EAGLE INSURANCE

ANNUAL REPORT 2019

#MOVING FORWARD

Contents

NOTICE OF ANNUAL MEETING OF THE COMPANY

Notice is hereby given that the forty-third Annual Meeting of the Shareholders of the Company will be held at the offices of the Company, Eagle House, Wall Street, Ebene Cybercity, Mauritius on **Tuesday 17 December 2019 at 09.30 hours** to transact the following business:

ORDINARY RESOLUTIONS

1. To adopt the minutes of proceedings of the Annual Meeting held on December 6, 2018.

2. To consider the Annual Report for the year ended June 30, 2019.

3. To receive and adopt the Group's and Company's financial statements for the year ended June 30, 2019 and the Directors' and Auditors' reports thereon.

4. To appoint Mr. J.P Blignaut as Director. [1]

5. To appoint Mr. Winson Chan Chin Wah as Director. [2]

6. To re-elect as Directors to hold office until the next Annual Meeting by way of separate ordinary resolutions the following persons:

   6.1 Mr. Jean-Claude Béga
   6.2 Mr. Dipak Chummun
   6.3 Me. Subhas Lallah
   6.4 Mr. Robert Ip Min Wan
   6.5 Me. J. Gilbert Ithier
   6.6 Mr. Derek Wong Wan Po
   6.7 Mr. Laurent de la Hogue

7. To fix the remuneration of the Directors for the year to June 30, 2020 and to ratify the emoluments paid to the Directors for the year ended June 30, 2019.

8. To ratify the remuneration paid to the auditors for the financial year ended June 30, 2019.

9. To re appoint Messrs. Ernst & Young as auditors of the Company for the financial year ended June 30, 2020.

By Order of the Board
IBL Management Ltd
Secretary
Port Louis, Mauritius

September 27, 2019

1. See annex page 145 for his profile.
2. See page 34 for his profile.

NOTICE OF ANNUAL MEETING OF THE COMPANY

1. A member entitled to attend and vote at the meeting may appoint any person, whether a member or not, to attend and vote in his stead. Proxy forms must be lodged at the registered office of the company not less than twenty-four hours before the meeting. A proxy form is included in the Annual Report and is also available at the Registered Office of the Company. A proxy need not be a member of the Company.

2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, **MCB Registry & Securities Limited,** 9^{th} Floor, MCB Centre, Sir William Newton Street, Port Louis, by Monday 16 December 2019 at 09.30 hours and in default, the instrument of proxy shall not be treated as valid.

3. The minutes of the Annual Meeting held on December 6, 2018 are available for consultation by the shareholders during office hours at the registered office of the Company, 4^{th} Floor, IBL House, Caudan Waterfront, Port Louis.

4. The minutes of the Annual Meeting to be held on December 17, 2019 will be available for consultation and comments during office hours at the registered office of the Company, 4^{th} Floor, IBL House, Caudan Waterfront, Port Louis from February 11 to February 18, 2020.

STATEMENT OF COMPLIANCE

The Board of Directors in assuming its responsibility for leading and controlling the Company considers good governance to be a major milestone for the success and prosperity of the Company as well as its future. In this way, the Board assumes the responsibility to ensure that all legal and regulatory requirements are met in the prescribed delays.

We, the Directors of EIL, confirm that throughout the year ended June 30, 2019, to the best of the Board's knowledge the organisation has complied with the Code. The organisation has applied all of the principles set out in the Code and explained how these principles have been applied.

Jean-Claude Béga
Chairman

Robert Ip Min Wan
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND ACCOUNTABILITIES

The Directors acknowledge their responsibility for the preparation of financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company to comply with the Mauritius Companies Act 2001 as well as International Financial Reporting Standards.

They are responsible for maintaining adequate accounting records and effective internal control systems. Hence, they are responsible for taking reasonable steps for the early detection and prevention of fraud and other irregularities. They are responsible for safeguarding the assets of the Company and maintaining an effective system of internal control and risk management.

Approved by the Board of Directors on October 15, 2019 and signed on behalf of the Board.

Jean-Claude Béga
Chairman

Robert Ip Min Wan
Director

EIL AT A **GLANCE**

FINANCIAL HIGHLIGHTS

GROUP TURNOVER

14%
TRANSPORTATION

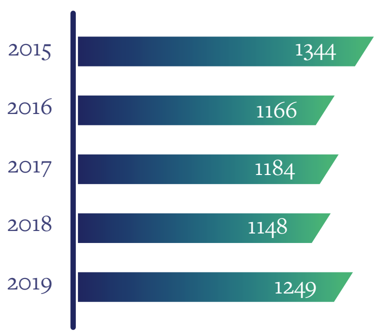
23%
MOTOR

38%
ACCIDENT & HEALTH

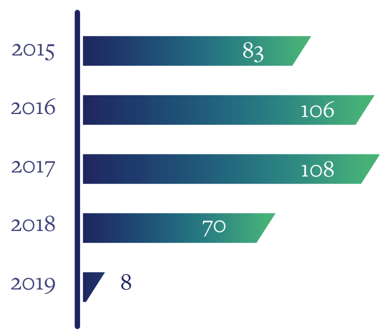
21%
FIRE & ALLIED PERILS

4%
ENGINEERING

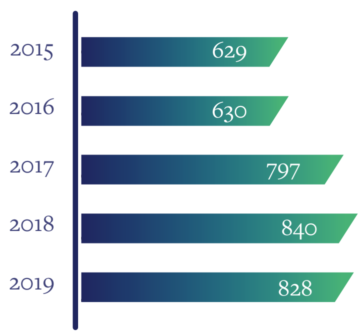
GROUP TURNOVER
Rs Million



GROUP PROFIT BEFORE TAX
Rs Million



GROUP RESERVES
Rs Million



NON-FINANCIAL HIGHLIGHTS

HUMAN CAPITAL

119
TOTAL HEAD COUNT

70%
MILLENNIALS

72
WOMEN

47
MEN

34 years
AVERAGE AGE OF OUR STAFF

29
NEWCOMERS DURING THE YEAR

NEW

EAGLE INSURANCE LIMITED (PREVIOUSLY KNOWN AS MAURITIAN EAGLE INSURANCE COMPANY LIMITED)

INFORMATION AND HISTORY

Eagle Insurance Limited ('EIL') was incorporated in 1973 and was admitted on the Official Market of the Stock Exchange of Mauritius in 1993. Since 1974, EIL has been operating in both the domestic and commercial markets and is engaged in short-term insurance business comprising Accident, Health, Engineering, Property, Motor and Transportation insurance.

This report, which forms part of the Annual Report 2019 can be found on the website of the Company on **eagle.mu**

HEAD OFFICE

Eagle Insurance Limited
Eagle House,
15 A5 Wall Street,
Ebene Cybercity,
Mauritius
Tel: 460 9200
Website: eagle.mu

REGISTERED OFFICE

4th Floor, IBL House
Caudan Waterfront
Port Louis

AUDITORS

Ernst & Young
Chartered Accountants

ACTUARIES

QED Actuaries & Consultants (Pty) Ltd

BANKERS

The Mauritius Commercial Bank Limited
AfrAsia Bank Limited
Barclays Bank Mauritius Limited
The Hongkong & Shanghai Banking Corporation Limited

COMPANY SECRETARY

IBL Management Ltd
4th Floor, IBL House
Caudan Waterfront
Port Louis

SHARE REGISTRY AND TRANSFER OFFICE

As a shareholder, if you have any queries regarding your account, or wish to change your personal details or have any questions about lost share certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

MCB Registry & Securities Limited
Tel: 202 5000
9th Floor, MCB Centre,
Sir William Newton Street,
Port Louis, Mauritius

EIL'S LANDMARK EVENTS

1974
EIL starts operation

1993
Listed on the Stock Exchange of Mauritius (SEM)

1996
Acquires a 15% stake in H.Savy Insurance Company Ltd

2001
Establishment of a Leasing Company

2002
- Launch of its corporate website
- First branch opens in Flacq

2003
Obtains ISO 9001:2000 certification – QMS

2005
Increases its stake in H.Savy Insurance Company Ltd to 20%

2007
Awarded ISO 27001:2005 Certification - ISMS

2013
- Second branch opens in Trianon
- Awarded the ICT Excellence Award 2013 for Website of the Year

2015
Reduces its shareholding to 13% in Mauritian Eagle Leasing Co Ltd (MELCO)

2016
Admitted to Stock Exchange of Mauritius Sustainability Index (SEMSI)

2018
Disposes of its remaining 13% shares in MELCO

2019
- 45 Celebrates its 45th anniversary
- Change of name to Eagle Insurance Limited
- Relocation to new premises in Ebene

VISION & MISSION **STATEMENTS**

The Board of Directors of EIL recognises that the Company operates in a specific industry - the insurance business - and has outlined its vision and mission accordingly, as described below.

OUR VISION

"To be the preferred insurance specialist that goes beyond boundaries to create value."

OUR MISSION

"We passionately provide comprehensive, customised and state of the art insurance solutions through innovation and operational excellence."

VALUES

Being part of the IBL group of companies, the Directors and the employees of EIL adhere to the Values, Vision and Mission ('VVM') of IBL Ltd ('IBL') which are as follows:

PEOPLE 1st
Respect, Talent Development, Collaboration, Recognition and Empathy

PASSION
Positive Energy, Engagement, Driven and Inspired

EXCELLENCE
"Above and Beyond", Customer Focus, Expertise

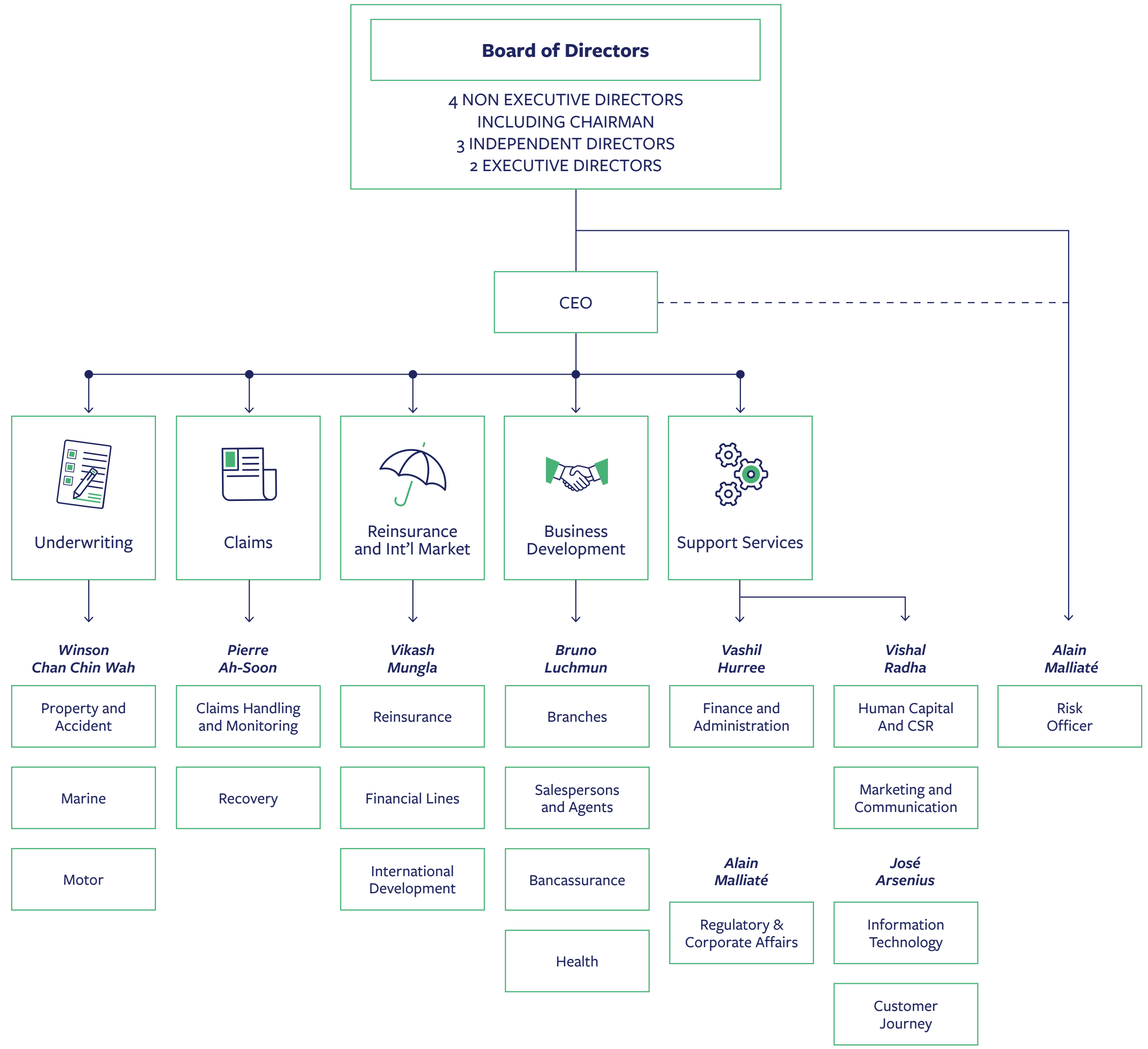
RESPONSIBILITY
Citizenship, Accountability, Sustainability

INTEGRITY
Ethical, "Walk the Talk", Honest and Real

CREATIVITY
Innovation, "Think outside the Box", Open-minded, Daringly Enterprising, Loyal

GROUP STRUCTURE

ORGANISATION CHART



OUR PROMISE TO CLIENTS

LEADERSHIP

CHAIRMAN'S **MESSAGE**

"We focused on diversifying our line of products and services through the development of a strong strategic partnership with Medscheme, the leading medical insurance and provident fund administrator in Mauritius."

JEAN-CLAUDE BÉGA | **CHAIRMAN**

DEAR SHAREHOLDER,

I am pleased to present to you Eagle Insurance Limited's Integrated Report for the year 2018-19, during which we continued to focus on transforming the business for sustainable growth.

The past year marks a major milestone in our history. On the occasion of the company's 45th year of operations, we rebranded Eagle Insurance and redefined its positioning. This included a more modern visual identity and a value proposition adapted to the needs of today's consumers. The word 'Eagle', which has been ingrained into our DNA since the company's inception in 1974, was emphasised, becoming the strongest element of our brand. This rebranding signals the start of a new chapter at Eagle Insurance as we expand into new product lines and markets, and reinforce our commitment to customer-centricity.

OUR OPERATING ENVIRONMENT

Eagle Insurance's performance for this year reflects the challenges of the current macroeconomic environment we operate in.

Over the past year, regulatory and digital changes have continued to sweep the insurance sector, impacting the way we do business and altering the nature of risk. Locally, an office of Ombudsperson for Financial Services under the Financial Services Act 2018 came into force on March 1, 2019. Discussions with relevant authorities are ongoing with respect to the introduction of an insolvency sub fund for the protection of policyholders.

The digital age is also bringing with it changes in demographics and challenges in managing talent. As more millennials join the economy, workplace structures are evolving towards more flexible models; in parallel, new capabilities are required to help employees evolve along with emerging technologies. Digital transformation is therefore at the forefront of our strategy, with a new customer-centric architecture and new value propositions to meet the demands of digital natives.

Climate change will continue to have a profound impact on our business. Extreme weather-related disasters, like the flash floods Mauritius experienced in the first half of 2019, have forced us to adjust our risk management framework in the face of increased unpredictable risks. The right regulatory measures and raising awareness of climate change are vital if we are to maintain a dynamic insurance market as we move into the future.

OUR PERFORMANCE **AT A GLANCE**

Rs 1,249M
GROSS PREMIUM
(2018: Rs 1,148M)

Rs 5M
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(2018: Rs 59M)

Rs 0.65
EARNING PER SHARE
(2018: Rs 7.43)

OUR PERFORMANCE IN 2018-19

In the midst of this macroeconomic context, this year was a challenging one. While we were able to achieve a 9% growth in turnover, our Profit before Tax dropped from Rs 70.3M to Rs 7.8M. This decline was mainly due to difficulties encountered in the Motor segment. Both the number of claims and average cost of claims increased, mainly attributed to a deterioration of our portfolio and higher repair costs for vehicles, which are increasingly equipped with expensive technology. Floods, cyclones and other weather events linked to climate change have undoubtedly fuelled an increase in losses.

Our underperforming Motor segment prompted us to strengthen our underwriting practices and to move towards a more sophisticated pricing mechanism, measures we believe will help us turn around the situation in this segment.

We focused on diversifying our line of products and services through the development of a strong strategic partnership with Medscheme, the leading medical insurance and provident fund administrator in Mauritius. We intend to leverage the imminent acquisition of 30% shareholding in Medscheme to grow into a significant player of the health insurance market, to the benefit of both our customers and the public at large.

Having always had high visibility within the corporate space, with brokers being our main point of contact, we focused on increasing our proximity with individual customers. We implemented a social media strategy to ensure a direct communication line with customers, and employed a number of digital tools to better meet their needs. For instance, a new B2C platform now enables customers to receive online quotes and policies.

OUR COMMITMENT TOWARDS THE PLANET AND SOCIETY

At Eagle Insurance, our success is not only limited to our financial performance; it extends beyond profits to include society, our planet and future generations. Through digitalisation, we are transitioning towards paperless processes to offset our environmental impact. Our vision is to grow the business in a way that also supports our community at large. As a listed company on the Stock Exchange of Mauritius Sustainability Index (SEMSI), we recognise that this responsibility begins within our own organisation, where we strive to build an inclusive and diverse culture in which every individual is given the opportunity to advance.

OUTLOOK FOR 2019-20 AND BEYOND

As we look back at the evolution of Eagle Insurance over the last 45 years, we are comforted by the knowledge that a strong foundation has been laid to turn the challenging situation around. Our five-year strategic plan is on course, particularly as we transform every area of our business. With new offices, more space, a refreshed brand, new areas of growth and the launch of a new health product, I am confident that Eagle Insurance is well placed for the future.

ACKNOWLEDGMENTS

I wish to thank my fellow members of the Board, whose invaluable counsel has enabled us to navigate a very challenging year.

On behalf of the Board, I would also like to extend my appreciation to the management team and our team members for their tireless efforts and commitment in making our rebranding exercise a success.

Finally, thank you to our shareholders for your ongoing loyalty and the trust you place in us. We look forward to continue creating value for you.

Jean-Claude Béga
Chairman

CEO's REPORT

"One of our most notable achievements was the strengthening of our health insurance offer, a segment that is highly concentrated and competitive in Mauritius"

DEREK WONG WAN PO | **CEO**

DEAR STAKEHOLDERS,

It gives me great pleasure to present our third Integrated Report that covers the financial period 2018-19, particularly as we celebrate a major milestone in our longstanding history-our 45th anniversary.

2018-19 was yet another challenging year, mainly due to a fiercely competitive market and a significant increase in the number and frequency of claims in the Motor segment. While our bottom line was below our expectations, I believe it is equally important to remain focused on our longer-term objectives and on long-term value creation. This was a year of profound changes and growth: we embarked on a strategic transformation that will strengthen our capabilities, enable us to thrive in the digital age and lay a solid foundation for our road ahead.

TRANSFORMING EAGLE INSURANCE FOR LONG-TERM GROWTH

Our 45th anniversary coincides with a significant milestone in our history. We refreshed our brand strategy in a way that reflects our new modern positioning, while also paying tribute to our legacy. After carrying out a Brand and Image Audit in June 2018, we gained deeper insights into our strengths, weaknesses, and how our brand is perceived against the competitive landscape. The results revealed that while we have a good reputation for being trustworthy, substantial progress can be made in the retail space and in increasing our visibility. In response, we rolled out an identity that demonstrates our commitment to innovation, our forward-thinking vision and the promise of excellence to our customers. Mauritian Eagle Insurance Company Limited became Eagle Insurance Limited.

But beyond the aesthetics of a sleeker logo and website, we have reinvented our value proposition to strengthen our corporate segment, expand our reach with individual consumers, and position ourselves as a customer-centric insurance business.

As our business evolves, so should our workplace. With this in mind, we relocated our head office to Ebene. Our new workspace, sprawled over three floors, supports teamwork and offers a more desirable and inspiring environment to work. With these new offices, we hope to increase productivity, drive employee engagement and build a sense of community that is critical to our success.

ADVANCING OUR STRATEGY IN 2018-19

The year under review was marked by major undertakings that enabled us to advance our five-year strategic plan announced in 2016.

One of our most notable achievements was the strengthening of our health insurance offer, a segment that is highly concentrated and competitive in Mauritius. In June 2019, Eagle Insurance Limited entered into an agreement for the purchase of 30% shares in Medscheme (Mtius) Limited ("Medscheme"), the leading third-party medical insurance and provident fund administrator in Mauritius. As new entrants in this market, we believe this transaction is the most effective way to diversify our product suite and penetrate a competitive, yet thriving, market. Through the products we offer in collaboration with our strategic partner, Medscheme, namely CarePlus and CarePlus Corporate, we are able to offer attractive health policies to both individuals and companies.

Our digital roadmap, Journey 2021, to transform Eagle Insurance into a digitally empowered business has made remarkable headway.

- In May 2019, we launched a B2C platform enabling individual customers to request and receive online quotes via our revamped website. Through this innovative platform, complemented by a robust social media strategy, we are looking to communicate directly and increase our proximity with individual customers. The next phase involves integrating digital features that enable clients to log in to their accounts, access their policies and statements, and follow up on the status of their claim.

- We also launched our new website eagle.mu, which showcases our company's new identity and focuses on driving higher brand awareness and engagement.
- E-policies are now a reality and represent a significant step towards achieving our goal to become a paperless office environment, wherever possible.
- A Workflow Management software was rolled out in some functional areas. The shift from manual to digital has already enabled us to create operational efficiencies, and improve the responsiveness and quality of our work.

OPERATIONAL PERFORMANCE 2018-19

Overall, we maintained stable growth in our gross premium income, despite recording lower operational profits compared to the previous year. Our top line increased by 9% from Rs 1.15Bn in 2017-18 to Rs 1.25Bn this year, while our Profit before Tax dropped significantly from Rs 70.3M to Rs 7.8M, due to the downturn we experienced in our Motor segment.

Although gross premiums increased by 7% in the Motor line, we are still facing challenging market conditions. The number and severity of road accidents, coupled with unfavourable weather conditions like flash floods, led to a sharp increase in claims costs and sustained pressure on premiums. This resulted in a severe deterioration of our Motor business, thereby negatively impacting our profitability.

On the other hand, our Health portfolio, although still in its infancy, made notable progress for the period under review and posted encouraging results. The remaining business classes performed as expected.

We have had to reflect adjustments relating to prior years in the Financial Statements and therefore, last year's figures had to be restated accordingly. The main adjustments pertained to insurance receivables and claims incurred, and the net effect was a decrease of Rs 31.7M in Total Comprehensive Income.

We also recorded the impact of applying IFRS 9 (Financial Instruments) for the first time in our 2018-19 Financial Statements.

In Seychelles, our associated company recorded even stronger results this year. Our 20% share of profit increased to Rs 14.7M, up from Rs 13.7M in 2018.

We have already taken remedial actions in underperforming areas, particularly in the Motor insurance line. We are targeting a two-pronged approach as we onboard a more sophisticated pricing mechanism, as well as sustainable growth in our market share.

AN EMPLOYEE-FIRST APPROACH

We are firm believers that the Insurance business is, above all, about people. This is why we have adopted an employee-first approach, making it our purpose to be an employer of choice and a destination for top talent.

Following the Great Place to Work® Survey, we ran a series of internal focus groups, aimed at resolving the weaknesses identified in the findings of the survey. Our employees took part in these focus groups, which were centred on four main themes: Information Sharing, Adherence, Accountability and Reward & Recognition. They identified a number of initiatives to reinforce our organisational culture, and are being empowered to transform these initiatives into actionable plans. As a direct result of these workshops, employee engagement levels have risen, staff turnover has decreased by 31% and we are witnessing increased communication between departments.

OUTLOOK AND PRIORITIES FOR 2019-20

Our biggest priority is to turn around the situation in our Motor segment and we will spare no effort to achieve this objective. We are also aware that it is our social responsibility to take on a leadership role in reducing the number and severity of accidents on our roads. We will therefore maintain our support to the Government and our peers, and will actively participate in policy-making to encourage better habits and promote a safe driving culture across Mauritius.

Alongside this, we are confident that our digital capabilities will provide for new growth opportunities. Beyond digitising our core processes and developing new value propositions, we seek to embed an enterprise-wide digital culture that supports innovation, new ways of thinking, and greater engagement and collaboration.

With solid progress being made against our strategic priorities, I believe that the long-term outlook for Eagle Insurance is very promising.

ACKNOWLEDGEMENTS

I would like to extend a sincere thank you to our team members for their hard work and commitment in making our rebranding exercise a success.

I would also like to express my gratitude to our Board of Directors, for their invaluable guidance and counsel during a challenging year. To our customers and shareholders, thank you for your continued support and trust in us.

I remain optimistic that Eagle Insurance is well positioned for the future with a new identity, the right strategy and strong teams in place to deliver long-term value for all our stakeholders.

Chief Executive Officer
Derek Wong Wan Po

DIRECTORS' **PROFILES**

JEAN-CLAUDE BÉGA, FCCA
Chairman & Non-Executive

Jean-Claude, a Fellow of the Association of Chartered Certified Accountants, started his career in 1980 by spending 7 years as external auditor and then moved to a sugar group to perform various functions within accounting and finance. He then joined GML in 1997 and was the Chief Financial Officer of GML Management Ltée in June 2016.

Following the amalgamation between Ireland Blyth Limited and GML Investissement Ltée on July 1, 2016, Jean Claude was nominated as Group Head of Financial Services and Business Development of IBL Ltd. As part of his role to oversee the financial services cluster of IBL Ltd, he has been nominated as Chairman of Eagle Insurance Limited, DTOS Ltd and The Bee Equity Partners Ltd. He is also the Chairman of Lux Island Resorts Ltd and Anahita Estates Limited and Director of IBL Ltd and Phoenix Beverages Limited.

Directorships in other Listed Companies: IBL Ltd, Phoenix Beverages Limited, Lux Island Resorts Ltd, The Bee Equity Partners Ltd and Phoenix Investment Company Limited.

DEREK WONG WAN PO, BSC, FCCA
Chief Executive Officer

Mr. Wong was appointed Managing Director of Eagle Insurance Limited on 1 July 2014 and since July 1, 2017 he has been serving as Chief Executive Officer. He holds a BSc in Computer Science and is a Fellow member of the Association of Chartered Certified Accountants and an Associate member of the Association of Corporate Treasurers. He is the immediate past President of the Insurers' Association of Mauritius. He joined the Corporate Office of Ireland Blyth Limited in 1998 as Head Office Accountant and has successively served as Group Accountant from 2001 to 2006 and Group Finance Manager from 2007 to 2014.

Directorships in other Listed Companies: None

PIETER BEZUIDENHOUT, BCOM (HONS), CA(SA), CISA
Non-Executive Director

Mr. Bezuidenhout has been appointed as Independent Non-Executive Director on August 21, 2014. He worked as Audit Manager at Deloitte (SA), Financial Manager at Spar and CFO at Mutual & Federal for 10 years before joining Zurich Insurance South Africa Limited as CFO in 2009. He retired in May 2014 but serves on a number of boards in non-executive roles.

DIPAK CHUMMUN
Non-Executive Director

Dipak Chummun graduated in Computer Science from the University of Manchester and is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). He started his professional career with PwC in London and subsequently held senior positions with Standard Chartered, Barclays, Emirates NBD and Deutsche Bank in London, Dubai, Singapore and Frankfurt. Mr. Chummun was appointed Group Chief Finance Officer and Executive Director for the Ireland Blyth Limited on January 1, 2015 and subsequently Group Chief Finance Officer of IBL Ltd on 1 July 2016.

Mr. Chummun is a Director of a number of companies within the IBL Group including DTOS, SeaFood Hub, Bloomage Property Fund and Manser Saxon. He is a Director of the Stock Exchange of Mauritius, the Economic Development Board, as well as the National Committee for Corporate Governance. He has also previously served as an International Advisory Board Member of the ICAEW in UK for three years.

DIRECTORS' **PROFILES**

LAURENT DE LA HOGUE
Non-Executive Director

Born in 1975, Laurent de la Hogue holds a Master's degree in Management and Finance from the "Ecole Supérieure de Gestion et Finance" in Paris, France. He joined GML Management Ltée in 2001 as Treasurer for the setting up of the group central treasury management unit and then occupied the position of Finance Executive - Corporate & Treasury in 2011 where he was involved in the development of projects. He was appointed Head of Financial Services of IBL Ltd on July 1, 2016. Laurent de la Hogue is currently the Non-Executive Chairman of AfrAsia Capital Management Ltd, IBL Treasury Ltd and LCF Holdings Ltd. He also serves as Director of a number of organisations operating in the industrial, commercial, financial and investment sectors.

Directorships in other Listed Companies: The United Basalt Products Ltd and Lux Island Resorts Ltd.

He was appointed as Non-Executive Director on May 25, 2016.

ROBERT IP MIN WAN
Independent Non-Executive Director

Mr. Ip Min Wan was appointed as Independent Non-Executive Director on June 13, 2008. Robert is a Fellow of the Institute of Chartered Accountants in England & Wales. He graduated with a B.Com Hons from the University of Edinburgh in 1999. For the subsequent eight years, he trained and worked with Deloitte (London) where he acquired, as senior manager, extensive knowledge of financial services with a focus on banking. Since 2008, he has been managing his distribution business in Mauritius.

Directorship in listed companies: One (COVIFRA).

J. GILBERT ITHIER, LLB HONS, SENIOR COUNSEL
Independent Non-Executive Director

Me. Ithier was appointed as Independent Non-Executive Director on November 15, 2005. He has been practising as barrister before all the courts of Mauritius since 1979, specialising mostly in civil, commercial, company, insurance and property matters. He was appointed Senior Counsel on 15 June 2010.

SUBHAS CHANDRA LALLAH, SENIOR COUNSEL
Independent Non-Executive Director

Me. Lallah was appointed as Independent Non-Executive Director on March 29, 2005. Former Chairman of the National Transport Corporation and Member of the Board of Governors of the Mauritius Broadcasting Corporation. He is the legal advisor of a number of companies and corporations. He is a former Chairman of Deutsche Bank Mauritius Limited.

Me. Lallah is a member of the Honourable Society of Lincoln's Inn and was called to the Bar in 1971.

ALAIN MALLIATÉ, FCII, ACIS
Executive Director

Mr. Malliaté joined the Company in August 1985 and was appointed as an Executive director on March 30, 2004. He qualified as a Fellow of the Chartered Insurance Institute (UK) (FCII) in 1990, and as an Associate Member of the Chartered Institute of Secretaries and Administrators (ACIS) in 2000. Since March 1, 2017, he oversees the Risk Management Function and corporate affairs of the Company.

MANAGEMENT
TEAM

MANAGEMENT **TEAM**

MANAGEMENT **TEAM**

1. ALAIN MALLIATÉ, FCII, ACIS
Executive Director

Mr. Alain Malliaté joined the Company in August 1985 and was appointed as an Executive Director on March 30, 2004. He qualified as a Fellow of the Chartered Insurance Institute (UK) (FCII) in 1990, and as an Associate Member of the Chartered Institute of Secretaries and Administrators (ACIS) in 2000. Since 1 March , 2017 he oversees the Risk Management Function and Corporate Affairs of the Company.

2. ESHA D.K. BISSOONDOYAL, BSC (HONS), DIP CII
Assistant Manager, Non-Motor Claims

Joined in 2016. With more than 10 years of experience in the Reinsurance industry, Esha is jointly responsible for the daily operations of the Non-Motor Claims Department. She was a former council member of the Insurance Institute of Mauritius.

3. DEREK WONG WAN PO, BSC, FCCA
Chief Executive Officer

Mr. Wong was appointed Managing Director of Eagle Insurance Limited on July 1, 2014 and since July 1, 2017 he has been serving as Chief Executive Officer. He holds a BSc in Computer Science and is a Fellow member of the Association of Chartered Certified Accountants and an Associate member of the Association of Corporate Treasurers. He is the immediate past President of the Insurers' Association of Mauritius. He joined the Corporate Office of Ireland Blyth Limited in 1998 as Head Office Accountant and has successively served as Group Accountant from 2001 to 2006 and Group Finance Manager from 2007 to 2014.

4. WINSON CHAN CHIN WAH, ACII
Chief Underwriting Officer

Joined in 2004. With more than 20 years of experience in the general insurance industry, Winson is currently responsible for the Property, Casualty, Marine and Motor Departments. He is a Chartered Insurer and a member of the Insurance Institute of Mauritius.

5. JOSÉ ARSENIUS, CISA, CISM, CRISC
Senior Manager, IT Department

Joined in 1994. With more than 25 years of experience in the IT sector, José is the head of the IT Services Department. He is responsible for all Corporate Management & Information Systems. He is both a Chartered IT and a Certified Information Security Professional.

6. BRUNO LUCHMUN, CERT CII
Business Development Manager

Joined in 2019. With more than 25 years of experience in Underwriting, Sales and Claims within the insurance industry, Bruno is currently responsible for the Business Development Department and all aspects of sales and broker relationship.

7. MEDGEE ITHIER, BSC, DIP FM, CERT CII
Assistant Manager, Reinsurance

Joined in 2018. Medgee has more than 14 years of insurance experience both locally and internationally. She oversees the day-to-day operations of the Reinsurance Department comprising Facultative, Treaty and Global Programmes. Medgee is a member of the Chartered Insurance Institute (UK) and Insurance Institute of Gauteng (SA).

8. PATRICE LIM, CERT CII
Assistant Manager, Marine

Joined in 2007 after his foundation studies in Perth, Australia. Patrice is in charge of the day-to-day operations of the Marine Department comprising of Underwriting, Claims and Reinsurance. He is currently a council member and the Vice-Treasurer of the Insurance Institute of Mauritius.

9. FRANÇOIS CERVEAUX
Assistant Manager, Motor Claims

Joined in 2018. With more than 15 years of experience in the insurance industry, Francois' key expertise is the management of the non-standard complex Claims and he is jointly responsible for managing the daily operations of the Motor Claims Department.

10. VASHIL HURREE, BSC, FCCA
Senior Finance and Administration Manager

Joined in 2019. With more than 16 years' experience as a Finance professional, including 14 years within the insurance industry, Vashil manages the Finance and Administration Team. He also oversees the financial strategic planning and reporting process. He holds a BSc in Accounting & Finance and is a Fellow member of the Association of Chartered Certified Accountants.

11. KERSLEY HONG LIN, FCCA
Finance Manager

Joined in 2018. With more than 10 years of experience in the Financial Sector, Kersley is responsible for the management of the Finance Department of the Company. Previously he was at IBL Corporate Finance and was responsible for the consolidation of the IBL Group. He is a Fellow member of the Association of Chartered Certified Accountants.

12. VIKASH MUNGLA, BA (HONS)
Reinsurance and International Markets Manager

Joined in 2003. With more than 20 years of experience in the reinsurance industry, Vikash is responsible for the management of the Reinsurance, Financial Lines and International Markets Departments. He also overlooks the Underwriting of Multinational Programmes. He is the Head of Operations of our subsidiary, Specialty Risk Solutions Ltd and is an Affiliate of the Institute of Risk Management (UK).

13. MICHAEL CHOW-AH-HU, BSC (HONS), MBA
Assistant Manager, Motor

Joined in 2019. With more than 12 years of experience in the insurance industry, Michael is responsible for the day-to-day operations of the Motor Department. He is a member of the Insurance Institute of Mauritius.

14. VISHAL RADHA, MBA
Human Capital Manager

Joined in February 2017. With more than 15 years of experience in HR Management, Vishal is responsible for the entire HR requirements of Eagle Insurance Limited. His responsibilities include Talent Management, Welfare and CSR, Counselling and Coaching, and Performance Management.

15. BRUNO CHAN SIP SIONG, BSC (HONS)
Manager, IT Department

Joined in 1995. With more than 20 years of experience in the IT field, Bruno is responsible for the day-to-day operations of the IT Services Department and end-user support. His other areas of responsibility also include the maintenance of insurance application systems.

16. MILA TOOFANY
Health Specialist

Joined in Jan 2019. With more than 25 years of experience in the Insurance Industry, Mila has specialised in the Health insurance sector since the last 15 years. She is currently responsible for driving the development of Health products and coordinate with all stakeholders to ensure the smooth running of operations.

17. PIERRE AH SOON, FCCA
Claims Manager

Joined in 2004. With more than 14 years of experience in the insurance industry. Formerly Finance Manager of Eagle Insurance Limited, Pierre is currently responsible for steering the activities of the Claims Department. He manages the day-to-day operations of the Department which processes Motor, Property and Accident Claims. He is a fellow member of the Association of Chartered Certified Accountants.

18. ALLEN LEUNG YOON SIUNG, CERT CII
Underwriting Manager, Corporate Property and Accident Department

Joined in 2012. With more than 25 years of experience in the insurance industry, Allen is responsible for the Underwriting of Fire, Accident, Liability and Engineering classes of insurance. He is a former council member of the Insurance Institute of Mauritius.

OUR NEW NEST

INTEGRATED
REPORT

MOVING FORWARD

REBRANDING & RELOCATION

One of the key highlights of this past financial year is the company's rebranding. In May 2019, Mauritian Eagle Insurance Company Ltd was renamed Eagle Insurance Limited.

We have consciously retained the word "Eagle". It is a well-known brand which resonates with trust and solidity. Furthermore, with our 45 years of proven track record on the local market, we have always been associated with the 'eagle' name.

Right from the outset, we were looking to refresh and modernise our image. We thus opted for a logo with a professional and modern edge as well as an approachable look and feel. Our new colours are navy blue which symbolises stability and boldness, and green for freshness, safety and growth. Altogether, the new logo reflects our forward-thinking vision.

With this new identity, we have also been given a unique opportunity to reinvent ourselves and adopt a new approach to doing business. We are not only changing our external appearance but also laying the foundations for a new beginning at Eagle Insurance.

Unveiling Ceremony

Our aim is to consolidate our strong positioning in the corporate segment and diversify our product line to meet the needs of the retail market, while making the most of new technologies. To ensure a successful transformation, we have been well equipped with tools: latest digital technologies, data, products and services.

Furthermore, we relocated our head office to a modern building known as Eagle House, in Ebene in July 2019 while maintaining our branches in Port-Louis and Flacq. Our brand-new premises are not only accommodating our expansion, but also reflecting our new direction.

DIGITAL TRANSFORMATION

In line with its rebranding in May 2019, EIL has launched its new website eagle.mu. The revamped website now includes a B2C platform which enables clients to generate real-time quotes on individual products such as Motor, Health, Travel, Home Insurance and soon, Personal Accident and Boat Insurance. The B2C platform, which was designed for individual clients, is a continuation of the existing B2B platform, currently being used by Brokers & Agents.

A few enhancements are also being introduced to the B2C platform which will soon include a portal; existing clients will be able to log in on this portal and access their policies and statements as well as track the status of their claims. Through this innovative platform, we are looking to communicate directly and increase our proximity with individual customers. This is also complemented by a robust Social Media Strategy – we have considerably increased our presence on Social Media platforms such as Facebook, LinkedIn and Instagram.

Alternatively, e-policies are being sent to individual clients and intermediaries such as Brokers, Agents and Sales Persons, thus increasing the speed of delivery and decreasing stationery costs. Likewise, Workflow has been implemented in the Claims department for the creation and follow-up of Motor Claims. Clients and/or intermediaries are electronically notified (through mail) on the different stages of their Claims. This feature will soon be available via an automatic SMS alert. The use of SMS will also be enforced throughout the various digital initiatives which are being rolled out such as Online Quotes, Renewal of Policies, and follow-up of Claims, among others.

Furthermore, a Voice of the Customer initiative has been put in place to capture and analyse Customer Feedbacks at different stages of the customer journey at EIL, starting from the generation of quotes up to the Renewal and Claims process. A Feedback button is also available on the website to encourage visitors to share their views on the revamped website.

New digital initiatives have been earmarked for the coming financial year such as a unified Communication Technology in view of further integrating all the different customer channels into our centralised CRM system. The deployment of Business Intelligence tools, which is also on our agenda, will enable us to distribute KPIs and dashboards across all departments.


EAGLE
EAGLE
EAGLE


EAGLE
INSURANCE


EAGLE
INSURANCE
PASSIONATE
CONFIDENT
CLOSE TO YOU


EAGLE
INSURANCE


Nos 10
Commandements

HEALTH AND SAFETY

COMMITMENT TO SAFE AND HEALTHY WORKPLACE

The Occupational Safety and Health (OSH) of EIL is in line with IBL's Group Safety and Health Policy. We thus commit ourselves to provide and maintain so far as is reasonably practicable, a safe and healthy work environment for all employees and any other people affected by our work activities.

As from July 2019, much emphasis has been placed on providing an enjoyable, safe and healthy work environment with our brand-new offices at the Eagle House. The risk assessment has been reviewed for the new set-up to be in line with local legislation and an action plan has been devised to continually improve the working environment for the benefit of all stakeholders.

MAINTAINING AND PROMOTING EMPLOYEE HEALTH

The wellbeing of the most valuable asset of EIL, its people, is entrenched in its core values and that IBL's. As a result, the following initiatives have been implemented throughout the year in order to improve the work-life balance of our team members:

- Subsidised activities such as FootFive Tournament;
- Blood donation campaign;
- Employee Events - Happy Hours, Team Building and End of Year Party

CORPORATE SOCIAL RESPONSIBILITY

For the financial year ending June 30, 2019, EIL has contributed the amount of Rs 959,680 to the central CSR institution of the IBL group, Fondation Joseph Lagesse.

In line with the Group's Corporate Social Responsibility policy which policy, which seeks to assist underprivileged children, EIL has organised an employee volunteer activity with the NGO, Association Amour et Espoir (AAE). Created in September 2007, AAE is based in the region of Coteau Raffin. Its aim is to provide support to underprivileged children aged 4 to 16 years old. Most of the children hail from families who are either on welfare support or have a low income.

EIL has been supporting the underprivileged children of Coteau Raffin since 2014 and various activities have been conducted over the years in order to develop the social skills of these children.

In December 2019, the magic of Christmas was at work at EIL through the initiative « L'Arbre qui redonne le sourire » also known as *The tree of Happiness*. The names of 167 children from 0 to 16 years old were hung on *The Tree of Happiness* and all employees were invited to pick at least one name from the tree and to provide school supplies such as pencil cases, copy books and lunch boxes to this child. Likewise, the company supplied school bags to all 167 children.

Thanks to all EIL staff, this Christmas event turned out to be successful.

HUMAN CAPITAL

INVESTING IN OUR HUMAN CAPITAL

For the year ended June 30, 2019, an amount of Rs 1,880,535 was invested in Employee Training Programs thereby cumulating 2901 hours of training for the whole population of staff, bringing an average rate of 24.3 hours of training per staff for the year.

The number one trend for 2019 is the need for organisations to change the way people learn. With evolving work demands, there is an enormous need for new skills and capabilities, while the tight labour market of the sector is making it challenging to hire from outside. Within this context, we have observed three broader trends in how learning is evolving:

1. It is more integrated with work;
2. It is becoming more personal;
3. It is shifting slowly towards lifelong models (continuous learning programs).

Effective reinvention along these lines, requires a culture that supports continuous learning, incentives that motivate employees to take advantage of learning opportunities and a focus on helping individuals to identify and develop a new required skill set. EIL has developed an E-learning platform which is available on a 24/7 basis to the employees. Moreover, through our revamped *Reward and Recognition program*, we have implemented a reward mechanism to encourage skills development and lifelong learning.

THE FUTURE OF EIL'S HUMAN CAPITAL

This year, we conducted the Great Place to Work® survey among the EIL staff. The participation rate was around 87% and the trust index was around 45%.

One of the biggest challenges we had identified was the need to improve what is often called the Employee Experience. However, this concept falls short in the way it fails to capture the need for meaning in work that people are looking for.

We saw an opportunity for us to refresh and expand the concept of Employee Experience to address the human experience at work – building on an understanding of employee aspirations to connect work back to the impact it has EIL as well as the whole ecosystem.

In line with this thinking, we have organised several focus groups with all employees of EIL, including managers. Based on the findings of the Great Place to Work® survey, the whole population of EIL were sorted into four teams to work on what they were expecting in their working environment and hoping to improve around the four below themes:

1. Adherence;
2. Sharing of Information;
3. Reward & Recognition;
4. Accountability.

All employees were invited to actively participate, take ownership of their initiatives and also empowered to turn these initiatives into actionable projects. More often than not, the most effective ideas come from within. The teams were invited to present their projects during our rebranding event.

THE SEM SUSTAINABILITY INDEX (SEMSI)

Eagle Insurance Limited has a well-established corporate reputation as a responsible business demonstrating firm commitment to sustainability.

The report is aligned with the Stock Exchange of Mauritius Sustainability Index (SEMSI), which is based on the GRI G4 Sustainability guidelines and are aligned with International ESG and reliability sustainability issues, while also taking local imperatives into account. The four pillars of the SEMSI are: Corporate Governance, Economy, Environment and Social.

CORPORATE GOVERNANCE

The Corporate Governance section of the SEMSI is reported in the Corporate Governance Report section of the Annual Report 2019.

ECONOMY

Audit and control

The Company employs professionally accredited people to handle economic and financial reporting matters.

COMPETITION

We are committed to a policy for fair, honest dealing and integrity in the conduct of our business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. The Company expects all employees to share its commitment to high moral, ethical and legal standards. This is embodied in the Company's Code of Conduct and Business Ethics Policy.

MARKETING AND BUSINESS DEVELOPMENT

We have regular interaction with our customers to understand their requirements and ensure their satisfaction. Our client base is a mixed of both direct clients and indirect clients through intermediaries across all lines of business in which we operate. We are in the process of implementing a CRM module to further enhance our customer experience and engagement.

SUPPLIERS

We have regular meetings and interaction with our reinsurers and reinsurance brokers to seek the best service required for our operations. We view them as our business partners to assist us to provide state of the art and tailor-made solutions to maintain our competitive edge.

RISK MANAGEMENT

Risk management policies are in place to mitigate and/or eliminate the impact of internal/external risks. Following the issuance of the Insurance (Risk Management) Rules 2016 by the FSC, a Risk Officer was appointed and has been tasked with the implementation of a Risk Management Framework in accordance with the requirements of the regulator. The Risk Management Framework will be approved by the Board and submitted to the FSC.

STAKEHOLDER'S ENGAGEMENT

Stakeholders are groups which have impact on or are impacted by our business. We have identified our key stakeholders and outlined current topics. As we further embed sustainability into our operations, we will develop structured engagement with our stakeholders through regular dialogue, structured engagement and surveys. This will allow us to have a better understanding of our impacts and the expectations of these diverse groups of stakeholders.

ENVIRONMENT

Energy

The Company has a policy for efficient use of energy.
The consumption of water and electricity is being monitored.

The Company encourages employees to contribute to innovations that lead to more efficiency with regard to energy use and waste minimisation for example double sided printing and use of electronic end of year greeting cards. The photocopy papers utilised are made of 100% eucalyptus pulp coming from sustainable forests.

The use of individual printers has been abolished due to the use of centralised printers. Centralised air conditioning and a lighting mechanism have also been implemented to ensure that equipment and electronics are only powered up and switched off when needed.

The Company, in order to minimise its negative environmental impact, has a policy of replacing old computers with computers using ePlusGreenPc's energy saving technology. Equipment and electronics are only powered up when needed.

Paper Consumption

One of the other major impacts that our activities may have on the environment is our paper consumption. We make use of the latest available technologies in our endeavour to reduce as much as possible our paper consumption. Our objective is to head towards a 'paperless' environment wherever possible. During the last financial year, the use of eDocuments has been enforced in all departments thus decreasing the use of stationery considerably.

Waste

The main types of waste we generate are electronic waste and paper. Obsolete equipment is handed over to specialised recycling companies whilst used paper are collected and sent for shredding and compacting.

Water & Effluents Management

There is a new Building Management System installed for water consumption. Measures introduced by the Company to optimize its water usage is by equipping toilets with water savings devices.

SOCIAL

Labour/Management Relations

At EIL, we promote good management as well as good labour relations through constant social dialogue with a view to maintain industrial peace. Open door policy is applied so that grievances are settled to the satisfaction of all parties concerned.

Training and Development

Investment in training remains a priority for the Company. Ongoing training is organised to ensure continuous professional and skills development of our workforce to help respond to the new business needs. Training is becoming an integral part of one's working life in order to be well equipped to obtain job satisfaction while at the same time, realising self-actualisation. The average hours of training per employee is around 24.3 hours of training for the year.

Employment Quality

The Company has a policy for the career development of its employees. The Company carries out employee engagement (or employee satisfaction) surveys on a regular basis. Priority is given to internal promotions before advertising vacant positions whilst current employees are sponsored and given time off for training and studies relevant to the objectives of the Company. Training needs are identified during appraisals and yearly training plan is formulated. Employees are also encouraged to participate in Foot Five Football Tournaments organised by the Company whilst also indulging in welfare activities. Likewise, the Company refunds 50% of employees' gym membership (up to Rs 500).

HUMAN RIGHTS

Freedom of Association

Respect for human rights is an integral part of our corporate culture and it establishes a foundation for managing our business. We respect the employees' right to join union without fear of reprisal, intimidation or harassment. The affiliation to a trade union is however subject to relevant legislation.

Diversity and Equal Opportunity

We believe in integrity, openness and mutual respect. We are committed to create an environment that is characterised by equal opportunities and inclusion, which are vital for sustaining the satisfaction of our employees and of our stakeholders who look upon us as a responsible provider of services. We do not tolerate discrimination in whatever form or harassment of anyone. We aim at achieving success through equity, ethics and social justice regardless of gender, creed, ethnic origin or class. During the year, no incidents of discrimination have been reported to our HR department. EIL does not discriminate and provides the same equal pay and opportunities to both male and female employees performing equivalent tasks.

IT Section

IT Security Policies are in force at EIL using the ISO 27001 framework. Though employees have access to Internet, respective firewalls & anti-virus are in place and have been further enhanced following relocation in order to prevent attacks. Review of Security Policies are currently in order to cater for the new generation of threats such as Social Media, Mobile Devices and Bring your own devices (BYOD).

OUR BRAND AMBASSADORS

CORPORATE **GOVERNANCE**

CORPORATE GOVERNANCE **REPORT**

EIL is committed to effective corporate governance for the benefit of its shareholders, customers, employees and other stakeholders based on the principles of fairness, transparency and accountability. Structures, rules and processes are designed to provide for the proper organisation and conduct of business within the Company and to define the powers and responsibilities of its corporate body and employees. The Company operates within a well-defined and continuously improving governance framework, recognising the need to adapt to changes in its environment. Consequently, the Board together with the Management of the Company is constantly working towards the setting up of the relevant structures and implementing new measures to succeed in the adoption of the provisions of the new Code of Corporate Governance for Mauritius (2016) (the 'code'), which is based on an "apply and explain basis".

At EIL, we strive to ensure that all the activities of the Company are conducted in such a way as to satisfy the characteristics and apply the essence of the eight principles of Corporate Governance, namely:

Principle 1	Governance Structure
Principle 2	The Structure of the Board and its Committees
Principle 3	Director Appointment Procedures
Principle 4	Directors Duties, Remuneration and Performance
Principle 5	Risk Governance and Internal Control
Principle 6	Reporting with Integrity
Principle 7	Audit
Principle 8	Relations with Shareholders and other key stakeholders

The Company has established a corporate governance system involving the Board of Directors, Board Committees, Management, Internal and External Auditors, Industry Best Practices as well as established policies and procedures across all operations.

This ensures that the business and affairs of the Group are managed according to the highest standards of corporate governance and in the best interest of all its stakeholders.

PRINCIPLE 1: GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

EIL is headed by a one-tier unitary Board consisting of 9 Directors of whom 8 are residents in Mauritius and one resident in South Africa. The composition of the Board of EIL is such that it has a balanced number of Directors from various background and having diverse skills, qualifications and resources for better effectiveness of the Board and by extension of the Company. Taking into account the recommendations of the code and recent changes into the law, the Corporate Governance Committee and the Board is considering future changes to the composition of the Board so that it includes new independent Directors as well as the presence of at least a woman on the Board. The Board has already started the procedures for change.

The Board bears the responsibility of organising and directing the affairs of the Group in a manner that is in the best interest of shareholders and other stakeholders. It is primarily responsible for, amongst other things, the review and adoption of strategic plans, the overview of business performance, adoption of appropriate risk management systems and the establishment of proper internal control systems.

It is also responsible for continually reviewing the activities, practices and trends of the Group so that these are in conformity with legal and regulatory requirements in their business environment. The Board retains full and effective control over EIL, delegating the day-to-day running and operational issues to the management.

The Board of Directors – Accountability Statement and Organisation Chart

The following principles shape the accountabilities and duties of members of the Board of Directors of EIL. The Board's predominant duty is to supervise the management of the Company's affairs and businesses. The Board is committed to establishing, maintaining and developing well developed and adapted governance processes involving the Board, Board Committees and management. The Board Charter of the Company together with the terms of reference for the Board sub-committees (the updated terms of reference of the Audit and Risk Committee and the Corporate Governance Committee have been freshly approved in September 2019), the position descriptions for the Board Chair and committee chairs, and this accountability statement for Directors, form the foundations of the Board's governance system. The terms of reference of the Audit and Risk Committee also included amongst other important procedures such as whistle blowing and fraud detection. The Directors are expected to work with their fellow Directors to fulfil the mandates of the Board and its committees to ensure best efficiency. The organisation chart for EIL, setting out the key senior positions and reporting lines within the Company is set out on page 15 of the Annual Report.

Board Charter

The Board of Directors of EIL has adopted and approved a Board Charter for the Company. The Board Charter is a written policy document which has for aim to clearly define the respective roles, responsibilities and authorities of the Board of Directors (both individually and collectively) and management in setting the direction, the management and the control of the organisation. The Company's Code of Ethics broadly expresses the requirements for all employees to adhere to ethical standards. The Board intends to review and update the Board Charter as and when necessary but at least every 5 years.
The Board Charter is also available on the Company's website.

Code of Ethics and Business Conduct

As per the requirements of the Code, the Board has also finalised and approved the organisation's Code of Ethics and Business Conduct, which broadly expresses the requirements for all employees to adhere to ethical standards.

The conduct of the Directors, management and employees of the Company will be governed by the Code of Ethics and Business Conduct which provides clear direction on conduct of business and general workplace behaviour. It includes guidance on health and safety, disclosure of conflict of interest, maintaining confidentiality and gift and business courtesies, amongst others.

The Directors, management and employees are always expected to behave ethically and professionally and protect the reputation of the Company. The Company communicates its Code of Ethics and Conduct to all Directors, management and employees.
The Management intends to review the Code of Ethics and Business Conduct as and when needed but at least once every 5 years. The same principle applies to the charters for the sub-committees.

COMPANY SECRETARY

The Company Secretary, namely IBL Management Ltd, comprises a team of experienced company secretaries providing support and services to the companies of the Group. As governance professionals, the company secretaries guide the Boards on corporate governance principles and on their statutory duties and responsibilities.

IBL Management Ltd ensures compliance with its Constitution as well as all relevant statutory and regulatory requirements, codes of conduct and rules established by the Board.
The Company Secretary provides guidance to the Board as a whole and to Directors individually. The Company Secretary also advises the Board on matters of ethics and good governance and serves as a focal point of contact within the Company for shareholders.

The Company Secretary is also the primary channel of communication between the Company and the regulatory authorities. The Company Secretary also maintains an updated Directors' Interest Register.

In its advisory role, the Company Secretary provides support and advice to companies of the Group on corporate transactions/projects.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

Composition

The Board of EIL is a unitary one tier balanced Board composed of 2 executive Directors, 3 independent non-executive Directors and 4 non-executive Directors. The Board is of opinion that the current membership of the Board of EIL is appropriate in terms of membership and skills. The 3 independent Directors do not have any relationship with the Company. It also has enough diversity in terms of age, educational background and professional qualifications of the Directors for better decision-making. The roles of the Chairperson and of the Chief Executive Officer have been clearly defined and their respective roles and functions in leading the organization are distinct.

The Board, under the recommendation of the Corporate Governance Committee, is responsible for the appointment of directors who are selected based on their integrity, skill, acumen and experience to make sound judgements relevant to the business of the Company.

The Company also complies with Section 30 (2) of the Insurance Act 2005 which states that an insurance company's Board of directors should be composed of no less than 7 natural persons of which 30% should be independent non-executive directors. The independent non-executive directors bring a wealth of experience and expertise to the Board and are free from any business or other relationships which would affect their eligibility to exercise independent judgement.

The Board meets quarterly and at any additional times as may be required. There is a provision in the Company's Constitution for decisions taken between meetings to be confirmed by way of Directors' written resolutions.

The composition of Board and the Directors' attendance at Board Meetings as well as Board's sub-committees were as follows for meetings held for the period 1 July 2018 to 30 June 2019.

Name of Directors	Category	Board Meeting (4)	Audit and Risk Committee (4)	Corporate Governance Committee (2)
Béga Jean-Claude	Non-Executive Chairman	4 out of 4	-	2 out of 2
Bezuidenhout Pieter	Non-Executive Director	3 out of 4	-	-
Chummun Dipak	Non-Executive Director	4 out of 4	-	-
De la Hogue Laurent	Non-Executive Director	4 out of 4	4 out of 4	-
Ip Min Wan Robert	Independent Non-Executive Director	4 out of 4	4 out of 4	-
Ithier Gilbert	Independent Non-Executive Director	4 out of 4	4 out of 4	2 out of 2
Lallah Subhas	Independent Non-Executive Director	3 out of 4	-	2 out of 2
Malliaté Alain	Executive Director	4 out of 4	-	-
Wong Wan Po Derek	Executive Director Chief Executive Officer	4 out of 4	-	2 out of 2

Job descriptions of key Senior Governance positions

The Board of Directors assumes the responsibility to review and approve job descriptions of key senior governance positions.

Committee	Composition	Main Responsibilities
Corporate Governance Committee including Nomination and Remuneration Committee	**4 Members** . Me. Subhas Lallah (Chairman) . Me. Gilbert Ithier . Mr. Jean-Claude Béga . Mr. Derek Wong	To advise and make recommendations to the Board on all aspects of Corporate Governance that should be followed by the Company, so that the Board remains effective while complying with sound corporate practices and principles. The Committee advises the Board on key appointments at Board and Top Management level and reviews the remuneration structure of the senior management.
Audit and Risk Committee	**3 Members** . Mr. Robert Ip Min Wan (Chairman) . Me. Gilbert Ithier . Mr. Laurent de la Hogue	To assist the Board in fulfilling its oversight responsibilities, to ensure that adequate checks and balances are in place, and risks are properly identified and managed. The Audit and Risk Committee's terms of reference include inter alia: . Considering and reviewing the reliability and accuracy of financial information and appropriateness of accounting policies and disclosure practices; . Examining and reviewing the quarterly financial results, annual financial statements or any other documentation to be published in compliance with the Company's accounting standards; . Reviewing compliance with applicable laws and best corporate governance practices and regulatory requirements; . Reviewing the adequacy of accounting records and internal control systems; . Monitoring and supervising the functioning and performance of internal audit; . Direct interaction with the external auditors at least once a year without the presence of senior management; . Direct interaction with the Internal Audit Manager at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out; and . Considering the independence of the external auditors and actuary and making recommendations to the Board on the appointment or dismissal of the external auditors/ actuary; and . Discuss and agree on accounting principles with the external auditor and assess the effectiveness of the external audit process; . Reviewing the effectiveness of the risk management process. To assist the Board in its duties in: . Evaluating the risks associated with all new projects on an ongoing basis, assessing the probability and impact of foreseeable events on the Company's situation; . Optimising the returns of the investment portfolio and engaging with the fund manager; . Investment risk is properly spread out taking into consideration the business environment.

COMMITTEES OF THE BOARD

The Board has two sub-committees namely an Audit and Risk Committee and a Corporate Governance Committee as described above.
These Committees have been set up to assist the Board in accomplishing their duties through a rigorous evaluation of specific duties.

The Committees may have recourse to independent external professional advisors at the expense of the Company, if deemed necessary to help them to perform their duties. The Chairpersons of the sub-committees are invited to make regular reports to the Board of Directors during Board Meetings.

Audit and Risk Committee

The membership of the Audit and Risk Committee as at June 30, 2019 were as follows:

- Mr. Robert Ip Min Wan (Chairperson);
- Mr. Laurent de la Hogue;
- Me. Gilbert Ithier.

The Committee met four times during the year under review. The Committee confirmed that they have discharged their responsibilities to the best of their capabilities for the year under review.

Corporate Governance Committee

The membership of the Corporate Governance Committee as at June 30, 2019 were as follows:

- Me. Subhas Chandra Lallah (Chairperson);
- Me. Gilbert Ithier ;
- Mr. Jean Claude Béga;
- Mr. Derek Wong Wan Po.

The Committee met twice during the year under review. The Committee confirmed that they have discharged their responsibilities to the best of their capabilities for the year under review.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURE

DIRECTORS' APPOINTMENT PROCEDURE

The Board acknowledges responsibility for the appointment of Directors and ensures that a formal and transparent procedure is followed and adhered to for the choice and appointment of new Directors.

In accordance with the Company's Constitution, the Board may fill vacancies or appoint new Directors on the Board at any point in time during the year. The said appointment will then be voted at the subsequent Annual Meeting of Shareholders. This flexibility of the Board is however limited by the maximum number of Directors as fixed by the Constitution of the Company.

Board Induction

The Board of Directors has the responsibility to ensure that all newly appointed Directors to the Board receive proper induction to the Company and the Board practices. The Board normally delegates this responsibility to the Company Secretary. The Company Secretary in turn prepares an induction pack for newly appointed Directors. The induction pack normally contains the following documents:

- The Company's Constitution and Board Charter;
- Salient features of the Listing Rules and Securities Act;
- Extract of Companies Act 2001 listing the duties and responsibilities of Directors;
- Latest Annual Report of the Company;
- Calendar of meetings for the year;
- Statutory information about the Company;
- A presentation from management if applicable.

The newly appointed Director may also request a meeting with the Chief Executive Officer or any other executives of the Company where and when necessary.

Succession Planning

The Board assumes full responsibility for succession planning. The Nomination & Remuneration Committee oversees and reviews succession plans from time to time which is then recommended to the Board.

The Committee reviews the succession requirements for the Board and carry out the due diligence process to determine the suitability of every person who is being considered for being appointed or reappointed as a Director of the Board based on his educational qualification, experience and track record.

Succession plan for the Senior Management Team is based on recommendations from the CEO. The Committee reviews any vacancy or probable vacancy in the position of Senior Management Team which may arise because of retirement, resignation or death. The Board shall evaluate the suitability of any such person based on factors such as experience, age, health and leadership skills, and recommend his or her candidature to the Board.

Training and Development

The Board encourages all its members to keep informed about latest updates within the insurance sector and in the professional field. In this context, Directors are informed and invited to relevant workshop or courses.

The Directors of the Board, being all professionals, do engage in continuous professional development programmes on an individual basis.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNRERATION AND PERFORMANCE

DIRECTORS' DUTIES

The Directors of the Board of EIL are aware of their legal duties and responsibilities. Upon appointment, the Director received an induction pack as described under principle 3, which contains the list of their duties.

Interests register, conflicts of interest and related party transactions policy

The Directors' Code of Conduct contains provisions to prevent insider dealing as well as any potential conflict of interest. An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

Information, information technology and information security governance

The Board is responsible for information governance within and the management of information technology and information security governance are delegated to the Group IT function. The budget for capital expenditure is approved by the Board and current capital expenditure is monitored with the approved budget.

Informational Security Policy

The purpose of this policy is to establish a management forum that manages the implementation of information security within the organisation, to maintain the security of EIL's information processing facilities and information assets. It applies to all employees, contractors, and consultants of EIL. It encompasses several topics such as: Management commitment to information security, Information security coordination, Allocation of information security responsibilities, Authorisation process for information processing facilities and Security requirements in third party agreements.

Code of Ethics and Business Conduct

A Code of Ethics and Business Conduct has been drafted, reviewed and adopted by the Board in September 2017. The Board of EIL has recommended that this Code be adhered to by all the employees of the Company.

Remuneration Policy

The remuneration philosophy of EIL is based on transparency, merit and performance.

The Board has entrusted the Corporate Governance Committee the responsibility for the nomination and remuneration of Directors and members of board sub-committees by taking into consideration the market conditions, benchmarking in the industry and the Company's results.

The Committee reviews the Company's succession plan and communicates any areas of concern to the Board. The Company is presently not at risk in any senior executive position. The development of the plan is ongoing and gets formally reviewed annually.

The Company strongly believes that the achievements and merits of high performing employees should be recognised and rewarded. The Human Capital Department is delegated with the responsibility of determining managers' and employees' remuneration and benefits. This is reviewed annually after taking into consideration market conditions and practices as well as the performances and responsibilities of the employees.

The Company shares the risks of a defined benefit plan which is operated by its immediate holding company, IBL Ltd (IBL Group) and was closed to new members as from July 1999. Membership to a state pension plan and IBL Group's defined contribution plan are compulsory for all executive management and permanent staff.

Directors' fees consist of a fixed fee. Any changes to Directors' remuneration are submitted for recommendation by the Corporate Governance Committee. This Committee ensures that the appropriate fees be given to the Board Members as well as to the Committee Members. This is approved by shareholders of the Company at the annual meeting.

The table detailing the fees paid to the Non-Executive Directors for attending Board and Committees during the year under review is found on page 69 of the Annual Report. To be noted that the Executive Directors, being Mr. Alain Malliaté and Mr. Derek Wong Wan Po receive no directors' fees.

Remuneration and benefits paid to the executive Directors for the year ended 30 June 2019 are set out on page 69 of the Annual Report. For confidentiality reasons and due to the commercial sensitivity of such information, only the total of their remuneration has been disclosed.

BOARD EVALUATION

The Board recognises that it is a recommendation of the Code to carry out a Board evaluation exercise every year. However, the Company has not yet carried out such an exercise and shall ensure that same be done at an appropriate later stage.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The Board and management recognize that an effective system of risk management plays a critical role in the setting and achievement of strategic objectives, where risk is defined as any threat to the achievement of these objectives.

Managing risk is a key contributor to EIL long-term success. The approach to operational risk management is governed by prudence, the nature of the regulatory environment, best practice and the competitive situation within which EIL operates.

EIL is committed to continuously improve operational efficiency to increase shareholder value and to find innovative ways of delivering our services, without compromising quality or increasing risks beyond a level that we are willing to accept, and thus, effective risk management is a central part of the financial and operational management of the Company.

As part of this framework, we use a set of principles that describe the risk management culture we wish to sustain:

- Balancing risk and return: risk is taken in support of the requirements of our stakeholders, in line with our strategy and within our risk appetite;
- Responsibility: it is the responsibility of all employees to ensure that risk taking is disciplined and focused. We take account of our social responsibilities and our commitments to customers in taking risk to produce a return;
- Accountability: risk is taken only within agreed authorities and where there is appropriate infrastructure and resource. All risk taking must be transparent, controlled and reported;
- Anticipation: we seek to anticipate future risks and ensure awareness of all known risks;
- Competitive advantage: we seek to achieve competitive advantage through efficient and effective risk management and control.

Internal Controls

Internal controls regroup all of the policies and procedures that management uses to achieve the following goals.

- Safeguard's assets - well-designed internal controls protect assets from accidental loss or loss from fraud;
- Ensure the reliability and integrity of financial information - internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations;
- Ensure compliance - internal controls help to ensure EIL is in compliance with the laws and regulations affecting the operations of our business;
- Promote efficient and effective operations - Internal controls provide an environment in which managers and staff can maximize the efficiency and effectiveness of their operations;
- Accomplishment of goals and objectives - internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

Responsibility

Management Responsibility: Administrative management is responsible for maintaining an adequate system of internal control and for communicating the expectations and duties of staff as part of a control environment. They are also responsible for assuring that the other major areas of an internal control framework are addressed.

Staff Responsibility: Staff and operating personnel are responsible for carrying out the internal control activities set forth by management.

Framework for Internal Control

The framework of EIL's internal control system includes:

- **Control Environment:** A sound control environment is created by management through communication, attitude and example. This includes a focus on integrity, a commitment to investigating discrepancies, diligence in designing systems and assigning responsibilities;
- **Risk Assessment:** This involves identifying the areas in which the greatest threat or risk of inaccuracies or loss exist. To be most efficient, the greatest risks receive the greatest amount of effort and level of control;
- **Monitoring and reviewing:** The system of internal control is periodically reviewed by management. By performing a periodic assessment, management assures that internal control activities have not become obsolete or lost due to turnover or other factors;

- **Information and communication:** The availability of information and a clear and evident plan for communicating responsibilities and expectations is paramount to a good internal control system;
- **Control activities:** These are the activities that occur within an internal control system. These are mainly, authorization, documentation, reconciliation, security and separation of duties.

RISK MANAGEMENT PHILOSOPHY AND OBJECTIVES

EIL places particular emphasis on the effective monitoring and management of its undertaken risks with a view of maintaining stability, financial soundness and continuity of operations, as well as achieving its strategic goals as set out in its business and restructuring plans, fully aligned with the budget, capital and liquidity planning and policy.

In this context, EIL has put in place a risk management framework which constitutes EIL's fundamental attitude towards risk management. A risk management framework aims to foster sound corporate governance principles and risk culture, clear strategy and adequate policies, procedures and methodologies. This framework is supported by infrastructure and resources, in compliance with the regulatory framework and supervisory requirements.

EIL and its Board of Directors consider that a full and consistent application of the risk management arrangements in place, would adequately address the risks inherent in the risk profile and strategy of the Company and acknowledge that a robust risk culture should remain a key focus area for continuous improvement.

The framework:

- Links risk appetite to strategic business and capital plans;
- Supports a risk-aware culture;
- Sets out accountabilities and governance arrangements for the management of risk within the 'three lines of defence' model;
- Enhances business risk-based decision-making.

The Board recognises that an effective risk management framework requires the existence of a positive risk culture within the business, with clear ownership and accountability for risk. As a leading provider of financial services in Mauritius, it is essential that EIL employees understand their accountabilities and expected standards of conduct.

From its formation, the overarching objective of the Risk function has been to focus on promoting a positive risk culture and building the necessary risk infrastructure commensurate with its size and market position.

EIL's risk culture is enforced through the Code of Conduct, and the leadership framework, as well as through remuneration policies which look to recognise and reward behaviours that reflect the desired risk culture and have appropriate consequences for undesirable behaviour.

The risk culture is also enhanced through:

- Clarity of roles and accountability;
- Transparent and open dialogue in an environment where people feel safe to raise issues or concerns;
- Ensuring alignment with the desired risk culture when engaging with our people, including recruitment, induction, training, reward and recognition;
- Regularly checking on the health of the risk culture through feedback mechanisms, such as customer surveys, performance appraisals and one on one talks.

KEY FRAMEWORK COMPONENTS

HOW WE SHARE OUR RISK MANAGEMENT RESPONSIBILITIES

Who is responsible for what	
The Board	. Approves strategic objectives and validates our risk appetite; . Reviews the Company's risks and mitigating measures; . Reviews the Company's risk management and internal control systems; . Assesses these systems effectiveness through its Audit and Risk Committee.
Senior Management	. Is responsible for the "tone at the top"; . Oversees design and implementation of Risk Management and Internal Control Systems; . Defines and allocate risk appetite; . Makes decisions when substantial risk is at stake; . Evaluates the adequacy of risk mitigation plans.

BOARD OF DIRECTORS AND BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

Business Management

- Conducts business in accordance with agreed strategy and related risk appetite and limits
- Maintains day-to-day internal controls
- Identifies, takes and manages risks in their areas of responsibility
- Reports and escalates risk limit breaches

First line of defense

Support Functions

- Facilitates establishment of risk appetite statement with input from senior management and the board, and approval of the board and set risk limits
- Develops risk management culture and awareness of internal controls
- Establishes discipline and acts as guardrails
- Defines internal control policies and provides guidance in their areas
- Provides independent risk oversight across all risk types, business units, and locations

Second line of defense

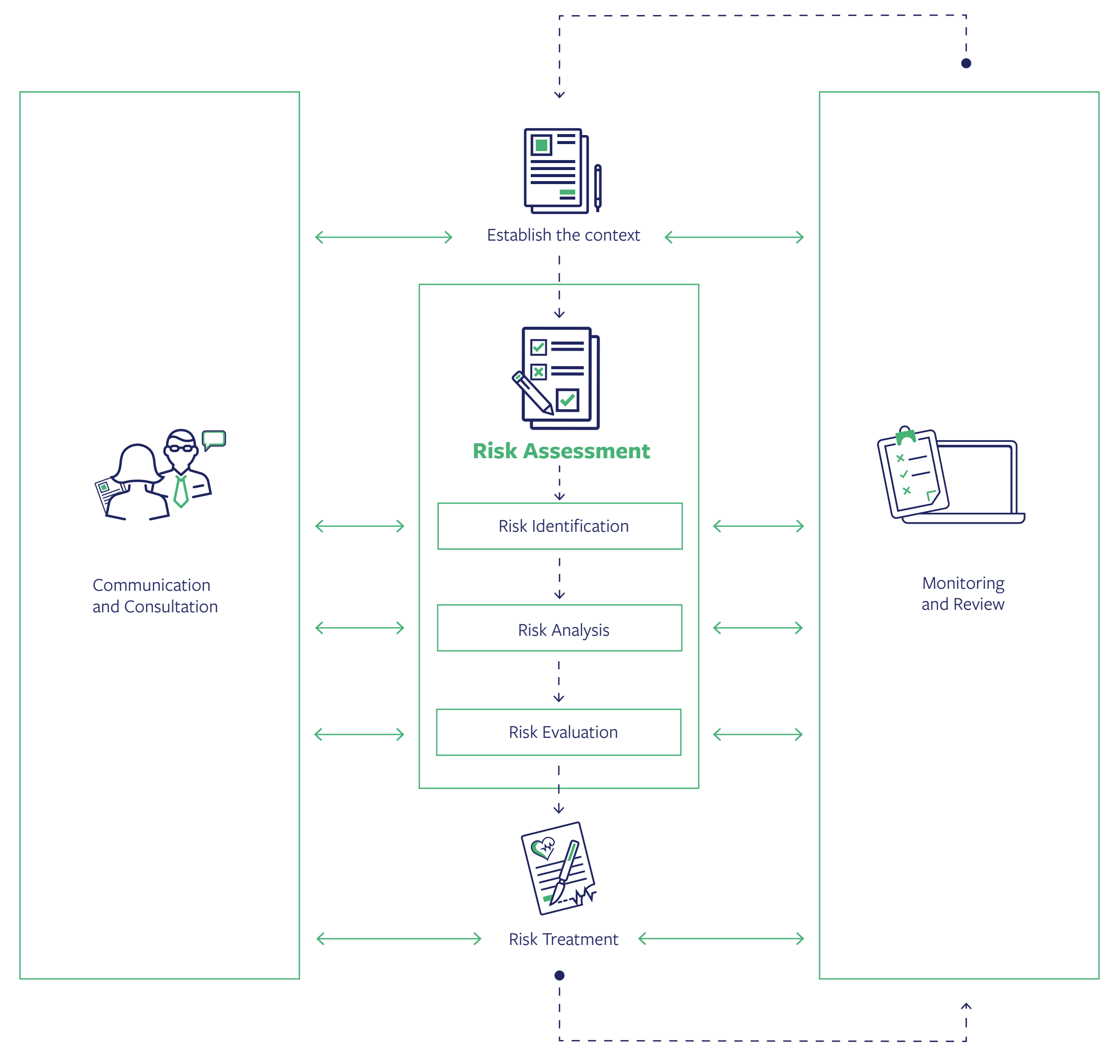
Internal Audit

- Provides independent assurance of the effectiveness of the Company's risk management and internal control frameworks and activities
- Performs independent testing and validation of business unit risk and control elements
- Performs independent testing and assesses whether the risk policies, risk procedures, and related controls are functioning as intended

Third line of defense

RISK MANAGEMENT PROCESS

The diagram below summarises the Risk Management Process.



The main elements of the risk management process shown above, are as follows:

(a) **Communicate and consult**
Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process.

(b) **Establish the context**
Establish the external, internal and risk management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis defined.

(c) **Identify risks**
Identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of the objectives.

(d) **Analyse risks**
Identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis considers the range of potential consequences and how these could occur.

(e) **Evaluate risks**
Compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.

(f) **Treat risks**
Develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.

(g) **Monitor and review**
Monitor the effectiveness of all steps of the risk management process. This is important for continuous improvement.

Risks and the effectiveness of treatment measures need to be monitored to ensure changing circumstances do not alter priorities.

HOW WE PROVIDE INDEPENDENT ASSURANCE

Audit and Risk Committee

The membership of the Audit and Risk Committee as at June 30, 2019 were as follows:

- Mr. Robert Ip Min Wan (Chairman);
- Mr. Laurent de la Hogue;
- Me. Gilbert Ithier.

The Committee met four times during the year under review. The Committee confirmed that they have discharged its responsibilities to the best of its capabilities for the year under review.

Its principal function is to oversee the financial reporting process and IT governance. The activities of the Audit and Risk Committee include regular reviews and monitoring of the effectiveness of EIL's financial reporting and internal control policies and risk management systems, the effectiveness of the internal audit function, the independence of the external audit process and assessment of the external auditors' performance, the remuneration of external auditors, and to ensure compliance with laws and regulations relevant to financial reporting and with the internal code of business conduct. The Committee meets as frequently as it deems necessary prior to the Board's review of the annual financial statements and profit announcements.

Significant issues discussed at Audit and Risk Committee

- Prior Year Adjustments - Effects on 2017 and 2018 figures must be clear to the users.

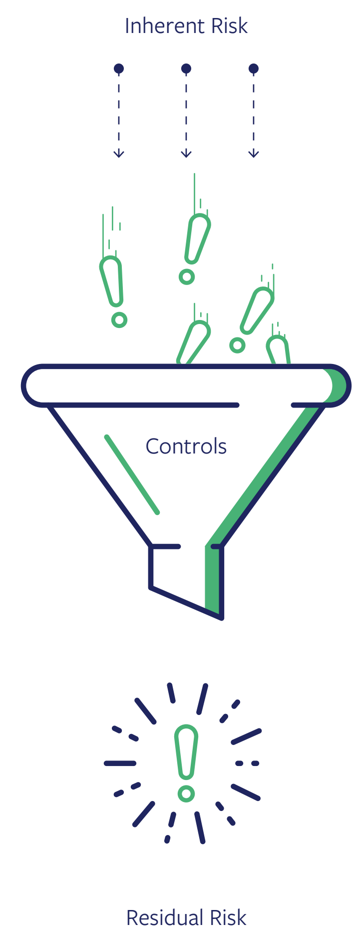
Internal Audit

The Internal Audit function is entrusted to KPMG who have been given unrestricted access to the records, management and employees of the Company. They have an independent line of communication with the Audit & Risk Committee. The Board confirms that there have been no significant issues that have affected the proper functioning of the internal control systems during the year under review which could have impacted on the financial statements.

External Audit

The External Audit function is entrusted to Ernst & Young who have been given unrestricted access to the records, management and employees of the Company. The independent external auditor provides an independent opinion on the financial results of the Company. The Auditor has unrestricted access to documentation and communicates regularly with the Audit and Risk Committee. A tender exercise was launched by IBL Ltd ('IBL'), the holding company, in January 2018 for the rotation of auditors as required by the Financial Reporting Act 2016. Following the completion of this exercise, the services of Messrs. Ernst & Young have been selected and recommended to IBL's Board and the Company followed the choice of its holding company. At the last Annual Meeting of Shareholders and upon the recommendation of the Board, Messrs. Ernst & Young have been appointed as external auditors in replacement of Messrs. Deloitte.

The automatic re-appointment of Messrs. Ernst & Young as Auditor of the Company for the year ending June 30, 2020, in accordance with Section 200 of the Companies Act 2001 shall be considered at the Annual Meeting of Shareholders scheduled for December 17, 2019.

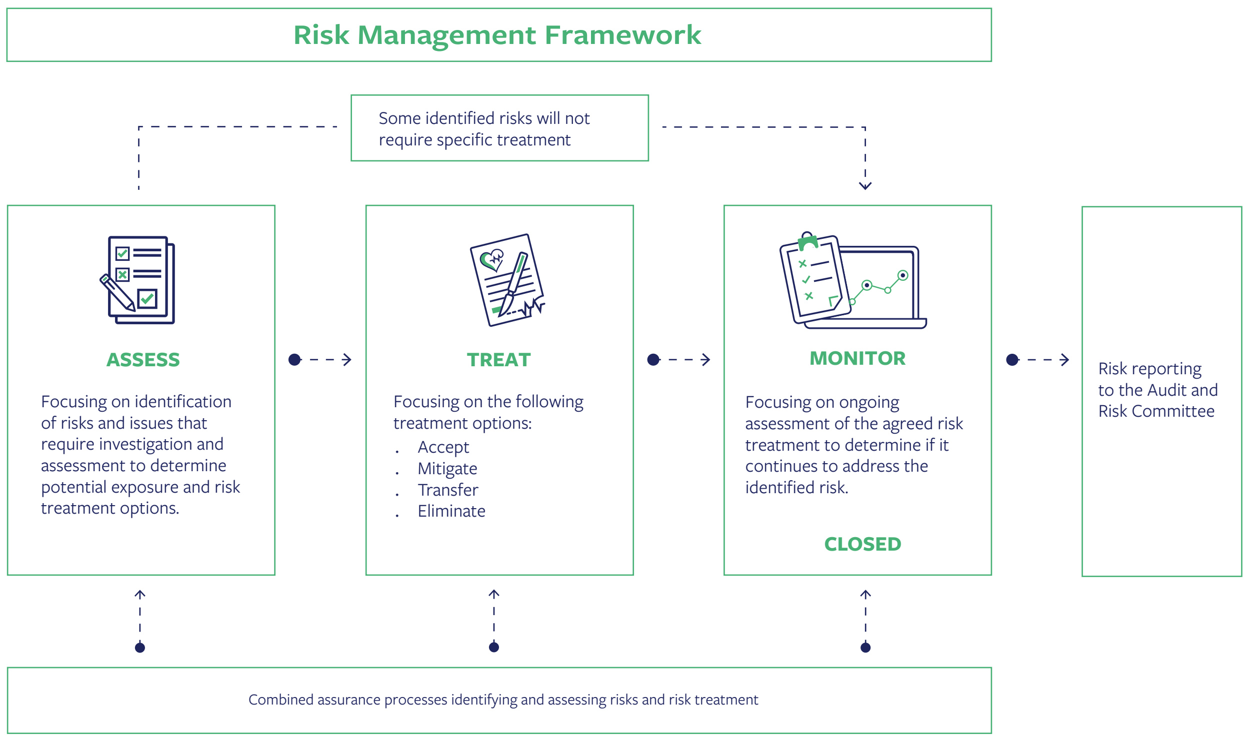


TYPES OF RISKS

There are two types of risk: inherent risk and residual risk. Risk that exists before an organization takes mitigation actions is inherent risk, and risk that remains after control measures are taken is residual risk. The objective of risk management is to maintain the residual risk level within risk appetite and tolerance set by the board of EIL.

Ideally, the probability and impact of risk (and the resulting priority also) need to be based on the actual risk/loss events of EIL. In such cases, EIL can observe the risk probability and impact from its historical risk data, thereby directly arriving at risk priority. However, many of the estimates of risks will always be based on "expert judgment" since some of the risk types will occur very rarely to allow the development of a meaningful historical database with any level of statistical significance.

RISK MANAGEMENT FRAMEWORK



RISK APPETITE FRAMEWORK (RAF)

The guiding principles on which basis the framework was developed so that it is appropriate and effective are:

- Risk appetite was built on an understanding of EIL's risk capacity and strategic direction;
- Risk appetite is integrated within the development of EIL's strategy and business plans;
- Risk appetite must be able to be communicated easily and effectively to all layers of EIL and externally;
- Risk appetite is integrated within the risk culture of EIL;
- Risk appetite explicitly defines the boundaries for risk taking in pursuit of strategy at institutional, individual business and risk type levels;
- The RAF is an integral part of the Risk Management Framework;
- Risk appetite considers all material risks both in normal and stressed conditions.

RISK APPETITE FRAMEWORK (CONTINUED)

The RAF describes the overall approach, including policies, processes, controls and systems through which risk appetite is established, communicated, and monitored.

The RAF incorporates the following elements:

- A Risk Appetite Statement;
- Tolerances and/or limits on the activities of EIL designed to ensure that it operates within the Risk Appetite approved by the Board;
- A process for ensuring that the tolerances and limits are set at an appropriate level given the appetite for risk set out in the Risk Appetite Statement;
- A reporting structure against the limits and tolerances;
- An outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF;
- A method of cascading the limits and tolerances, where appropriate, down to business units while ensuring that they remain appropriate in aggregate; and
- A governance framework to ensure the ongoing integrity of the framework.

PRINCIPAL RISKS

Strategic risk

The risk associated with implementation of strategic decisions and objectives, including uncertainties and opportunities in the internal and external environments.

What is the risk?	Why do we have it?	How is it managed?
Strategy Evolution and Execution		
Our continuing success depends on how well we understand our clients, markets and the various external factors affecting our business. Having the wrong strategy or badly executing the right strategy could have widespread repercussions on our Company's profitability, capital, market share, growth and reputation.	Setting the right course, particularly in such a hazardous industry as insurance, is essential for our long-term success. New risks could arise which may transform the industry.	A key pillar of the Company's strategy is to balance underwriting high-margin, volatile, complex risks by also selling stable, local retail products. The business plan is aligned with the Company's risk appetite set by the Board, to ensure individual and aggregate exposure remains within set parameters. Stress testing and scenario analysis help identify unanticipated dependencies and correlations between risks which could impact the Company's strategy.

Insurance Risk-underwriting

The risk associated with implementation of strategic decisions and objectives, including uncertainties and opportunities in the internal and external environments.

What is the risk?	Why do we have it?	How is it managed?
Insurance Cycle and Pricing		
There is fierce competition in the Industry. At times, competitors may choose to underwrite risk at prices below the breakeven technical price. Prolonged periods when premium levels are low or when competition is intense are likely to have a negative impact on the Company's financial performance. Furthermore, customers may receive poor service and the industry could suffer negative publicity.	We operate in open, aggressively competitive markets in which barriers to entry for new players are low. Competitors may choose to differentiate themselves by undercutting their rivals. As a result, capacity levels in these markets rise and fall, causing prices to go up and down, creating volatile market cycles	We adapt our desire to write certain lines of business according to market conditions and the Company's overall risk appetite. We reject business unlikely to generate underwriting profits, or accept it on certain terms, and regularly monitor how pricing and exposures are developing, so we quickly identify and control any problems created by deteriorating market conditions.

The risk related to our core business of providing insurance products and services to clients, and to the management of our net exposure to losses.

What is the risk?	Why do we have it?	How is it managed?
Catastrophic and Systemic Insurance Losses		
We insure corporate and individual clients for damage caused by a range of catastrophes, both natural (e.g Cyclone and Flood) and manmade (i.e Fire, Riots) which can cause heavy underwriting losses with material impacts on the Company's earnings and financial condition.	Underwriting large, volatile and complex risks can be potentially costly, but can also earn good margins over the medium to long term.	With the support of our Reinsurers, we underwrite catastrophe risk in a carefully managed controlled manner. EIL's strategy of creating and maintaining a well-diversified portfolio, helps limit its catastrophe exposure. We have a clearly defined appetite for underwriting risk, which dictates the Company's business plan, and we closely monitor the Company's risk exposure to maximise the expected risk return profile of our whole portfolio. We buy reinsurance to mitigate the effect of catastrophes and reduce our risk.

Insurance Risk-underwriting (CONTINUED)

What is the risk?	Why do we have it?	How is it managed?
Inadequate Reinsurance		
If our reinsurance protection is proven to be inadequate or inappropriate, it could significantly affect the Company's financial condition. The Company might not be able to purchase the right level of reinsurance due to market conditions. This could result in reduced protection against losses, which could affect our financial condition and cash flows.	We buy reinsurance protection to manage catastrophe risk and reduce the volatility that major losses could have on our financial position. The scope and type of protection we buy may change depending on the extent and competitiveness of cover available in the market.	We have a clear outwards reinsurance strategy, and a reinsurance programme to minimise gaps in coverage across the business and to get the right deal.

Insurance Risk-reserve

The risk of managing the volatility of claim provision reserves set aside to pay for existing and future claims.

What is the risk?	Why do we have it?	How is it managed?
Reserve Risk		
We make financial provisions for unpaid claims, defence costs and related expenses to cover our ultimate liability both from reported claims and from incurred but not reported (IBNR) claims. There is the possibility that we do not put enough money aside for our exposures which could affect the Company's earnings, capital and future.	When underwriting risks, we estimate the likelihood of them occurring and their cost. Our actual claims experience could exceed our loss reserves, or we may need to increase levels of loss reserves.	The provisions we make to pay claims reflect our own experience and the industry's view of similar business, historical trends in reserving patterns; loss payments and pending levels of unpaid claims, as well as awards and potential change in historic rates arising from market or economic conditions. Our provision estimates are reviewed quarterly and are subject to rigorous review by an independent actuary to reduce the risk that actual claims may exceed the amount we have set aside.

Market risk-investment

The risk of financial loss or adverse movements in the value of EIL's assets resulting from adverse movements in market prices and our exposure from trading.

What is the risk?	Why do we have it?	How is it managed?
Asset Value		
Money received from our clients in premiums and the capital on our balance sheet is invested until it is needed to pay claims. These funds are inevitably exposed to investment risk.	Our investment portfolio is exposed to a number of risks related to changes in interest rates and equity prices among others.	Our objective is to maximise investment returns in the prevailing financial, economic and market conditions, without creating undue risk to the Company's capacity to underwrite The Company has outsourced its investment management to fund managers who operate within clear guidelines as to the type and nature of shares in which they can invest.

Market risk-investment (CONTD)

What is the risk?	Why do we have it?	How is it managed?
Liquidity		
The risk we are unable to meet cash requirements from available resources to pay liabilities to customers or other creditors when they fall due. The failure of our liquidity strategy could have a material adverse effect on the Company's financial condition and cash flows.	In the event of a catastrophe, we may be faced with large and unplanned cash demands, which could be exacerbated if we must fund a large portion of claims pending recovery from our reinsurers.	Our primary source of inflows is insurance premiums while our outflows are largely expenses and payments to policyholders through claims. We run tests to estimate the impact of a major catastrophe on our cash position to identify potential issues. We also run scenario analysis that considers the impact on our liquidity should several adverse events occur simultaneously, such as an economic downturn and declining investment returns combined with unusually high insurance losses. The Company manages liquidity risk by maintaining adequate reserves and banking facilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors who monitors the Company's short, medium and long-term funding and liquidity management requirements.

Credit risk

The risk of loss or adverse financial impact due to counterparty default or failure to meet obligations with agreed terms.

What is the risk?	Why do we have it?	How is it managed?
Credit Risk Reinsurance		
We buy reinsurance to protect us, but if our reinsurers are unable to meet their obligations to us, it would put a strain on our earnings and capital and could harm our financial condition and cash flows.	We cover clients against a range of catastrophes and protect ourselves through reinsurance. We face credit risk where we seek to recover sums from reinsurers.	We buy reinsurance only from companies that we believe to be strong. The Company has adopted a policy on credit risk management to control level of exposure and mitigate the risk.
Credit Risk Counterparties		
The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.	We face credit risk from all our sources of business, customers, agents and brokers where we transfer money to and receive money from these counterparties.	The Company deals with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults.

Operational risk

The risk from exposures involving people, processes, systems and external events resulting from running a uniquely diversified insurance business.

What is the risk?	Why do we have it?	How is it managed?
Information Security		
Information security (including cyber security) Information security risk relates to not protecting information which could compromise the confidentiality, availability or integrity of our data. Cyber security risk is the threat from globally connected networks such as the internet. It differs from the exposure posed by underwriting cyber risks, which is considered an insurance risk. Information security risk can result in loss of profit and can have legal, regulatory and reputational consequences.	We operate in a world where the volume of sensitive data and the number of connected devices and applications have increased exponentially. Also, cyber-attacks are increasingly frequent and sophisticated. Our business depends on the integrity and timeliness of the information and data we maintain, own and use.	We have an information security policy and cyber security risk strategy. We have dedicated IT security resources which provide advice on information security design and standards.
Information Technology and Systems failure		
The risk from major IT systems or service failure which can significantly impact our business.	Our information technology and systems are critical to conducting business and providing continuity of service to our clients, including supporting underwriting and claims processes.	We have dedicated IT resources which support the Company's technology needs and oversee our critical systems and applications. The Company has a business continuity management process in place to ensure that potential risks are monitored, and any impact mitigated.

REGULATORY DEVELOPMENTS

The Insurance (Risk Management) Rules 2016 were published by the Financial Services Commission (FSC) and became effective on July 1, 2017.

The Rules require the Insurer to submit all documentation relating to its Risk Management Framework (RMF) not later than 3 months after the company's financial year end.

As per the above Rules, the RMF needs to be approved by the Board and includes:

- A Risk Appetite Statement;
- A Risk Management Strategy;
- A 3-year Business Plan;
- Own Risk Solvency Assessment (ORSA);
- Liquidity Policy;
- A Designated Risk Management Function;
- Description of the Responsibilities, roles and reporting lines within the Insurer for the management of material risks.

At EIL, we have put all resources and procedures in place to ensure we abide by the Rules.

PRINCIPLE 6: REPORTING WITH INTERGRITY

SCOPE OF REPORTING, GOVERNANCE FRAMEWORK AND STATEMENT OF COMPLIANCE

The present Annual Report for EIL covers the period July 1, 2018 to June 30, 2019. Any material events after the above-mentioned date and up to the Board approval of this report have also been included. The Company is qualified as a Public Interest Entity ('PIE') as defined by the Financial Reporting Act 2004 and has endeavour to apply all the essence and spirit of the principles of the new Code of Corporate Governance 2016 (the 'Code').

PRINCIPLE 7: AUDIT

INTERNAL AUDIT

The Company does not have an in-house internal audit function. However, it outsources this function to KPMG who is not the External Auditor of the Company. The reports produced by the internal auditors are made available to the Chairman of the Audit and Risk Committee as well as its members. It is to be noted that members of the Audit and Risk Committee are of appropriate qualifications and caliber to analyse and process the reports made available to them. The Audit and Risk Committee normally has the delegated function from the main Board to review, follow up, take actions when applicable. It also reports to the Board all important issues arising from the reports and may, if necessary, send to Board members the internal Audit and Risk reports. The full reports or part of the reports can be made available to Management where it is justified that it may help Management to improve or take necessary actions on issues raised in the Internal Auditors report. However, the Chairman of the Audit and Risk Committee may also request that the reports are not made available to the Management.

EXTERNAL AUDIT

The external audit function is conducted by Ernst & Young. The auditors are normally present at the Audit and Risk Committee when the final audited financial statements are presented to ensure that appropriate discussions are carried out on the financial statements' audit and key findings of the auditors. The Audit and Risk Committee has the flexibility when found necessary to meet with the external auditors outside the presence of Management. It is common practice that the external auditors of the Company do not carry out non-audit services to ensure that they keep their independence while carrying out their main task of external auditors. Ernst & Young have been appointed.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

SHAREHOLDING PROFILE

The stated capital of the Company is made up of 7,999,998 ordinary shares.
Below is the list of major shareholders (holding more than 5% of the shares) of the Company:

- IBL Ltd: 60%
- HWIC Asia Fund: 15%
- Public: 25%

Breakdown of share ownership as at 30 June 2019

Size of shareholding	No. of shareholders	No. of shares	% holding
1 - 100 shares	190	7,288	0.091
101 - 200 shares	47	7,443	0.093
201 - 300 shares	39	11,468	0.143
301 - 500 shares	25	10,496	0.131
501 - 1,000 shares	92	68,568	0.858
Above 1,000 shares	174	7,894,735	98.684
Total	**567**	**7,999,998**	**100.0000**

Note: The above number of shareholders is indicative, due to consolidation of multi-portfolios for reporting purposes. The total number of active ordinary shareholders as at 30 June 2019 was 567.

SHARE DEALINGS

Members of the Board have been informed that they should not deal in the shares of the Company during the 30 calendar days preceding publication of results, and prior to the dividend declaration, or any major event affecting the Company that might influence its share price. Members have also been advised to declare to the Company all transactions conducted by them outside the mentioned period.

SHARE PRICE INFORMATION AND PERFORMANCE

	Year ended 30 June 19	Year ended 30 June 18	Year ended 30 June 17	Year ended 30 June 16	Year ended 30 June 15
Market Price (Rs)	117.25	96.00	83.25	83.75	102.25
Earnings Per Share					
– **Continuing and discontinued operations (Rs)**	0.65	7.43	11.43	4.59	0.76
– **Continuing operations (Rs)**	0.65	7.43	11.43	11.82	9.10
Dividend Per Share (Rs)	3.00	2.80	2.20	1.10	2.40
Price Earnings Ratio (times)	180.38	12.92	7.28	7.09	11.24
Net Assets Value Per Share (Rs)	113.52	115.03	109.58	88.84	88.72
Dividend Yield (%)	2.56	2.92	2.64	1.31	2.35

MEETING OF SHAREHOLDERS

In conformity with Section 117 of the Companies Act, an Annual Meeting of the Shareholders was held on December 6, 2018 for the approval of the financial statements for the year ended June 30, 2018.

RELATIONSHIP WITH SHAREHOLDERS

The Board is committed to properly understand the information needs of all shareholders and other stakeholders of EIL. It ensures that lines of communication are kept open to communicate all matters affecting EIL to its shareholders.

DIRECTORS' SERVICE CONTRACTS

There are no service contracts between EIL and its Directors.

DIRECTORS' SHARE INTERESTS

None of the Directors have a direct or indirect share in the equity of EIL.

CONTRACTS OF SIGNIFICANCE

There was no contract of significance subsisting during the year to which the Company, was a party and in which a Director was materially interested, either directly or indirectly.

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

Related party transactions are disclosed in Note 29 of the Accounts.

CERTIFICATE FROM THE COMPANY SECRETARY

We, as Company Secretary, in accordance with section 166(d) of the Companies Act 2001, certify that, to the best of our knowledge, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

Doris Dardanne
Per IBL Management Ltd
Company Secretary

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001) to 30 June 2019

DIRECTORS' PROFILE

Included in the individual Directors' profile on pages 26-29.

COMMON DIRECTORS

Directors	EIL	IBL
Béga Jean-Claude	✓	✓
Bezuidenhout Pieter	✓	-
Chummun Dipak	✓	-
De la Hogue Laurent	✓	-
Ip Min Wan Robert	✓	-
Ithier Gilbert	✓	-
Lallah Subhas	✓	-
Malliaté Alain	✓	-
Wong Wan Po Derek	✓	-

Emoluments paid by EIL and related corporations to directors of EIL are set out in the table below:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive	**8,714**	12,927	**8,714**	12,927
Non-Executive	**1,130**	1,130	**1,130**	1,130
	9,844	14,057	**9,844**	14,057

The directors' remuneration is disclosed by category in view of the confidentiality and sensible nature of the information.
The directors' remuneration has also been disclosed under Note 29 for related party transactions.

CONSTITUTION

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

DIVIDEND POLICY

Dividends are normally declared and paid twice yearly. The payment of dividends is subject to the profitability of the Company, to its cash flow and to its capital expenditure requirements.

AUDITOR'S REMUNERATION

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees for the year:				
- Deloitte	**-**	759	**-**	759
- Ernst & Young	**851**	-	**851**	-
Fees for other services provided by:				
- Deloitte	**1,294**	-	**1,294**	-
- Ernst & Young	**-**	730	**-**	730
- KPMG	**374**	-	**374**	-

DONATIONS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Charitable donations	**-**	-	**-**	-
Corporate social responsibility contribution	**1,944**	2,309	**1,919**	2,304
	1,944	2,309	**1,919**	2,304

The Company did not make any contribution to political parties during the year under review.

Related party transactions
Related party transactions are disclosed under note 29 of the financial statements.

Anti-money laundering
In line with the requirements of the Financial Intelligence and Anti-money laundering Act 2002 and the Regulations 2003, control procedures and internal policies are regularly reviewed, and staff training is done at least twice a year.

Integrated sustainability reporting
In view of a more complete reporting, the following give a brief of the main undertakings of the year in various fields.

Environment
For the environment section, please refer to the SEMSI section on pages 44-45.

SHAREHOLDERS' CORNER

COMMUNICATION WITH SHAREHOLDERS
The Board of Directors of EIL acknowledges that clear and transparent communication with all its Shareholders is of utmost importance. The Board of the Company reports as and when needed through announcements as well as disclosures in the Annual Report and enhanced at the Annual Meeting of its Shareholders, which all Board Members and Shareholders, are encouraged to attend.

The Annual Meeting of the Company is a focal opportunity to discuss matters with the Board of Directors related to the Company's performance. The Chief Executive Officer, who also serves as Director to the Board is present at the Annual Meeting to answer any questions. The Auditors of the Company are also present at the Annual Meeting of the Shareholders.

Timetable of important upcoming events

November 2019	**Publication of first quarter financial statements**
December 2019	**Annual meeting of shareholders**
February 2020	**Publication of second quarter abridged financial statements**
May 2020	**Publication of third quarter abridged financial statements**
December 2020	**Annual meeting of shareholders**

. The Shareholders of the Company can make a request to the Company Secretary prior to the Annual Meeting to obtain a copy of the minutes of proceedings of the last Annual Meeting of the Company.

. The proxies must be received by the Company's Registry and Transfer office, MCB Registry & Securities Limited, 9th Floor, MCB Centre, Sir William Newton Street, Port Louis, not later than Monday 16 December 2019 at 09.30 hours.

FINANCIAL **STATEMENTS**

OUR CLIENT-CENTRIC APPROACH

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Eagle Insurance Limited (previously The Mauritian Eagle Insurance Company Limited) (the "Company") and its subsidiaries (the "Group") set out on pages 78 to 144 which comprise the statements of financial position as at 30 June 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of the Group and Company as at 30 June 2019, 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 and the Financial Reporting Act 2004 and the Insurance Act 2005.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How the matters were addressed in our audit
Valuation of insurance contract liabilities (gross outstanding claims) short term insurance Rs 1.74bn (Notes 3.1 and 13)	
The valuation of general insurance loss reserves involves a high degree of subjectivity and complexity. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses at a given date. The Group uses a range of actuarial methodologies to estimate these provisions. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, some catastrophic events can be more complex to model using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. Given its complexity and significance the valuation of insurance contract liabilities-short term insurance has been considered as a Key Audit Matter.	We obtained an understanding, evaluated the design and tested the operating effectiveness of selected key controls over the claims estimation process including the Incurred but not Reported ("IBNR"). In particular, we tested the controls over the integrity of data and the assumptions setting and governance processes used by management related to the valuation of general insurance reserves. In relation to the particular matters set out above, our substantive testing procedures included the following: . We reviewed the documentation around outstanding claims which are high in value and involving longer settlement periods and tested management best estimates of the settlement outcome. Where appropriate we obtained legal confirmation to corroborate management's assessment. . We tested the completeness and accuracy of underlying claims data that are sent to the actuary in estimating general insurance loss reserves. This includes the testing of information sent to the actuary for the determination of IBNR; . We evaluated the actuarial assumptions used by management based on the analysis of the experience to date, industry practice and the financial and regulatory requirements; . We evaluated management's methodology and assumptions against actuarial practices and industry standards; and . We evaluated whether the actuary has the relevant expertise and experience in this field.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the chairman's address to the shareholders, the risk report and the secretary's certificate.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above (other than the Corporate Governance Report) when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

CORPORATE GOVERNANCE

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance as disclosed in the annual report and assess the explanation given for non-compliance with any requirements of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and Insurance Act 2005, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the Group and Company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

USE OF OUR REPORT

This report is made solely to the Company's members, 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 auditor's 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.

OTHER MATTER

The financial statements of Eagle Insurance Limited for the year ended June 30, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 27 September 2018.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

COMPANIES ACT 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

INSURANCE ACT 2005

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

ERNST & YOUNG	LI KUNE LAN POOKIM, F.C.A, F.C.C.A
Ebène, Mauritius	**Licensed by FRC**

October 15, 2019

STATEMENTS OF FINANCIAL POSITION
At 30 June 2019

	Notes	THE GROUP 2019 Rs'000	THE GROUP 2018 Restated* Rs'000	THE GROUP 2017 Restated* Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Restated* Rs'000	THE COMPANY 2017 Restated* Rs'000
ASSETS							
Non-current assets							
Property, plant and equipment	5	**187,513**	72,271	125,804	**152,374**	56,271	125,804
Intangible assets	6	**16,597**	17,443	18,606	**15,604**	16,450	17,613
Deferred tax assets	16	**13,607**	8,505	-	**13,607**	8,505	-
Investment in subsidiaries	7	-	-	-	**1,100**	1,100	1,000
Amounts due from group companies	12	-	-	-	**39,607**	-	-
Investment in associate	8	**71,515**	62,891	56,218	**6,313**	6,313	6,313
Statutory deposits	9	**8,000**	8,000	8,000	**8,000**	8,000	8,000
Financial investments	10	**399,841**	516,001	637,167	**399,841**	516,001	637,167
		697,073	685,111	845,795	**636,446**	612,640	795,897
Current assets							
Financial investments	10	**219,581**	167,926	40,000	**219,581**	167,926	40,000
Insurance and other receivables	11	**631,687**	704,988	493,484	**625,843**	704,131	493,225
Amounts due from group companies	12	**406**	223,765	145,741	**951**	223,765	145,741
Reinsurance assets - Gross outstanding claim	13	**1,132,019**	900,471	408,723	**1,132,019**	900,471	408,723
Reinsurance assets - General insurance fund	15	**227,600**	260,175	228,946	**227,600**	260,175	228,946
Current tax receivables	18(i)	**1,763**	-	-	**1,763**	-	-
Cash and cash equivalents	25	**346,211**	130,713	278,789	**344,315**	130,060	278,738
		2,559,267	2,388,038	1,595,683	**2,552,072**	2,386,528	1,595,373
Assets held for sale	31	**121,483**	121,483	-	**121,483**	121,483	-
		2,680,750	2,509,521	1,595,683	**2,673,555**	2,508,011	1,595,373
Total assets		**3,377,823**	3,194,632	2,441,478	**3,310,001**	3,120,651	2,391,270
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	14	**80,000**	80,000	80,000	**80,000**	80,000	80,000
Other reserves		**828,187**	840,227	796,666	**761,948**	782,736	746,584
Equity attributable to equity holders of the parent		**908,187**	920,227	876,666	**841,948**	862,736	826,584
Non-controlling interests		**449**	395	79	-	-	-
Total equity		**908,636**	920,622	876,745	**841,948**	862,736	826,584
Non-current liabilities							
Deferred tax liabilities	16	-	-	167	-	-	167
Long term incentive scheme	36	**3,236**	1,865	-	**3,236**	1,865	-
Employees benefits liabilities	26(e)	**13,630**	14,246	7,070	**13,630**	14,246	7,070
		16,866	16,111	7,237	**16,866**	16,111	7,237
Current liabilities							
Trade and other payables	17	**193,655**	346,006	169,968	**192,614**	330,100	169,968
Amounts due to group companies	33	-	3,110	-	-	3,110	-
Gross outstanding claims	13	**1,748,831**	1,388,081	842,306	**1,748,831**	1,388,081	842,306
General insurance fund	15	**509,742**	515,854	533,362	**509,742**	515,854	533,362
Current tax liabilities	18(i)	**93**	4,848	11,860	-	4,659	11,813
		2,452,321	2,257,899	1,557,496	**2,451,187**	2,241,804	1,557,449
Total liabilities		**2,469,187**	2,274,010	1,564,733	**2,468,053**	2,257,915	1,564,686
Total equity and liabilities		**3,377,823**	3,194,632	2,441,478	**3,310,001**	3,120,651	2,391,270

Approved by the Board of Directors and authorised for issue on October 15, 2019.

Jean-Claude Béga	Robert Ip Min Wan
Chairman	**Director**

*Certain amounts here do not correspond to the 2018 and 2017 financial statements and reflect adjustments made as described in Note 39.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2019

	Notes	THE GROUP 2019 Rs'000	THE GROUP 2018 Restated* Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Restated* Rs'000
Continuing operations					
Revenue					
Gross insurance premiums		**1,248,968**	1,148,201	**1,248,968**	1,148,201
Reinsurance premiums ceded		**(625,579)**	(597,128)	**(625,579)**	(597,128)
		623,389	551,073	**623,389**	551,073
Release from general insurance fund - Gross	15	**6,112**	17,508	**6,112**	17,508
Release (to)/from general insurance fund - Reinsurance	15	**(32,575)**	31,229	**(32,575)**	31,229
Net earned premium		**596,926**	599,810	**596,926**	599,810
Investment income	19	**11,940**	4,928	**19,057**	11,900
Interest calculated using effective interest rate	20	**15,205**	22,333	**15,205**	22,333
Commission income		**85,906**	84,821	**84,496**	83,586
Other income	21	**15,840**	9,540	**15,797**	9,524
		725,817	721,432	**731,481**	727,153
Expenses					
Gross claims paid	13	**(688,138)**	(596,132)	**(688,138)**	(596,132)
Gross change in contract liabilities	13	**(360,750)**	(545,776)	**(360,750)**	(545,776)
Claims ceded to reinsurer	13	**307,061**	222,938	**307,061**	222,938
Change in contract liabilities ceded to reinsurers	13	**231,548**	491,748	**231,548**	491,748
Change in claims recovered from third party		**16,662**	7,128	**16,662**	7,128
Recoveries from third party		**76,227**	64,948	**76,227**	64,948
Net claims incurred		**(417,390)**	(355,146)	**(417,390)**	(355,146)
Commission expense		**(134,804)**	(124,709)	**(134,804)**	(124,709)
Administrative expenses	22	**(180,593)**	(184,929)	**(179,762)**	(184,920)
		(732,787)	(664,784)	**(731,956)**	(664,775)
(Loss)/profit from operations		**(6,970)**	56,648	**(475)**	62,378
Share of profit of associate	8	**14,726**	13,696	-	-
Profit/(loss) before tax		**7,756**	70,344	**(475)**	62,378
Income tax expense	18(ii)	**(2,433)**	(10,616)	**(2,318)**	(10,426)
Profit/(loss) for the year		**5,323**	59,728	**(2,793)**	51,952
Other comprehensive income					
Items that may not be reclassified subsequently to profit or loss					
Remeasurement of retirement employee benefit liabilities	26(e)	**2,114**	(8,560)	**2,114**	(8,560)
Deferred tax on remeasurement of employee benefit liabilities	16	**(359)**	1,455	**(359)**	1,455
Items that may be reclassified subsequently to profit or loss					
Exchange difference arising from translation of associate operations	8	**785**	(51)	-	-
Net gain arising on revaluation of financial assets at fair value through other comprehensive income	10	**4,660**	17,707	**4,660**	17,707
Reclassification adjustments relating to available-for-sale financial assets disposed		-	(4,002)	-	(4,002)
Other comprehensive income for the year, net of tax		**7,200**	6,549	**6,415**	6,600
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**12,523**	66,277	**3,622**	58,552
Profit/(loss) attributable to:					
Equity holders of the parent		**5,171**	59,412	**(2,793)**	51,952
Non-controlling interests		**152**	316	-	-
		5,323	59,728	**(2,793)**	51,952
Total comprehensive income attributable to:					
Equity holders of the parent		**12,371**	65,961	**3,622**	58,552
Non-controlling interests		**152**	316	-	-
		12,523	66,277	**3,622**	58,552
EARNINGS PER SHARE	23	**0.65**	7.43		

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2019

	Notes	Stated capital	Property revaluation reserve	Restated* Investments revaluation reserve	Foreign currency translation reserve	Actuarial reserve	Restated* Retained earnings	Attributable to equity holders the parent	Non-controlling interests	Restated* Total equity
THE GROUP		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2017, as previously stated		80,000	64,512	26,911	2,131	(2,409)	675,119	846,264	79	846,343
Effect of prior year adjustments		-	-	51,303	-	-	(20,901)	30,402	-	30,402
At 1 July 2017, as restated		80,000	64,512	78,214	2,131	(2,409)	654,218	876,666	79	876,745
Dividends	24	-	-	-	-	-	(22,400)	(22,400)	-	(22,400)
Transfer to retained earnings	(a)	-	(787)	-	-	-	787	-	-	-
Profit for the year (Restated*)		-	-	-	-	-	59,412	59,412	316	59,728
Other comprehensive income for the year		-	-	13,705	(51)	(7,105)	-	6,549	-	6,549
Total comprehensive income for the year		-	-	13,705	(51)	(7,105)	59,412	65,961	316	66,277
At 30 June 2018		80,000	63,725	91,919	2,080	(9,514)	692,017	920,227	395	920,622
At 1 July 2018, as restated		**80,000**	**63,725**	**91,919**	**2,080**	**(9,514)**	**692,017**	**920,227**	**395**	**920,622**
Effect of adopting IFRS 9		-	-	(29,901)	-	-	29,491	(410)	-	(410)
At 1 July 2018		**80,000**	**63,725**	**62,018**	**2,080**	**(9,514)**	**721,508**	**919,817**	**395**	**920,212**
Dividends	24	-	-	-	-	-	(24,000)	(24,000)	-	(24,000)
Dividends paid to non-controlling interests								-	(98)	(98)
Profit for the year		-	-	-	-	-	5,171	5,171	152	5,323
Other comprehensive income for the year		-	-	4,660	785	1,755	-	7,200	-	7,200
Total comprehensive income for the year		-	-	4,660	785	1,755	5,171	12,371	152	12,523
At 30 June 2019		**80,000**	**63,725**	**66,678**	**2,865**	**(7,759)**	**702,679**	**908,188**	**449**	**908,636**

Note (a): The difference in the depreciation based on revalued amount and the cost of the building, net of deferred tax, is transferred from property revaluation reserve to retained earnings.

*Certain amounts here do not correspond to the 2018 and 2017 financial statements and reflect adjustments made as described in Note 39.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
For the year ended 30 June 2019

	Notes	Stated capital	Property revaluation reserve	Restated* Investments revaluation reserve	Actuarial reserve	Restated* Retained earnings	Restated* Total
THE COMPANY		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2017, as previously stated		80,000	64,512	26,911	(2,409)	627,168	796,182
Effect of prior year adjustments		-	-	51,303	-	(20,901)	30,402
At 1 July 2017, as restated		80,000	64,512	78,214	(2,409)	606,267	826,584
Dividends		-	-	-	-	(22,400)	(22,400)
Transfer to retained earnings		-	(787)	-	-	787	-
Profit for the year (Restated*)		-	-	-	-	51,952	51,952
Other comprehensive income for the year		-	-	13,705	(7,105)	-	6,600
Total comprehensive income for the year		-	-	13,705	(7,105)	51,952	58,552
At 30 June 2018		80,000	63,725	91,919	(9,514)	636,606	862,736
At 1 July 2018, as restated		**80,000**	**63,725**	**91,919**	**(9,514)**	**636,606**	**862,736**
Effect of adopting IFRS 9		-	-	(29,901)	-	29,491	(410)
At 1 July 2018		**80,000**	**63,725**	**62,018**	**(9,514)**	**666,097**	**862,326**
Dividends		-	-	-	-	**(24,000)**	**(24,000)**
Loss for the year		-	-	-	-	(2,793)	(2,793)
Other comprehensive income for the year		-	-	4,660	1,755	-	6,415
Total comprehensive income for the year		-	-	4,660	1,755	(2,793)	3,622
At 30 June 2019		**80,000**	**63,725**	**66,678**	**(7,759)**	**639,304**	**841,948**

Note (a): The difference in the depreciation based on revalued amount and the cost of the building, net of deferred tax, is transferred from property revaluation reserve to retained earnings.

*Certain amounts here do not correspond to the 2018 and 2017 financial statements and reflect adjustments made as described in Note 39.

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2019

		THE GROUP		THE COMPANY	
		2019	2018	2019	2018
	Notes		Restated*		Restated*
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Profit/(loss) before taxation		**7,756**	70,344	**(475)**	62,378
Adjustments for:		-	-	-	-
Depreciation and amortisation	5/6	**7,546**	8,033	**7,546**	8,033
Profit on sale of property, plant and equipment		-	(7)	-	(7)
Profit on sale of financial investments	21	**(2,621)**	(6,251)	**(2,621)**	(6,251)
Expected credit losses		**32**	-	**32**	-
Dividend income	19	**(11,940)**	(4,928)	**(19,057)**	(11,900)
Interest income	20	**(15,205)**	(22,333)	**(15,205)**	(22,333)
Gain on revaluation of financial investments	10	**(8,768)**	(17,297)	**(8,768)**	(17,297)
Share of profits of associates	8	**(14,726)**	(13,696)	-	-
Provision for employee benefit obligations	26 (e) (i)	**1,498**	(1,384)	**1,498**	(1,384)
Release from general insurance fund - Gross	15	**(6,112)**	(17,508)	**(6,112)**	(17,508)
Release (to)/from general insurance fund - Reinsurance	15	**32,575**	(31,229)	**32,575**	(31,229)
Operating loss before working capital changes		**(9,965)**	(36,256)	**(10,587)**	(37,498)
Decrease/(increase) in trade and other receivables		**73,301**	(211,504)	**78,288**	(210,906)
Decrease in reinsurance assets - Gross outstanding claims***	13	**(231,549)**	(491,748)	**(231,549)**	(491,748)
Increase/(decrease) in Gross outstanding claims***	13	**360,750**	545,775	**360,750**	545,775
Increase in long term incentive scheme		**1,371**	1,865	**1,371**	1,865
(Decrease)/increase in amounts due to group companies		**(3,110)**	3,110	**(3,110)**	3,110
(Decrease)/increase in trade and other payables		**(128,382)**	192,913	**(113,257)**	192,911
		72,381	40,411	**92,493**	41,007
Cash generated from operations		**62,416**	4,155	**81,906**	3,509
Interest received	20	**12,626**	16,965	**12,626**	16,965
Dividend received	19	**19,057**	11,836	**19,057**	11,836
Taxation paid	18(i)	**(12,561)**	(22,538)	**(12,282)**	(22,494)
Net cash generated from operating activities		**81,538**	10,418	**101,307**	9,816
Cash flows from investing activities					
Purchase of financial investments		**(224,870)**	(60,691)	**(224,870)**	(60,691)
Loan to subsidiary		-	-	**(40,151)**	-
Proceeds from sale of financial investments		**278,095**	73,886	**278,095**	73,886
Purchase of property, plant and equipment	5	**(117,176)**	(13,579)	**(98,037)**	(13,579)
Purchase of intangible assets	6	**(4,766)**	(3,411)	**(4,766)**	(3,411)
Proceeds from sale of property, plant and equipment		-	7	-	7
Net cash used in investing activities		**(68,717)**	(3,788)	**(89,729)**	(3,788)
Cash flows from financing activities					
Dividends paid	24	**(24,000)**	(22,400)	**(24,000)**	(22,400)
Net cash used in financing activities		**(24,000)**	(22,400)	**(24,000)**	(22,400)
Decrease in cash and cash equivalents		**(11,179)**	(15,770)	**(12,422)**	(16,372)
Cash and cash equivalents at beginning of the year		**354,478**	373,812	**353,825**	373,761
Exchange gains/(losses) on cash and cash equivalents**		**2,912**	(3,564)	**2,912**	(3,564)
Cash and cash equivalents at end of the year	25	**346,211**	354,478	**344,315**	353,825

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

**Exchange difference on cash at bank is shown in a separate line and the comparative has been restated accordingly.

***The Company has presented the movement in reinsurance assets and gross outstanding claims as two separate line items. The comparatives have also been restated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. GENERAL INFORMATION

Eagle Insurance Limited (previously known as Mauritian Eagle Insurance Company Limited) (the "Company") is a listed limited liability company incorporated and domiciled in Mauritius. The Company's registered office is situated at Eagle House, 15 Wall street Ebene, Cybercity. The Company, the subsidiary and the associates are collectively referred to as the "Group".

The Company carries out short term insurance comprising of general insurances and covers the following:

- Accident and Health;
- Engineering;
- Fire and allied perils;
- Motor;
- Transportation.

The activities of the subsidiary company are disclosed in Note 7(b).

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention except for freehold building and certain available-for-sale investments that are measured at revalued amounts or fair values, as explained in the accounting policies, and in accordance with IFRSs.

2.3 Basis of consolidation

The financial statements include the results of the Company and of its subsidiaries. The results of the subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date of acquisition or up to the date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's shareholding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Non-controlling interests in the net assets of the subsidiary are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests of changes in equity since the date of the combination. Losses applicable to the minority in excess of the non-controlling interests' in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS adopted in the year commencing 1 July 2018:

New or revised standards	Effective for accounting period beginning on or after
IFRS 9 Financial instruments	1 January 2018
IFRS 15 Revenue from Contracts with customers	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments	
Transfers of Investment Property (Amendments to IAS 40)	1 January 2018
IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss in an investment – by- investment choice	1 January 2018
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	1 January 2018
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	1 January 2018
IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters	1 January 2018

Where the adoption of the new and amended IFRSs have an impact on the financial statements of the Group, the effect of the changes is described below:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective as from 1 January 2018. IFRS 9 includes requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. The impairment requirements are significant changes in the accounting for financial instruments that have an impact on the Group.

The Group has not restated comparatives on initial application of IFRS 9 on 1 July 2018 but will provide detailed transitional disclosures in accordance with the amended requirements of IFRS 7 Financial Instruments: Disclosures. Any change in the carrying value of financial instruments upon initial application of IFRS 9 will be recognised against retained earnings.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4

The amendments address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board is developing to replace IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach.

Temporary exemption from IFRS 9

The optional temporary exemption from IFRS 9 is available to entities whose activities are predominantly connected with insurance. The temporary exemption permits such entities to continue to apply IAS 39 Financial Instruments: Recognition and Measurement while they defer the application of IFRS 9 until 1 January 2021 at the latest. Predominance must be initially assessed at the annual reporting date that immediately precedes 1 April 2016 and before IFRS 9 is implemented. Also, the evaluation of predominance can only be reassessed in rare cases. Entities applying the temporary exemption will be required to make additional disclosures.

The overlay approach is an option for entities that adopt IFRS 9 and issue insurance contracts, to adjust profit or loss for eligible financial assets; effectively resulting in IAS 39 accounting for those designated financial assets. The adjustment eliminates accounting volatility that may arise from applying IFRS 9 without the new insurance contracts standard. Under this approach, an entity is permitted to reclassify amounts between profit or loss and other comprehensive income (OCI) for designated financial assets.

An entity must present a separate line item for the amount of the overlay adjustment in profit or loss, as well as a separate line item for the corresponding adjustment in OCI.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Changes in accounting policies and disclosures (Continued)

IFRS 9 Financial Instruments (Continued)

The Group has made an assessment as to whether the Group is entitled to defer adoption of IFRS 9 until 2021. Following the assessment made at the annual reporting date that immediately precedes 1 April 2016 under the requirement of the amendments to IFRS 4, the Group determined that it will not defer adoption of IFRS 9 and consequently IFRS 9 was adopted as from 1 July 2018.

The impact of adopting IFRS 9 is disclosed below.

The nature of these adjustments is described below:

(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.

Other financial assets are measured at fair value through profit and loss. There is an option to make an irrevocable election for non-traded equity investments to be measured at fair value through other comprehensive income, in which case dividends are recognised in profit or loss but gains or losses are not reclassified to profit or loss upon derecognition and impairment is not recognised in profit or loss.

The Group has investment in quoted and unquoted equity securities which were classified as available-for-sale investments under IAS 39. These instruments are managed on a fair value basis. Consequently, these instruments are classified as financial assets at fair value through profit or loss or as fair value through other comprehensive income depending on the Group's strategy to hold these investments. Investments which are primarily held for buying and selling are classified at fair value through profit or loss while other more strategic long-term investments are classified at fair value through other comprehensive income.

Trade and other receivables (excluding prepayments, premium receivables and interest receivable), deposits and cash and cash equivalents were classified as 'Loans and receivables' as at 30 June 2018 were held to collect contractual cash flows and gave rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 July 2018. Premium receivable are within the scope of IFRS 4 for recognition and measurement and are outside the scope of IFRS 9.

The accounting for financial liabilities is largely unchanged.

(b) Impairment

IFRS 9 introduces a revised impairment model which requires entities to recognise Expected Credit Losses ('ECL') based on unbiased forward-looking information. This replaces the existing IAS 39 incurred loss model which only recognises impairment if there is objective evidence that a loss is already incurred and would measure the loss based on the most probable outcome. The IFRS 9 impairment model is applicable to all financial assets at amortised cost, lease receivables, debt instruments at fair value through other comprehensive income, loan commitments and financial guarantee contracts. This presents a change from the scope of the IAS 39 impairment model which excludes loan commitments and financial guarantee contracts (these were covered by IAS 37: Provisions, Contingent Liabilities and Contingent Assets).

The measurement of expected credit losses involves increased complexity and judgement including estimation of probabilities of default, loss given default, a range of unbiased future economic scenarios, estimation of expected lives, estimation of exposures at default and assessing increases in credit risk.

Exposures would be classified into 3 stages as follows:

Stage 1: Exposures for where a significant increase in credit risk has not occurred since origination. For these exposures a 12-months expected credit loss is recognised.

Stage 2: Exposures for which a significant increase in credit risk has occurred since origination. The Group assesses whether a significant increase in credit risk has occurred based on qualitative and quantitative drivers; as well as exposures that are more than 30 days past due contractual payment date. Lifetime expected credit losses are recognised for these assets.

Stage 3: Exposures which meet the definition of default. The Group has defined default as exposures that are more than 90 days past due, forbearance, as well as indicators that an exposure is unlikely to pay. Lifetime expected credit losses are recognized for these assets.

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment (Continued)

The revised impairment model is expected to have a material financial impact on the recognition of impairment losses going forward, as well as existing impairment provisions previously recognised in terms of the requirements of IAS 39. Impairment provisions are expected to increase from IAS 39 provisioning as a result of:

- The removal of the emergence period that was necessitated by the incurred loss model of IAS 39. All stage 1 assets will carry a 12-months expected credit loss provision. This differs from IAS 39 where unidentified impairments were typically measured with an emergence period of between 3 to 12 months;
- The provisioning for lifetime expected credit losses on stage 2 assets; where some of these assets would not have attracted a lifetime expected credit loss measurement per IAS 39;
- The implementation of a default definition for exposures that are more than 90 days past due, as well as for certain indicators that an exposure or obligor is unlikely to pay;
- The inclusion of forecasted macroeconomic scenarios into the expected credit losses of a portfolio;
- The inclusion of expected credit losses on items that typically would not have been impaired under IAS 39, such as loan commitments.

A reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9 is set out in Note 4 Transition Disclosures.

IFRS 15 Revenue from contracts with customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IFRS 15 using the modified retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Group did not apply any of the other available optional practical expedients.

The adoption of IFRS 15 did not have an impact as the Group's principal source of revenue arise from insurance contracts which falls under IFRS 4. The Group's other income are not significant.

2.5 Accounting Standards and Interpretations issued but not yet effective

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Group has not early adopted them. The Group intends to adopt these standards, amendments and interpretation when they become effective.

New or revised standards	Effective for accounting period beginning on or after
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance Contracts	1 January 2022
Amendments	
Prepayment Features with Negative Compensation - Amendments to IFRS 9	1 January 2019
Long-term Interests in Associates and Joint Ventures - Amendments to IAS 28	1 January 2019
IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity	1 January 2019
IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation	1 January 2019
IAS 19-Plan Amendment, Curtailment or Settlement	1 January 2019
IFRS 11 - Joint Arrangements - Previously held interests in joint operation	1 January 2019
IFRS 3 Business Combinations - Previously held interests in a joint operation	1 January 2019
The Conceptual Framework for Financial Reporting	1 January 2020
IFRS 3 - Definition of a Business	1 January 2020
IAS 1 and IAS 8-Definition of Material	1 January 2020

The above standards issued and amendments to existing standards issued but not effective that are expected to have an impact on the Group are listed below:

IFRS 16 Leases

The IASB has redrafted this new leasing standard that would require lessees to recognise assets and liabilities for most leases. Lessees applying IFRS would have a single recognition and measurement model for all leases (with certain exemptions). Lessors applying IFRS would classify leases using the principle in IAS 17; in essence, lessor accounting would not change. The IASB and the FASB have made different decisions about lease classification and the recognition, measurement and presentation of leases for lessees and lessors.

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Accounting Standards and Interpretations issued but not yet effective (Continued)

IFRS 16 Leases (Continued)

The Group has made a preliminary assessment of the impact of this new standard and will adopt the standard on its effective date. The expected impact is as follows:

Asset type	Expected right of use Rs.	Lease liability Rs.
Building	850,588	850,588

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short - duration which typically applies to certain non-life insurance contracts.

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

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, Re-measured every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period ;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet;
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Group plans to adopt the new standard on the required effective date.

The Group expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Group and is likely to have a significant impact on profit and total equity together with presentation and disclosure. The Group is currently assessing the impact of IFRS 17 on its financial statements.

Definition of a Business-Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendment is applied prospectively, and the entity is not expecting an impact.

Definition of Material-Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Accounting Standards and Interpretations issued but not yet effective (Continued)

IFRS 17 Insurance Contracts (Continued)

Impact

Although the amendments to the definition of material is not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

The Conceptual Framework for Financial Reporting

The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards.

The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

2.6 Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the revalued property does not differ materially from its carrying amount at the reporting date.

Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

An annual transfer from the property revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Other plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.7 Depreciation

Depreciation on revalued property is recognised in profit or loss and the surplus on the revalued property is transferred annually from property revaluation reserve to retained earnings. The amount transferred is computed on the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset's original cost.

No depreciation is provided on furniture and equipment under renovation work-in-progress, until the project has been completed or intended for use. Depreciation on property, plant and equipment is recognised so as to write off the cost or revalued amount of the assets less their residual values over their useful lives, using the straight-line method as follows:

Building	2.50%
Furniture and equipment	20.00%
Computer equipment	33.33%
Motor vehicles	16.67%

2.8 Intangible asset and amortisation

(a) Goodwill

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible asset and amortisation (Continued)

(b) Computer software

Computer software is stated at cost less accumulated amortisation. Amortisation of computer software is calculated to write off its cost on a straight line basis over its estimated useful life of 3 to 6 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.9 Investment in subsidiary

In the Company's financial statements, investment in subsidiary was stated at cost. The carrying amount is reduced if there is any indication of impairment in value.

2.10 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control over these policies.

Investments in associates are accounted for at cost in the company's account and under the equity method in the Group accounts. The Group's share of the associates' profit or loss and other comprehensive income for the year is recognised in the statement of profit or loss and other comprehensive income and the Group's interest in the associates are carried in the statement of financial position at an amount that reflects its share of the net assets of the associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associates recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of profit or loss and other comprehensive income.

Where the Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

2.11 Financial assets

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in the Statement of profit or loss.

Initial recognition and measurement

- Policy applicable as from 1 July 2018

Financial assets are classified at initial recognition as measured at amortised cost, fair value through profit or loss ("FVTPL"), and fair value through other comprehensive income ("OCI").

This classification depends on whether the financial asset is a debt or equity investment. The following table shows the classification of the different types of financial assets:

Classification	Type of financial assets included
Fair value through profit or loss	Quoted and unquoted securities
Fair value through other comprehensive income	Quoted securities, unquoted securities
Amortised cost	Deposits, corporate bonds, government bonds, treasury bills, and treasury notes

Financial assets at amortised cost

The Group only measures debts investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

If either of the two criteria above is not met, the debt instrument is classified as 'fair value through profit or loss. The Group has not designated any debt investment measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Initial recognition and measurement (Continued)

. Policy applicable as from 1 July 2018 (Continued)

Financial assets at amortised cost (Continued)

A gain or loss on a debt investment that is subsequently measured at amortized cost is recognised in profit or loss when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method. Interest revenue shall be calculated by using the effective interest method.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has not reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Financial assets through other comprehensive income

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Impairment gains and losses and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

For all other equity investments not classify as fair value through profit or loss, the Group can make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. Where the Group's management has elected to present unrealized and realised fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

Financial assets through profit or loss

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in profit or loss and presented as part of 'realised gains/losses- net' in the period in which they arise.

Interest and dividend income or expense is recorded in profit or loss according to the terms of the contract, or when the right to payment has been established.

. Policy applicable before 1 July 2018

Financial assets are classified into the following specified categories: 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Under section 24 of the Insurance Act 2005, the Company is required to maintain a deposit pledged in favour of the Financial Services Commission and statutory obligations are excluded from financial assets or liabilities as per IAS 32.AG12.

Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Bonds and debentures are classified as held-to-maturity investments are recorded at amortised cost using the effective interest method, less any impairment, with interest recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) though the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income and accumulated in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is transferred to profit or loss for the year.

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Initial recognition and measurement (Continued)

. Policy applicable before 1 July 2018 (Continued)

AFS financial assets (Continued)

Available-for-sale investments which do not have a quoted market price and whose fair value cannot be reliably measured, are carried at cost, less any impairment loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash and other loans, amounts due from group companies, claims recoverable from reinsurers and finance lease receivables) are measured at amortised cost using the effective interest method, less any impairment. Trade receivables originated by the the Group are stated at cost less provision for doubtful debts. An estimate of doubtful debts is made based on a review of all outstanding amounts at end of the reporting period. Debts are written off during the year in which they are identified. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition

. Policy applicable before and after 1 July 2018

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

. The rights to receive cash flows from the asset have expired;

. The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;

. The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

. Policy applicable as from 1 July 2018

Financial assets carried at amortised cost

Overview of the ECL principles

As described in Note 2.4, the adoption of IFRS 9 has changed the Group's loan loss impairment method by replacing IAS 39's incurred loss approach with a forward-looking ECL approach. From 1 January 2018, the Group has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit loss expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLsare calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment at the end of each reporting period of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 4 Transition Disclosures. Based on the above process the Group groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs.Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs.

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Impairment of financial assets (Continued)

. Policy applicable as from 1 July 2018 (Continued)

Financial assets carried at amortised cost (Continued)

Overview of the ECL principles (Continued)

The calculation of ECLs

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the Effective Interest Rate ("EIR"). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio;
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments;
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth;
- Unemployment rates.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

. Policy applicable before 1 July 2018

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 80 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Impairment of financial assets (Continued)

. Policy applicable before 1 July 2018 (Continued)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss 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. In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

2.12 Financial liabilities

Financial liabilities are classified as 'Other financial liabilities'.

Other financial liabilities (including trade and other payables, loans, deposits from customers and gross outstanding claims) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

. Policy applicable before and after 1 July 2018

Financial liabilities are classified as financial liabilities at fair value through profit or loss or loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Initial recognition and measurement

Subsequent measurement

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate "EIR" method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

2.13 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the the Group are recognised at the proceeds received, net of direct issue costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is charged to the statement of profit or loss.

2.15 Provision for unearned premiums

The provision for unearned premiums represents that part of the written premiums on short-term insurance contracts, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. Unearned premiums are computed on $1/24^{th}$ method. The change in the provision is recorded in the statement of profit or loss and other comprehensive income to recognise revenue over the period of the risk. The provision is transferred to or released to the General Insurance Fund. The provision is derecognised when the contract expires, is discharged or cancelled.

2.16 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods but it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

2.17 Retirement benefits obligations

Defined benefit pension plan

The Company contributes to a defined benefit pension plan operated by its holding company, IBL Ltd. Contributions to the pension plan are charged to the statement of profit or loss and other comprehensive income in the period in which they fall due.

State plan and defined contribution pension plan

Contributions to the National Pension Scheme and defined contribution pension plan are expensed to the statement of profit or loss and other comprehensive income in the period in which they fall due.

Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated by Swan Life Ltd and provided for. The obligations arising under this item are not funded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Outstanding claims

Outstanding claims represent the estimated liability for claims reported plus losses incurred but not yet reported and the related loss adjustment expenses. Claims and loss adjustment expenses are charged to the statement of profit or loss and other comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The liability for losses and loss adjustment expenses is determined using "case basis" evaluations and statistical analysis and represents an estimate of the ultimate cost of all losses incurred but not paid at the end of the reporting period. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid losses and loss adjustment expenses is adequate. These estimates are continually reviewed and adjusted as necessary, such adjustments are reflected in current operations.

2.19 Salvage and subrogation reimbursements

Some insurance contracts permit the company to sell property acquired in settling a claim (i.e. Salvage). The Company may also have the right to sue third parties for payment of some or all the costs incurred (i.e subrogation). Estimate of salvage recoveries are included as allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled.

2.20 Liability adequacy

At the end of each reporting period the Company performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flows (including claims handling and related costs), taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense to the statement of profit or loss and other comprehensive income by recognising an additional liability for claims provisions or recognising a provision for unexpired risks.

2.21 Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.22 General insurance fund

The general insurance fund represents the portion of premiums written on short-term insurance contracts relating to periods of insurance risks subsequent to the reporting date. Unearned premiums are computed on $1/24^{th}$ method. The movement on the provision is taken to profit or loss. The provision is derecognized when the contract expires, is discharged or cancelled.

2.23 Revenue recognition

General business

Gross premiums on general business are earned on a pro-rata basis over the term of the policy coverage. The movement on the provision for unearned premiums is transferred to the general insurance fund based on the $1/24^{th}$ method. Premiums are shown gross of commission.

Marine business

Gross premium on marine business are accounted for on an underwriting year basis and the net surplus is transferred to the general insurance fund to be released to the statement of profit or loss and other comprehensive income at the end of a period of three years. As from July 01, 2018, gross premium on marine business are accounted in the same manner as for the other classes of business described above. The change in accounting policy has been accounted retrospectively and the comparatives have therefore been restated. Refer to Note 39.

Other revenues

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

- Dividend income is recognised when the shareholder's right to receive payment is established;
- Commission income from reinsurers is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Profit commission from reinsurers is recognised on an accrual basis;
- Interest income on deposits is recognised on a time basis using effective interest method.

2.24 Reinsurance

The Group enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

The Group enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

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

2. SUMMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Reinsurance (CONTINUED)

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance or investment contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take into account of reinsurance.

Reinsurance assets are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income. The asset is impaired if objective evidence is available to suggest that it is probable that the Group will not be able to collect the amounts due from reinsurers.

Gains and losses on buying reinsurance are recognised in income at the date of purchase and are not amortised.

2.25 Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.26 Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits with the immediate holding company. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.27 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing at the end of each reporting period.

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in the statement of profit or loss and other comprehensive income. For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Mauritian rupees using exchange rates prevailing at the end of each reporting period. Their results for the period are translated into Mauritian rupees at average exchange rates for the period. The exchange differences arising from translation of the foreign operations are taken to the Group's translation reserve.

2.28 Related parties

Parties are considered to be related if they have the ability, directly or indirectly, to control or exercise significant influence over the the Group or the Company in making financial and operating decisions, or vice versa, or where the Group or the Company is subject to common significant influence. Related parties may be individuals or other entities.

2.29 Expenses

Expenses are recognised on accruals basis in the statement of profit or loss and other comprehensive income.

2.30 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

Estimates and judgements are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant under the circumstances.

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:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

3.1 Insurance contracts

The uncertainty inherent in the financial statements of the Group arises mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Group applies estimation techniques to determine the appropriate provisions.

These estimates are described below.

The estimation of ultimate liability arising from the claims made under insurance contracts is one of the Group's most critical accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Group will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the reporting date. The Group uses a range of actuarial methodologies to estimate these provisions. Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Group and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modeled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

The Group adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved. Refer to Note 13 Gross Outstanding Claims.

3.2 Provision for expected credit losses

As disclosed in the accounting policies, the ECL calculation requires the use of significant estimates to calculate the probability of default, the exposure at default and the loss given default. These require estimation of the likelihood of default over a certain time horizon, the estimate of exposure of future default dates and estimates of the loss arising in the case where a default occurs at a given time. In its ECL models, the Company relies on a broad range of information, such GDP growth and unemployment rates. Refer to Note 4 Transition Disclosures.

3.3 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 38 Fair Value Measurements.

3.4 Useful lives, residual values and revaluation of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment. Refer to Note 5 Property, Plant and Equipment.

3.5 Revaluation of land and buildings

The buildings are measured at fair value based on periodic valuations by external independent valuers and as estimated by the directors and management based on reference to their knowledge on the current market evidence of transaction prices for similar properties. In arriving at the valuation, assumptions and economic estimates have to be made. The actual results could differ from their estimates and the directors and management consider they have used their best estimates to arrive at fair value of the properties. Refer to Note 5 Property, Plant and Equipment.

3.6 Recoverable amount on insurance and other receivables

In preparing those consolidated financial statements, the directors have made estimates of the recoverable amounts of insurance and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involves an assessment of the financial condition of the debtors concerned and estimate of the timing and the extent of cash flows likely to be received by the Group. Refer to Note 11 Trade and other receivables and Note 12, and 13.

4. TRANSITION DISCLOSURES

4.1 The following sets out the impact of adopting IFRS 9 on the statement of financial position, and retained earnings including the effect of credit loss calculations with IFRS 9's ECLs.
A reconciliation between the carrying amounts under IFRS 9 (excluding ECL) to the balances reported under IFRS 9 (including ECL) as of 1 July 2018 is, as follows:

THE GROUP AND THE COMPANY

	IAS 39 measurement		Remeasurement		IFRS 9	
In Rs 000's	Category	Amount	ECL	Other	Amount	Category
Financial assets						
Quoted equity securities	Available-for-sale	112,637			112,637	FVOCI
Unquoted equity securities	Available-for-sale	102,937			102,937	FVOCI
Quoted equity securities	Available-for-sale	10,485			10,485	FVTPL
Unquoted equity securities	Available-for-sale	245,881			245,881	FVTPL
Quoted debt instruments	Held-to-maturity	26,840			26,840	Amortised cost
Unquoted debt instruments	Loans and receivables	185,147	(410)		184,737	Amortised cost
Total financial assets		683,927	(410)	-	683,517	

4.2 The impact of transition to IFRS 9 on retained earnings is, as follows:

	Retained earnings	
In Rs 000's	THE GROUP	THE COMPANY
Retained earnings		
Closing balance under IFRS 9 (30 June 2018)	**701,027**	**645,616**
Recognition of IFRS ECLs including those measured at Amortised Cost (see above)	**(410)**	**(410)**
Reclassification from investment revaluation reserves to retained earnings	**29,901**	**29,901**
Opening balance under IFRS 9 (1 July 2018)	**730,518**	**675,107**
Total change in retained earnings due to adopting IFRS 9	**29,491**	**29,491**
Total change in equity due to adopting IFRS 9	**(410)**	**(410)**

4.3 The following table reconciles the aggregate opening loss provision allowances under IAS 39 to the ECL.

In Rs 000's	Provision under IAS 39 at 30 June 2018	Re-measurement	ECLs under IFRS 9 at 1 July 2018
Impairment allowance for			
Debt Instruments at amortised cost under IFRS 9	-	410	410

* This relates to reclassification of available for sale investments to financial assets at through profit or loss.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold building	Furniture and equipment	Computer equipment	Motor vehicles	Work-in-progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost or valuation						
At 1 July 2017	118,250	26,890	19,306	638	-	165,084
Additions	-	5	1,724	-	69,680	71,409
Disposal	-	-	(59)	-	-	(59)
Reclassification to assets held-for-sale (Note 31)	(118,250)	(26,895)	-	-	-	(145,145)
At 30 June 2018	-	-	20,971	638	69,680	91,289
Additions	67,759	44,585	4,832	-	-	117,176
Reclassification	69,680	-	-	-	(69,680)	-
At 30 June 2019	**137,439**	**44,585**	**25,803**	**638**	**-**	**208,465**
Accumulated depreciation						
At 1 July 2017	-	21,805	17,271	204	-	39,280
Charge for the year	833	1,024	1,504	98	-	3,459
Disposal	-	-	(59)	-	-	(59)
Reclassification to assets held-for-sale (Note 31)	(833)	(22,829)	-	-	-	(23,662)
At 30 June 2018	-	-	18,716	302	-	19,018
Charge for the year			1,836	98	-	1,934
At 30 June 2019	**-**	**-**	**20,552**	**400**	**-**	**20,952**
Net book value						
At 30 June 2019	**137,439**	**44,585**	**5,251**	**238**	**-**	**187,513**
At 30 June 2018	-	-	2,255	336	69,680	72,271

Notes relating to both the Group and the Company:

(i) The last revaluation of freehold building was performed in year ended 30 June 2017 by an independent valuer, Gexim Real Estate Ltd, Chartered Valuation Surveyors whose valuation is in accordance with the RICS Valuation Standards. The revaluation surplus of Rs.36,431,000 for the Group and the Company were credited to other comprehensive income in revaluation reserve.

During the year ended 30 June 2018, freehold building, furniture and equipment were reclassified as assets held-for-sale. Refer to note 31.

(ii) The work-in-progress at the beginning of the year relates to payments made in respect of the acquisition of a building at Ebene by the Company and by one of its subsidiary. During the year, the work-in-progress has been reclassified to freehold building following payment of the full purchase price and taking of ownership by the Group.

(iii) None of the property, plant and equipment of the Group were pledged as at 30 June 2019 and 2018.

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Freehold building	Furniture and equipment	Computer equipment	Motor vehicles	Work-in-progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost or valuation						
At 1 July 2017	118,250	26,890	19,306	638	-	165,084
Additions	-	5	1,724	-	53,680	55,409
Disposal	-	-	(59)	-	-	(59)
Reclassification to assets held-for-sale (Note 31)	(118,250)	(26,895)	-	-	-	(145,145)
At 30 June 2018	-	-	20,971	638	53,680	75,289
Additions	48,620	44,585	4,832	-	-	98,037
Reclassification	53,680	-	-	-	(53,680)	-
At 30 June 2019	**102,300**	**44,585**	**25,803**	**638**	**-**	**173,326**
Accumulated depreciation						
At 1 July 2017	-	21,805	17,271	204	-	39,280
Charge for the year	833	1,024	1,504	98	-	3,459
Disposal	-	-	(59)	-	-	(59)
Reclassification to assets held-for-sale (Note 31)	(833)	(22,829)	-	-	-	(23,662)
At 30 June 2018	-	-	18,716	302	-	19,018
Charge for the year	-	-	1,836	98	-	1,934
At 30 June 2019	**-**	**-**	**20,552**	**400**	**-**	**20,952**
Net book value						
At 30 June 2019	**102,300**	**44,585**	**5,251**	**238**	**-**	**152,374**
At 30 June 2018	-	-	2,255	336	53,680	56,271

6. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY	
	Goodwill	Computer Software	Total	Computer Software	Total
Cost	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2017	993	46,160	47,153	46,160	46,160
Additions	-	3,411	3,411	3,411	3,411
At 30 June 2018	993	49,571	50,564	49,571	49,571
Additions	-	4,766	4,766	4,766	4,766
At 30 June 2019	**993**	**54,337**	**55,330**	**54,337**	**54,337**
Accumulated amortisation					
At 1 July 2017	-	28,547	28,547	28,547	28,547
Charge for the year	-	4,574	4,574	4,574	4,574
At 30 June 2018	-	33,121	33,121	33,121	33,121
Charge for the year	-	5,612	5,612	5,612	5,612
At 30 June 2019	**-**	**38,733**	**38,733**	**38,733**	**38,733**
Net book value					
At 30 June 2019	**993**	**15,604**	**16,597**	**15,604**	**15,604**
At 30 June 2018	993	16,450	17,443	16,450	16,450

The estimated remaining useful life of computer softwares ranges from 1 to 6 years for 2019 (2018: 1 to 6 years).

Goodwill has been allocated to the general business segment for impairment testing purposes of cash generating units (CGU's). The directors have reviewed the carrying amount of the goodwill allocated to the CGU and they are of the opinion that the goodwill is not impaired at reporting date.

7. INVESTMENT IN SUBSIDIARY

	THE COMPANY	
	2019	2018
	Rs'000	Rs'000
(a) Unquoted investment at cost, less impairment		
At 1 July	**1,100**	1,000
Additions	**-**	100
At 30 June	**1,100**	1,000

(b) Details of subsidiaries at end of reporting period

Name of subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by The Group	
			2019	2018
Speciality Risk Solutions Ltd	Provision of anxilliary insurance services	Mauritius	**70%**	70%
Eagle Investment Property Ltd	Rental of property	Mauritius	**100%**	100%

(c) There was no non-wholly owned subsidiary that has material non-controlling interest as at 30 June 2019 and 2018.

8. INVESTMENT IN ASSOCIATE

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Unquoted investment				
At 1 July	**62,891**	56,218	**6,313**	6,313
Share of post tax profit	**14,726**	13,696	-	-
Dividend	**(6,888)**	(6,972)	-	-
Translation difference	**785**	(51)	-	-
At 30 June	**71,515**	62,891	**6,313**	6,313

(b) Details of the associate at end of reporting period

Name of associate	Year end	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by The Group 2019	2018
H Savy Insurance Company Ltd	30 June	General and life insurance business	Seychelles	20%	20%

The activities of the above associate is strategic to the Group's activities and is accounted for using the equity method.

(c) Summarised financial information in respect of the associate is set out below:-

	H Savy Insurance Company Ltd	
	2019	2018
	Rs'000	Rs'000
Current assets	**602,634**	556,753
Non-current assets	**116,860**	111,435
Current liabilities	**(100,968)**	(113,723)
Non-current liabilities	**(260,953)**	(240,008)
Equity attributable to owners of the Company	**357,573**	314,457

	2019	2018
	Rs'000	Rs'000
Revenue	**516,195**	451,737
Profit from continuing operations	**73,632**	68,481
Total comprehensive income for the year	**73,632**	68,481
Dividend received from associate	**6,888**	6,972

Reconciliation of summarised information from management accounts to the carrying amount of the interest in associate recognised in the consolidated financial statements.

	H Savy Insurance Company Ltd	
	2019	2018
	Rs'000	Rs'000
Net assets of the associate	357,573	314,457
Proportion of the ownership interest in the associate	20%	20%
Carrying amount of the interest in the associate	71,515	62,891

9. STATUTORY DEPOSITS

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At 1 July & June 30,	8,000	8,000
Analysed as:		
Non-current	8,000	8,000
Current	-	-
	8,000	8,000

(i) The statutory deposits are pledged in favour of the Financial Services Commission.
(ii) The statutory and other deposits earn interest at rates varying from 2.68% to 3.5% per annum (2018: 2.68% to 3.5% per annum) with maturity dates varying from 2019 to 2020.

10. FINANCIAL INVESTMENTS

	THE GROUP AND THE COMPANY		
	Available-for-sale securities	**Held-to-maturity**	**Total**
	2018	**2018**	**2018**
	Restated*	**Restated***	**Restated***
	Rs'000	**Rs'000**	**Rs'000**
At 1 July 2017, as previously stated	408,588	217,276	625,864
Effect of prior year adjustments	51,303	-	51,303
At 1 July 2017, as restated	459,891	217,276	677,167
Additions	55,533	11,186	66,719
Disposals	(37,666)	(40,000)	(77,666)
Change in fair value	17,710	(3)	17,707
At 30 June	495,468	188,459	683,927
Net proceeds on disposals	39,914	40,000	79,914
Quoted investments	126,720	26,474	153,194
Unquoted investments	344,548	186,185	530,733
	471,268	212,659	683,927
Analysed as follows:			
Current assets	126,901	41,025	167,926
Non-current assets	456,007	59,994	516,001
	582,908	101,019	683,927

	THE GROUP AND THE COMPANY		
	Quoted	**Unquoted**	**Total**
Available-for-sale and Held-to-maturity	**2019**	**2019**	**2019**
	Rs'000	**Rs'000**	**Rs'000**
At 1 July,	153,194	530,734	683,927
Reclassification to financial assets at fair value through other comprehensive income	(115,277)	(100,298)	(215,574)
Reclassification to financial assets at fair value through profit or loss	(11,444)	(244,922)	(256,366)
Reclassification to Financial Assets measured at amortised cost	(26,473)	(185,514)	(211,987)
At 30 June	-	-	-

(i) In the previous financial year, unquoted investments in the forms of debentures, bank bonds and structured notes were incorrectly classified under held-to-maturity investments instead of loans and receivables. The classification however did not have an impact on the measurement of these financial assets. Interest rate varied from 4.6% to 8% (2018: 4.6% to 8%).

(ii) Available-for-sale financial assets comprised of quoted and unquoted securities and units. The fair value of quoted and unquoted securities is based on the Stock Exchange prices and the net asset value based on brokers' statement at the close of business at the end of the reporting period respectively.

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

10. FINANCIAL INVESTMENTS (CONTINUED)

The breakdown of fair value measurements is shown in Note 40.

	THE GROUP AND THE COMPANY 2019 Rs'000
At 1 July	683,927
Additions	186,492
Interest	2,989
Disposals	(266,095)
Change in fair value	12,551
Expected credit losses	(443)
At 30 June	619,422

Note: An amount of Rs38M has been reclassified from additions to cash and cash equivalents, being short-term deposits.

Analysed as follows:	THE GROUP AND THE COMPANY 2019 Rs'000
Financial assets at fair value through other comprehensive income (Note 10(a))	238,367
Financial assets at fair value through profit or loss (Note 10(b))	220,072
Debt at amortised cost (Note 10(c))	160,983
	619,422
Quoted	149,824
Unquoted	469,598
	619,422

(a) Financial assets at fair value through other comprehensive income

Analysed as follows:	THE GROUP AND THE COMPANY 2019 Rs'000
Reclassification from available-for-sale	214,902
Reclassification from held-to-maturity	672
Additions	26,463
Disposals	(8,322)
Change in fair value	4,660
Expected credit loss	(8)
At 30 June	238,367

10. FINANCIAL ASSETS (CONTINUED)

(a) Financial assets at fair value through other comprehensive income (Continued)

	THE GROUP AND THE COMPANY 2019 Rs'000
Analysed as follows:	
Equity instruments:	
Quoted equity securities	112,637
Unquoted equity securities	112,769
	225,406
Debt instruments:	
Quoted Debt instruments (Refer to 10 (a)(i) below)	-
Unquoted Debt instruments (Refer to 10 (a)(i) below)	12,961
	12,961
Total financial assets at fair value through other comprehensive income	238,367
Fair value movement	
Equity instrument	4,755
Debt instrument	(95)
	4,660

(i) Debt instruments at fair value through other comprehensive income

	THE GROUP AND THE COMPANY 2019 Rs'000
Government debt securities	12,969
Corporate Bonds	-
	12,969
Less: Allowance for credit loss	(8)
	12,961

The table below shows the credit quality and the maximum exposure to credit risk based on external credit rating for the instruments and year-end stage classification. The amounts presented are gross of impairment allowances. The Company uses external grading system and policies on whether ECL allowances are calculated on an individual or collective basis. The Company uses external rating agencies grading such as S&P and Moody's, ranging from BBB- to BB+ as indication for classification of the debt instruments into stages and to calculate the expected credit losses on those instruments.

	THE GROUP AND THE COMPANY			
	2019			
External rating grade Performing	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
High grade	12,969	-	-	12,969
Standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	12,969	-	-	12,969

10. FINANCIAL INVESTMENTS (CONTINUED)

(a) Financial assets at fair value through other comprehensive income (Continued)

(ii) Impairment losses on financial investments subject to impairment assessment

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	THE GROUP AND THE COMPANY			
	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at 1 July	-	-	-	-
New asset purchased	12,969	-	-	12,969
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amortisation adjustments	-	-	-	-
At June 30,	12,969	-	-	12,969

	THE GROUP AND THE COMPANY			
	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at 1 July,	-	-	-	-
New assets purchased	(8)	-	-	(8)
Assets derecognised or matured (excluding write offs)	-	-	-	-
Impact of net- remeasurement of year end ECL	-	-	-	-
At June 30,	(8)	-	-	(8)

(b) Financial assets at fair value through profit or loss

	THE GROUP AND THE COMPANY
	2019
	Rs'000
Reclassification from available-for-sale	256,366
Additions	72,150
Disposals	(115,876)
Fair value adjustments	7,432
At 30 June	220,072
Analysed as follows:	
Local - Listed	6,876
Others	213,196
Total financial assets at fair value through profit or loss	220,072
Analysed as follows:	
Non-current	220,072
Current	-
	220,072
Quoted	10,485
Unquoted	209,587
	220,072

10. FINANCIAL INVESTMENTS (CONTINUED)

(c) Debt at amortised cost

	Total
	2019
	Rs'000
Reclassification from held-to-maturity	211,987
Additions	87,593
Expected credit losses	(434)
Interest	3,753
Disposals	(141,916)
At 30 June	160,983

	THE GROUP AND THE COMPANY
	2019
	Rs'000
Government debt securities	8,950
Corporate Bonds and Fixed Deposits	152,468
	161,418
Less: Allowances for credit loss	(435)
Total debt instruments at amortised costs	160,983
Analysed as follows:	
Quoted	26,840
Unquoted	134,143
	160,983

The table below shows the credit quality and the maximum exposure to credit risk based on external credit rating for the instruments and year-end stage classification. The amounts presented are gross of impairment allowances. The Company uses external grading system and policies on whether ECL allowances are calculated on an individual or collective basis. The Company uses external rating agencies grading such as S&P and Moody's, ranging from BBB- to BB+ as indication for classification of the debt instruments into stages and to calculate the expected credit losses on those instruments.

	THE GROUP AND THE COMPANY			
	2019			
External rating grade Performing	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
High grade				-
Standard grade	8,950	-	-	8,950
Past due but not impaired	152,033	-	-	152,033
Non-performing				
Individually impaired	-	-	-	-
Total	160,983	-	-	160,983

10. FINANCIAL INVESTMENTS (CONTINUED)

(c) Debt instruments at amortised cost (Continued)

Impairment losses on financial investments subject to impairment assessment

Debt instrument measured at amortised cost

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	THE GROUP AND THE COMPANY			
	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at July 1,	211,987			211,987
New asset purchased	87,593			87,593
Assets derecognised or matured (excluding write-offs)	(141,916)			(141,916)
Transfer to Stage 1				-
Transfer to Stage 2				-
Transfer to Stage 3				-
Amortisation adjustments	3,754			3,754
At June 30,	161,418	-	-	161,418

	THE GROUP AND THE COMPANY			
	2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at July 1,	(410)	-	-	(410)
New assets purchased	(156)	-	-	(156)
Assets derecognised or matured (excluding write offs)	255	-	-	255
Impact of net- remeasurement of year end ECL	(124)	-	-	124
At June 30,	(435)	-	-	(435)

There were no transfers between stages during the year as there was no observed deterioration in credit risks on any of the instruments in the portfolio.

11. INSURANCE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2019	2018 Restated*	2019	2018 Restated*
	Rs'000	Rs'000	Rs'000	Rs'000
Insurance receivables	365,670	476,408	359,826	475,552
Amounts due from reinsurers	106,736	108,260	106,736	108,260
Recoverables from third party insurers	123,597	106,399	123,597	106,399
Other receivables	35,684	13,921	35,684	13,920
	631,687	704,988	625,843	704,131

11. INSURANCE AND OTHER RECEIVABLES (CONTINUED)

The average collection period on sales of insurance premiums of the Company is 119 days (2018: 134 days) and the average credit period on sales of insurance premiums is 90 days (2018: 90 days). No interest is charged on the trade receivables from the date the debit note is issued.

The amounts due from reinsurance companies are recoverable on a period ranging from a monthly to a quarterly basis. The amount due by third party insurers are recoverable following final settlement of claims negotiations.

Before accepting any new customer, the Company's credit control department assesses the potential customer's credit quality and defines terms and credit limits for the customer. Of the trade receivables balance at the end of the year, Rs.38.6m (2018: Rs.32.3m) is due by the ultimate holding company, IBL Ltd, the Company's largest customer and there are no customers who represent more than 10% of the total balance of trade receivables.

	THE GROUP AND THE COMPANY	
	2019	2018 Restated*
	Rs'000	Rs'000
Ageing of past due but not impaired:		
30-90 days	45,850	67,165
91-180 days	51,676	143,690
181-270 days	39,397	111,957
Over 270 days	42,707	17,889
	179,630	340,701

Movement in the allowance for doubtful debt

	THE GROUP		THE COMPANY	
	2019	2018 Restated*	2019	2018 Restated*
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	32,545	10,333	32,545	10,333
Provision for impairment losses recognised on receivables (Note 22)	25,066	23,285	25,066	23,285
Receivables written off as uncollectible	(9,757)	(1,052)	(9,757)	(1,052)
Receivables recovered during the year	-	(21)	-	(21)
At 30 June	47,854	32,545	47,854	32,545

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk relating to trade receivable is limited due to the customer base being large and unrelated. The impairment losses recognised on specific trade receivables are the difference between the carrying amount and the present value of expected proceeds. The Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Other receivables comprise mainly deposits and prepayments.

Age of impaired receivables

	THE GROUP		THE COMPANY	
	2019	2018 Restated*	2019	2018 Restated*
	Rs'000	Rs'000	Rs'000	Rs'000
Carrying amount-Over 1 year	47,854	32,545	47,854	32,545

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

12. AMOUNTS DUE FROM GROUP COMPANIES

Age of impaired receivables

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loan to subsidiary company (i)	-	-	**40,152**	-
Amount due from ultimate holding company	**406**	-	**406**	-
Deposit with ultimate holding company (Note 29) / (ii)	-	223,765	-	223,765
	406	223,765	**40,558**	223,765

(i) During the year the company granted a loan to one of its subsidiary Eagle Investment Property Limited amounted to Rs40,152,732 bearing a fixed interest rate of 3.5% for a period of 35 years.

(ii) The amount due from the ultimate holding company was unsecured and does not have fixed terms of repayment. The rate of interest varied between 3.19% to 3.38% for 2018.
The deposit is granted for the purpose of meeting working capital requirements.

13. GROSS OUTSTANDING CLAIMS

	2019			2018		
				Restated*	Restated*	
THE GROUP AND THE COMPANY	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Claims notified	**1,182,694**	**(778,480)**	**404,214**	681,385	(329,173)	352,212
Claims incurred but not reported	**205,387**	**(121,991)**	**83,396**	160,921	(79,550)	81,371
At 1 July	**1,388,081**	**(900,471)**	**487,610**	842,306	(408,723)	433,583
Claims incurred	**1,048,889**	**(538,609)**	**510,280**	1,141,907	(714,686)	427,221
Cash (paid)/received for claims settled in the year	**(688,139)**	**307,061**	**(381,078)**	(596,132)	222,938	(373,194)
At 30 June	**1,748,831**	**(1,132,019)**	**616,812**	1,388,081	(900,471)	487,610
Analysed as:						
Claims notified	**1,504,815**	**(981,849)**	**522,966**	1,182,694	(778,480)	404,214
Claims incurred but not reported	**244,016**	**(150,170)**	**93,846**	205,387	(121,991)	83,396
	1,748,831	**(1,132,019)**	**616,812**	1,388,081	(900,471)	487,610
Movement during the year recognised in profit and loss	360,750	(231,548)	129,202	545,775	(491,748)	54,027

14. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Issued and fully paid		
7,999,998 ordinary shares of Rs10 each	**80,000**	80,000

The issued and fully paid shares carry one vote per share and a right to dividend.
*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

15. GENERAL INSURANCE FUND

	THE GROUP AND THE COMPANY		
	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000
Balance at 1 July 2017, as previously stated	424,107	(62,928)	361,179
Prior year adjustment	109,255	(166,018)	(56,763)
Balance at 1 July 2017, as restated	533,362	(228,946)	304,416
Decrease during the year	(17,508)	(31,229)	(48,737)
At 30 June 2018	515,854	(260,175)	255,679
(Decrease)/increase during the year	(6,112)	32,575	26,463
At 30 June 2019	509,742	(227,600)	282,142

(a) The general insurance fund will be released over a period of 12 months after the reporting date.

16. DEFERRED TAX ASSETS

Deferred taxation is calculated on all temporary differences under the liability method at the rate of 17% (2018: 17%).
The movement on deferred tax account is as follows:

	THE GROUP AND THE COMPANY	
	2019	2018
		Restated*
	Rs'000	Rs'000
At 1 July, as previously stated	**(8,505)**	12,699
Effect of prior adjustment	-	(12,532)
At 1 July, as restated	**(8,505)**	167
Recognised in other comprehensive income	**359**	(1,455)
Recognised in profit or loss (Note 18)	**(5,461)**	(7,217)
At 30 June	**(13,607)**	(8,505)

THE GROUP AND THE COMPANY	Opening balance	Effect of prior year adjustment	As restated	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Closing balance
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2019							
Revaluation of property	**12,212**	-	**12,212**		-		**12,212**
Retirement benefit obligations	**(2,707)**	-	**(2,707)**	**(416)**	**359**	-	**(2,763)**
Provision on recoverable from third party	**(14,051)**	-	**(14,051)**	**(3,877)**	-	-	**(17,928)**
Provision for bad debts	**(5,058)**	-	**(5,058)**	**(2,963)**	-	-	**(8,021)**
Accelerated capital allowances	**1,098**	-	**1,098**	**1,795**	-	-	**2,893**
Net deferred tax liabilities/(assets)	**(8,505)**	-	**(8,505)**	**(5,461)**	**359**	-	**(13,607)**
2018							
Revaluation of property	12,212	-	12,212	-	-	-	12,212
Retirement benefit obligations	(1,201)		(1,201)	(51)	(1,455)	-	(2,707)
Provision on recoverable from third party	-	(10,805)	(10,805)	(3,246)	-	-	(14,051)
Provision for bad debts	-	(1,728)	(1,728)	(3,330)	-	-	(5,058)
Accelerated capital allowances	1,688	-	1,688	(590)	-	-	1,098
Net deferred tax liabilities/(assets)	12,699	(12,533)	167	(7,217)	(1,455)	-	(8,505)

17. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts due to reinsurers	**52,850**	171,878	**52,850**	171,878
Payable to garages and other suppliers	**16,687**	19,854	**16,887**	19,854
Commission payables	**14,337**	24,499	**14,337**	24,499
Capital expenditure accrued	**27,037**	41,830	**27,037**	41,830
Other payables	**82,743**	87,945	**81,504**	72,040
	193,654	346,006	**192,615**	330,101

(i) The Group has financial risk management policies in place to ensure that all payables are paid with the credit timeframe.
(ii) The carrying amounts of trade and other payables approximate their fair values.
(iii) No interest is charged on trade and other payables.

Note: The prior year note has been restated and additional breakdowns have been provided for other payables in the current year with comparatives adjusted accordingly. The additional breakdowns are: payable to garages and other suppliers, commission payables and capital expenditure accrued.

18. TAXATION

Income tax is calculated at the rate of 17% (2018:17%) on the profit for the year as adjusted for income tax purposes.

(i) Current tax liabilities

	THE GROUP		THE COMPANY	
	2019	2018* Restated*	**2019**	2018 Restated*
	Rs'000	Rs'000	**Rs'000**	Rs'000
Balance at 1 July, as previously stated	**4,848**	2,151	**4,659**	1,962
Effect of prior year adjustments	-	9,851	-	9,851
Balance at 1 July, as restated	**4,848**	12,002	**4,659**	11,813
Charge for the year	**6,387**	15,408	**6,298**	15,598
Over provision in previous year	**(344)**	(69)	**(438)**	(259)
Amount paid during the year	**(12,561)**	(22,493)	**(12,282)**	(22,493)
At 30 June	**(1,670)**	4,848	**(1,763)**	4,659
Made up of:				
Current tax receivables	**(1,763)**	4,848	**(1,763)**	4,659
Current tax liabilities	**93**	-	-	-
	(1,670)	4,848	**(1,763)**	4,659

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

18. TAXATION (CONTINUED)

(ii) Charge to statement of profit or loss and other comprehensive income

	THE GROUP		THE COMPANY	
	2019	2018 Restated*	**2019**	2018 Restated*
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax charge	**6,387**	15,788	**6,297**	15,598
Under provision in previous year	**(438)**	(259)	**(438)**	(259)
Corporate social responsibility	**1,945**	2,304	**1,919**	2,304
Deferred tax movement (Note 16)	**(5,461)**	(7,217)	**(5,461)**	(7,217)
	2,433	10,616	**2,318**	10,426

(iii) Tax reconciliation

The tax on the Group's and the Company's profit before tax differs from the theoretical amount that arises using the basic tax rate of the Group and the Company as follows:

	THE GROUP		THE COMPANY	
	2019	2018 Restated*	**2019**	2018 Restated*
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**7,756**	70,344	**(475)**	62,378
Tax calculated at 17%	**1,319**	11,958	**(81)**	10,604
Tax effect of:				
Income not subject to tax	**(1,368)**	(4,139)	**(1,368)**	(3,104)
Under provision of current tax in previous year	**(438)**	(259)	**(438)**	(259)
Movement in deferred tax	**(3,877)**	(3,245)	**(3,877)**	(3,414)
Corporate social responsibility	**1,945**	2,304	**1,919**	2,304
Expenses not deductible for tax purposes	**4,852**	3,996	**6,162**	4,294
	2,433	10,615	**2,318**	10,426

19. INVESTMENT INCOME

	THE GROUP		THE COMPANY	
	2019	2018 Restated*	**2019**	2018 Restated*
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend from financial assets	**11,940**	4,928	**11,940**	4,928
Dividend from subsidiary	-	-	**229**	-
Dividend from associate	-	-	**6,888**	6,972
	11,940	4,928	**19,057**	11,900

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

20. FINANCE INCOME

	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Rs'000
Interest calculated using effective interest rate				
Bank deposits	**4,985**	535	**4,985**	535
Financial assets	**10,220**	21,798	**10,220**	21,798
	15,205	22,333	**15,205**	22,333

21. OTHER INCOME

	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Rs'000
Profit on disposal of property, plant and equipment	-	8	-	8
Profit on disposal of financial assets	**2,621**	6,251	**2,621**	6,251
Gain on revaluation of financial assets	**2,166**	-	**2,166**	-
Exchange differences	**3,023**	(1,989)	**3,023**	(1,989)
Payables written back	**2,576**	-	**2,577**	-
Others	**5,453**	5,271	**5,409**	5,255
	15,840	9,540	**15,797**	9,524

22. ADMINISTRATIVE EXPENSES

	THE GROUP 2019 Rs'000	THE GROUP 2018 Restated* Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Restated* Rs'000
Administrative expenses include:				
Staff costs	**75,246**	79,433	**75,246**	79,433
Depreciation and amortisation	**7,546**	8,033	**7,546**	8,033
Provision for impairment losses recognised on receivables (Note 11)	**25,066**	23,285	**25,066**	23,285
Donations	**1**	-	**1**	-

23. EARNINGS PER SHARE

Earnings per share is based on profit after taxation attributable to owners of the Company of Rs 5,171,000 (2018: Rs.59,412,000) for the Group and on 7,999,998 shares in issue for the year ended 30 June 2019.

24. DIVIDENDS

	THE GROUP AND THE COMPANY 2019 Rs'000	THE GROUP AND THE COMPANY 2018 Rs'000
Final dividend in respect of the year 30 June 2018 of Rs 1.90 (2017: Rs 1.70) per share	15,200	13,600
Interim dividend in respect of the year 30 June 2019 of Rs 1.10 (2018: Rs 1.10) per share	8,800	8,800
	24,000	22,400

The interim dividend of Rs 1.10 per share amounting to Rs 8,799,998 in respect of the year ended 30 June 2019 was declared by the directors on 14th February 2019 and paid.

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

25. CASH AND CASH EQUIVALENTS

	THE GROUP 2019 Rs'000	THE GROUP 2018 Rs'000	THE COMPANY 2019 Rs'000	THE COMPANY 2018 Rs'000
Cash in hand	**11**	4	**11**	4
Balances with banks *	**331,175**	130,709	**329,267**	130,056
Bank and cash balances	**331,186**	130,713	**329,278**	130,060
Short-term deposits**	**15,025**	-	**15,025**	-
Deposit with immediate holding company (Note 12/29)	-	223,765	-	223,765
	346,211	354,478	**344,303**	353,825

*Cash in transit at year end amounted to Rs 6,442,101.
** This relates to deposits that will mature within 3 months

26. RETIREMENT BENEFIT OBLIGATIONS

(a) Defined benefit plan that shares risks between entities under common control

IBL Limited operates a group defined benefit plan for some of its employees within IBL and its subsidiaries (the group) and the plan is wholly funded. The benefits are based on final emoluments and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement.

Though the risks are shared between the entities, there is no contractual agreement or stated policy for charging the defined benefit cost to the individual entities and IBL is the legal sponsoring employer of the plan.

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The following disclosures of the plan are extracted from the financial statements of IBL Ltd which are publicly available.

The assets of the funded plan are held independently and administered by Swan Life Ltd. Pension Consultants and Administrators Ltd is responsible for the management of this fund.

The pension plan typically expose the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.
The assets of the funded plan are held independently and administered by Swan Life Ltd.

The pension plan typically expose the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.
Interest risk	If the Bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.
Longevity risk	The liabilities disclosed are based on the mortality tables A 67/70 and PA(92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.
Salary risk	If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

26. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The plan assets are mainly concentrated on fixed interest rate instruments and equity instruments. The fair value of the plan assets at the end of the reporting period at IBL group level is as follows:

	2019	2018
	Rs'000	Rs'000
Cash and cash equivalents	73,542	61,490
Equity investments categorised by industry type:		
- Local	323,396	269,198
- Foreign	231,940	179,490
Fixed interest instruments	306,425	216,611
Properties	7,543	27,689
Total market value of assets	942,846	754,478

The principal actuarial assumptions used for accounting purposes are:-

	2019	2018
	Rs'000	Rs'000
Discount rate	6%	6%
Future long term salary increase	4%	4%
Future pension increase	1%	1%
Average retirement age (ARA)	60 years	60 years

The holding company, IBL Ltd expects to make a contribution of Rs 127.5m to the defined benefit plan during the year ending 30 June 2020.

(b) Contribution to defined benefit pension plan

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Contribution expensed	2,245	2,467

(c) Contribution to defined contribution pension plan

	THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Contribution expensed	2,845	3,188

(d) State pension plan

	THE COMPANY	
	2019	2018
	Rs'000	Rs'000
National Pension Scheme contributions expensed	1,010	1,101

26. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(e) Other post retirement benefits

Other post retirement benefits consist of retirement gratuity obligation payable under the Employment Rights Act 2008.

(i) Movement in the liability recognised in the statement of financial position:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At 1 July	14,246	7,070
Total expense recognised to profit or loss	1,647	1,246
Actuarial (gains)/losses recognised in other comprehensive income	(2,114)	8,560
Contributions paid	(149)	(2,630)
At 30 June	13,630	14,246

(ii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At 1 July	14,246	7,070
Current service cost	754	899
Interest cost	893	347
Acturial (gains)/losses	(2,114)	8,560
Benefits paid	(149)	(2,630)
At 30 June	13,630	14,246

(iii) The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Current service cost	754	899
Interest cost	893	347
Components of defined benefit costs recognised in profit or loss	1,647	1,246
Remeasurement of retirement benefit obligations:		
Actuarial (gains)/losses recognised during the year	(2,114)	8,560
Components of defined benefit costs recognised in other comprehensive income	(2,114)	8,560
Analysis of amount recognised in other comprehensive income:		
Experience losses on liabilities	(2,114)	9,572
Change in assumptions underlying the present value of the scheme	-	(1,012)
	(2,114)	8,560

26. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(e) Other post retirement benefits (Continued)

(iv) Movement in actuarial gains/(losses) recognised

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
At 1 July	(11,461)	(2,901)
Actuarial gains/(losses) recognised during the year	2,114	(8,560)
At 30 June	(9,347)	(11,461)

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

	THE GROUP AND THE COMPANY	
	2019	2018
	%	%
Discount rate	6.3	6.3
Future long-term salary increase	4.00	4.00

The weighted average duration of the liabilities is 13 years at the end of the reporting period (2018: 13 years)

(vi) Sensitivity analysis

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	2,524	2,644
Decrease in defined benefit obligation due to 1% increase in discount rate	(2,155)	(2,241)
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	2,512	2,584
Decrease in defined benefit obligation due to 1% decrease in future long-term salary assumption	(2,145)	(2,211)

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

27. FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the group will be able to continue as a going concern and also comply with applicable laws and regulations while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and bank balances and equity attributable to owners of the the Group (comprising stated capital, reserves, retained earnings and non-controlling interests as detailed in statement of changes in equity).

The Group is required to maintain a minimum capital requirement under the Insurance Act 2005 and rules made by the Financial Services Commission.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for statement of financial position assets as per rule 6, capital required for investment above concentration limit as per rule 7, capital required for policy liabilities as per rule 8, capital required for catastrophes as per rule 9 and capital required for reinsurance ceded under rule 10.

For the year ended 30 June 2019, the Group has satisfied the minimum capital requirements under Insurance (General Insurance Business Solvency) Rules 2007.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Capital risk management (Continued)

Categories of financial instruments	THE GROUP		THE COMPANY	
	2019	2018*	2019	2018
		Restated*		Restated*
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets				
Financial investments	619,421	683,927	619,421	683,927
Statutory deposits	8,000	8,000	8,000	8,000
Insurance and other receivables (i)	628,468	704,988	622,624	704,131
Reinsurance assets	1,359,619	1,160,646	1,359,619	1,160,646
Amounts due from group companies	406	223,765	40,558	223,765
Cash and cash equivalents	346,211	130,713	344,315	130,060
	2,962,125	2,912,039	2,994,537	2,910,529
Financial liabilities				
Trade and other payables	193,655	346,006	192,614	330,100
Amounts due to group companies	-	3,110	-	3,110
Gross outstanding claims	1,748,831	1,388,081	1,748,831	1,388,081
At amortised cost	1,942,486	1,737,197	1,941,445	1,721,291

** In the previous financial year, unquoted investments were incorrectly recorded under held-to-maturity investments instead of loans and receivables. The comparatives have been amended accordingly to reclassify these unquoted investments under loans and receivables. There is no effect on the carrying values of these investments following the reclassification.

(i) Trade and other receivables exclude prepayments for the Group and The Company.

(b) Financial risk management

The Group monitors and manages the financial risks relating to their operations through internal control procedures and written policies approved by their respective Board. These risks include credit risk, currency risk, liquidity risk, interest rate risk and market risk.

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Market risk

The Group's activities are not significantly exposed to the financial risks of changes in foreign currency exchange rates and interest rates and no derivative financial instruments have been contracted for the financial year ended 30 June 2019.

Foreign currency risk management

The Group undertakes transactions that are mostly denominated in Mauritian Rupees, hence, minimizing the exposures to exchange rate risk. The currency profile of the financial assets and liabilities is summarised as follows:

THE GROUP	Financial assets 2019	Financial liabilities 2019	Financial assets 2018	Financial liabilities 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupees	2,470,332	1,942,486	2,548,023	1,737,197
United States Dollars	327,434	-	235,484	-
Euro	137,184	-	98,312	-
British Pounds	4,177	-	4,290	-
Seychelles Rupees	20,584	-	17,469	-
Australian Dollars	2,414	-	8,461	-
	2,962,125	1,942,486	2,912,039	1,737,197

THE COMPANY	Financial assets 2019	Financial liabilities 2019	Financial assets 2018	Financial liabilities 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupees	2,502,744	1,941,445	2,548,022	1,721,291
United States Dollars	327,434	-	233,975	-
Euro	137,184	-	98,312	-
British Pounds	4,177	-	4,290	-
Seychelles Rupees	20,584	-	17,469	-
Australian Dollars	2,414	-	8,461	-
	2,994,537	1,941,445	2,910,529	1,721,291

The Group has equity securities and bank deposits in foreign currencies and any fluctuation of the Mauritian rupee against those foreign currencies will affect the value of the deposits. At 30 June 2019, if the rupee had weakened/strengthened by 5% against the foreign currencies with all other variables held constant, the Group's and the Company's profit for the year would have been Rs. 16,856,601 (2018: Rs. 18,201,000) and Rs. 16,856,601 (2018: Rs.18,125,000) respectively higher/ lower mainly resulting from translation of equity securities and bank deposits.

Interest rate risk management

Under short-term insurance contracts, liabilities are not directly sensitive to the level of market interest rates. Fluctuations in interest rates however impact on returns on financial instruments but is closely monitored by the investment committee through a well diversified portfolio of fixed income securities and equity investments.

The sensitivity analysis has been determined based on the exposure to interest rates for financial liabilities. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the date of statement of financial position was outstanding for the whole year, except for loans where the normal repayment terms were considered. A 50 basis point is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. At 30 June 2019, the Group did not have any variable rate deposits (2018: nil).

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Liquidity Risk Management

The Group is exposed to daily calls on its available cash resources mainly from claims arising from short term insurance contracts. The Group sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover maturities, claims and surrenders and unexpected levels of demand.

The liquidity risk management of the Group rests with Finance department, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

THE GROUP	3 months to 1 year	Total
	Rs'000	Rs'000
30 June 2019		
Trade and other payables	193,654	193,654
Gross outstanding claims	1,748,831	1,748,831
	1,942,485	1,942,485
30 June 2018		
Trade and other payables	346,006	346,006
Amounts due to group companies	3,110	3,110
Gross outstanding claims	1,388,081	1,388,081
	1,737,197	1,737,197

THE COMPANY	3 months to 1 year	Total
	Rs'000	Rs'000
30 June 2019		
Trade and other payables	192,614	192,614
Gross outstanding claims	1,748,831	1,748,831
	1,941,445	1,941,445
30 June 2018		
Trade and other payables	330,100	330,100
Amounts due to group companies	3,110	3,110
Gross outstanding claims	1,388,081	1,388,081
	1,721,291	1,721,291

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Liquidity Risk Management (Continued)

The interest rate profile of the financial assets is as follows:

	THE GROUP AND THE COMPANY Floating Interest Rate	
	2019	2018
	%	%
Mauritian Rupee	2 - 8	2 - 8
United States Dollar	3.75	3.75
Australian Dollar	0.00	0.00

The above comprise mainly investments, deposits with financial institutions and deposits with ultimate holding company.

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its trade receivables, reinsurance assets and investment in debt instruments. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience.

The Group structures the levels of its credit risk it accepts by placing limits on its exposure to a single counterparty or groups of counterparty and to industry segments. Such risks are subject to annual or more frequent review. Reinsurance is used to manage credit risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The credit worthiness of reinsurers is considered on an annual basis by reviewing their credit rates provided by rating agencies prior to finalisation of any reinsurance contract. Although the insurance premiums due from related companies represented 18% of the trade receivable, the concentration of credit risk is limited due to the fact that it is composed of several companies and departments within the Group.

The credit control department assess the credit worthiness of brokers, agents and of contract holders based on details of recent payment history, past history and by taking into account thier financial position. The Group is exposed to potential default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers and the Group has policies in place to ensure that risks are ceded to highly rated and credit worthy reinsurers only. The credit worthiness of reinsurers is considered on an annual basis for its reinsurance treaty panel and on a case to case basis for facultative reinsurance placement by carrying out assessment via rating agencies and/or other available market reports prior to finalisation of any reinsurance contracts. The Group also has exposure to credit risk on its debt securities, more specifically on the corporate bonds. The investment committee recommends investment in entities with which the Group had good experience with in the past years and with good standing. The financial position and performance of the issuers are assessed in detail prior to approval is obtained for investment by the Group.

The carrying amount of financial assets recorded in the financial statements which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any security.

Other price risks
The Group is exposed to equity price risks arising from equity investments. Equity price risk is mitigated by having a well-diversified portfolio of equity and unit investments in various industries and countries. Moreover certain units investments are capital-guaranteed.

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Other price risks (Continued)
If equity prices had been 10% higher/lower:

. Profit for the year ended 30 june 2019 would have been unaffected as the equity investments are classified as available-for-sale; and
. Other Equity Reserve For The Group Would Increase/Decrease By Rs. 44,559,260 (2018: Rs.37,164,000) As A Result Of The Changes In Fair Value Of Available-For-Sale Shares.

The risk under any one insurance contract is the possibility that an 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.

28. MANAGEMENT OF INSURANCE RISKS

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be (Law of large numbers). In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group 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. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Casualty Insurance
Frequency and severity of claims
The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group 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. As part of its permeating and systematic risk management, the Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

28. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, Tsunami etc.) and their consequences (for example, cyclone claims).

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the company remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The company evaluates the financial condition of its reinsurers to minimize its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate its increased exposure.

Property insurance contracts are subdivided into four risk groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

Concentration of insurance risk (Short-term insurance)

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

	2019				2018			
Class of business		Gross	Reinsurance	Net		Gross	Reinsurance	Net
	No. of claims	Rs'000	Rs'000	Rs'000	No. of claims	Rs'000	Rs'000	Rs'000
Accident	1,969	138,540	(101,046)	37,494	1,549	120,871	(93,108)	27,763
Engineering	479	77,839	(66,838)	11,001	354	136,586	(126,550)	10,036
Fire	728	657,545	(606,574)	50,971	495	443,229	(413,725)	29,504
Liability	3,063	149,020	(91,645)	57,376	2,309	155,322	(102,871)	52,450
Motor	9,458	340,987	(23,414)	317,572	7,338	245,163	(18,943)	226,220
Health	1,218	8,934	(5,268)	3,665	292	5,617	(1,629)	3,989
Marine	174	131,951	(87,064)	44,886	138	75,906	(21,653)	54,252
IBNR	-	244,015	(150,169)	93,846	-	205,387	(121,991)	83,396
	17,089	1,748,831	(1,132,018)	616,811	12,475	1,388,081	(900,471)	487,610

The company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

28. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

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

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred but not Reported) IBNR is held at year-end.

28. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Claims development table

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

2019

	2014 Rs'000	2015 Rs'000	2016 Rs'000	2017 Rs'000	2018 Rs'000	2019 Rs'000	Total Rs'000
At end of							
Accident year	314,292	1,301,956	608,754	428,699	841,151	840,449	4,335,301
1 year later	46,341	225,565	89,706	163,750	59,271	-	584,633
2 years later	10,833	11,543	25,761	(32,106)	-	-	16,031
3 years later	7,129	(20,553)	(31,859)	-	-	-	(45,283)
4 years later	6,311	(3,070)	-	-	-	-	3,241
5 years later	156	-	-	-	-	-	156
Current estimate of cumulative claims	385,062	1,515,441	692,362	560,343	900,422	840,449	4,894,079
Accident year	209,974	314,807	349,390	317,902	308,880	308,367	1,809,320
1 year later	103,279	1,109,791	206,400	128,796	179,049	-	1,727,315
2 years later	18,157	9,943	20,571	16,075	-	-	64,746
3 years later	685	1,862	2,838	-	-	-	5,385
4 years later	4,258	4,126	-	-	-	-	8,384
5 years later	1,348	-	-	-	-	-	1,348
Cumulative payment to date	337,701	1,440,529	579,199	462,773	487,929	308,367	3,616,498
	47,361	74,912	113,163	97,570	412,493	532,082	1,277,581
Liabilities in respect of prior years*							227,235
IBNR							244,015
Total gross liabilities							1,748,831

* This represents the cumulative liabilities prior to 2014

28. MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Claims development table (Continued)

2018 (Restated)*

	2013 Rs'000	2014 Rs'000	2015 Rs'000	2016 Rs'000	2017 Rs'000	2018 Rs'000	Total Rs'000
At end of							
Accident year	303,992	314,293	1,301,956	608,754	430,385	841,151	3,800,532
1 year later	76,049	46,341	225,565	89,706	162,064	-	599,724
2 years later	40,756	10,833	11,543	25,761	-	-	88,893
3 years later	5,548	7,129	(20,553)	-	-	-	(7,875)
4 years later	2,856	6,311	-	-	-	-	9,166
5 years later	37	-	-	-	-	-	37
Current estimate of cumulative claims	429,238	384,907	1,518,512	724,221	592,449	841,151	4,490,478
Accident year	166,610	209,974	314,807	349,390	317,904	308,880	1,667,564
1 year later	104,342	103,279	1,109,791	206,400	128,795	-	1,652,606
2 years later	70,256	18,157	9,943	20,571	-	-	118,927
3 years later	17,008	685	1,862	-	-	-	19,556
4 years later	7,969	4,258	-	-	-	-	12,227
5 years later	410	-	-	-	-	-	410
Cumulative payment to date	366,595	336,353	1,436,402	576,361	446,699	308,880	3,471,290
	62,643	48,554	82,109	147,860	145,750	532,271	1,019,188
Liabilities in respect of prior years*							163,506
IBNR							205,387
Total gross liabilities							1,388,081

* This represents the cumulative liabilities prior to 2013

	Impact on profit			
	10% Increase	10% Increase	10% Decrease	10% Decrease
	2019 **Rs'000**	2018 Rs'000	**2019** **Rs'000**	2018 Rs'000
Incurred Development factor in the latest accident year	**6,774**	3,930	**(6,056)**	(5,601)
Prior loss ratios in the latest accident year	**3,087**	2,427	**(2,637)**	(2,427)

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

29. RELATED PARTY TRANSACTIONS

The Group is making the following disclosures in respect of related party transactions and balances.

Outstanding balances

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Receivable from related parties:-				
Ultimate holding company	**38,576**	14,534	**38,576**	14,534
Associate	**4,856**	5,397	**4,856**	5,397
Associates of ultimate holding company	**82,420**	35,135	**82,420**	35,135
Subsidiaries of ultimate holding company	**7,557**	29,103	**7,557**	29,103
Directors and related parties	**233**	141	**233**	141
	133,642	84,310	**133,642**	84,310
These amounts are included in trade and other receivables, refer to note 11.				
(ii) Payable to related parties:-				
Ultimate holding company	**719**	3,334	**719**	3,334
Fellow subsidiaries	**10**	43	**10**	43
Subsidiaries of ultimate holding company	-	-	-	-
	729	3,377	**729**	3,377
These amounts are included in trade and other payables, refer to note 17				
(iii) Deposits with:-				
Ultimate holding company (Note 25)	-	223,765	-	223,765
Subsidiary of ultimate holding company (Note 10)	-	50,000	-	50,000
Associate of ultimate holding company (Note 10)	-	30,000	-	30,000
	-	303,765	-	303,765
These amounts are included in trade and other payables, refer to note 17				
(iv) Interest receivable from				
Ultimate holding company	**1,054**	2,673	**1,054**	2,673
Subsidiary of ultimate holding company	-	293	-	293
Associate of ultimate holding company	**975**	473	**975**	473
	2,028	3,439	**2,028**	3,439
These amounts are included in other receivables, refer to note 11.				
(v) Investment in:-				
Ultimate holding company (Note 10)	**8,347**	6,566	**8,347**	6,566
Subsidiary of ultimate holding company (Note 7)	**1,100**	24,199	**1,100**	24,199
Associate of ultimate holding company (Note 8)	**6,313**	46,277	**6,313**	46,277
	15,761	77,042	**15,761**	77,042

The outstanding balances are unsecured and interest free. Deposits bear interest rate as disclosed in note 27 under interest rate risk management.

29. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Sales of services to:				
Ultimate holding company	**47,149**	89,191	**47,149**	89,191
Subsidiary	-	-	-	-
Associates	**58,140**	5,480	**58,140**	5,480
Fellow subsidiaries	-	18,199	-	18,199
Associates of ultimate holding company	**1,734**	69,060	**1,734**	69,060
Subsidiaries of ultimate holding company	**82,342**	34,951	**82,342**	34,951
Directors and related parties	**92**	191	**92**	191
	189,456	217,072	**189,456**	217,072
* sales of services relates to gross premium.				
(ii) Purchases of goods and services from:-				
Ultimate holding company	**10,738**	4,211	**10,738**	4,211
Subsidiaries of ultimate holding company	**16,946**	6,285	**16,946**	6,285
Related parties	-	-	-	-
	27,685	10,496	**27,685**	10,496
(iii) Interest income from:-				
Ultimate holding company	**4,817**	8,331	**4,817**	8,331
Associate of ultimate holding company	**3,498**	6,050	**3,498**	6,050
Subsidiaries of ultimate holding company	-	2,418	-	2,418
	8,315	16,799	**8,315**	16,799
(iv) Dividend income from associate	**6,888**	6,972	**6,888**	6,972
Compensation of key management personnel				
The remuneration of directors and other members of key management during the year were as follows:				
Short-term benefits	**9,844**	14,057	**9,844**	14,057
Post-employment benefits	**431**	700	**431**	700
	10,275	14,757	**10,275**	14,757
Contribution to IBL Ltd's defined benefit pension plan				
Contribution expensed	**2,245**	2,467	**2,245**	2,467
Contribution to defined contribution pension plan				
Contributions expensed	**2,845**	3,188	**2,845**	3,188

30. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The directors regard IBL Ltd, which is incorporated and domiciled in Mauritius, as the company's holding and ultimate holding company.

31. HELD FOR SALE

	THE GROUP		THE COMPANY	
	2019	2018 Restated*	**2019**	2018 Restated*
	Rs'000	Rs'000	**Rs'000**	Rs'000
Held for sale is made up of:				
Building and furniture	**121,483**	121,483	**121,483**	121,483

Following a board meeting held on 18 September 2017, the Board approved the disposal of the freehold building situated at 1st floor, IBL House, Caudan and its related furniture, fixtures and equipment. No impairment loss was recognised on reclassification of the assets as held for sale as the directors of the Group and the Company expect that the fair value less costs to sell is higher than the carrying amount as at reporting period. For the year ended 30 June 2019, the Company maintained the classification of these assets under held-for-sale given that all criteria under IFRS 5-Assets held for sale and discontinued operations were still met. On 19 September 2019, the Company finalised its sales agreement for the disposal of the assets.

The comparatives have been restated to reclassify the disposal of Mauritian Eagle Leasing Company Ltd amounting to Rs 24M from held-for sale to current financial assets. Refer to note 39.

32. CAPITAL COMMITMENTS

	THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Capital Commitments contracted for but not accrued:		
Buildings, Furniture & Fittings and Computer software	**5,000**	101,380

33. AMOUNTS DUE TO GROUP COMPANIES

	THE GROUP AND THE COMPANY	
	2019	2018
	Rs'000	Rs'000
Amount due to ultimate holding company	-	3,110

The amount due to the ultimate holding company is unsecured and does not have fixed terms of repayment. The rate of interest varied between 2% to 3.38% for 2018.

34. CONTINGENT LIABILITY

The investigation by the Competition Commission of Mauritius ("CCM") into the affairs of all members of the Association of Private Health Plans and Administrators ("APHPA") for alleged collusive behaviour is still ongoing. The Perfection Application has been submitted to the CCM on 26th April 2019.

A reply was sent by the CCM, giving a notice of revised administrative time table in respect of the investigation, and informing us that the investigative process has been relaunched.

The information submitted by Eagle Insurance Ltd will be assessed with a view to conducting a provisional assessment of the conduct under investigation and submit a provisional report to the parties by 20th December 2019.

The submission of the report of investigation to the Commission is scheduled for the 27th April 2020.

35. NON-CASH FLOW TRANSACTIONS

During the year, the Group and the Company entered into the following non-cash flow transactions which are not reflected in the statement of cash flows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs'000	Rs'000	**Rs'000**	Rs'000
Acquisition of investment in subsidiary	-	-	-	100
Acquisition of property, plant and equipment				
- Non cash	-	57,830	-	41,830
- Cash	**117,176**	13,579	**117,176**	13,579
	117,176	71,409	**117,176**	55,409
Acquisition of financial investments				
- Non cash	-	6,028	-	6,028
- Cash	**186,492**	60,691	**186,492**	60,691
	186,492	66,719	**186,492**	66,719
Proceeds from sales of financial investments				
- Non cash	**5,645**	6,028	**5,645**	6,028
- Cash	**260,450**	73,886	**260,450**	73,886
	266,095	79,914	**266,095**	79,914

36. LONG TERM INCENTIVE SCHEME

IBL Ltd, the holding company, has implemented a Long Term Incentive scheme (LTI) as from 1 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value with the IBL Group.

The LTI is a Phantom Share Award Scheme and allocations to eligible executives may be made once a year on 1 July.

The LTI payment shall be made to participants who remain employees in Good Standing of IBL or relevant subsidiaries on the exercise date, and based on IBL shares vested and the Exercise Price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at end of third year from the allocation date up to the fifth year.

At 30 June 2019, the provision for the LTI amounted to Rs 3,235,551 (2018: Rs 1,864,591).

37. SEGMENTAL REPORTING - GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

a) Casualty - includes motor, liability, personal accident and health
b) Property - includes property, engineering and marine

(i) Operating segment

2019	Casualty Rs'000	Property Rs'000	Total Rs'000
Gross Premium	763,667	485,301	1,248,968
Net earned premium	408,056	188,870	596,926
Underwriting results	8,205	122,433	130,638

Note: Underwriting results is obtained as follows: net earned premium plus or (minus) net commission income/(expense) less claims incurred.

Investment income	27,145
Other income	15,840
Management expenses	(173,047)
Depreciation & Amortisation	(7,546)
Share of associate	14,726
Profit before taxation	7,756
Income tax expense	(2,433)
Profit for the year	5,323

	Casualty	Property	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	1,336,855	618,767	1,434,632	3,390,254
Segment liabilities	(1,601,287)	(741,160)	(127,188)	(2,469,635)
Shareholders' interests				920,619
Capital expenditure	46,205	21,386	49,585	117,176
Depreciation and Amortisation	2,976	1,377	3,193	7,546

37. SEGMENTAL REPORTING - GROUP (CONTINUED)

2018 (Restated*)	Casualty	Property	Total
	Rs'000	Rs'000	Rs'000
Gross Premium	663,703	484,498	1,148,201
Net earned premium	396,666	203,144	599,810
Underwriting results	97,547	107,229	204,776

Investment income	27,261
Other income	9,540
Management expenses	(176,896)
Depreciation & Amortisation	(8,033)
Share of associate	13,696
Profit before taxation	70,344
Income tax expense	(10,616)
Profit for the year	59,728

	Casualty	Property	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	1,224,573	627,139	1,347,081	3,198,794
Segment liabilities	(1,402,107)	(718,059)	(149,391)	(2,269,557)
Shareholders' interests				929,237
Capital expenditure	27,337	14,000	30,072	71,409
Depreciation and Amortisation	3,075	1,575	3,383	8,033

The Group did not present a segmental reporting of financial information as required by IFRS 8 operating segments in prior years as described in Note 39.

Geographical information
The Company's activities are concentrated in Mauritius only. There were no customers making up more than 10% of revenue.

38. FAIR VALUE MEASUREMENTS

This note provides information on how the Group and the Company determine the fair values of various assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for mesurement and/or disclosure purposes in these consolidated financial assets is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

*Certain amounts here do not correspond to the 2018 financial statements and reflect adjustments made as described in Note 39.

38. FAIR VALUE MEASUREMENTS (CONTINUED)

This note provides information on how the Group and the Company determine the fair values of various assets and liabilities.

(a) Fair value measurements recognised on a recurring basis in the statement of financial position

THE GROUP	Carrying amount 2019 Rs'000	Fair Value 2019 Rs'000
Debt instruments at amortised cost:		
Deposits and corporate bonds	37,801	37,801
Government loan stocks	77,187	77,187
Financial liabilities:		
Subordinate bonds	28,133	28,133

THE COMPANY	Carrying amount 2019 Rs'000	Fair Value 2019 Rs'000
Debt instruments at amortised cost:		
Deposits and corporate bonds	37,801	37,801
Government loan stocks	77,187	77,187
Financial liabilities:		
Subordinate bonds	28,133	28,133

THE GROUP	Fair value hierarchy as at 30 June 2019			
	Level 1	Level 2	Level 3	Total
Debt instruments at amortised cost:				
Deposits and corporate bonds	40,246	70,320	-	110,566
Government loan stocks	32,555	-	-	32,555
Financial liabilities:				
Subordinate bonds	25,500	2,571	-	28,071

THE COMPANY	Fair value hierarchy as at 30 June 2019			
	Level 1	Level 2	Level 3	Total
Debt instruments at amortised cost:				
Deposits and corporate bonds	40,246	70,320	-	110,566
Government loan stocks	32,555	-	-	32,555
Financial liabilities:				
Subordinate bonds	25,500	2,571	-	28,071

38. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Reconciliation of Level 3 fair value measurements

The following table shows a reconciliation of the opening balance and closing recorded amount of Level 3 financial assets which are recorded at fair value:

	THE GROUP AND THE COMPANY	
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
	2019 Rs'000	2018 Restated* Rs'000
At 1 July 2018, as previously stated	50,435	32,728
Effect of prior year adjustments	49,190	-
At 1 July 2018, as restated	99,625	32,728
Total gains in other comprehensive income	13,074	17,707
At June 30	112,700	50,435

This note provides information on how the Group and the Company determine fair value of various assets and liabilities.

(a) Fair Value of the Group and Company assets and liabilities that are measured at fair value on a recurring basis:

Some of the Group and Company's assets and liabilities are measured at fair value at the end of each reporting period. The following table gives the information about how the fair value of these assets and liabilities are determined (in particular the valuation technique(s)and the inputs used).

38. FAIR VALUE MEASUREMENTS (CONTINUED)

THE GROUP

Assets /Liabilities	Fair value as at		Fair value hierarchy		Valuation technique(s) and key input(s)		Significant unobservable input(s)		Relationship of unobservable inputs to fair value	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs'000	Rs'000								
Property and equipment:										
Building	137,439	-	Level 2	N/A	Contractual agreement	N/A	N/A	N/A	N/A	N/A
Financial assets at fair value through other comprehensive income:										
Quoted securities:										
Banks and Insurance	47,295	-	Level 1	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Commerce	10,527	-	Level 1	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Investments	25,917	-	Level 1	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Leisure and Hotels	13,837	-	Level 1	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Sugar	1,004	-	Level 1	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Others	14,241	-	Level 1	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Debt instrument:										
Quoted	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unquoted Bond	11,596	-	Level 1		Active market price	N/A	Active market price	N/A	N/A	N/A
Unquoted	112,700	99,358	Level 3		Price to book and Dividend yield	N/A	Price to book and Dividend yield	N/A	Price to book and Dividend yield	N/A
		o								
Unquoted securities:										
		o								
Foreign Equities	-	-	Level 2	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Commerce	1,250	-								
Others	-	-	Level 2	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A
Open Ended Mutual Funds:										
Local	-	-	Level 2	N/A	Active market price	N/A	Active market price	N/A	N/A	N/A

38. FAIR VALUE MEASUREMENTS (CONTINUED)

(i)The following table shows the valuation techniques used in the determination of fair values with in Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	Fair value as at		Fair value hierarchy		Valuation approach	Key unobservable input(s)	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
	2019	2018	2019	2018				
	Rs'000	Rs'000						
Foreign equity bank	111,450	97,685	Level 3	Level 3	Price to book ratio	Discount due to lack of marketability	0% - 40%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs7.04M (2018: Rs.6.1M) in fair value.
Commerce and others	1,250	1,673	Level 3	Level 3	Dividend yield	Discount due to lack of marketability	10% - 20%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs0.07M (2018: Nil) in fair value.

THE GROUP

Assets /Liabilities	Fair value as at		Fair Value Hierarchy		Valuation approach		Key unobservable input(s)		Relationship of unobservable inputs to fair value	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs'000	Rs'000								
Financial assets at fair value through profit or loss:										
Open Ended Mutual Funds:										
Foreign	2,813	N/A	Level 2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Local corporate debt	331	N/A	Level 2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Foreign equities	147,085	N/A	Level 2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Leisure and Hotels	6,545	N/A	Level 2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Commerce and others	63,297	N/A	Level 2	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(a) Investment contract liabilities has been classified as level 1 as they are directly linked to listed equity prices.

THE COMPANY

Assets /Liabilities	Fair value as at		Fair Value Hierarchy		Valuation approach		Key unobservable input(s)		Relationship of unobservable inputs to fair value	
	30 June 2019	30 June 2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs'000	Rs'000								
Property and equipment:										
Building	102,300	-	Level 2	-	Contractual agreement		N/A	N/A	N/A	N/A

38. FAIR VALUE MEASUREMENTS (CONTINUED)

THE COMPANY	Fair value as at		Fair value hierarchy		Valuation approach		Key unobservable input(s)		Relationship of unobservable inputs to fair value	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs'000	Rs'000								
Financial assets at fair value through other comprehensive income:										
Quoted securities:										
Banks and Insurance	47,295	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Commerce	10,527	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Investments	25,917	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Leisure and Hotels	13,837	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Sugar	1,004	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Others	14,241	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Unquoted securities:										
Commerce	1,250	N/A								
Others		N/A	Level 2		Active market price	N/A	N/A	N/A	N/A	N/A
Open Ended Mutual Funds:										
Local	-	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Debt instruments:										
Quoted bond	-	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Unquoted bond	11,596	N/A	Level 1		Active market price	N/A	N/A	N/A	N/A	N/A
Unquoted	112,700	N/A	Level 3		Price to book and Dividend yield	N/A	Price to book and Dividend yield	N/A	Price to book and Dividend yield	N/A
Financial assets at fair value through profit or loss:										
Local corporate debt	331	N/A	Level 1		Active market price	N/A	N/A		N/A	
Open-Ended Mutual Funds:										
Foreign	2,813	N/A	Level 2		Active market price	N/A	N/A		N/A	
Foreign equities	147,085	N/A	Level 2		Active market price	N/A	N/A		N/A	
Leisure and Hotels	6,545	N/A	Level 2		Active market price	N/A	N/A		N/A	
Commerce and others	63,297	N/A	Level 2		Active market price	N/A	N/A		N/A	

39. PRIOR YEAR ADJUSTMENTS

The Company has restated its financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The total impact of the restatements is summarised below:

	THE GROUP AND THE COMPANY	
Summary of impact of corrections:	**30-Jun-18**	**01-Jul-17**
Increase/(decrease):	**Rs'000**	**Rs'000**
Net impact on equity	(4,281)	30,402
Net impact on profit after tax	(32,570)	-
Net impact on total comprehensive income	(31,714)	-
Impact on basic earnings per share (EPS)	(4.07)	-
Net impact on statement of cash flows	(105,713)	-

Details of restatements in the financial statements:

(a) Retrospective changes to marine business accounting

Gross premiums on marine business were previously accounted for on an underwriting year basis and the net cash surplus was transferred to the general insurance fund for release to the statement of profit or loss and other comprehensive income at the end of a period of 3 years. In applying this policy of reserving profits, MEI did not perform the liability adequacy test and therefore this resulted in a prior period adjustment. This understatement of the insurance liability has been retrospectively corrected in the current year. The related reinsurance impact (as a result of the insurance liabilities being understated) also represents a prior year adjustment as the reinsurance assets were understated. The changes made to the marine insurance business were made to bring it in line with the policy for other short-term insurance products. The Gross Premiums will be earned on a pro-rata basis over the term of the policy coverage. The movement on the provision for Unearned premiums will be transferred to the general insurance fund. Outstanding claims provision (including IBNR) on Marine business will henceforth be shown as part of the overall outstanding claims provision. The impact of the change is shown below:

The impact of the above adjustment is as follows:	**Prior year adjustment**	**Cumulative impact as at 01-Jul-17**
Increase/(decrease):	**Rs'000**	**Rs'000**
Statement of financial position:		
Reinsurance assets-Gross outstanding claims	11,005	11,005
Retained earnings	(17,150)	(17,150)
General insurance fund	(36,084)	(36,084)
Gross outstanding claims	67,265	67,265
Current tax liabilities	(3,026)	(3,026)

39. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(a) Retrospective changes to marine business accounting (Continued)

Increase/(decrease):	Prior year adjustment Rs'000	30-Jun-18 Rs'000
Statement of financial position:		
Reinsurance assets-Gross outstanding claims	5,855	5,855
Retained earnings	(16,915)	(16,915)
General insurance fund	(43,623)	(43,623)
Gross outstanding claims	69,378	69,378
Current tax liabilities	(2,985)	(2,985)

Statement of profit or loss and other comprehensive income:	30-Jun-18 Rs'000
Net claims incurred	
Release from/(to) general insurance fund	(7,263)
Current tax charge	7,539
Net impact on profits	(41)
	235
Impact on EPS	0.03
Statement of cash flows:	
Change in reinsurance assets	5,855

39. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(b) Prior period adjustments

(i) Valuation of unquoted shares

Two of the Company's unquoted investments were classified under IAS 39 as available for sale investments but were kept at cost in years 2017 and 2018. The Company's accounting policy under IAS 39 was to keep the investment at cost only if a reliable estimate of the fair value could not be obtained. The Company believes that sufficient and adequate information was available in the prior years which could have been used to fair value these investments and that this information was obtained without the use of hindsight in the current reporting period. As a result, the prior year figures were adjusted retrospectively to account for the revaluation.

The impact of the above adjustment is as follows: Increase/(decrease):	30-Jun-18 Rs'000	01-Jul-17 Rs'000
Statement of financial position:		
Financial assets	49,190	51,303
Investment revaluation reserve	49,190	51,303
Statement of profit or loss and other comprehensive income:		
Net loss arising on revaluation of available-for-sale financial assets during the year	(2,113)	-
Impact on EPS	-	-

(ii) General Insurance Fund was overstated for the Health segment in year 2018.

The Company accounts for monthly premium arising from its health business. In the previous years, the Company incorrectly deferred these monthly premiums to the general insurance fund at the year end beyond the period of coverage which was in contravention to the Company's policy. This has been retrospectively corrected in the current year.

The impact of the above adjustment is as follows: Increase/(decrease):	30-Jun-18 Rs'000	01-Jul-17 Rs'000
Statement of financial position:		
Retained earnings	19,753	17,577
General insurance fund	(23,239)	(20,679)
Current tax liabilities	3,486	3,102
Statement of profit or loss and other comprehensive income:		
Release from general insurance fund	2,560	-
Tax charge	(384)	-
Net impact on profits	2,176	-
Impact on EPS	0.27	-
Statement of cash flows:		
Change in general insurance fund	(23,239)	-

39. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(b) Prior period adjustments (Continued)

(iii) Incorrect impairment provisioning for recoveries from third party insurers

In 2019, the Company reviewed the recoverable amounts receivable from third party insurers. Based on the review, the company noted that significant long outstanding balances should have been subject to an impairment allowance in the previous years under its prevailing accounting policy.

The impact of the above adjustment is as follows:	30-Jun-18	01-Jul-17
Increase/(decrease):	Rs'000	Rs'000
Statement of financial position:		
Trade and other receivables	(60,068)	(40,273)
Retained earnings	(46,019)	(29,469)
Deferred tax liabilities	(14,049)	(10,804)
Statement of profit or loss and other comprehensive income:		
Change in claims recovered from third party insurers	(19,795)	-
Tax charge	3,245	-
Net impact on profits	(16,550)	-
Impact on EPS	(2,1)	-
Statement of cash flows:		
Change in trade and other receivables	(60,068)	-

(iv) Impairment provision on trade receivables were incorrectly calculated in years 2017 and 2018

In 2019, the Company reviewed the recoverable amounts of trade receivables. Based on the review, the company noted that significant long outstanding balances should have been subject to an impairment allowance in the previous years under its accounting policy.

The impact of the above adjustment is as follows:	30-Jun-18	01-Jul-17
Increase/(decrease):	Rs'000	Rs'000
Statement of financial position:		
Trade and other receivables	(28,261)	(6,027)
Retained earnings	(22,730)	(4,299)
Deferred tax liabilities	(5,531)	(1,728)
Statement of comprehensive income:		
Administrative expenses	(22,234)	-
Tax charge	3,803	-
Net impact on profits	(18,431)	-
Impact on EPS	(2,3)	-
Statement of cash flows:		
Change in trade and other receivables	(28,261)	-

39. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(b) Prior period adjustments (Continued)

(v) Overstatement of accruals

During the financial year ended 30 June 2017, an accrual of Rs 7M in respect of an investment was recorded. Based on the Company's records, the amount was subsequently settled during the same financial year. However, the initial accrual was not reversed and as a result, the total liabilities were overstated as at 30 June 2017 and 30 June 2018.

The impact of the above adjustment is as follows:	30-Jun-18	01-Jul-17
Increase/(decrease):	Rs'000	Rs'000
Statement of financial position:		
Trade and other payables	(7,000)	(7,000)
Retained earnings	5,950	5,950
Income tax liabilities	1,050	1,050

(vi) Mis-posting of receipts from a debtor

During the year ended 30 June 2017, the Company incorrectly accounted for a receipt of Rs 7K as Rs 7.6M. This led to an understatement of the trade debtors balance by Rs 7.6M. The understatement was carried forward to the financial year ended 30 June 2019.

The impact of the above adjustment is as follows:	30-Jun-18	01-Jul-17
Increase/(decrease):	Rs'000	Rs'000
Statement of financial position:		
Trade and other receivables	7,635	7,635
Retained earnings	6,490	6,490
Income tax liabilities	1,145	1,145

39. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(c) Errors relating to disclosure and not impacting on the figures in the financial statements:

(i) In the previous years, the general insurance fund and the claims incurred but not yet reported were shown net of the reinsurance amounts on the statement of financial position. Under IFRS 4, reinsurance assets cannot be offset against their related insurance liabilities. This year, the gross insurance and reinsurance amounts have been shown separately. In addition, the Company also incorrectly presented its claims incurred and movement in general insurance fund on a net basis on the face of the SOCI. The comparative figures have also been restated to reflect these changes.

The impact of the above adjustment is as follows:	30-Jun-18	01-Jul-17
Increase/(decrease):	Rs'000	Rs'000
Statement of financial position		
Reinsurance assets-Gross outstanding claims	137,789	81,236
Reinsurance assets-General insurance fund	260,175	228,946
Gross outstanding claims	137,789	81,236
General insurance fund	260,175	228,946
Statement of profit or loss		
Release to/from general insurance fund-Gross	17,508	-
Release to/from general insurance fund-Reinsurance	31,299	-
Gross claims paid	(596,132)	-
Gross change in contract liabilities	(545,776)	-
Claims ceded to reinsurer	222,938	-
Change in contract liabilities ceded to reinsurers	491,748	-
Change in claims recovered from third party	7,128	-
Recoveries from third party	64,948	-
Net claims incurred	(355,146)	-

(ii) Operating segment

The Group did not present a segmental reporting of financial information as required by IFRS 8-Operating segments.

The related disclosure has been provided in the current financial year with the comparatives restated. Refer to note 37.

(iii) Asset classified as held-for-sale

In 2018, the Group presented its investment in Mauritian Eagle Leasing Co (financial asset) amounting to Rs 24M as held-for sale instead of current financial assets. The comparative has been restated to account for this reclassification.

40. EVENT AFTER THE REPORTING DATE

On 19 September 2019, the Company disposed the freehold building situated at 1st floor, IBL House, Caudan and its related furniture, fixtures and equipment. The profit on disposal amounted to Rs 6,517,127. These assets were already classified as held-for-sale.

Mr. J.P Blignaut

Chief Underwriting Officer | Joined 2012

J.P Blignaut has more than 20 years' insurance experience across Africa, Europe and Asia.

J.P Blignaut joined Zurich South Africa in 2012 as part of the leadership team that delivered the business turn-around. Prior to joining Zurich, he was the Chief Actuary at RSA Insurance Group Plc in its Asia and Middle East region where – apart from the statutory duties – he was responsible for establishing and building actuarial and pricing capabilities across eight countries. J.P Blignaut started his career at Sanlam Financial Service group where he worked in medical insurance and pension scheme consulting.

J.P Blignaut graduated with a Hons. Comm. (cum laude) degree from the University of Stellenbosch and is a Fellow of the Faculty of Actuaries UK.

NOTES

PROXY FORM

I/We, ______________________________ of ______________________________, being a member of EAGLE INSURANCE LIMITED do hereby appoint ______________________________ of ______________________________, or in his absence ______________________________ of ______________________________, as my/our proxy, to vote for me/us and on my/our behalf at the **Annual Meeting** to be held on **December 17, 2019** and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolution as follows:

		For	Against	Abstain
1.	To adopt the minutes of proceedings of the Annual Meeting held on December 6, 2018.			
2.	To consider the Annual Report from the year ended June 30, 2019.			
3.	To receive and adopt the Group's and Company's financial statements for the year ended June 30, 2019 and the Directors' and Auditors' reports thereon.			
4.	To appoint Mr. J. P Blignaut as Director.			
5.	To appoint Mr. Winson Chan Chin Wah as Director.			
6.	To re-elect as Directors to hold office until the next Annual Meeting by way of separate ordinary resolutions the following persons: 6.1 Mr. Jean-Claude Béga 6.2 Mr. Dipak Chummun 6.3 Me. Subhas Lallah 6.4 Mr. Robert Ip Min Wan 6.5 Me. J Gilbert Ithier 6.6 Mr. Derek Wong Wan Po 6.7 Mr. Laurent de la Hogue			
7.	To fix the remuneration of the Directors for the year to June 30, 2020 and to ratify the emoluments paid to the Directors for the year ended June 30, 2019.			
8.	To reappoint, Messrs. Ernst & Young as Auditors of the Company in replacement of Messrs. Deloitte and to authorise the Board to fix their remuneration.			
9.	To ratify the remuneration paid to the auditors for the financial year ended June 30, 2019.			

Signed this __________ day of ______________ 2019

Signature/s ______________________

NOTES

1. A proxy form is included in this Annual Report and is also available at the registered office of the Company.

2. Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.

3. The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Limited, 9th Floor, MCB Centre, Sir William Newton Street, Port Louis, by Monday, December 16, 2019 at 09.30 hours and in default, the instrument of proxy shall not be treated as valid.

4. The minutes of the Annual Meeting held on December 6, 2018 are available for consultation by the shareholders during office hours at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

5. The minutes of the Annual Meeting to be held on December 17, 2019 will be available for consultation and comments during office hours at the registered office of the Company, 4th Floor, IBL House, Caudan Waterfront, Port Louis from February 13 to February 27, 2020.