2 Credit risk (cont'd)

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

	Neither past due nor impaired	Impaired	Carrying amount at year end
	Rs'000	Rs'000	Rs'000
2012			
- Loans and receivables	**3,818,299**	**28,556**	**3,846,855**
- Trade and other receivables	**292,670**	**-**	**292,670**
2011			
- Loans and receivables	3,031,742	20,000	3,051,742
- Trade and other receivables	210,944	-	210,944

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.

Maturities of financial assets and liabilities:

At December 31, 2012	< 1 year	1 to 5 years	>5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Assets				
- Financial assets	12,459,532	1,694,084	3,801,126	17,954,742
- Loans and receivables	359,090	3,437,727	50,038	3,846,855
- Other non-current assets	-	397,534	566,566	964,100
- Current assets				
• Trade and other receivables	292,670	-	-	292,670
• Bank balances, deposits and cash	2,120,332	-	-	2,120,332
TOTAL ASSETS	**15,231,624**	**5,529,345**	**4,417,730**	**25,178,699**
Liabilities				
- Technical Provisions :				
• Life assurance fund	24,284,794	-	-	24,284,794
• Outstanding claims and IBNR	27,322	-	-	27,322
- Non-current liabilities	-	87,820	-	87,820
- Current liabilities	480,577	-	-	480,577
TOTAL LIABILITIES	**24,792,693**	**87,820**	**-**	**24,880,513**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

3.2.3 Liquidity risk (cont'd)

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 receivables	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

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 commensurately with the level of risk.

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

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

3.2.5 Fair value estimation

The fair 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 use 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.

Critical accounting estimates and assumptions

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) Estimates of future benefit payments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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

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 follows the guidance of International Accounting Standard (IAS) 39 - 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 and sector performance, changes in technology and operational and financing cash flow.

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.

4.6 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

(a)

THE GROUP - 2012	Freehold Land & Buildings	Furniture Fixtures & Fittings	Computer Equipment	Electrical Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/DEEMED COST						
At January 1, 2012	252,394	84,411	46,812	2,248	17,592	403,457
Acquisition through business combination (note 26(b))	-	5,493	1,126	-	-	6,622
Additions	-	10,862	1,976	-	1,925	14,763
Disposals	-	-	(85)	-	(3,429)	(3,504)
At December 31, 2012	252,394	100,766	49,832	2,248	16,098	421,338
DEPRECIATION						
At January 1, 2012	28,879	76,637	42,660	2,248	10,866	161,290
Acquisition through business combination (note 26(b))	-	3,236	1,116	-	-	4,352
Charge for the year	4,654	4,236	3,259	-	1,457	13,606
Disposal adjustments	-	-	(85)	-	(3,008)	(3,093)
Transfer adjustment from investment properties	3,537	-	-	-	-	3,537
At December 31, 2012	37,070	84,109	46,950	2,248	9,315	179,692
NET BOOK VALUE						
At December 31, 2012	215,324	16,657	2,882	-	6,783	241,646

(b)

THE GROUP - 2011	Freehold Land & Buildings	Furniture Fixtures & Fittings	Computer Equipment	Electrical Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
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

YEAR ENDED DECEMBER 31, 2012

5. PROPERTY AND EQUIPMENT (CONT'D)

(c)

THE COMPANY - 2012	Freehold Land & Buildings	Furniture Fixtures & Fittings	Computer Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2012	228,295	83,550	45,068	16,311	373,224
Additions	-	10,630	1,575	1,925	14,130
Disposals	-	-	(85)	(3,419)	(3,504)
At December 31, 2012	228,295	94,180	46,558	14,817	383,850
DEPRECIATION					
At January 1, 2012	28,357	75,806	41,101	10,486	155,750
Charge for the year	4,566	2,356	3,077	1,265	11,264
Transfer adjustment from investment properties	3,537	-	-	-	3,537
Disposal adjustments	-	-	(85)	(3,008)	(3,093)
At December 31, 2012	36,460	78,162	44,093	8,743	167,458
NET BOOK VALUE					
At December 31, 2012	191,835	16,018	2,465	6,074	216,392

(d)

THE COMPANY - 2011	Freehold Land & Buildings	Furniture Fixtures & Fittings	Computer Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
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 properties	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 properties	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

6. INVESTMENT PROPERTIES

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
2012		
COST		
At January 1, 2012	591,648	551,635
Additions	20,564	20,564
Disposals	(1,656)	(1,656)
At December 31, 2012	610,556	570,543
DEPRECIATION		
At January 1, 2012	60,101	59,853
Charge for the year	10,418	10,418
Disposal adjustment	(209)	(209)
Transfer adjustment to property and equipment	(3,537)	(3,537)
At December 31, 2012	66,773	66,525
NET BOOK VALUE	543,783	504,018
2011		
COST		
At January 1, 2011	503,352	463,339
Additions	176,196	176,196
Disposals	(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 adjustment	(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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

6. INVESTMENT PROPERTIES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31,	1,353,352	1,353,352	1,271,852	1,271,852

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

The following have been recognised in the Life Assurance Fund.

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income	54,487	41,445	49,360	36,680
Direct operating expenses	25,237	23,425	25,237	23,425

7. INTANGIBLE ASSETS

THE GROUP - 2012	Goodwill	Computer Softwares	Development Cost	VOBA	Others *	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At January 1,	21,444	13,447	21,975	28,477	-	85,343
Additions through business combination (note 26 (b))	38,154	-	-	-	55,375	93,529
At December 31,	59,598	13,447	21,975	28,477	55,375	178,872
AMORTISATION						
At January 1,	-	11,546	13,185	3,796	-	28,527
Charge for the year	-	1,368	4,395	1,898	-	7,661
At December 31,	-	12,914	17,580	5,694	-	36,188
NET BOOK VALUE	59,598	533	4,395	22,783	55,375	142,684

* Others represents the value of customer lists acquired during the period.

THE GROUP - 2011	Goodwill	Computer Softwares	Development Cost	VOBA	Others *	Total
	Rs'000	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

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY - 2012	Computer Softwares	Development Cost	VOBA	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At January 1 and December 31,	9,603	21,975	28,477	60,055
AMORTISATION				
At January 1,	8,560	13,185	3,796	25,541
Charge for the year	988	4,396	1,898	7,282
At December 31,	9,548	17,581	5,694	32,823
NET BOOK VALUE	55	4,394	22,783	27,232

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

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2012	2011
	Rs'000	Rs'000
(a) UNQUOTED		
At January 1,	71,512	72,126
Addition	469,500	-
Disposal	(1,000)	-
Effect of transfer from subsidiary to associate	-	(614)
At December 31,	540,012	71,512

The addition and disposal are non-cash transactions, see note 26(b).

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YEAR ENDED DECEMBER 31, 2012

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.

		The Anglo-Mauritius Assurance Society Limited				Other Group Companies		
				% Holding		% Holding		
Name of subsidiary	Class of shares held	Stated capital	Nominal value of investment	2012	2011	2012	2011	Main business
		Rs'000	Rs'000	%	%	%	%	
• Manufacturers' Distributing Station Limited	Ordinary	961	47,686	99.8%	99.8%	-	-	• Investment Company
• Pension Consultant and Administration Limited (c)	Ordinary	4,100	22,825	100.0%	100.0%	-	-	• Pension and fund administration
• Anglo-Mauritius Financial Solutions Limited (c)	Ordinary	586,876	469,500	80.0%	-	-	-	• Investment Company
• Anglo-Mauritius Investment Managers Limited (d)	Ordinary	1,000	-	-	100.0%	80.0%	-	• Fund management and investment consulting
• Anglo-Mauritius Stockbrokers Limited	Ordinary	1,000	-	-	-	80.0%	-	• Stockbroking
• Société de la Croix	Parts	2,500	-	-	-	99.8%	99.8%	• Investment entity
• Société de la Montagne	Parts	45,654	-	-	-	99.8%	99.8%	• Investment entity
• Société de la Rivière	Parts	2,500	-	-	-	99.8%	99.8%	• Investment entity
• Swan Group Foundation	Limited by guarantee	1	1	50.0%	50.0%	-	-	• Management of Swan Group CSR fund (not consolidated)
			540,012					

(c) As from 1st May 2010, an agreement has been reached whereby the proprietors will have a right to dividend of the company.

(d) The company was formerly known as Anglo-Mauritius Financial Services Ltd.

9. INVESTMENTS IN ASSOCIATED COMPANIES

(a)

The Company		2012	2011
		Rs'000	Rs'000
At January 1,		614	-
Effect of transfer from subsidiary to associate		-	614
At December 31,		614	614

(b)

Group's share of net assets		2012	2011
		Rs'000	Rs'000
At January 1,		37,816	58,317
Share of results of associated companies		(117)	193
Dividends		(1,496)	(332)
Transfer from loan and receivables		7,487	13,439
Transfer from intangible assets		-	684
Effect of transfer from subsidiary to associate		-	(34,485)
Share of reserves		(8,207)	-
At December 31,	Rs.	**35,483**	37,816

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

Name	Year end	Assets	Liabilities	Revenues	Profit/(loss)	Proportion of ownership interest Indirect
		Rs'000	Rs'000	Rs'000	Rs'000	%
2012						
Swan Group Corporate Services Ltd (SGCSL)	December 31,	2,481	752	763	248	50%
Swan International Ltd	December 31,	97,833	35,128	-	(492)	49%
2011						
Swan Group Corporate Services Ltd (SGCSL)	December 31,	4,199	2,718	614	87	50%
Swan International Ltd	December 31,	47,896	1,055	-	306	49%

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

10. INVESTMENTS IN FINANCIAL ASSETS

(a)

	THE GROUP			
	2012			2011
	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Local Securities				
At January 1,	5,693,270	5,687,275	11,380,545	11,805,848
Effect of amalgamation (note 26(a))	774,448	560,843	1,335,291	-
Additions	3,276,229	169,624	3,445,853	4,850,456
Additions through business combination ((note 26(b))	-	1,288	1,288	-
Decrease in fair value	-	(287,151)	(287,151)	(389,859)
Disposals	-	(88,138)	(88,138)	(224,539)
Matured	(2,508,990)	-	(2,508,990)	(4,638,386)
Accrued interests	27,184	-	27,184	(22,975)
At December 31,	7,262,141	6,043,741	13,305,882	11,380,545
Foreign Securities	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	3,547,983	3,547,983	3,978,329
Effect of amalgamation (note 26(a))	-	385,375	385,375	-
Additions	-	429,348	429,348	847,076
Increase/(decrease) in fair value	-	593,575	593,575	(636,591)
Disposals	-	(307,221)	(307,221)	(640,831)
At December 31,	-	4,649,060	4,649,060	3,547,983
Total	7,262,141	10,692,801	17,954,942	14,928,528

Analysed as follows:	2012	2011
	Rs'000	Rs'000
Non-current	15,873,374	13,162,053
Current	2,081,368	1,766,475
	17,954,742	14,928,528

(i)

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2012				
Available-for-sale	9,923,668	54,130	715,003	10,692,801
At December 31, 2011				
Available-for-sale	8,948,570	54,930	231,758	9,235,258

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b)

	THE COMPANY			
	2012			2011
	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Local Securities				
At January 1,	5,693,270	5,687,275	11,380,545	11,805,848
Effect of amalgamation (note 26(a))	774,448	560,843	1,335,291	-
Additions	3,276,229	166,123	3,442,352	4,850,456
Decrease in fair value	-	(287,220)	(287,220)	(389,859)
Disposals	-	(84,483)	(84,483)	(224,539)
Matured	(2,508,990)	-	(2,508,990)	(4,638,386)
Accrued interests	26,987	-	26,987	(22,975)
At December 31,	7,261,944	6,042,538	13,304,482	11,380,545
Foreign Securities	Held-to-maturity	Available-for-sale	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	3,547,983	3,547,983	3,978,329
Effect of amalgamation (note 26(a))	-	385,375	385,375	-
Additions	-	429,348	429,348	847,076
Increase/(decrease) in fair value	-	593,572	593,572	(636,591)
Disposals	-	(307,221)	(307,221)	(640,831)
At December 31,	-	4,649,057	4,649,057	3,547,983
Total	7,261,944	10,691,595	17,953,539	14,928,528

Analysed as follows:	2012	2011
	Rs'000	Rs'000
Non-current	15,872,171	13,162,053
Current	2,081,368	1,766,475
	17,953,539	14,928,528

(i)

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2012				
Available-for-sale	9,922,514	54,130	714,951	10,691,595
At December 31, 2011				
Available-for-sale	8,948,570	54,930	231,758	9,235,258

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10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Listed and unquoted Debenture Stocks and Treasury Bills with interest rates varying from 2.74% to 5.50% (2011: 2.25 % to 4.57%).

(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	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Loans on policies	131,873	90,451	131,873	90,451
Loans on residential properties	2,534,871	2,254,467	2,534,871	2,254,467
Loans on business properties	1,097,291	619,877	1,097,291	619,877
Cumulative accrued interests	111,376	104,907	111,376	104,907
Less impairment provision (see note (a) below)	(28,556)	(20,000)	(28,556)	(20,000)
	3,846,855	3,049,702	3,846,855	3,049,702
Loans to related corporations	-	15,479	20,926	15,479
Effect of transfer from subsidiary to associates	-	(13,439)	-	-
	3,846,855	3,051,742	3,867,781	3,065,181
Analysed as follows:-				
Non-current	3,497,483	2,741,414	3,528,127	2,754,853
Current	349,372	310,328	339,654	310,328
	3,846,855	3,051,742	3,867,781	3,065,181

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

	THE GROUP AND THE COMPANY	
	2012	2011
	Rs'000	Rs'000
At January 1,	20,000	18,000
Effect of amalgamation	9,736	-
(Release)/charge for the year	(1,180)	2,000
At December 31,	28,556	20,000

(b) The rate of interest on loans vary from 6.0% to 12.0% (2011: 6.0% to 11.75%).

(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.

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
• Receivables arising from insurance and reinsurance contracts:				
- Due from contract holders - Individuals	48,623	38,185	48,623	38,185
- Schemes	45,723	42,041	45,723	42,041
• Claims recoverable from Reinsurers	23,445	274	23,445	274
• Interest and other receivables	157,707	114,131	117,163	99,147
• Receivables from related parties:				
- Holding Company	17,172	16,313	17,172	16,313
- Subsidiary Companies	-	-	19,221	8,704
	292,670	210,944	271,347	204,664

(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	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Short term deposits (see note (a) & 27(c))	1,648,324	1,682,011	1,648,324	1,682,011

(a) Short term deposits comprise of foreign deposits, moneys-at-call and savings accounts. The rates of interest vary between 3.0 % to 5.0 %. (2011: 3.5% to 4.5%).

14. SHARE CAPITAL

	THE GROUP & THE COMPANY	
	2012	2011
	Rs'000	Rs'000
At January 1,	25,000	25,000
Issue of shares (note 26(a))	1,322	-
At December 31,	26,322	25,000

The total authorised number of ordinary share is 2,632,210 shares (2011: 2,500,000 shares) with a par value of Rs.10 per share (2011: Rs.10 per share). All issued shares are fully paid.

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YEAR ENDED DECEMBER 31, 2012

15. NON-CONTROLLING INTEREST

	THE GROUP	
	2012	2011
	Rs'000	Rs'000
At January 1,	200	24,661
Share of net surplus for the year	7,223	6
Non-controlling interest arising on business acquisition (note 26(b))	117,376	-
Effect of transfer from subsidiary to associate	-	(24,467)
Transfer from Life Assurance Fund (note 16)	6,949	-
Dividend paid	(6,600)	-
At December 31,	125,148	200

16. LIFE ASSURANCE FUND

(a) THE GROUP

	2012				2011			
	Surplus	Fair value reserve	Other reserves	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,	17,284,237	3,305,065	(2,537)	20,586,765	16,545,516	4,331,515	11,727	20,888,758
Effect of amalgamation (note 26(a))	1,688,760	160,343	-	1,849,103	-	-	-	-
Surplus on Life Assurance Fund for the year (page 61)	1,611,366	-	-	1,611,366	739,043	-	-	739,043
Change in value of available-for-sale financial assets	-	306,424	-	306,424	-	(752,822)	-	(752,822)
Release from fair value reserve	-	(53,708)	-	(53,708)	-	(273,628)	-	(273,628)
Share of reserves of associated company	-	-	(8,207)	(8,207)	-	-	-	-
Effect of transfer from subsidiary to associate	-	-	-	-	(322)	-	(14,264)	(14,586)
Transfer to Non-controlling interests (note 15)	(6,949)	-	-	(6,949)	-	-	-	-
At December 31,	20,577,414	3,718,124	(10,744)	24,284,794	17,284,237	3,305,065	(2,537)	20,586,765

(b) THE COMPANY

	2012				2011			
	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,	12,940,501	4,269,378	3,305,065	20,514,944	12,590,346	3,889,441	4,331,515	20,811,302
Effect of amalgamation (note 26(a))	1,688,760	-	160,343	1,849,103	-	-	-	-
Surplus on Life Assurance Fund for the year (page 61)	1,591,727	-	-	1,591,727	350,155	379,937	-	730,092
Change in value of available-for-sale financial assets	-	-	306,352	306,352	-	-	(752,822)	(752,822)
Release from fair value reserve	-	-	(53,708)	(53,708)	-	-	(273,628)	(273,628)
At December 31,	16,220,988	4,269,378	3,718,052	24,208,418	12,940,501	4,269,378	3,305,065	20,514,944

(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 reserves

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 ASSETS/(LIABILITIES)

Deferred taxes are calculated on all temporary differences under the liability method at 15% (2011: 15%).

The movement on the deferred tax account is as follows:

	THE GROUP	
	2012	2011
	Rs'000	Rs'000
At January 1,	(6)	(137)
Acquisition through businesss combination (note 26(b))	82	-
Movement for the year	428	131
At December 31,	504	(6)

Deferred tax assets/(liabilities) and deferred tax credited in the Life Assurance Fund are attributable to accelerated tax depreciation and retirement benefit obligations.

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Amounts recognised in the statements of financial position:				
Pension benefits (note (a)(ii))	87,820	98,781	86,144	97,782
Analysed as follows:				
Non-current liabilities	87,820	98,781	86,144	97,782
Life assurance fund charge:				
- Pension benefits (note (a)(v))	37,994	14,778	37,317	14,285

Pension benefits

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

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

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligations	111,958	132,776	105,219	126,734
Fair value of plan assets	(4,074)	(3,873)	-	-
	107,884	128,903	105,219	126,734
Unrecognised actuarial losses	(20,064)	(30,122)	(19,075)	(28,952)
Liability in the statements of financial position	87,820	98,781	86,144	97,782

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18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
(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,	132,776	107,177	126,734	102,993
Effect of amalgamation	1,928	-	1,928	-
Current service cost	4,828	4,039	4,447	3,691
Interest cost	12,474	10,430	11,863	9,999
Past service cost	9,361	-	9,361	-
Actuarial (gains)/losses	(3,206)	13,935	(2,911)	13,303
Benefits paid	(48,955)	(2,393)	(48,955)	(3,252)
Effect of transfer from subsidiary to associate	-	(412)	-	-
Effect of curtailments/settlement	2,752	-	2,752	-
At December 31,	111,958	132,776	105,219	126,734

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
(iv) The movement in the fair value of plan assets of the year is as follows:	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	3,873	3,190	-	-
Expected return on plan assets	386	316	-	-
Actuarial losses	(154)	(143)	-	-
Employer contributions	48,955	3,252	48,955	3,252
Cost of insuring risks benefits	(31)	(30)	-	-
Benefits paid	(48,955)	(2,393)	(48,955)	(3,252)
Effect of transfer from subsidiary to associate	-	(319)	-	-
At December 31,	4,074	3,873	-	-

	2012	2011	2012	2011
(v) The amounts recognised in Life Assurance Fund are as follows:	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	4,828	4,039	4,447	3,691
Interest cost	12,474	10,430	11,863	9,999
Expected return on plan assets	(386)	(316)	-	-
Net actuarial losses recognised during the year	1,668	595	1,628	595
Cost of insuring risks benefits	31	30	-	-
Effect of curtailments/settlement	10,018	-	10,018	-
Past service cost	9,361	-	9,361	-
Total included in employee benefit expense (note 23)	37,994	14,778	37,317	14,285

	2012	2011	2012	2011
(vi) The movement in the liability recognised in statement of financial position:	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	98,781	87,368	97,782	86,749
Total expenses as above	37,994	14,778	37,317	14,285
Employer contributions	(48,955)	(3,252)	(48,955)	(3,252)
Effect of transfer from subsidiary to associate	-	(113)	-	-
At December 31,	87,820	98,781	86,144	97,782
Actual return on plan assets	231	172	-	-

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	THE GROUP			
	2012		2011	
	Rs'000	%	Rs'000	%
Local Equities	1,528	11.5%	1,452	12.5%
Overseas Equities	917	11.5%	871	12.5%
Fixed Interest	1,426	8.5%	1,356	9.5%
Properties	203	6%	194	7%
Total Market value of assets	4,074		3,873	

(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 reflects 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, 2013 while for the Group, the expected contributions is Rs 300,000.

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

	THE GROUP				
	2012	2011	2010	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of defined benefit obligation	111,958	132,776	107,177	99,697	97,968
Fair value of plan assets	(4,074)	(3,873)	(3,190)	(3,004)	(2,772)
Experience losses on plan assets	(154)	(143)	(98)	(128)	(117)
Experience (gains)/losses on plan liabilities	(3,206)	13,935	(2,976)	(4,398)	7,642

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

	THE COMPANY				
	2012	2011	2010	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of defined benefit obligation	105,219	126,734	102,993	96,072	94,801
Experience (gains)/losses on plan liabilities	(2,911)	13,303	(2,858)	(4,260)	7,286

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

	THE GROUP AND THE COMPANY	
	2012	2011
	%	%
Discount rate	8.5	9.5
Expected return on plan assets	8.5	10.5
Future salary increases	6.5	7.5
Future pension increases	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
• Trade payables:				
- Insurance contracts	24,378	30,042	24,378	30,042
• Other payables and accruals	356,663	150,251	331,084	147,141
• Amounts due to related parties:				
- Holding company	9,233	10,281	9,233	10,281
- Subsidiary companies	-	-	17,563	4,390
	390,274	190,574	382,258	191,854

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

(b) The carrying amounts of trade and other payables approximate their fair values.

20. TAXATION

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
Income tax charge	Rs'000	Rs'000	Rs'000	Rs'000
Current tax on the adjusted profit for the year				
at 15% (2011: 15%)	12,853	8,027	-	-
Alternative minimum tax (AMT)	9,895	6,275	9,895	6,275
Reversal of provision of previous years	-	(327)	-	(327)
Movement in deferred tax	(428)	(131)	-	-
Tax charge for the year	22,320	13,844	9,895	5,948

21. INVESTMENT INCOME

	THE GROUP		THE COMPANY			
	2012	2011	2012			2011
	Total	Total	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	854,703	744,572	581,382	237,488	818,870	744,572
Dividend income	158,352	148,851	199,110	32,913	232,023	182,120
	1,013,055	893,423	780,492	270,401	1,050,893	926,692

22. OTHER INCOME

	THE GROUP		THE COMPANY			
	2012	2011	2012			2011
	Total	Total	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of financial assets	68,198	241,522	77,511	(9,285)	68,226	241,522
Profit on disposal of subsidiary (note 26(b))	-	-	468,429	-	468,429	-
Miscellaneous income	19,520	24,466	19,492	-	19,492	24,466
(Loss)/profit on disposal of investment property	(90)	1,884	(90)	-	(90)	1,884
Profit/(loss) on disposal of property and equipment	375	(119)	375	-	375	(176)
	88,003	267,753	565,717	(9,285)	556,432	267,696

23. MARKETING AND ADMINISTRATIVE EXPENSES

		THE GROUP		THE COMPANY	
		2012	2011	2012	2011
		Rs'000	Rs'000	Rs'000	Rs'000
	Marketing and administrative expenses include:				
	- Contribution in respect of Corporate Social Responsibility	2,815	1,236	1,715	982
	- Internal auditors' fees	736	370	736	370
	- Staff costs (see note (a) below)	161,513	120,336	143,984	112,633
(a)	Analysis of staff costs:				
	Salaries and wages	86,021	75,610	72,389	71,145
	Retirement benefit obligations:				
	- defined benefit plan (note 18(a)(v))	37,994	14,778	37,317	14,285
	- defined contribution plan	1,012	780	618	486
	Other costs	36,486	29,168	33,660	26,717
		161,513	120,336	143,984	112,633

24. DIVIDEND PAYABLE

	THE COMPANY	
	2012	2011
	Rs'000	Rs'000
Declared and payable		
Final dividend of Rs. 30.40 per ordinary share (2011: Rs. 25.10).	80,019	62,750

25. EARNINGS PER SHARE

		THE GROUP AND THE COMPANY	
		2012	2011
		Rs'000	Rs'000
Earnings attributable to shareholders is based on:			
- Amount transferred from Life Assurance Fund		43,992	43,992
- Interest allocated		12,377	9,262
- Amount transferred to Proprietors Fund		33,900	32,500
		90,269	85,754
Weighted average number of shares in issue		2,566,466	2,500,000
Earnings per share	Rs.	35.17	34.30

The above amount of **Rs. 43.9m** (2011: Rs. 43.9m) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

26. BUSINESS COMBINATIONS

(a) Amalgamation

On 7 June 2012, the shareholders of The Anglo-Mauritius Assurance Society Limited (AMAS) approved the amalgamation of Cim Life Ltd (CLL) with and into AMAS as from 30 June 2012. In consideration for the amalgamation, AMAS has issued 132,210 new ordinary shares of Rs. 10 each to Rogers and Company Limited (RCL) by applying a share exchange ratio of 0.529 share of AMAS for every share held by RCL in CLL. The share exchange ratio has been determined from the appraisal value of each company by the independent valuers, Deloitte and Touche, Actuarial and Insurance Solutions (South Africa). The valuation report describes the valuation method used for the share exchange ratio.

At June 30,2012

Recognised amounts of identifiable assets acquired and liabilities assumed	Rs'000
Investments in financial assets	1,720,666
Loans and receivables	114,240
Trade and other receivables	37,427
Cash and cash equivalents	87,914
Life Assurance Fund	(1,849,103)
Gross outstanding claims	(9,065)
Retirement benefit obligations	(1,928)
Trade and other payables	(37,615)
Total identifiable net assets	62,536
Satisfied by:	
Share exchange (132,210 shares issued)	(1,322)
Amalgamation reserve	61,214

(b) Acquisition of subsidiary

In April 2012, a Contribution agreement has been made between AMAS and RCL to reorganise the stockbroking and asset management business of RCL and the investment management business of AMAS under Anglo-Mauritius Financial Solutions Limited ("AMFS"), a newly incorporated company as follows:

(i) AMAS exchanged its 100% shares of Anglo-Mauritius Investment Managers Limited ("AMIM") - ex Anglo-Mauritius Financial Services Ltd against a 80% share in Anglo-Mauritius Financial Solutions Limited ("AMFS") through issue of share for a consideration of Rs 469.5m.

(ii) RCL exchanged its 100% shares of Anglo-Mauritius Stockbrokers Ltd ("ASB") - ex Cim Stockbrokers Ltd for a consideration of Rs. 62m, see below, and the local asset management activities of Rogers Asset Management Ltd (RAM) for a consideration of Rs. 55.3m (see note 7) against a 20% share in AMFS through issue of share.

26. BUSINESS COMBINATIONS (CONT'D)

(b) Acquisition of subsidiary (cont'd)

Consideration - Non cash transaction	Rs'000
At 30 June 2012	
Equity instrument (62,000,000 shares)	62,000
Total consideration	62,000
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property and equipment	2,270
Deferred tax assets	82
Investments in financial assets	1,288
Trade and other receivables	18,463
Cash and cash equivalents	24,078
Trade and other payables	(22,064)
Current tax liabilities	(271)
Total identifiable net assets	23,846
Goodwill	38,154
	62,000

Net cash outflow on acquisition	Rs'000
Consideration paid in cash	-
Cash and cash equivalent balances acquired	(24,078)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

27. NOTES TO THE CASH FLOW STATEMENTS

	Notes	THE GROUP 2012 Rs'000	THE GROUP 2011 Rs'000	THE COMPANY 2012 Rs'000	THE COMPANY 2011 Rs'000
(a) Cash generated from/(absorbed in) operations					
Surplus on Life Assurance Fund		**1,674,809**	917,369	**2,103,951**	900,516
Adjustments for:					
Depreciation on property and equipment	5	**13,606**	12,600	**11,264**	12,094
Depreciation on investment properties	6	**10,418**	10,040	**10,418**	10,040
Amortisation of intangible assets	7	**7,661**	8,867	**7,282**	8,442
(Profit)/loss on sale of property and equipment	22	**(375)**	119	**(375)**	176
Loss/(profit) on sale of investment properties	22	**90**	(1,884)	**90**	(1,884)
Interest allocated to proprietors' fund		**12,377**	9,262	**12,377**	9,262
Consolidation adjustment		**-**	(1,828)	**-**	-
Investment income	21	**(1,013,055)**	(893,423)	**(1,050,893)**	(926,692)
Net (gain)/loss on exchange		**(43,178)**	49,491	**(43,178)**	49,491
Profit on sale of financial assets	22	**(68,198)**	(241,522)	**(68,226)**	(241,522)
Profit on sale of subsidiary	7/26(b)	**-**	-	**(468,429)**	-
Change in accrued interest		**(29,699)**	24,245	**(29,699)**	24,245
Changes in working capital (excluding the effects of acquisition and disposal):					
- Trade and other receivables		**(25,831)**	(17,491)	**(2,926)**	(2,828)
- Trade and other payables		**133,421**	32,083	**152,789**	34,458
- Retirement benefit obligations		**(12,889)**	11,413	**(13,566)**	11,033
- Outstanding claims		**(290)**	(200)	**(290)**	(200)
Share of results of associated companies		**117**	(193)	**-**	-
Cash generated from/(absorbed in) operations		**658,984**	(81,052)	**620,589**	(113,369)

(b) Non cash transactions

The principal non cash transaction results from the amalgamation of CIM Life Ltd with and into AMAS during the year satisfied by an issue of shares as consideration, as disclosed in note 26.

(c) Cash and cash equivalents	THE GROUP 2012 Rs'000	THE GROUP 2011 Rs'000	THE COMPANY 2012 Rs'000	THE COMPANY 2011 Rs'000
Short term deposits (note 13)	**1,648,324**	1,682,011	**1,648,324**	1,682,011
Cash and cash equivalents	**472,008**	369,811	**400,226**	340,116
	2,120,332	2,051,822	**2,048,550**	2,022,127

28. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY 2012 Rs'000	2011 Rs'000
Outstanding commitments for the following:-		
Loans to be granted	**454,400**	565,200
Subordinated bonds	**-**	75,000
Investments in freehold properties	**70,500**	37,500
Operating lease agreement	**17,293**	-
	542,193	677,700

29. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Directors regard Swan Insurance Company Limited which owns 76.59% (2011: 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 73.52% (2011: 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.

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

YEAR ENDED DECEMBER 31, 2012

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
2012						
Holding company	-	-	-	-	17,172	9,233
Shareholders with significant influence	-	-	446,923	-	-	-
Enterprises on which the Company and Subsidiaries exert significant influence	2,710	-	1,266,566	20,926	292	-
Key management personnel	387	-	-	-	-	12
	3,097	-	1,713,489	20,926	17,464	9,245

	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	-	-	162,246	-	-	-
Enterprises on which the Company and Subsidiaries exert significant influence	13,909	306	1,951,076	13,439	-	-
Key management personnel	1,100	-	-	6,539	25	-
	15,009	306	2,113,322	19,978	16,338	10,281

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
2012							
Holding company	-	-	-	-	-	17,172	9,233
Subsidiary companies	-	38,175	35,270	540,012	-	19,221	17,563
Shareholders with significant influence	-	-	-	446,923	-	-	-
Enterprises on which the Company exerts significant influence	2,710	-	-	1,266,566	20,926	292	-
Key management personnel	387	-	-	-	5,234	-	12
	3,097	38,175	35,270	2,253,501	26,160	36,685	26,808

	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	-	34,498	27,298	71,512	-	8,704	4,390
Shareholders with significant influence	-	-	-	162,246	-	-	-
Enterprises on which the Company exerts significant influence	13,909	306	-	1,951,076	13,439	-	-
Key management personnel	1,100	-	-	-	6,539	25	-
	15,009	34,804	27,298	2,184,834	19,978	25,042	14,671

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

YEAR ENDED DECEMBER 31, 2012

31. RELATED PARTY TRANSACTIONS (CONT'D)

(c) **Key management personnel compensation**

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Salaries and short-term employee benefits	27,274	26,830	19,064	19,592
Post-employment benefits	1,183	1,165	720	761
	28,457	27,995	19,784	20,353

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes.
For the year ended 2012, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2011: Nil).

32. TERMINATION BENEFITS

	THE GROUP & THE COMPANY	
	2012	2011
	Rs'000	Rs'000
Termination benefits paid	15,991	-

The Group has implemented a Voluntary Retirement Scheme ("VRS") during the year whereby termination benefits were offered to employees accepting to terminate their employment before normal retirement date. Termination benefits were made up of a gratuity of one month salary per year of service amounting to Rs 15.9m.

33. THREE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY		
	2012	2011	2010	2012	2011	2010
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Issued and paid up Share Capital	26,322	25,000	25,000	26,322	25,000	25,000
Proprietors' Fund	85,502	119,244	8,256	85,502	119,244	8,256
Life Assurance Fund	24,284,794	20,586,765	20,888,758	24,208,418	20,514,944	20,811,302
Dividends	80,019	62,750	57,000	80,019	62,750	57,000
Earnings attributable to shareholders	90,269	85,754	49,115	90,269	85,754	49,115

OTHER STATUTORY DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2012 (PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

DIRECTORS OF THE COMPANY

Mr. M. E. Cyril MAYER - Chairperson
Mr. J. Jean-Pierre P. DALAIS (Up to 30 June 2012)
Mr. M. D. Pierre DINAN, G.O.S.K.
Mr. George J. DUMBELL (Up to 30 June 2012)
Mr. M. A. Eric ESPITALIER-NOËL (Up to 27 September 2012)
Mr. M. D. Henri HAREL
Mr. J. M. René LECLÉZIO
Me. M. F. I. Jean Hugues MAIGROT, G.O.S.K.
Mr. Peroomal Gopallen MOOROOGEN
Mr. J. M. Louis RIVALLAND - Group Chief Executive
Mr. Victor C. SEEYAVE
Mr. M. H. Hector ESPITALIER-NOËL (As from 27 September 2012)
Mr. M. H. Philippe ESPITALIER-NOËL (As from 30 June 2012)

DIRECTORS OF THE SUBSIDIARY COMPANIES

Manufacturers' Distributing Station Limited
Mr. M. E. Cyril MAYER - Chairperson
Mr. J. M. Louis RIVALLAND
Mr. Gerald E. R. J. LINCOLN
Mr. M. J. Jean Paul CHASTEAU DE BALYON (Up to 1 July 2012)

Pension Consultants and Administrators Ltd.
Mr. M. E. Cyril MAYER - Chairperson
Mr. J. M. Louis RIVALLAND
Mr. Peroomal Gopallen MOOROOGEN

Anglo-Mauritius Investment Managers Limted (formerly known as The Anglo-Mauritius Financial Services Ltd)
Mr. M. E. Cyril MAYER - Chairperson
Mr. J. M. Louis RIVALLAND
Mr. Peroomal Gopallen MOOROOGEN

Swan Group Foundation
Mr. M. E. Cyril MAYER - Chairperson
Mr. J. M. Louis RIVALLAND

Anglo-Mauritius Financial Solutions Limited (Formerly known as Anglo (Mauritius) Investments Ltd)
Mr. J. M. Louis RIVALLAND (As from 8 October 2012)
Mr. D. P. A. Maxime REY
Mr. Ziyad BUNDHUN

Anglo-Mauritius Stockbrokers Limited (formerly known as CIM Stockbrokers Ltd)
Mr. M. H. Philippe ESPITALIER-NOËL (As from 13 March 2012)
Mr. D. P. A. Maxime REY (As from 12 November 2012)
Mr. Damien MAMET (As from 13 March 2012)

OTHER STATUTORY DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2012 (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	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
- Full-time	4,862	4,225	3,738	3,301
Non-executive Directors	1,002	939	41	34
	5,864	5,164	3,779	3,335

	From the Subsidiaries	
	2012	2011
	Rs'000	Rs'000
- Directors of subsidiary companies who are not directors of the Company:		
- Non-executive Director	10	10

	THE GROUP		THE COMPANY	
DONATIONS	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	150	-	150	-
Charitable donations	165	57	165	57
Corporate social responsibility	2,815	1,236	1,715	982

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 AND FEES FOR OTHER SERVICES

	THE GROUP		THE COMPANY	
	2012	2011	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- BDO & Co	1,769	1,191	1,506	1,055
- Other firms	82	78	-	-
	1,851	1,269	1,506	1,055
Fees paid for other services to BDO & Co:				
- Review of statutory return	105	100	105	100
- Tax services	-	131	-	105
- Amalgamation fees	325	-	325	-
	430	231	430	205

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

NOTICE OF ANNUAL MEETING TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting (the "Meeting") of Shareholders of **The Anglo-Mauritius Assurance Society Limited** (the "Company") will be held on 26 June 2013 at 9.30 hours on the 6th Floor of the Swan Group Centre, 10, Intendance Street, Port Louis to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the Annual Report 2012 of the Company.
2. To receive the report of Messrs. BDO & Co, the auditors of the Company.
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2012.
4. To re-elect as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001, Mr. Pierre Dinan, G.O.S.K, who offers himself for re-election.
5. To elect as Director of the Company Mr. Hector Espitalier-Noël who has been nominated by the Board of Directors on 27 September 2012 and who offers himself for election.
6. To re-appoint Messrs. BDO & Co as auditors of the Company for the ensuing year in compliance with Section 40(3) of the Insurance Act 2005 and to authorise the Board of Directors to fix their remuneration.
7. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2012.

By order of the Board of Directors

Nathalie Gallet, ACIS
Per Navitas Corporate Services Ltd
For and on behalf of Swan Group Corporate Services Limited
Company Secretary

6 May 2013

NOTES:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *The instrument appointing a proxy or any general power of attorney shall be deposited at registered office of the Company, Swan Group Centre, 10 Intendance Street, Port Louis not less than twenty-four (24) hours before the start of the Meeting and in default, the instrument of proxy shall not be treated as valid.*
3. *A proxy form is included in this Annual Report and is also available at the registered office of the Company.*
4. *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at 31st May 2013.*

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED

PROXY FORM

I/We

of

being a member/members of THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED ("the Company"), do hereby appoint:

of

or failing him/her,

of

or failing him/her the Chairperson of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at 6th Floor Swan Group Centre, 10 Intendance Street, Port Louis on 26 June 2013 at 9.30 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS		FOR	AGAINST	ABSTAIN
1.	To consider the Annual Report 2012 of the Company.			
2.	To receive the report of Messrs. BDO & Co, the auditors of the Company.			
3.	To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2012.			
4.	To re-elect as Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mr. Pierre Dinan, GOSK, who offers himself for re-election.			
5.	To elect as Director of the Company Mr. Hector Espitalier Noël who has been nominated by the Board of Directors on 27 September 2012 and who offers himself for election.			
6.	To re-appoint Messrs. BDO & Co as auditors of the Company for the ensuing year in compliance with Section 40 (3) of the Insurance Act 2005 and to authorise the Board of Directors to fix their remuneration.			
7.	To ratify the remuneration paid to the auditors for the financial year ended 31st December 2012.			

Signed this day of 2013.

Signature(s)

Notes:

1. A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company
2. If the instrument appointing a proxy or any general power of attorney is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes..
3. The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Registered Office of the Company, Swan Group Centre, 10 Intendance Street, Port-Louis by 25 June 2013 at 9.30 hours and in default, the instrument of proxy shall not be treated as valid.