



Financial Services Commission
Mauritius



ANNUAL REPORT 2005

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ANNUAL REPORT 2005
For the period 1 July 2004 to 30 June 2005


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This Report contains references to relevant Acts and secondary legislation. The authoritative version of the text of any Act or other secondary legislation, which prevails in the event of any inconsistency, is published in the Government Gazette.

VISION STATEMENT





To be an internationally recognised
financial supervisor committed
to the sustained development
of Mauritius as a sound and competitive
financial services centre

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This note aims to introduce the new team heading the Financial Services Commission (FSC) and also to indicate the proposed strategy to be put in place in steering the development of the non-bank financial services sector in Mauritius.

The new team of the FSC comprising the Chairman, Vice Chairman, other Board Members and the Chief Executive was appointed in November and December 2005 respectively. The members of the team are:

Chairman

Mr. Said Lalloo

Vice Chairman

Mr. Satyajit Boolell

Other Board Members

Mr. Radhakrishna Chellapermal

Mr. Sanjay Gopaul

Mr. Oliver Lew Kew Lin

Mr. Raj Makoond

Ms. Mary Anne Philips

Chief Executive

Mr. Milan J. N. Meetarban

The mandate of the new team at the FSC will lie in consolidating the role of the Commission as an integrated regulator for the non-bank financial services sector in Mauritius while simultaneously aiming to uplift the economic role of the sector. In line with the strategies laid out by Government, the Commission will converge its efforts towards achieving the ultimate objective of making the financial services sector a strong economic pillar while ensuring that an adequate and sound regulatory and operational framework is in place. By establishing a conducive environment for attracting investment in the financial services sector, growth in this economic segment will be sustained.

While fulfilling its statutory duties, the FSC aims to operate along the following lines:

- Consolidate existing areas of development and identifying new growth opportunities
- Map out an appropriate regulatory plan and framework that matches the FSC's developmental plans for the non-bank financial services sector
- Establish adequate support services for capacity-building while constantly monitoring their effectiveness in delivering required output
- Sustain our stakeholder service delivery
- Build a strong partnership with operators and all stakeholders

The FSC Annual Report 2005 covers the period ending 30 June 2005. Included in the Report are the statements from the outgoing Chairman and Acting Chief Executive as well as the list of the former Board Members.

The new team seizes the opportunity of this note to invite all stakeholders to engage actively in helping the FSC achieve its stated objective.



Said Lalloo

Chairman

17 February 2006

MEMBERS OF THE BOARD

During the period 1 July 2004-30 June 2005, the Board comprised the following members:

Chairman

Mr. B. R. Gujadhur

Vice Chairman

Mr. D. Basset

Other Board Members

Mr. R. Chellapermal

Mr. J. Lallchand

Mr. R. Makoond

Mr. Y. Y. Pat Fong

Mr. R. P. Ramlugun

The Chief Executive of the Commission, during the period under review, was Mr. Iqbal Rajahbalee.

CHAIRMAN'S STATEMENT

The project to set up the Financial Services Commission (FSC) as an integrated regulator for the non-bank financial services sector of Mauritius comprised of four main components. The first component was to assist in the development of an overall framework for the FSC including staff needs, structural and governance issues. The second component was to carry out a gap analysis, in respect of the existing standards, policies, and procedures, to identify the development of standards for market conduct and prudential regulations; the development of internal policies and procedures concerning risk management; and the review of long-term goals. The third component related to capacity-building, staff training and skills-building while the fourth component was to assess the information technology needs of the FSC.

It was my great pleasure and privilege, in my capacity as Chairman, to have been associated with the development of the FSC. I am pleased to report that the major objectives of establishing an appropriate structure for the FSC, the necessary laws, regulations and rules, and the requisite capacity-building have as of date been fulfilled.

Rule-Making

The year under review was marked by the consolidation of the FSC in terms of internal governance, capacity-building and rule-making. During this period, new and improved legislation governing two of the key components of the non-bank financial services sector, notably the capital and insurance markets, were enacted in the shape of the Securities Act 2005 and the Insurance Act 2005. The Financial Services Development (FSD) Act 2001 was also amended to provide *inter alia* for a modern enforcement regime. These Acts will be proclaimed early next year. Currently, a number of consultants of international repute have been retained to draft

regulations and rules that would complement the provisions of the Insurance Act 2005, the Securities Act 2005 and the FSD Act 2001 as amended.

The FSC is pursuing its rule-making strategy in the wake of the findings and recommendations of the recent World Bank-IMF FSAP Report and also in accordance with a number of set priorities so as to bring the laws, regulations and rules for Non-Bank Financial Institutions (NBFIs) in line with international norms and standards. Priority has had to be given to the enactment of the Insurance Bill, the Securities Bill and the Financial Services Development (Amendment) Bill. Now that this major part of the rule-making component of the project is nearing completion, urgent consideration will be given to the enactment of other pieces of legislation, namely the Retirement Benefits and Private Occupational Pension Scheme Bill, the Investment Limited Partnership Bill and the Corporate Service Providers Bill.

Substantial work in respect of these proposed pieces of legislation has been carried out. The drafting of the Private Occupational Pension Scheme Bill was completed in August 2004 and same was submitted to the National Committee on Pension Reform. The National Committee circulated the Bill to various stakeholders for feedback. The suggestions and favourable comments received from the consultation have been incorporated in the Bill. Proposals were received to expand the scope of the Bill to include provisions relating to retirement benefits – thus, the new appellation “Retirement Benefits and Private Occupational Pension Scheme Bill”.

It may be recalled that the need for the Investment Limited Partnership Bill arose from a proposal from industry professionals to provide a tax-transparent vehicle (the Limited Partnership structure), whereby income or capital gains are

taxed at the level of the partners instead of the partnership as a means of establishing specialised Collective Investment Schemes. This *modus operandi* is particularly attractive to American private equity and venture capital investors. Accordingly, it was prompted by a desire to facilitate business from these sources and by the same token, to maintain the competitiveness of Mauritius as a financial centre.

The Investment Limited Partnership Bill has been closely interconnected with the Securities Bill, which entrusts the FSC with powers to make regulations for Collective Investment Schemes. Although the Bill was completed, its enactment was deferred until the Securities Bill was enacted and the Regulations for Collective Investment Schemes were made thereunder. However, there has subsequently been apprehension that the absence of a substantive law on partnerships (i.e. a Partnership Act proper) would not adequately support the provisions of the proposed Bill. Thus, there may be need to enact a new Partnership Act before enacting a Limited Partnership Act or an Investment Limited Partnership Act. A proposal has also been received to the effect that the existing provisions of the Code Civil Mauricien could be made applicable to the new proposed Bill to the extent that there are inconsistencies with the provisions of the Bill.

FSC is also pursuing its strategy to consolidate the legal framework for NBFIs and consideration is being given to enacting and to improving the laws relating to other NBF activities such as leasing and credit finance. This will allow for a broader range of products and financial services that would be developed under a revamped legal framework.

Development of New Products – Drives for New Markets

While pursuing its rule-making strategy, FSC has always given due regard to the need to balance sound and robust regulation for the Mauritius NBFI sector with commercial imperatives. There are a number of new provisions under the recently enacted pieces of legislation that will allow for the development of new products and for the licensing of more intermediaries to better serve investors and consumers of financial services. For instance, the Protected Cell Companies Act 1999 has been amended to expand the range of activities for which a PCC structure may be used. The FSD Act 2001 was also amended to extend the Category 2 Global Business regime to non-Mauritian entities, thus permitting the administration and management of corporations established in jurisdictions other than Mauritius. These measures are expected to have positive fallouts in terms of helping those engaged in the provision of financial services to diversify and improve the range of their activities.

In the course of its interactions with operators, the FSC was informed of certain constraints and changes needed in the legislative framework to improve business opportunities. In this regard, wherever possible, the powers conferred under section 14 of the FSD Act 2001 have been employed to authorise activities not provided for explicitly by the legislation on the basis of best practices. This was the case, for instance, for licensing private trust companies and for authorising specialised Collective Investment Schemes such as private equity funds, on the basis of a set of in-house rules developed by the Commission, in anticipation of firm legislation to be established under the Securities Act 2005.

Taking into consideration the pace of developments in external markets, the

Commission put in place further practice rules and new regulatory frameworks as well as drafts of some new pieces of legislation, which should act as a basis for operators to develop new lines of business and thus set the stage for diversifying the range of financial services undertaken.

The Commission has been paying close attention to the evolution of the regulatory environment in competing jurisdictions as well as the requirements of international standard-setters. The Board has always held the view that bringing down the quality of regulation cannot and should not be considered as a competitive tool as such a practice is the hallmark of poor jurisdictions that will not last for long. Financial sector growth is seen more as the consequence of the ability of individual operators to drive new and diversified business based on analysis of changing global market trends, and apply thereto skills, knowledge of markets and the ability to offer high quality products to a wide array of clients. For instance, Mauritius' international financial business is concentrated on few markets. Some operators, though, have been able to carve new markets, the effect of which is to dilute the concentration. This demonstrates that good regulation combined with business acumen will enable operators to derive new business from such markets.

Within the FSC, action was taken to better centralise and beef up its IT system. This has resulted in the consolidation of the overall database, which is expected to go live in early 2006. A positive spin-off from the improved database has been the development of an integrated licensing system at the FSC. This development should enable FSC to pull up data from its system as a means of taking decisions more effectively. The consolidation of FSC's data system will also make available online the Public Register of FSC licence holders during the course of 2006.

Streamlining of Licensing Procedures

The Mauritius financial sector has, in recent years, grown at an average annual rate of 6 per cent. Value added is shared more or less evenly between the provision of services to the domestic and external markets. While the scope for serving the domestic market has increased over the years, the real drive for making financial services a key contributor to the national economy in the future depends on the success with which local service providers can intervene to supply services to international financial markets. Global businesses have the necessary scope to apply their professional skills and contacts to develop niche products and services in the light of new demands emerging in diverse markets. In this highly competitive international market context, however, the speed of execution of transactions assumes an importance of its own, as also the legal and regulatory environment in which individual service providers operate.

In this respect, with a view to improving the effectiveness of the licensing system, additional steps were taken to further streamline FSC's licensing procedures.

Furthermore, the regulatory regime applicable to Category 2 Global Business Companies (GBCs 2) has been dovetailed to the implied risk profile of each applicant for business. As a result, the processing time for GBC 2 applications has been brought down from two days to half a working day for all cases in which applicants have provided comprehensive information at the time of submitting applications. In the case of Category 1 Global Business Companies (GBCs 1) applications for passive investment holding companies, the processing time has also been sharply reduced from 2 weeks previously to 1-2 days where all the requisite information was submitted together with the application.

The licensing process has also been improved by the consolidation and standardisation of the licensing conditions.

NBFI Database Development

Recognising the value of timely availability of up-to-date and correct information for the effective development of the NBFI sector, the FSC took initiatives to improve overall reporting standards of NBFIs. These initiatives were partly driven by our commitment to comply with international requirements such as the annual CPIS survey of the IMF. More importantly, it was felt necessary to improve the collection and dissemination of NBFI statistics to overcome a situation derived from the past involving considerable delays in the provision of data and prudential information. As information flows and the scope of such information are improved with the cooperation of operators, opportunities for business will also be created.

Challenges

It is normal for the set pattern on which business is based in a financial centre to be challenged by dynamic market forces. This factor is relevant not only in the case of the financial services sector. Thus, before the FSC was established, the India-Mauritius Double Tax Avoidance Agreement (DTA) had been challenged frequently for one reason or other. The year 2004-2005 was no exception. This time, the various issues under which the DTA has been questioned from time to time were brought up in the Indian Courts. The Indian Supreme Court thrashed out all these issues in a limpid judgment delivered, putting out in clear perspective the framework for the operation of the DTA. Dr. Manmohan Singh, Prime Minister of the Republic of India, was on official visit to Mauritius in early 2005. In the course of this visit, he made a statement to the effect that

CHAIRMAN'S STATEMENT

India was not contemplating taking any steps that would affect the economic interests of Mauritius, particularly the interests of its financial sector.

Various actions have been taken by the Commission, including entering into a Memorandum of Understanding (MOU) with the Securities and Exchange Board of India (SEBI) in late 2002, favouring the exchange of supervisory information, and actually implementing requests for information. Requests for information have been satisfied in this framework. The Mutual Assistance in Criminal and Related Matters Act 2003 provides a further source of support for cooperation between the two countries. Moreover, the more operators act circumspectly when dealing with their clients with the appropriate due diligence and complying with legal provisions, the risk of any DTA coming under stress will be minimised and, thereby, unnecessary negative signals to investors will be eliminated.

Conclusion

The foregoing illustrates part of the wide range of issues the Board dealt with during 2004-2005. It is noteworthy that the Board has not allowed itself to be distracted from its main responsibilities, which are to give sound policy direction and to maintain the high standing of the Commission locally and at the international level. The FSC is held in high esteem as an integrated regulator of the non-bank financial services sector. To this end, the Board members have made considerable efforts and spared their time generously to chart the course of the FSC. Let me place on record here my sincere thanks for the dedication and mindfulness with which the Vice Chairman has upheld the institution. The dedication and the meticulous approach of the Chairmen and Members of the different sub-committees of the

Board – responsible for Governance issues – have been simply remarkable and of the highest professional standard. As Chairman, I have received the full support of the Chief Executive and the Deputy Chief Executive and dedicated senior officers of the FSC in the discharge of my duties, for which I thank them heartily. The drive and commitment shown by our younger staff, with a strong sense of purpose and professionalism, also befits a respected regulatory authority like the FSC.

Finally, success of the FSC and the financial market depends critically on a reputation for complying with international rules and an unflinching drive to fight financial crime that may tarnish within a day the hard work of many years. The probity with which licence holders will continue to conduct their business and care for the interests of their clients, is bound to maintain investor confidence in our financial services centre. The FSC's mission will continue to be focused on ensuring the sound operation of markets while also making and applying rules which protect the interests of the jurisdiction as a whole.



B. R. Gujadhur
Chairman

22 November 2005

CHIEF EXECUTIVE'S REPORT

In the twelve month period ended June 2005, the FSC has made substantial progress in its ongoing development and maturation as a significant Regulator on the global stage. The advances made since the Commission was established in 2001 are quite remarkable and the pages that follow provide some indication as to where we have reached thus far. Nevertheless, I should like to take the opportunity provided by the Chief Executive's Report to mention some pertinent events and developments that have occurred during 2004-2005.

Before doing so, there may be value in suggesting three reasons why the maturation of the Commission has proceeded as rapidly as it has done. The first is that the world's premier international financial services centres have many more years of experience than we have. The only way to compete effectively is to learn as quickly as possible the skills that we need to operate as effectively as our competitors. The second reason is that the FSC was conceived in a hostile global economic environment in which survival depends upon acumen and continuous improvement. The third reason is that our aspirations are greater than merely wanting to be as good as those with whom we are competing – our strongest motivator is to be better. The rapidly changing global financial landscape in which we operate presents a formidable challenge to all financial centres – and it is in this type of environment that we are learning how to innovate, improve and to offer pragmatic solutions to the problems we face.

It is against this backdrop that we present our Annual Report for the twelve months ended June 2005. In many respects, the pages that follow are entirely self explanatory. Nevertheless, I should like to mention some features of the year that are particularly pertinent.

As our Report indicates, we have been operating on a Matrix Structure that comprises four Directorates – each one populated with (on average) four Clusters. A few words concerning each Directorate. With respect to Licensing, we are conscious of the need to process applications quickly – but the other dimension of speed is quality. We are pleased to have reduced our processing times markedly (on all but the more challenging applications). We are pleased not simply because the turnaround times have been reduced but because we have been able to achieve this at no cost to quality. When the standardised licence conditions take effect (from 1 January 2006), we expect that this will contribute further to streamlining this aspect of our work.

Meanwhile, our on-site compliance testing regime is in full swing – under the management of the Surveillance Directorate. All relevant licensees have been already – or will be visited – as part of this programme. Once members of staff who have joined us most recently complete their initial training, we hope to increase the volume of our inspection visits. Inspections are at one end of our compliance testing work and Investigations are at the other.

In March 2005, an investigation began on Leaderguard Spot Forex – a Category 1 Global Business Company. The investigation culminated in the revocation of the licence and the imposition of fines (by the Court) of Rs 2.1 million.

We were pleased that after so much hard work by our Policy & Research Directorate, the Insurance Act 2005 and the Securities Act 2005 have both been enacted and will soon be proclaimed. The same Directorate also prepared the groundwork for the amendments made to the FSD Act 2001 and to the Protected Cell Companies Act 1999. Meanwhile, to make sure that insurance

intermediaries treat their customers fairly, the Commission issued a Code of Business Conduct for Insurers and Intermediaries in March 2005. The Code focuses on the importance of fairness towards customers by fostering sound business practice in the insurance sector. This will assist in nurturing consumers' confidence. Industry training programmes were organised by our Consumer Services colleagues in June 2005 to help insurance stakeholders to understand, to adapt and to ensure compliance with the Commission's Code of Conduct.

With the broadening and deepening of our regulatory responsibilities, the need for quantitative information increases – both for external and for internal purposes. In the year under review, we contributed to IMF's Information Network and Survey on Cross Border Cooperation and Information Exchange, IOSCO's Questionnaire on Collective Investment Schemes, CISNA's Questionnaire on Securities and Insurance, FATF's Typologies Project on Misuse of Corporate Vehicles, COMESA's Trade in Services – Financial Services Questionnaire and IAIS and OGIS Surveys. We anticipate that there will be increasing demand from global standard-setters for information on our markets, activities and numbers and types of participants. Closer to home, regular accurate data on licensees and on the business in which they are engaged are fundamentally important for prudential purposes. Central to this work, is our Annual NBF Survey. We do not underestimate the effort required in compiling this information and we are very grateful to all licensees who participated in the exercise. The breadth of information set out in the pages that follow demonstrates the value of having such data available. We plan to expand our output of relevant information in the future. Meanwhile, as the demand for statistics grows, it is likely that we will have to ask licensees for even more information – but before we do so,

we will do all that we can to coordinate our needs so that we ask for no more than is necessary and as infrequently as possible.

The value of consumer education continues to manifest itself in a number of ways. We have already taken steps to enhance this discipline within the Commission with the publication of *"Understanding Motor Insurance – A Practical Guide"*. Substantial further work concerning consumer education is already under way.

We continue to expand the application of information technology through enhanced hardware and software. We are working currently on an integrated database that will facilitate the Licensing Directorate primarily but will also complement the work of the Surveillance Directorate and Corporate Services. To enable this development to take place, a substantial amount of money has been invested in new hardware. With respect to Corporate Services, software developments include the recent installation of ACCPAC (accounting software) – which will be integrated with the database described above.

We frequently ask our licensees to describe the risks to which they believe they are exposed. The predominant risk for the Commission itself remains reputational. The area in which we feel most exposed continues to be in respect of money laundering and the financing of terrorism. We believe that the potential for harm is so great as to warrant continuous monitoring¹.

Every inspection undertaken involves a review of licensees' procedures to check the extent to which those procedures are sufficiently robust to prevent abuse by criminals. This focus will continue in 2005-2006.

Our reputation depends not only on protecting our credibility but also in enhancing it – and in this respect, our membership of international organisations and participation in international fora continue to be an integral component of our strategy. The Commission is a member of the International Association of Insurance Supervisors, the International Organisation of Securities Commissions, the Offshore Group of Insurance Supervisors and the Committee of Insurance, Securities and Non-Bank Authorities. We attend the meetings of the Offshore Group of Banking Supervisors – by kind invitation of the Bank of Mauritius. Membership of such groups allows the Commission to be aware of international developments at first hand – and to raise the profile of Mauritius simultaneously. During 2004-2005, the Commission was also represented at a number of conferences and seminars both locally and abroad. Conferences abroad included the South Asian Securities Regulators Forum, the International Organisation of Pension Supervisors and the International Network of Pension Regulators and Supervisors Conference. We have also increased the number of Memoranda of Understanding signed with other supervisory authorities – the total number of which now stands at 14 (as at 30 June 2005).

Naturally, none of the developments described above would have been possible if we did not have capable staff. We are most fortunate that our staff complement includes highly dedicated and totally committed professional members. We applaud their efforts and allocate to them the credit that is due for making possible the advancements that are described in the pages that follow. We trust that those members of staff who have joined the Commission recently, will emulate those of our colleagues described above – because in so doing, our future success in serving Mauritius will be ensured.

¹ The Commission subsequently issued revised Codes on the Prevention of Money Laundering and Terrorist Financing (CPMLTF) in July 2005. The focus on AML/CFT is complemented by the importance that we attach to Corporate Governance. Our approach is described fully in the circular we issued in July 2005.


With respect to the future, the pace of legislative development continues. We are currently engaged on the development of regulations and rules to give effect to the Securities Act 2005 and to the Insurance Act 2005 respectively. Work is ongoing in respect of the Retirement Benefits and Private Occupational Pension Scheme Bill. Consideration is being given as to how best to enhance the legal framework for Corporate and Trust Services Providers.

It would be remiss of me to exclude reference to Mr. Iqbal Rajahbalee – who served as the Commission's Chief Executive from when it was established in 2001 until 31 July 2005.

Lastly, I should like to take this opportunity to express my gratitude to the Chairman, Vice Chairman and members of the Board for their support and direction in what has been a very demanding year in the Commission's growth. Arguably, the earliest years of a Regulatory Authority's existence are amongst the most

difficult it will encounter. Board members have been unstinting in their energy and contribution to serving the organisation and in assisting us to meet the responsibilities allocated to the Commission by the FSD Act 2001.

The Commission looks forward to further growth and development as Mauritius grows in stature and experience as an international financial services centre. We will continue to do our utmost to preserve and to enhance the sound reputation that Mauritius enjoys abroad and to keep the financial services environment in Mauritius conducive to clean, sound, first class business activity.



H. McCann
Acting Chief Executive

28 October 2005

1. REPORTS FROM DIRECTORATES





To promote the development,
fairness, efficiency and transparency
of financial institutions and
capital markets in Mauritius

1. REPORTS FROM DIRECTORATES

The vision of the FSC is to be an internationally recognised financial supervisor. In order to achieve optimal efficiency and thereby, gear the FSC into the international arena, the structural framework of the Commission has been built upon a Matrix arrangement. This Matrix is composed of four Directorates, namely Licensing, Surveillance, Policy & Research as well as Corporate Services.

This section of the Report highlights the developments witnessed by three Directorates of the FSC during the period ending 30 June 2005. Thus, reports from Licensing, Surveillance and Policy & Research Directorates are outlined to describe the events pertaining to the regulatory and developmental functions of the Commission for the period under review.

Table 1: Analysis of Applications Approved (2002-2005)

Type of Licensees	As at 30 June 2005	As at 30 June 2004	As at 30 June 2003	As at 30 June 2002
GBCs 1 ¹	7,733	7,261	6,847	6,546
GBCs 2 ¹	18,167	16,334	14,567	12,803
Management Companies	85	81	79	71
Corporate Trustees	24	24	21	19
Captive Insurance Managers	6	6	6	6
Section 14 Licensees:	34	20	12	1
Fund/Portfolio Managers ²	16	9	5	1
Investment Advisers/Agents	5	3	2	0
Leasing Companies	3	2	0	0
Credit Finance Companies	2	1	1	0
Factoring Companies	1	0	0	0
Pension Scheme Managers	2	2	1	0
Actuaries	1	1	1	0
Treasury Managers	3	1	1	0
Custodian	1	1	1	0
Insurers	23 ³	23	23	23
Insurance Brokers	17	12	10	9
Insurance Agents	257	245	130	169
Insurance Salespersons	3,372	2,941	2,692	2,571
Investment Schemes Authorised ⁴	23	22	21	19
Stockbroking Companies	11	11	11	11
Stockbrokers	22	22	25	28
Total Applications Approved (Global Business sector)	26,015	23,706	21,520	19,445
Growth Rate (Global Business sector) (%)	10	10	11	
Total Applications Approved (Domestic Sector)	3,736	3,296	2,924	2,831
Growth Rate (Domestic Sector) (%)	13	13	3	
Total Applications Approved	29,751	27,002	24,444	22,276
Growth Rate (Overall) (%)	10	10	10	

¹ Includes entities struck off from the Register of Companies

² Includes two entities which were merged in December 2004 into one company

³ Includes two Insurers in the process of winding-up and two Insurers prohibited from underwriting insurance business

⁴ Includes schemes that were authorised under distinct laws prior to the setting-up of the FSC

1.1 REPORT FROM THE LICENSING DIRECTORATE

The Licensing Directorate is responsible for processing all applications for licences, authorisations and certificates regarding NBFIs falling under the regulatory remit of the FSC. In this context, applications for NBFIs operating in the domestic sector as well as entities operating in the Global Business sector are processed by the Directorate. For the period ending 30 June 2005, a cumulative aggregate of 29,751 licensed / authorised entities on the FSC Register, thereby bringing the total number of applications approved by the Commission during the period under review to 2,749 (including those entities struck off from the Register of Companies), of which the bulk came from the Global Business sector as detailed in Table 1.

The figures in Table 1 indicate that for the period ending 30 June 2005, there was an overall growth of 10% in the total number of applications approved by the FSC. Applications for GBCs 2 continue to constitute the bulk of the applications. Over this period, 14 NBFIs were licensed under section 14 of the FSD Act 2001, thus bringing the total number of NBFIs licensed under this section to 34 as at 30 June 2005. Despite the lower number of active insurers, there was a greater number of registered Insurance Intermediaries (Insurance Brokers, Insurance Agents and Insurance Salespersons) – a growth of 14% was noted for the period under review.

It is noted from Table 1 that the growth rate in approval of applications for total licensees has remained constant since the period ending 2003. Licensees operating in the domestic sector maintained a higher growth rate (13%) than those operating in the Global Business sector (10%) for both periods ending 2004 and 2005. For the period ending 2003, the growth rate (11%) for the Global Business sector was higher than the rates

for the periods ending 2004 and 2005, while the growth rate (3%) for the domestic sector for the period ending 2003 was lower than the rate for the periods ending 2004 and 2005.

With regard to companies holding Global Business licences struck off from the Register of Companies as at 30 June 2005, 1,716 GBCs 1 and 1,632 GBCs 2 were struck off, bringing the effective number of GBCs 1 to 6,017 and GBCs 2 to 16,535. Analysis of companies holding Global Business licences struck off is detailed further in the Report.

1.1.1 STREAMLINING OF APPLICATION PROCESS

The Licensing Directorate is committed to rendering the application approval process more efficient, transparent and reliable. Thus, since early 2004, the Directorate has been reviewing its internal procedures to achieve this aim.

The streamlining of the application process continued during the period under review. The processing time for applications of GBCs 2 licences now requires half a working day (provided all relevant information is submitted) compared to the previous two days' turnaround time. In the same vein, the processing time for GBCs 1 involved in passive investment holding has been reduced to 1-2 days compared to two weeks as was previously the case. The Licensing Directorate is now aiming at reducing the processing time of more complex applications, such as those relating to Collective Investment Schemes (CIS) operating in the Global Business sector. The object is to increase efficiency without impairing quality of the regulatory decision. The Directorate is thus reviewing the core issues and information that need to be provided by applicants.

1.1.2 STANDARDISATION OF LICENSING CONDITIONS

An exercise to standardise licensing conditions was completed during the period under review. Overall the Directorate identified about 170 licensing conditions for the various NBFIs licensed and proposes to streamline these to 30 core conditions. Following public consultation, the FSC considered comments and suggestions made, and finalised the new licensing conditions which became applicable as from February 2005 for all entities licensed under the FSD Act 2001. Licensing conditions of existing licensees would be replaced by the new licensing conditions on 1 January 2006. It is to be noted that several existing licensees had already opted during the period under review to adopt these new conditions. The new licensing conditions shall not apply to the following categories of licensees:

1. Insurers, Insurance Brokers, Insurance Agents and Insurance Salespersons operating in the domestic market and governed by the provisions of the Insurance Act 1987
2. Stockbrokers, Dealer's Representatives, Stockbroking Companies, Investment Clubs and Approved Investment Institutions licensed/registered/approved under the Stock Exchange Act 1988
3. GBCs 2 – the licensing conditions have already been standardised.

1.1.3 INCORPORATOR COMPANY REGISTERS

The FSC issued Practice Notes (PN 010904) on Incorporator Companies in September 2004 and as at 30 June 2005, 15 Management Companies (MCs) have sought approval from the FSC to operate Incorporator Company Registers.

1.1.4 DATABASE PROJECT

During the period under review, work has

progressed with regard to the setting up of an integrated and comprehensive database for all licensed NBFIs. The first phase of the database project entailed capturing data relating to MCs and GBCs 1 licensed on 1 December 2001 onwards. Data pertaining to over 50% of the former "Offshore Companies", licensed before December 2001, have already been input into the system. The second phase of the database project, which started in 2004, involved transcribing information relating to GBCs 2.

By February 2005, the scope of the database project was extended to take on board the domestic NBFIs licensed by the FSC, including Insurers, Insurance Intermediaries, Leasing Companies, Credit Finance Companies, Factoring Companies, Investment Dealers, Investment Advisers, Representatives of Investment Dealers, Representatives of Investment Advisers, Custodians, CIS Managers/Administrators, Security Exchanges, Depository, Clearing & Settlement Facilitators, Reporting Issuers, Treasury Managers, Actuaries, CIS, Pension Scheme Managers/Administrators, and Governing Bodies of Occupational Pension Schemes.

The database project, which is expected to go live in early 2006, will provide the FSC with an integrated licensing system but, more importantly, it will provide the Commission with a crucial working tool in compiling information on licensed entities and assessing developments of the NBFI sector.

1.1.5 PUBLIC REGISTERS OF LICENSEES

Progress has been made during the period under review with regard to the setting up of Public Registers for NBFIs licensed by the FSC excluding entities in the Global Business sector. The format of the Registers being complete, the relevant data is currently being compiled and entered onto the system. It is planned that the Public Registers will be available online in the course of 2006.

1.2 REPORT FROM THE SURVEILLANCE DIRECTORATE

The Surveillance Directorate is responsible for undertaking compliance and inspection visits to all licensees at frequencies determined on the risk profile of each licensed NBFi. Procedures for off-site and on-site inspections have been established for licensees and tailored to the risks associated with the NBFis concerned. This process follows a risk-based approach to supervision. The Surveillance Directorate is also involved in investigating licensees in cases of alleged offences. This section describes the processes of inspections in place as well as certain important observations noted in the course of the FSC's regulatory exercises during the period under review.

1.2.1 OFF-SITE SUPERVISION

Off-site supervision of licensed NBFis involves mainly the review of audited financial statements and statutory returns submitted to the FSC. The objective is to ensure compliance with licensing conditions set out for NBFis as well as with relevant laws, regulations and codes issued by the FSC. The fitness and propriety of each licensee and that of their principals are constantly monitored while other established criteria set out by relevant international standard-setting bodies are examined for each NBFi concerned. Guidelines describing the "fit and proper" test and above-mentioned process and criteria are posted on the FSC's website.

The approach to off-site supervision for Insurers entails monitoring closely their solvency positions. During the period under review, two Insurers did not maintain the minimum level of Statutory Reserve Fund required under the Insurance Act 1987. As a result, the FSC initiated the concerned

entities to take necessary actions and the outcome was as follows:

- In the first case, the company agreed to transfer 25% of its profit every year until the minimum level is reached in compliance with Section 25 of the Insurance Act 1987.
- In the second case, the company was requested to comply with the requirement of section 25 of the Insurance Act 1987 and to disclose its non-compliance in its audited financial statements.

Other general observations following the off-site monitoring of Insurers related to data consistency in statutory returns and audited financial statements, International Accounting Standards (IAS) issues and certain issues relating to compliance with the Insurance Act 1987.

Observations emanating from off-site supervision of Capital Market Operators related mainly to compliance with the Companies Act 2001, IAS issues, compliance with the Code on Prevention of Money Laundering and Terrorist Financing and licensing conditions.

Off-site supervision of the Global Business sector entailed mainly the review of audited financial statements of some 4,800 GBCs¹ and analysing the audited accounts of corporate and trust service providers (Management Companies and Corporate Trustees) – the latter is described further in the Report. Observations arising from off-site monitoring of the GBCs¹ related to compliance with certain provisions of the FSD Act 2001 and licensing conditions.

1.2.2 ON-SITE INSPECTIONS

On-site inspections serve the following purposes:

- Ascertaining compliance of licensees with relevant laws, regulations, standards and codes issued by the FSC
- Assessing the market conduct of licensees for fairness and transparency
- Checking adherence of licensees to AML/CFT legislation
- Ensuring soundness of corporate governance of licensees
- Evaluating risk management processes established by licensees

The FSC plans on-site inspections of its licensees on a risk-based approach. This implies identifying the risks inherent in a licensee's operations and, by extension, the higher the risks, the greater the regulatory resources allocated.

The risk profiling of licensees is based on the following:

- Analytical review of financial information provided by the NBFIs
- Market conduct issues (e.g. consumer complaints received at the Commission)
- Significant shift in business (product mix)
- Sizeable increase in market share
- Significant change in Board of Directors or top management
- Media reports
- Unsatisfactory handling of prior on-site and/or off-site monitoring findings

Five Insurers were inspected during the period under review. One Insurer was placed under liquidation in May 2005.

During the period under review, the FSC conducted on-site inspections at nine Stockbroking Companies (SBCs) and four Fund / Portfolio Managers and one Investment Agent

licensed under section 14 of the FSD Act 2001. Observations noted during the on-site inspections of these licensees related to compliance with the relevant legislation and with the Central Depository System (CDS) Rules, as well as risk management processes and licensing conditions.

During the period under review, inspections were carried out at 17 MCs. The inspection cycle started in September 2002 with 31 MCs being inspected as at the end of the period under review. Observations following the on-site inspections of MCs pertained to Customer Due Diligence (CDD) checks of beneficial owners and principals, AML/CFT legislation and Code, as well as issues relating to settlement of fees and submission of audited financial statements of client companies.

Following the various observations made from the off-site and on-site inspections of the different licensees of the FSC, the Commission has taken necessary measures to ensure that concerned parties conform with directives issued.

1.2.3 REVOCATION OF LICENCES

The FSC is empowered under the FSD Act 2001 to revoke the licences of its licensees. In the case of GBCs, the FSD Act 2001 provides for the circumstances that may lead to the revocation, namely where the FSC:

- has reason to believe that the holder of the licence is acting or has acted - (i) in contravention with the FSD Act 2001 or the Financial Intelligence and Anti-Money Laundering Act 2002 or any regulations made under those Acts; (ii) in breach of any conditions of the licence;
- is of opinion that the cancellation or revocation is necessary to protect the good reputation of Mauritius as a centre for Qualified Global Business.

However, the FSD Act 2001 provides for due process prior to revocation of a licence. The licensee has the opportunity to make written representations. In this context, the FSC issues a "Show Cause" letter¹. When no adequate reason has been shown to persuade the FSC not to proceed with the action described in the "Show Cause" letter after one month from the date of its issuance, the FSC revokes the Category 1 or Category 2 Global Business licence for failure to satisfy the requirements of the FSD Act 2001.

For the period ending 30 June 2005, the Board of the FSC has approved the revocation of 170 Global Business licences (59% of these were GBC 2 licences).

1.2.4 LAPSES OF LICENCES

The FSC issued a Circular Letter (CL021204) to all MCs in September 2004 regarding lapses of Global Business licences. GBCs that fail to renew their licences within the statutory deadline risk their licence lapsing. The "Lapse Letter" is to inform GBCs of the lapse and about the consequences of the lapse. In such cases, the company cannot continue to undertake transactions and must surrender its licence to the Commission. Further, to the company must initiate winding up procedures within three months of the lapse licence date. Should the concerned GBC wish to remain in business, a new application would have to be made after all outstanding fees have been paid. This lapse licence exercise came into operation on 1 November 2004, and as at 30 June 2005, the number of lapses effected by the FSC pertained to 675 GBCs 1 and 3,507 GBCs 2.

1.2.5 AUDITED FINANCIAL STATEMENTS OF GBCS 1

A Circular Letter was issued by the FSC to all MCs in February 2005 regarding the preparation of audited financial statements of GBCs 1. The Commission henceforth allows GBCs 1 conducting non-financial activities to prepare their audited financial statements in accordance with the UK IFRS, the US Generally Accepted Accounting Principle (GAAP) or the South Africa GAAP without prior approval from the FSC. Further, GBCs 1 conducting financial services and which prepare their audited financial statements in accordance with the aforementioned IFRS and GAAPs must furnish to the FSC certain confirmations from auditors. GBCs 1 that do not wish to prepare their audited financial statements in compliance with either IFRS or the GAAPs must obtain the Commission's prior approval as stipulated in section 26 (2) of the FSD Act 2001 for permission to use any other accounting standard.

¹ For the purposes of the above, a "Show Cause" letter is a communication in writing, addressed to the Directors of a licence holding company and sent by Registered mail to the last known Registered Office of the Company (and to the last known address of the company's principals), inviting them – within one month of the date of the letter – to make whatever representations they consider appropriate to persuade FSC why it should not proceed to revoke the company's licence. Failure to respond to such a letter will lead to a recommendation for revocation of the licence and to the Company being wound up.

1.2.6 INVESTIGATIONS

During the period under review, the FSC conducted 16 inquiries, which related to one case of alleged market manipulation, two cases of alleged insider dealings and 13 cases of non-compliance with Mauritian laws and regulations as well as with FSC's licensing conditions and directives. The inquiries revealed that the alleged offences of market manipulation and insider dealing were not substantiated. The SEM is currently reviewing the Listing Rules.

In relation to non-compliance with laws, licensing conditions and directives from the Commission, the FSC revoked eight licences of GBCs. Leaderguard Spot Forex, a GBC 1, was convicted by the Court for the offence of non-compliance with FSC directives and charges of falsification of documents under the Companies Act 2001 - its principals were fined Rs 2.1 million.

The Commission initiated an investigation into three Insurers and one individual, who were suspected of acting as insurance agents without being registered – thereby breaching the Insurance Act 1987. Following the investigation, the matter was referred to the Police by the FSC.

1.2.7 EXCHANGE OF INFORMATION

Mechanisms have been established at the FSC for exchange of information at both national and international levels. During the period under review, the FSC signed two more Memoranda of Understanding (MOUs). The counterparts of these two were the Reserve Bank of Malawi and the Isle of Man's Financial Supervision Commission respectively. Further details are provided in the section of "International Cooperation" and in Appendix A6.

The FSC received and made 64 requests for exchange of information during the period under review, out of which 22 were with overseas regulators and related to licensing issues, financial conditions for ongoing supervision, enforcement investigations and action resulting from enforcement cases. At the national level, the FSC dealt mainly with the Bank of Mauritius, the Financial Intelligence Unit, the Independent Commission Against Corruption and the Stock Exchange of Mauritius.

1.2.8 SURVEILLANCE RESEARCH PROJECTS

The Commission undertook two research projects in the insurance industry. The first project was in respect of deductions made by Insurers when making cash settlements to determine whether policyholders are being treated in a fair and transparent manner. Issues arising from the project are still under discussions. The second project was conducted at the request of the Ministry of Financial Services to determine the justification of the proposed increases in lorry insurance premium. A report was submitted to the Ministry for appropriate action.

1.3 REPORT FROM THE POLICY & RESEARCH DIRECTORATE

The Policy & Research Directorate is responsible for recommending policies for regulating the NBFi industry based on research of our own industry and on what is happening elsewhere. Consequently, it undertakes the following tasks:

- Developing policies, rules and standards for the regulation of the non-bank financial sector
- Collecting, compiling and disseminating information relating to NBFIs for policy decisions
- Liaising with international organisations and supervisors for standard setting in the non-bank financial sector
- Providing services to consumers of financial services by handling complaints and establishing educational programmes
- Implementing state-of-the-art information technology infrastructure at the Commission

1.3.1 NEW LEGISLATION: THE SECURITIES ACT 2005 AND THE INSURANCE ACT 2005

The FSC contributed significantly in the preparation of two pieces of legislation which were recently enacted in the National Assembly, namely the Securities Act 2005 and the Insurance Act 2005. Both pieces of legislation were subject to consultation in June 2004 and were enacted in March 2005. With the assistance of consultants from abroad, the Commission is currently developing regulations to give effect to the Insurance Act 2005 and the Securities Act 2005. It is expected that both pieces of legislation will be proclaimed in the first quarter of 2006.

The Securities Act 2005 aims to enhance and upgrade the existing securities legislation. It also provides a wider and deeper coverage of the securities markets in Mauritius and is based on

standards recommended by the International Organisation of Securities Commissions (IOSCO). The main object of the Securities Act 2005 is to ensure a fair, efficient and transparent securities markets and most importantly, to strike an appropriate balance between the protection of investors and the interest of the securities markets. It establishes a framework for adequate regulation of securities markets, market participants, self-regulatory organisations and for the offering and trading of securities. The Securities Act 2005, which replaces the Stock Exchange Act 1988, draws on modern legislation in jurisdictions similar to Mauritius and is based on up-to-date regulatory and supervisory standards.

The Insurance Act 2005 once proclaimed will repeal the prevailing Insurance Act 1987. This legislation, which is designed to improve the soundness of the insurance market in Mauritius, will enhance the regulatory and supervisory framework for the insurance industry and will provide greater protection to policyholders and other beneficiaries. The Act, which reflects the International Association of Insurance Supervisors' (IAIS) Core Principles and other established standards and norms, provides for the application of IAIS standards and principles whilst focusing on specific regulatory issues relating to capital adequacy, solvency, corporate governance, early warning systems and the protection of policyholders. The Act will promote confidence in the insurance industry by ensuring fair treatment to policyholders, reducing the risk of the insurance business being involved in financial crime and by ensuring orderly and sound growth of the insurance industry in Mauritius. This legislation encompasses insurance business operating in the domestic and Global Business sectors under a single statement of law.

Insurance business under the Act is classified into two broad categories, namely Long-Term Insurance Business and General Insurance Business. The Act provides for a balance between the public policy aims of ensuring strong financial institutions and public protection on the one hand, and competitiveness, entrepreneurial spirit and efficiency on the other.

1.3.2 AMENDMENTS TO THE FSD ACT

During the period under review, changes have been brought to the FSD Act by the Financial Services Development (Amendment) Act 2005 and the Finance Act 2005. The main changes relate to the enhancement of the enforcement powers of the Commission and the extension of the Category 2 Global Business regime.

1.3.2.1 Enhancement of the Enforcement Powers of the FSC

The FSD (Amendment) Act 2005 extends the existing powers of the FSC to provide for a wider range of disciplinary sanctions that may be imposed apart from the revocation of a licence. Under the new powers, the FSC will be able to impose administrative fines. The application of the powers of the Commission will be restricted to any person licensed by the FSC and to any person who is a present or past director, manager, partner or shareholder or controller of a person licensed by the Commission.

The amendments also provide for the establishment of an Enforcement Committee and a Financial Services Review Panel. The Enforcement Committee is designed to provide an internal disciplinary mechanism whereby the investigative and enforcement functions of the Commission will be separated. Any decision of the Enforcement Committee will be subject to review by the Financial Services Review Panel. The amendments

contain provisions whereby any person aggrieved by a decision of the FSC may apply to the Financial Services Review Panel for review. All administrative fines collected by the Commission will be paid into a Financial Services Fund which will be used for the following specific purposes:

- To promote the education of consumers of financial services
- 25% of the Fund will be credited equally to such compensation fund as may be set up under the relevant Acts
- To fund the remuneration and expenses of the Financial Services Review Panel

1.3.2.2 Extension of the Category 2 Global Business Regime

Currently, only a private company incorporated under the Companies Act 2001 may hold a GBC 2 Licence. The FSD Act has been amended to extend the definition of Qualified Global Business. The amendments brought to sections 19(2)(b) and 20 will allow a private company or a corporation (in such legal form as may be acceptable to the Commission), other than a trust, to apply for a GBC 2 Licence.

The extension of the Category 2 Global Business regime will allow for the administration and management of corporations established in a jurisdiction other than Mauritius. The FSC is in the process of developing rules and guidelines that will establish the framework within which MCs will be allowed to provide administrative and management services to these new categories of GBCs 2.

1.3.2.3 Finance Act 2005 – Exemption from section 26(2) of FSD Act 2001

The Finance Act 2005 amended the FSD Act 2001. A new subsection was added to section 26 of the FSD Act 2001 to enable the FSC to exempt a class of corporations holding a GBC 1 Licence from the requirement to submit audited financial statements, as required under section 26(2) of the FSD Act 2001. This amendment reflects the Commission's intention to implement a risk-based supervisory approach towards the Global Business sector. The FSC's approach is based on the premise that the regulatory regime applicable to a GBC 1 should be proportionate to the risk profile of the licensee. This enables the Commission to focus more attention on higher risk business and to relieve lower risk licensees from unnecessary regulatory attention or reporting. In turn, this means that compliance costs are controlled, thereby enhancing the competitive edge of Mauritius as a financial services centre.

1.3.3 AMENDMENTS TO THE PROTECTED CELL COMPANIES ACT 1999

The FSC made recommendations with regard to the amendment of the Protected Cell Companies (PCC) Act 1999 to extend the purposes for which a Protected Cell Company (PCC) may be used. In line with the recommendations, the Protected Cell Companies (Amendment of Schedule) Regulations 2005 has amended the schedule to the PCC Act 1999. The activities that henceforth qualify for a PCC structure under Qualified Global Business activities are:

1. Asset holding
2. Collective Investment Schemes (previously referred to as "investment funds")
3. Specialised Collective Investment Schemes
4. Structured finance businesses
5. Insurance business

The Commission will be issuing Practice Notes in early 2006 to provide guidance on the use of the PCC structure in relation to the above business activities.

1.3.4 CODES & GUIDELINES

In the course of the year under review, the FSC has issued a number of Codes and Guidelines in the form of Practice Notes and Circular Letters.

1.3.4.1 Practice Notes on Managed Corporate Service Providers

The Practice Notes (PN 010105) on Managed Corporate Service Providers (MCSPs) describe the regulatory approach of the Commission towards MCSPs and clarify the obligations of both the MC and the MCSP. MCSPs have to submit to the FSC by 31 December 2005 a fresh application stating whether they wish to continue operating as a MCSP or whether they intend to set up as an independent standalone operation.

1.3.4.2 Circular Letter on Private Trust Companies

The Circular Letter (CL 050904) on Private Trust Companies (PTCs) sets out the conditions under which the FSC may allow MCs to set up GBCs 1 or GBCs 2 for the purpose of conducting private trust business. This is under the proviso that the PTC and the MC, which will set up and provide administrative services to the PTC, and adhere to specific licensing conditions.

1.3.5 REVISED AML/CFT CODES

The FSC completed the review exercise of the Codes on the Prevention of Money Laundering and Terrorist Financing, which started in June 2004².

The main changes include the following:

- The substantive provisions of the Codes have been reviewed to embrace the concept of Customer Due Diligence as set out in the Revised Recommendations of the FATF.
- The Codes have been clarified to indicate situations where licensees are required to apply enhanced, reduced or simplified due diligence procedures.
- The requirements regarding introduced business have been realigned with international standards.
- New provisions have been introduced in the Codes with regard to omnibus accounts.

1.3.6 CIRCULAR LETTER ON NATIONAL CODE OF CORPORATE GOVERNANCE AND FSC GUIDELINES ON CORPORATE GOVERNANCE

The National Code of Corporate Governance, which has been issued by the National Committee on Corporate Governance in accordance with section 65(c) of the Financial Reporting Act 2004, has come into effect for designated financial institutions, including those licensed by the Commission, as from the reporting year ending 30 June 2005³.

In view of the distinct operations of NBFIs such as Insurers, Insurance Brokers, Capital Market Operators, Specialised Finance Institutions and Financial Service Providers, the FSC proposes to develop complementary sector-specific guidelines that would supplement the National Code, generally applicable to companies. In fact, the

Commission has already prepared draft Guidelines on Corporate Governance for Service Providers (Non-Financial) for consultation with the industry. The other guidelines to be prepared by the FSC are:

- Guidelines on Corporate Governance for Service Providers (Financial)
- Guidelines on Corporate Governance for Financial Institutions

1.3.7 STATISTICAL COLLECTION, COMPILATION AND DISSEMINATION

Since June 2002, the FSC has been empowered to collate statistics relating to NBFIs operating in the domestic and Global Business sectors. The various surveys conducted by the FSC over the past years have encouraged NBFIs to collect, organise and manage their own information and to generate reports in line with the requirements of the FSC. Since the Commission launched its first statistical survey on NBFIs in March 2003, significant progress has been achieved in improving the quality of the data generated. Interacting closely with the industry over the past years has enabled the FSC to further understand the business operations of NBFIs. This allows the FSC to express its requirements for information from operators more clearly – thereby continuously improving the framework for the collection and compilation of statistics on the NBFI sector.

The process of statistical compilation at the FSC is computerised. A software application is used for capturing data and for loading the information onto a database system for report generation. Licensees reporting to the FSC's Surveys submit their returns electronically and the data are examined and verified prior to compilation. It must be emphasised that the FSC requires accurate data in the formats established so as to ensure that accurate reports are generated.

² The revised Codes on the Prevention of Money Laundering and Terrorist Financing were subsequently issued in July 2005 and came into effect on 1 August 2005.

³ The FSC has issued a Circular Letter (CL 010705) in July 2005, reminding licensees of their obligations arising from the National Code of Corporate Governance.

The Commission has allocated substantial time and resources to verify the accuracy of the information submitted through the surveys. The technology used for compiling the survey returns is constantly evolving and being improved so as to provide a more secure and user-friendly platform.

The FSC conducts surveys both for its own requirements and on behalf of international organisations – more details are given further in the Report. The results of the FSC's Surveys and other data submitted are used for various purposes, namely publication, submission to authorities and input for policy decision-making, amongst others. Statistics presented in this Report are extracted from the Surveys, statutory returns and official sources from other relevant authorities – these are analysed in the corresponding sections.

Further, the FSC has also been considering the publication of Quarterly Statistical Bulletins (QSBs) to inform the public on key facts and trends in the NBFi sector. Certain difficulties encountered with the submissions to the QSS will in this context require a review of the reporting procedures so as to enable the process to run smoothly. The publication of a QSB would bridge an important information gap.

1.3.8 WORKSHOP ON STATISTICAL DATA ANALYSIS & COMPILATION

As part of its consultative approach, the FSC organised a workshop on Statistical Data Analysis & Compilation in June 2005. The workshop was held over three days and focused on insurance and pension business, investment business and Global Business. The aim of the workshop was to share understanding of the importance of the FSC's Surveys with all stakeholders whilst identifying practical issues, which would help to improve the survey methodologies in place. As a

follow-up to the workshop, the FSC intends to continue consultation with the industry through the setting-up of working groups.

1.3.9 ANNUAL NBFi STATISTICAL SURVEY

The third Annual NBFi Survey 2004 was conducted over the period under review. The active total population of NBFis surveyed was 180 with an overall response rate of 97%.

The following entities were surveyed:

- Insurers
- Insurance Brokers
- Stockbroking Companies
- Fund/Portfolio Managers
- Leasing Companies
- Credit Finance Companies
- Factoring Companies
- Investment Advisers/Agents
- Treasury Managers
- Actuaries
- Pension Scheme Managers
- Management Companies
- Corporate Trustees
- Captive Insurance Managers

It is to be noted that the data available help to improve the analysis and to identify market trends in the NBFi sector, as statistics have been obtained from this survey for the past three years with data being revised each year.

1.3.10 QUARTERLY STATISTICAL SURVEYS

In January 2005, the FSC launched the QSS for Insurers, Occupational Pension Schemes and Collective Investment Schemes. In view of the risk profiles of these NBFis, the coverage of these entities in the QSS supports the risk-based approach adopted by the Commission in supervising NBFis.

The specific objectives of the QSS, besides the usual purpose of dissemination are detailed below:

1. Compiling data on a quarterly basis enables the FSC to monitor NBFIs closely through the establishment of an effective framework for off-site surveillance including mechanisms for “early warning system” for entities in difficulty.
2. The QSS provides more recent statistics for Insurers. As at date, data pertaining to Insurers, which are extracted from statutory returns, are reported with a one-year lag due to the legal provision for Insurers to submit their returns eight months after their financial year-end. This provision has been revised by the Insurance Act 2005 with Insurers having to submit their statutory returns three months after their financial year-end.
3. The QSS allows data to be reported on established calendar quarters, enabling the FSC to collate statistics in a rationalised, precise and consistent manner.

Following certain “teething” problems, respondents managed to adapt to the requirements of the QSS but the main difficulty lies in respecting the deadlines set out by the FSC. In fact, this specific issue was addressed during the workshop on Statistical Data Analysis & Compilation and it was clearly explained to respondents that the requirement of obtaining timely data would be meaningful for the purposes set out by the FSC. It must be pointed out that the requirements of the QSS have caused certain respondents to review and improve their internal information control systems as well as their accounting practices.

1.3.11 CONSUMER SERVICES AND EDUCATION

The FSC established a new Consumer Services Unit in May 2004. This Unit is responsible for handling consumer complaints as well as for raising consumer awareness on financial issues by providing consumer education, generally on financial products, and especially on issues of greater concern to consumers. The approach adopted focuses on investor protection from a consumer and industry perspective. It simultaneously improves the understanding of financial issues by consumers and the platform for business conduct pertaining to the sale of financial products.

1.3.11.1 Code of Conduct for Insurers and Intermediaries

In November 2004, the FSC launched for consultation a Code of Conduct for Insurers and Intermediaries. One of the objectives of the Code is to ensure that market operators in the insurance sector treat their customers fairly and with due care. The Code defines how business should be conducted to minimise risks of unsound and unfair business practice that would put consumers’ interests at stake. It is expected that the Code along with consumer education and awareness initiatives will help reduce complaints from consumers in the insurance sector. At the end of the consultation process, a workshop was organised for the benefit of all stakeholders (the Insurers’ Association, other operators in the insurance sector and consumer representatives). Industry training programmes were conducted in June 2005 by FSC staff and external trainers to help Insurance Agents, Insurance Salespersons and employees of Insurers – who are responsible for sales transactions – understand, adapt and ensure compliance with the Commission’s Code of Conduct, which is expected to be effective as soon as regulations in relation to the new Insurance Act 2005 are finalised.

1.3.11.2 Complaints Handling

For the period under review, the FSC received 402 consumer complaints relating to the insurance sector compared to 250 last year. The motor insurance sector accounted for an all time high of 91.5%, while life, theft and fire insurances respectively represented 6.5%, 0.75% and 0.5 %. Travel insurance accounted for 0.5% and goods in transit represented 0.25%.

Generally the rise in complaints reporting may be attributed to increased awareness of the existence of the regulator brought about by the launching of the Code of Conduct for Insurers and Intermediaries. A growing number of consumers now turn to the FSC for advice and assistance to have their complaints resolved. Further, the introduction of the “Agreed Statement of Facts” - *Constat à l’amiable* - for road accidents in September 2004, and the fact that consumers do not yet fully understand its mode of operation, have strongly impacted on motor insurance complaints lodged at the FSC.

Complaints resolution

Out of the 402 complaints brought to our attention, 227 have been satisfactorily resolved by the complaints handling team. Most of the complaints related to conduct of business issues, namely poor claims handling by some companies, and were referred for closer surveillance actions.

For other cases involving legal issues, beyond the regulatory remit of the FSC (such as disputes on quantum and liabilities, accidents involving several vehicles, and criminal offences caused by non-reporting of accidents, amongst others), complainants were invited to redirect their complaints to other competent authorities or to take independent legal action.

The Motor Insurance Practical Guide

In a bid to reduce motor insurance-related complaints, the FSC published a guide for motorists and the broad public entitled “*Understanding Motor Insurance - A practical Guide*” in June 2005. The Guide builds on a product research carried out by Consumer Services, as well as discussions with several industry representatives and live experience gathered from complaints handling at the FSC. It provides consumers, in simple language, with an in-depth knowledge of motor insurance products as well as practical information and advice they require before and after a purchase to avoid misunderstandings in relation to their contractual agreement, or to avoid other difficulties. The Guide incorporates three fundamental principles of consumer education: Knowledge building, Attitude change and Behavioural change. Although it is designed primarily to help consumers, it has been of interest to insurance intermediaries for issues within their scope.

1.3.12 POLICY ISSUES ON SECURITIES MARKET

During the period under review, key policy issues were addressed relating to the enhancement of the securities market, namely the establishment of a second securities market and the setting up of a secondary government debt market.

1.3.12.1 Second Securities Market

Major policy issues related to securities were analysed in depth during the year under consideration. The establishment of a second securities market was seriously envisaged as well as its wider implications in the securities market. An overhaul of the Over-the-Counter Market (OTC) is under consideration whereby companies opting to be quoted on the Second Market will have to satisfy new requirements. The SEM is actually preparing the rules for the Second Market with the assistance of foreign consultants who have on-the-job experience with major European stock exchanges. The rules will need the approval of the FSC and the infrastructure in place will have to conform to international standards.

1.3.12.2 Secondary Bond Market

An active government debt market being a *sine qua non* for an integrated financial market, policies for institution-building and regulatory development with a view to setting up a secondary government debt market were examined extensively by the relevant authorities. Appropriate infrastructure will be put in place to ensure the operation of a secure and transparent market. The sequencing of events and the introduction of new instruments will be well planned and suited to the prevailing market condition. Both supply of and demand for the government securities market will be addressed further. On the demand side, investors' education focusing on the intricacies of investing in

government securities will be given priority. It is believed that as demand for debt financing grows, so should investors' interest for debt instruments.

An important objective in developing a regulatory framework for a domestic bond market is investor protection. Investors need full, timely and accurate disclosure of information to make informed investment decisions. Market rules will include procedures to deal with misrepresentation, fraud and mechanisms for investors to seek redress.

A robust market infrastructure is indispensable for the smooth functioning of a bond market. The market will therefore be governed by clear and unambiguous rules and procedures that will be soundly enforced. Such information will be made freely available and will enable market participants to understand clearly their roles and responsibilities.

The existing framework of the SEM may be used for the trading of Treasury Bills and Government Paper – as is the case in many other countries which have both equity and bond markets. A secondary bond market in Mauritius will help in the process of constructing a yield curve as a benchmark for the pricing of corporate securities. These securities will be priced in a competitive manner and in the best interest of the market.

1.3.13 FINANCIAL REPORTING COUNCIL

The FSC made contributions to the establishment of the watchdog for financial reporting. The Financial Reporting Act 2004, proclaimed in December 2004, is set to regulate the reporting of financial matters and to establish the Financial Reporting Council (FRC), the Mauritius Institute of Professional Accountants and the National Committee on Corporate Governance. The FSC provided input to the Steering Committee on Accounting and Auditing Services set up by the Ministry of Financial Services to review the overall structure and regulations concerning accounting and auditing.

Moreover, as provided under the Act, the FSC is represented on the board of the FRC. Both institutions are called upon to cooperate and to play an important role in the financial landscape. The exchange of information is a crucial area that the two institutions have to focus on so as to harmonise regulations in that sector, in line with decisions of policy makers.

1.3.14 INFORMATION TECHNOLOGY INFRASTRUCTURE

The main project undertaken by the IT team at the FSC related to the setting up of the integrated database for all licensees. With the additional staff intake over the period under review, numerous tasks at the IT level had to be reviewed, namely the intranet system had to allow for greater storage and flow of data while at the same time, enhancing accessibility, security and

confidentiality of information. More equipment, including desktops and laptops, were purchased to assist staff in their work at the office and during on-site inspections. In-house IT training was provided to all staff.

The IT team supported all the clusters of the FSC in their work deliveries, namely data compilation for FSC's Surveys, licence fees checks and human resources management. The integration of the ACCPAC database with the Global Business database consolidated the methodology for checking the payment of licence fees. The FSC plans to upgrade its server in view of the increasing load of information and users. To that end, procedures for a closed tender process were defined and implemented to facilitate receipt of proposals for the best server and security solution from a defined list of suppliers.



2. INTERNATIONAL COOPERATION



2. INTERNATIONAL COOPERATION

During the past few years, regulatory policies at the national level have, to a large extent, been influenced by international trends. Mauritius, being a small country and relatively new in the financial services global network, has been no exception to this changing order in regulatory spheres. The FSC must keep track of international regulatory developments with a view to transposing these developments (where applicable) into our regulatory framework. Accordingly, the FSC participates in many international fora. It is to be noted that the FSC is a member to the International Association of Insurance Supervisors (IAIS), International Organisation of Securities Commissions (IOSCO), International Organisation of Pension Supervisors (IOPS), Offshore Group of Insurance Supervisors (OGIS) and Committee of Insurance, Securities and Non-bank Financial Authorities (CISNA). The Commission has also participated in numerous surveys organised by various international organisations. The main surveys and some comments on the work of these bodies are described below.

2.1 INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS)

The FSC participated in the 11th IAIS Annual Conference that was held from 5-7 October 2004 in Amman, Jordan.

At the General Meeting in Amman, the Technical Committee issued for public consultation a paper entitled “*A New Framework for Insurance Supervision*”. The framework underpins the IAIS’ past and future standard setting activities on supervision of insurers and outlines the future development of ‘cornerstones’ for a common structure and common standards for the assessment of insurer solvency.

This framework is designed to clarify the interrelationship between the solvency standards and the other IAIS Principles, Standards and Guidance Papers agreed by IAIS members so far, as well as the interdependencies between ongoing IAIS work. The proposed common structure and standards for the assessment of insurer solvency will be embedded in, and be part of, the overarching framework for insurance supervision, which will be flexible enough to take into account both the local and global aspects of insurance. In developing this framework as well as the common structure and standards for the assessment of insurer solvency, the IAIS needs to be alert to relevant developments within other global fora. Particularly important are risk-based, supervisory developments in other financial sectors such as the banking approach of ‘Basel II’. However, there is a strong need to reflect the particular nature of insurance and the specific risks associated with it.

The FSC assessed its insurance regulatory framework in accordance with the *Insurance Core Principles Self-assessment Programme 2004*. This self-assessment programme aims to help insurance supervisors determine whether their jurisdictions are observing the IAIS Insurance Core Principles (ICPs) – the prevailing best practices in insurance supervision, adopted by members in October 2003. Through this programme, supervisors can identify the strengths and weaknesses of their regulation and supervision of the insurance industry. This can help in developing, prioritising and implementing action plans necessary to bring about improvements. This self-assessment exercise is one of the tools used by the World Bank and the International Monetary Fund in conducting a Financial Sector Assessment Programme.

This exercise has shown that Mauritius is largely in compliance with these international standards.

2.2 INTERNATIONAL ORGANISATION OF SECURITIES COMMISSIONS (IOSCO)

The IOSCO Annual Conference was held in Colombo, Sri Lanka, in April 2005 and the FSC was one of over 100 jurisdictions that participated in the event hosted by the Securities and Exchange Commission of Sri Lanka. During the Conference, a new strategic direction for IOSCO, among other initiatives, was adopted. This new strategic direction sets the path for the next few years to enable IOSCO to live up to its important responsibilities as the international standard-setter for securities regulation.

Accordingly, during the Conference, IOSCO has formally endorsed a range of operational priorities that will further strengthen the effectiveness of the organisation. These operational priorities will help continue the focus on common efforts and help to coordinate actions. The objectives include maintaining the role of IOSCO as the international standard-setter for securities regulation by improving enforcement-related cross-border cooperation and implementing the *IOSCO Objectives and Principles of Securities Regulation* (IOSCO Principles).

In addition, the Annual Conference endorsed a new IOSCO Public Consultation Policy. Part of the strategy involves greater emphasis on the IOSCO *Multilateral Memorandum Concerning Consultation and Cooperation and the Exchange of Information* (IOSCO MMOU). Adopted in May 2002, the IOSCO MMOU represents one of the organisation's most significant contributions in the area of regulatory cooperation and effective cross-border enforcement.

At this Annual Conference, IOSCO has adopted a timetable by which all member regulators, which are not already signatories to the MMOU, will be asked to meet this benchmark by 1 January 2010.

By this date, all member regulators should have applied for and been accepted as signatories under Appendix A of the IOSCO MMOU or have expressed, via Appendix B, a commitment to seek legal authority to enable them to become signatories. In order to achieve these objectives, IOSCO will provide resources to members, including technical assistance, so that progress is made. It is anticipated that the operational priority measures adopted at this Annual Conference involving the systematic implementation of the full spectrum of IOSCO Principles as well as an expanded network within the IOSCO MMOU, will deliver significant benefits as the enforcement activities of members become stronger and national markets are made more attractive to investors.

The FSC has already submitted a draft MMOU questionnaire to IOSCO for review and advice. In light of comments and suggestions received from the IOSCO Secretariat, the FSC will in due course be applying to become a signatory of the IOSCO MMOU.

The FSC also proposes to self-assess its securities regulations in accordance with IOSCO Core Principles once the Securities Act 2005 and its supporting rules and regulations are in force.

2.3 INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

The International Organisation of Pension Supervisors (IOPS) which was established in Paris on 12 July 2004 is the new international standard-setting body on pension supervisory issues and other regulatory issues. The IOPS aims to set international standards on pension supervisory issues, whilst taking into account the variety of different pension systems in different countries. The new organisation will place considerable emphasis on cooperation with other international bodies, in particular the OECD, where

appropriate. The IOPS will complement the work of the International Network of Pension Regulators and Supervisors (INPRS) through a structured and formal institution focused on sharing international experience and identifying good practices in the pension supervisory field. The organisation currently has over 40 members and observers representing more than 30 countries worldwide. Mauritius joined the IOPS in January 2005.

2.4 OFFSHORE GROUP OF INSURANCE SUPERVISORS (OGIS)

The Offshore Group of Insurance Supervisors (OGIS) is an informal grouping of regulators representing domiciles engaged in the supervision of international insurance business. The OGIS membership paves the way for jurisdictions to exchange information and share in the experiences of other members and allows less developed jurisdictions to aspire to the highest international standards of insurance regulation.

2.5 COMMITTEE OF INSURANCE, SECURITIES AND NON-BANK FINANCIAL AUTHORITIES (CISNA)

The Commission participated actively in the CISNA Meetings. The FSC attended three CISNA Meetings during the year under review. The first meeting was held in Johannesburg in August 2004 where most senior officials of CISNA Member Countries met to discuss new challenges facing the CISNA. The next meeting held in October 2004 in Malawi revolved around a re-assessment of the CISNA's Strategic Plan. Under the guidance of a facilitator, the CISNA Strategic Plan was re-engineered. Action plans were derived from the CISNA Strategy Plan and Mauritius was entrusted with the responsibility of a project based on collecting information on regulatory gaps in member countries.

A draft copy of the *"Report on Regulatory Gap in CISNA Member Countries"* was presented at the last meeting held in Cape Town in April 2005. The draft report was very well appreciated and Mauritius is expected to table the final report at the next CISNA Meeting. During the Cape Town meeting, the FSC also signed a Memorandum of Understanding (MOU) on exchange of information for cooperation and consultation with the Reserve Bank of Malawi.

2.6 SOUTH ASIAN SECURITIES REGULATORS FORUM

Another regional capital market initiative in which the FSC participated actively was the South Asian Securities Regulators Forum. This is a burgeoning forum that regroups the capital market regulators of Bangladesh, Bhutan, India, Maldives, Mauritius, Nepal, Pakistan and Sri Lanka. During a meeting held in Islamabad, Pakistan in May 2005, the FSC signed a MOU with other South Asian Securities Regulators which had formally established the "South Asian Securities Regulators Forum". The main objective of the new forum is to promote cooperation among South Asian Securities Regulators for fostering a common understanding on regional regulatory issues, facilitating regulatory activities, sharing information and experience and harmonising regulations, policies and financial reporting systems.

2.7 BILATERAL COOPERATION

As previously described in the Report, during the period under review, the FSC signed two MOUs on exchange of information with the Isle of Man's Financial Supervision Commission and the Reserve Bank of Malawi. These MOUs aim to strengthen cooperation between the FSC and the foreign regulatory authorities.

2.8 SURVEYS BY INTERNATIONAL ORGANISATIONS

During the period under review, the FSC has participated in a number of surveys conducted by international organisations. These surveys are described below.

2.8.1 COORDINATED PORTFOLIO INVESTMENT SURVEY (CPIS)

The CPIS is undertaken under the aegis of the International Monetary Fund (IMF). Mauritius has been participating in this survey for the past four years. It must be noted that the survey is conducted jointly by the Bank of Mauritius and the FSC - the Commission covers all NBFIs (including the Global Business sector) while the Bank of Mauritius covers all banking institutions. The Bank of Mauritius is responsible for consolidating the complete data prior to submitting to the IMF.

The survey collects information on asset holdings by residents of Mauritius of securities issued by unrelated non-residents. The data from the survey is used in the compilation of the balance of payments and international investment position statistics of Mauritius. The data will also assist in monitoring the size and the composition of the financial sector of Mauritius. The survey is conducted in coordination with other jurisdictions to facilitate international data comparability. Results of the survey are posted on the IMF website.

2.8.2 IMF INFORMATION FRAMEWORK

The IMF Information Framework covers financial activities in international and Offshore Financial Centres (OFCs). The main purpose of the Information Framework is to capture and monitor data about financial activities in OFCs and elsewhere in order to obtain a global assessment of financial business.

The Information Framework for OFCs is voluntary and consists of data on structural and activity indicators mainly for banking, insurance and CIS, as well as an optional set of variables. Data is reported on an aggregate basis for the domestic and Global Business sectors.

Mauritius participated in the Information Framework for the first time in 2005. Since the data required includes both banking and non-banking figures, the survey is a joint exercise between the FSC and the Bank of Mauritius. However, since the IMF requires a single coordinator, the FSC is the organisation responsible for submitting data to the IMF.

2.8.3 IMF SURVEY ON CROSS-BORDER COOPERATION AND INFORMATION EXCHANGE

The IMF Survey on Cross-Border Cooperation and Information Exchange formed part of the IMF's "Offshore Assessment Programme". The survey which is essentially qualitative relates to requests of information from the FSC to other regulatory agencies as well as information requests from other regulatory agencies to the FSC. Questions such as the time taken to respond to requests and the ability to provide or to receive information from other regulators were included in the survey.

2.8.4 THE OGIS SURVEY

The OGIS Survey 2005 aimed at gaining knowledge on aspects of captive and international life insurance supervision of member countries so that this knowledge can be used as a basis for future work whilst allowing the OGIS to assess the needs of participating jurisdictions and counter any negative publicity which affects jurisdictions covered. By participating in the survey, the FSC responded to issues relating to supervision, training in the sector, international assessments, technical assistance requirements and cooperation with other supervisory bodies.

2.8.5 IAIS SURVEYS

Over the period under review, the FSC participated in two surveys relating to IAIS members, namely a survey on relations between insurance and pension supervision in IAIS member jurisdictions and a survey on impediments to exchange of information among insurance supervisors.

The first-mentioned survey focused on the supervision framework of pension funds, plans and schemes (occupational or personal) as well as overlap/commonalities in the regulation and supervision of pension funds and Insurers (e.g. financial, governance and market conduct aspects).

The second-mentioned survey aimed at identifying barriers that limit cooperation and information exchange among insurance supervisors. The results of the survey are to be presented at the next meeting of the Technical Committee of the IAIS.

2.8.6 IOSCO QUESTIONNAIRE ON COLLECTIVE INVESTMENT SCHEMES (CIS)

IOSCO requested the Emerging Market Committee Members to complete a questionnaire on CIS. The questionnaire collected data about the number of Collective Investment Schemes operating in member countries as well as their portfolio composition and their fees and cost structure. Information pertaining to the supervision of these investment schemes and other institutional investors was also required. A survey was conducted with the Capital Market Operators to obtain relevant data. The FSC used this opportunity to update and enhance its own survey of Collective Investment Schemes.

2.8.7 CISNA QUESTIONNAIRE ON SECURITIES AND INSURANCE SECTORS

CISNA member countries were requested to complete a questionnaire relating to the securities and insurance sectors. The questionnaire aimed at

gathering information on the degree of compliance of the regulatory framework of each CISNA member country with respect to international standards and at identifying regulatory gaps. The CISNA members were invited to submit a summary of the assessment according to IOSCO and IAIS Assessment Methodology respectively together with the completed questionnaire. A Retirement Fund Supervisory questionnaire was also sent to CISNA members for completion – the FSC is responsible for coordinating this survey at the level of CISNA.

2.8.8 COMESA TRADE IN SERVICES – FINANCIAL SERVICES QUESTIONNAIRE

The questionnaire which covers the banking, insurance and securities sectors of member countries is divided into three main sections, namely policy, market structure and sector performance. The policy section emphasises the policies affecting international trade and investment in services, while the market structure section covers information on the number of firms, their market shares and actual ownership patterns. The sector performance section encompasses price and quality measures, employment and investment data. The availability of data, particularly over time for a cross-section of countries, should make it possible to examine the relationship between policies and performance, and to identify priorities for reform.

2.8.9 FATF TYPOLOGIES PROJECT ON MISUSE OF CORPORATE VEHICLES QUESTIONNAIRE

The information from this questionnaire will be used by the Financial Action Task Force (FATF) as part of its assessment on the misuse of corporate vehicles for assistance in typologies research – the examination of money laundering and terrorist financing methods and trends. The typologies report will be published on the FATF website in June 2006.



3. REPORTS ON NON-BANK FINANCIAL INSTITUTIONS



To suppress crime and malpractices
so as to provide protection to members
of the public investing in
non-bank financial products

3. REPORTS ON NON-BANK FINANCIAL INSTITUTIONS

This section of the Report focuses on developments of specific types of NBFIs, namely Insurers & Intermediaries, Occupational Pension Schemes, Capital Market Operators, Specialised Finance Institutions, Financial Service Providers & Market Professionals and Global Business Operators. Statistical analyses and market trend developments are provided. The data used derive from Surveys carried out by the FSC during the period under review and relate to the period ending 2004. Source material includes statutory returns, audited accounts as well as returns submitted by other authorities such as the Central Statistics Office (CSO), the Income Tax Office, the Registrar of Associations and the Bank of Mauritius.

significantly than the other components of the financial intermediation sector to the overall contribution to the economy. The CSO forecasts a higher growth of 7.8% for the financial intermediation sector in 2005, compared to 2004, mainly due to an expected rebound in the performance of the offshore banks after the contraction in 2004.

3.1 OVERVIEW OF NBFIs

3.1.1 MACROECONOMIC OVERVIEW

From a macroeconomic standpoint, the financial intermediation sector which comprises of insurance services, domestic banking, offshore banking, and other financial services (leasing and investment business) grew at an overall rate of 5.9% in 2004 compared to 6.0% in 2003, according to CSO sources. The growth rate respectively. The growth in 2004 fell short of the forecast 7.4% due to a shrinking of business in the offshore banking sector as indicated in Table 2. In terms of both value added and growth rates, domestic banking is driving the financial intermediation sector, as demonstrated in the statistics. The insurance sector has maintained a steady growth rate of 5% over the past four years while growth in the offshore banking sector has been cyclical, as reflected in international business trends. In terms of contribution to the economy, the financial intermediation sector's share in GDP averaged 9.3% over the past four years, increasing slightly in 2004 to 9.7%. Again, the domestic banking sector contributed more

Table 2: Financial Intermediation Value Added at Current Basic Prices (2001-2004)

	2001 ¹		2002 ¹		2003 ¹		2004 ¹	
	Growth/ (Contraction) (%)	Value added (Rs m)	Growth/ (Contraction) (%)	Value added (Rs m)	Growth/ (Contraction) (%)	Value added (Rs m)	Growth/ (Contraction) (%)	Value added (Rs m)
Insurance services	5.0	2,851	5.0	3,251	5.0	3,750	5.0	4,200
Domestic banking	12.7	4,467	5.0	4,941	8.0	5,708	10.8	6,701
Offshore banking	(41.1)	2,048	(5.7)	2,104	7.2	2,413	(3.3)	2,473
Other ²	5.4	958	22.6	1,210	(1.1)	1,245	3.6	1,350
Total	(6.2)	10,324	4.5	11,506	6.0	13,116	5.9	14,724
Contribution to GDP ³ (%)	-	8.8	-	9.2	-	9.6	-	9.7

¹ Revised estimates

² Includes leasing and investment business

³ GDP at current basic prices

Source: CSO (It is to be noted that the figures provided by the CSO have been revised and are significantly different from those reported last year)

3.1.2 EMPLOYMENT IN THE NBFİ SECTOR

The Annual NBFİ Survey 2004 collected data on employment trends of its licensees for the period ending 31 December 2004. As depicted in Table 3, the total employment in the NBFİ sector reported by 173 entities reached 6,700 as at 31 December 2004 – this included registered Insurance Agents and Insurance Salespersons. As expected, the insurance sector employed the largest workforce in the NBFİ sector with 5,227 employees (78% of the total NBFİ labour force). The second largest employer in the NBFİ sector was MCs with 813 employees working at the managerial, technical and support level. Employment in the credit finance sector amounted to 341 among only

three companies – most of the employees working at the technical level. The employment of expatriates in the NBFİ sector was concentrated in the Insurers, Fund/Portfolio Managers and MCs groups – this is reflective of the level of expertise required by these NBFİs.

Table 3: Employment Breakdown of NBFIs (as at December 2004)

NBFI	Reporting population	Total employment	Expatriate	Managerial	Technical	Support
Insurers	18	1,685	16	169	606	894
Insurance Brokers	11	123	0	24	37	62
Insurance Agents ¹	-	254	-	-	-	-
Insurance Salespersons ¹	-	3,165	-	-	-	-
Fund/Portfolio Managers	15	86	11	10	27	38
Stockbroking Companies	10	48	0	12	13	23
Investment Advisers/Agents	4	18	0	5	7	6
Leasing Companies	12	85	0	17	26	42
Credit Finance Companies	3	341	0	17	290	34
Pension Scheme Managers	2	18	0	2	3	13
Actuaries	1	10	1	2	5	2
Factoring Companies	1	0	0	0	0	0
Treasury Managers	1	4	0	4	0	0
Management Companies	66	813	20	181	391	221
Corporate Trustees	24	39	4	18	10	7
Captive Managers	5	11	4	2	2	3
Grand Total	173	6,700	56	463	1,417	1,345

¹ Registered with the FSC as at 31 December 2004

Data on employment reported by the CSO indicate that the financial intermediation sector employed a total of 8,401 people in March 2005, reflecting an increase of 12% from the previous year, as indicated in Table 4.

It is to be noted that the figures reported by the CSO indicate that the bulk of employment in the financial intermediation sector derives from banking and insurance, which are increasingly

driving the financial intermediation sector in Mauritius. For the period ending March 2005, employment in the "Other" component of the financial intermediation sector decreased significantly by 44% from the previous year. The share of employment of the financial intermediation sector in the total workforce was 2.9% in March 2005 and has been increasing very slightly over the past years.

Table 4: Employment in Financial Intermediation Sector (March 2002-March 2005)

	March 2005 ¹	March 2004	March 2003	March 2002
Insurance ²	2,715	2,234	2,208	2,130
Banking ³	5,371	4,697	4,586	4,353
Other ⁴	315	563	553	533
Total	8,401	7,494	7,347	7,016
Share in total employment (%)	2.89	2.54	2.46	2.37

Source: CSO

¹ Provisional

² includes Insurers and Insurance Intermediaries

³ includes domestic and offshore banking

⁴ includes leasing, credit granting, money changers and Capital Market Operators

3.1.3 FINANCIAL PERFORMANCE OF NBFIs

The overall financial performance of NBFIs operating in Mauritius from 2002 to 2004 is summarised in Table 5 (Reporting Population & Assets) and Table 6 (Turnover & Profitability). The statistics obtained by the FSC covered in total 916 NBFIs in 2004, compared to 1,020 in 2003.

It is observed from Table 5 that total assets of the whole NBFI sector in Mauritius amounted to Rs 107 billion in 2004, representing 61% of GDP and a growth of 17% from the previous year. Total assets relating to the Insurance & Pension sector, which amounted to Rs 85 billion in 2004 (49% of GDP), absorbed 80% of the total assets of NBFIs, thereby indicating the strong dominance of this sector in the NBFI industry. Aggregate assets of Capital Market Operators amounted to Rs 10.9 billion in 2004 (i.e. a growth of 26% from the previous year) and represented 6.2% of GDP and 10% of the total assets of NBFIs. Net assets of Collective Investment Schemes, which accounted for 7% of the total asset base of the NBFI industry in 2004, represented 67% of the total assets of the Capital Market Operators. The Specialised Finance Institutions recorded total assets of Rs 9.3 billion in 2004 (i.e. a growth of 20% from

the previous year), the bulk deriving from Leasing Companies. The Other Financial Service Providers/ Market Professionals operating in the domestic market had a total asset base of Rs 17.6 million in 2004, while the Global Business Service Providers had an aggregate asset base of Rs 1.5 billion in 2004, representing an increase of 27% over the previous year.

Compiled data in Table 6 indicate that the aggregate turnover of all the NBFIs amounted to Rs 23.4 billion in 2004 (representing 13% of GDP), 85% of which was contributed by the Contractual Savings Institutions (mainly driven by the National Pension Fund and Insurers). Net aggregate profit of all NBFIs decreased by 8% in 2004 and reached Rs 10.2 million. Once again, the profit was driven by the Insurance & Pension sector.

Table 5: Overview of NBFIs – Reporting Population & Assets (2002-2004)

NBF1	Reporting Population			Assets (Rs m)		
	2004	2003 ¹	2002 ¹	2004	2003 ¹	2002 ¹
Insurance & Pension						
Superannuation Funds ²	37	34	33	5,683	4,528	3,430
Sugar Industry Pension Fund	1	1	1	2,754	2,470	2,196
Insured Pension Schemes	678	790	753	11,211	13,711	10,922
<i>Total Occupational Pension Funds</i>	<i>716</i>	<i>825</i>	<i>787</i>	<i>19,648</i>	<i>20,709</i>	<i>16,548</i>
National Pension Fund	1	1	1	34,081	29,507	24,992
National Savings Fund	1	1	1	5,482	4,485	3,735
Insurers ³	19	19	20	37,036	32,592	27,160
Total	737	846	809	96,247	87,293	72,435
Less Double Counting (insured schemes)	n/a	n/a	n/a	(11,211)	(13,711)	(10,922)
Total Contractual Savings Institutions	737	846	809	85,036	73,582	61,513
Insurance Brokers	11	11	8	348	300	168
Total Insurance & Pension	748	857	817	85,384	73,882	61,681
Capital Market Operators						
Investment Schemes	22	22	19	7,321	5,599	4,543
Fund/Portfolio Managers	15	14	11	2,976	2,432	852
Stockbroking Companies	10	11	10	496	545	437
Investment Advisers/Agents	4	2	2	5	4	4
Capital Market Infrastructure Providers ⁴	2	2	2	80	60	56
Total Capital Market Operators	53	51	44	10,878	8,640	5,892
Specialised Finance Institutions						
Leasing Companies	12	11	11	8,657	7,112	7,488
Credit Finance Companies	3	3	3	695	704	696
Factoring Companies	1	0	0	6	n/a	n/a
Total Specialised Finance Institutions	16	14	14	9,358	7,816	8,184
Other Financial Service Providers / Market Professionals						
Pension Scheme Managers	2	2	2	10	9	3
Actuaries	1	1	1	5.6	5.9	5.9
Treasury Managers	1	1	1	2	2.6	2.9
Management Companies ⁵	67	69	57	1,231	962	1,123
Corporate Trustees ⁵	23	21	15	94	66	54
Captive Managers ⁵	5	4	5	132	121	8
Total Other Financial Service Providers / Market Professionals	99	98	81	1,474	1,167	1,196
Grand Total	916	1,020	956	107,094	91,505	76,953
Percentage of GDP	n/a	n/a	n/a	61.38	58.32	53.89

Source: FSC Surveys

¹ Revised figures

² Source: Audited Accounts (Registrar of Associations)

³ Source: Statutory Returns

⁴ Includes SEM and CDS

⁵ Exchange rates as at 31 December (source: Oanda)

n/a: not applicable

REPORTS ON NON-BANK FINANCIAL INSTITUTIONS

Table 6: Overview of NBFIs – Turnover & Profitability (2002-2004)

NBFI	Turnover (Rs m)			Profit (Rs m)		
	2004	2003 ¹	2002 ¹	2004	2003 ¹	2002 ¹
Insurance & Pension						
Superannuation Funds ²	919	958	771	557	711	563
Sugar Industry Pension Fund	189	157	154	336	324	101
Insured Pension Schemes	1,379	2,266	1,942	722	1,560	1,115
Total Occupational Pension Funds	2,487	3,381	2,867	1,272	2,595	1,779
National Pension Fund	8,787	8,379	7,558	3,619	3,459	3,199
National Savings Fund	981	856	812	883	751	715
Insurers ³	7,653	6,871	6,203	3,582	3,806	3,196
Total	19,908	19,487	17,440	9,699	10,611	8,889
Less Double Counting (insured schemes)	n/a	n/a	n/a	n/a	n/a	n/a
Total Contractual Savings Institutions	19,908	19,487	17,440	9,699	10,611	8,889
Insurance Brokers	133	100	80	22	11	12
Total Insurance & Pension	20,041	19,587	17,520	9,721	10,622	8,901
Capital Market Operators						
Investment Schemes	586	522	309	421	415	148
Fund / Portfolio Managers	454	309	140	158	44	9
Stockbroking Companies	61	49	62	8	5	31
Investment Advisers / Agents	9	6	2	(1)	2	(1)
Capital Market Infrastructure Providers ⁴	54	37	39	19	8	11
Total Capital Market Operators	1,164	923	552	605	474	198
Specialised Finance Institutions						
Leasing Companies	739	666	2,064	(159)	(126)	177
Credit Finance Companies	210	204	168	22	14	36
Factoring Companies	0	n/a	n/a	(0.12)	n/a	n/a
Total Specialised Finance Institutions	949	870	2,232	(137)	(112)	213
Other Financial Service Providers / Market Professionals						
Pension Scheme Managers	13	11	8	1	1	(2)
Actuaries	13	19	14	(1)	1	4
Treasury Managers	6	1	0	2	(3)	0
Management Companies ⁵	1,176	860	865	45	162	159
Corporate Trustees ⁵	69	67	28	7	10	20
Captive Managers ⁵	10	39	3	(3)	31	1
Total Other Financial Service Providers / Market Professionals	1,287	997	917	51	201	182
Grand Total	23,441	22,377	21,221	10,240	11,185	9,495
Percentage of GDP	13.44	14.26	14.86	5.87	7.13	6.65

Source: FSC Surveys

¹ Revised figures

² Source: Audited Accounts (Registrar of Associations)

³ Source: Statutory Returns

⁴ Includes SEM and CDS

⁵ Exchange rates as at 31 December (source: Oanda)

n/a: not applicable

3.2 INSURERS & INTERMEDIARIES

3.2.1 INTERNATIONAL OVERVIEW

This section is extracted from Swiss Re's latest Sigma study "*World Insurance in 2004*" which examines the insurance markets of 145 countries.

The insurance industry continued to expand and regain financial strength during 2004. Globally, inflation-adjusted premiums rose by 2.3%, to USD 3,244 billion. Key highlights of 2004 were the return to growth in life business and the positive underwriting results achieved by non-life insurers. Looking forward, 2005 is likely to see growth gain momentum in life but decelerate in non-life insurance. After declining in 2003, life business returned to growth with premiums climbing to USD 1,849 billion. Following two years of strong growth, premium growth decelerated in the non-life sector, although premiums continued to increase to USD 1,395 billion.

3.2.1.1 Life insurance: back to revenue growth

Global life premiums rose by 2.3%. Strong growth in Western Europe, Oceania and most emerging markets led the increase, although this was somewhat offset by stagnation in the US and ongoing recession in Japan. Changes in pension regulation and renewed consumer confidence in life insurance pushed premiums up by 4.0% in Western Europe. The UK turned around the declining trend of previous years and reported upbeat premium income. Sustained economic growth in the developing countries resulted in life premiums expanding by 7.4%. South and East Asia, the largest emerging area, recorded growth close to 10%.

Life insurers improved profitability. To strengthen their capital position in 2004, they maintained a low equity exposure and retained profits. The result was an increase in risk capital, which markedly reduced pressure on their balance sheets.

3.2.1.2 Non-life insurance: continuous revenue growth

The non-life business also expanded by 2.3% in 2004, following substantial increases in the previous two years (2002: +9.0%; 2003: +6.4%). Growth in the US and Western Europe largely counter-balanced the minor decline reported in Japan. Premiums in the emerging markets rose by 7.7% on average in 2004. China, Russia, South Africa and India recorded double-digit real growth rates. Tight terms and conditions as well as disciplined underwriting - sustained since 2002 - allowed non-life insurers to post positive underwriting results, despite the record-high catastrophe losses in 2004. Their conservative investment strategy and modest financial market performance in 2004 resulted in only average investment results. However, combined technical and financial profits pushed the operating return on sales to double-digit levels. Accordingly, non-life insurers continued to strengthen their capital base in 2004.

3.2.1.3 Outlook: growth accelerates in life and slows down in non-life

Life premiums are set for continued growth, as sales of savings products are expected to pick up gradually. Regulatory changes are forecast to shift more pension business to private insurers, particularly in Europe. In the emerging markets, life premiums will grow around 2.5 percentage points faster than GDP in 2005. Non-life business is expected to expand at a slow pace this year, especially in industrialised countries. While sustained global economic growth will foster insurance demand, pricing developments will hold back premium growth. Assuming average claims levels, return on sales may be a low double-digit figure again in 2005.

Table 7: Assets of Contractual Savings Institutions (2001-2004)

	2004	2003	2002	2001
	Rs m	Rs m	Rs m	Rs m
Superannuation Funds	5,683	4,528	3,430	2,984
Sugar Industry Pension Fund	2,754	2,470	2,196	2,161
Insured Pension Schemes	11,211	13,711	10,922	8,904
Total Occupational Pension Funds	19,648	20,709	16,548	14,049
National Pension Fund	34,081	25,507	24,992	21,822
National Savings Fund	5,482	4,485	3,735	2,849
Insurers	37,036	32,592	27,160	23,972
Total	96,247	87,293	72,435	62,692
Less Double Counting (Insured Schemes)	(11,211)	(13,711)	(10,922)	(8,904)
Total Contractual Savings Assets	85,036	73,582	61,513	53,788
<i>Percentage of GDP</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Superannuation Funds	3.26	2.89	2.40	2.26
Sugar Industry Pension Fund	1.58	1.57	1.54	1.64
Insured Pension Schemes	6.43	8.74	7.65	6.74
Total Occupational Pension Funds	11.26	13.20	11.59	10.64
National Pension Fund	19.53	18.81	17.50	16.52
National Savings Fund	3.14	2.86	2.62	2.16
Insurers	21.23	20.77	19.02	18.15
Total	55.17	55.64	50.72	47.47
Less Double Counting (Insured Schemes)	(6.43)	(8.74)	(7.65)	(6.74)
Total Contractual Savings Assets	48.74	46.90	43.08	40.73
<i>Percentage of total assets</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Superannuation Funds	7.72	6.15	5.58	5.55
Sugar Industry Pension Fund	3.74	3.36	3.57	4.02
Insured Pension Schemes	15.24	18.63	17.76	16.55
Total Occupational Pension Funds	26.70	28.14	26.90	26.12
National Pension Fund	46.32	40.10	40.63	40.57
National Savings Fund	7.45	6.10	6.07	5.30
Insurers	50.33	44.29	44.15	44.57
Total	113.18	118.63	117.76	116.55
Less Double Counting (Insured Schemes)	(13.18)	(18.63)	(17.76)	(16.55)
Total Contractual Savings Assets	100.00	100.00	100.00	100.00

Sources: QSS and Statutory Returns (FSC)

Registrar of Associations (RoA) - (Audited Accounts), NPF and NSF Annual Financial Statements, SIPF Annual Report

¹ Includes revised figures

3.2.2 OUTLOOK IN MAURITIUS ON CONTRACTUAL SAVINGS INSTITUTIONS

Contractual savings (assets of Insurers and pension funds) in Mauritius exceeded 45% of GDP in 2004. The total asset base of contractual savings institutions stood at Rs 79.7 billion in 2004, indicating an increase of 14% during that year. The share of Insurers in the total asset base stood at Rs 37 billion (46% of the total contractual savings) while that of Occupational Pension Schemes amounted to Rs 19.6 billion (25% of the total contractual savings) in 2004. It is to be noted that 30% of the assets of Insurers are linked to Occupational Pension Schemes in the form of Insured Pension Schemes. Assets of Insurers grew by 13.6% in 2004, compared to 20.0% in 2003, while the fund value of Occupational Pension Schemes contracted by 5.1% in 2004, compared to a growth of 25.2% in 2003. The lower growth rate of assets of Insurers may be attributed to a contraction of business in the insurance sector while the negative growth of the fund value of Occupational Pension Schemes originates from the lower number of Insured Pension Schemes surveyed in 2004. Table 7 summarises the asset distribution among the various contractual savings institutions from 2001 to 2004.

3.2.3 ASSETS OF INSURERS

Total assets of the 19 operational Insurers reached Rs 37 billion in 2004 with the bulk attributed to long-term business. Growth of total assets in 2004 was 13.6%, compared to 20.0% in 2003. The share of total assets represented by Insurers in the GDP stood at 21%, similar to that of 2003, as indicated in Table 8.

The asset allocation of Insurers for the past five years is indicated in Table 9. It is noted that the share of “Investments in related companies & other investments”, essentially representing equity

investments, continues to be the largest in the total investments of Insurers – the share was 39% in 2004, compared to 48% in 2003. It is also observed that investments in “Government securities” increased significantly in 2004 and reached 23%, compared to 13% in 2003. The share of “Mortgage loans” continues its decreasing trend and reached 15% in 2004 - further analysis is outlined in the section on housing finance - *Role of Contractual Savings institutions in Housing Finance*. As far as investments in other types of assets are concerned, it is noted that the shares remained rather stable over the past years. Overall, the investment portfolio of Insurers continues to follow a well diversified pattern, reflecting their conservative investment approach. Detailed breakdown of the assets and liabilities of individual Insurers are provided in Appendix 1 and Appendix 2 respectively.

Table 8: Growth & Contribution of Insurers' Assets to GDP (2000-2004)

	2004	2003	2002 ¹	2001 ¹	2000 ¹
Total assets (Rs m)	37,036	32,592	27,160	23,972	21,123
Percentage of GDP	21.2	20.7	19.0	18.1	17.7
Growth in assets (%)	13.6	20.0	13.3	13.5	13.4

Source: Statutory Returns

¹ Includes revised figures

Table 9: Asset Allocation of Insurers¹ (2000-2004)

	2004	2003	2002	2001	2000
	%	%	%	%	%
Investment in related companies & other investments	39	48	38	35	35
Mortgage loans	15	18	21	23	25
Government securities	23	13	13	9	7
Deposits & securities	8	7	9	14	13
Land & property	4	4	4	5	5
Other loans	3	2	4	4	5
Other assets	8	8	11	10	10

Source: Statutory Returns

¹ See Glossary for definitions

3.2.4 OVERVIEW OF INSURERS' FINANCIAL PERFORMANCE

The insurance industry performed rather well in 2004 with overall growth in all indicators

except profit before tax, as highlighted in Table 10.

Table 10: Key Indicators of Insurers (2001-2004)

	2004	2003	2002	2001
Number of operational Insurers	19	19	20	22
Total assets (Rs m)	37,036	32,592	27,160	23,972
Total gross premiums (Rs m)	7,653	6,871	6,203	5,334
<i>of which long-term business</i>	4,610	4,142	3,760	3,247
<i>of which general business</i>	3,043	2,729	2,443	2,087
Total gross premiums (percentage of GDP)	4.39	4.38	4.34	4.03
Total net premiums (Rs m)	5,962	5,313	4,826	4,234
<i>of which long-term business</i>	4,440	3,982	3,624	3,123
<i>of which general business</i>	1,522	1,331	1,202	1,111
Gross claims (Rs m)	5,101	4,240	3,683	2,780
<i>of which long-term business</i>	2,898	2,224	2,294	1,671
<i>of which general business</i>	2,203	2,016	1,389	1,109
Net claims (Rs m)	3,879	3,039	2,980	2,298
<i>of which long-term business</i>	2,843	2,192	2,265	1,639
<i>of which general business</i>	1,036	847	715	659
Technical provisions (Rs m)	31,219	27,007	22,442	19,871
<i>of which long-term fund</i>	29,106	25,120	20,906	18,592
<i>of which general fund</i>	657	618	577	522
<i>of which statutory reserve funds</i>	258	227	203	197
<i>of which other reserve funds</i>	1,199	1,042	756	560
Total profit/(loss) before tax (Rs m)	3,582	3,806	3,196	2,915
<i>of which from long-term business</i>	3,321	3,467	2,778	2,505
<i>of which from general business</i>	261	339	418	410

Source: Statutory Returns

An analysis of the financial performance of Insurers reveals the following:

1. Total net premiums for the insurance industry amounted to Rs 5.9 billion in 2004 representing a growth of 12%, compared to a growth rate of 10% in 2003. Net premiums from long-term insurance business constituted 74% of the total net premiums, indicating the dominance of long-term business in the local insurance industry and the slower growth of general insurance business.
2. Total net claims paid amounted to Rs 3.9 billion in 2004, representing a growth of 27%, compared to a much lower growth rate of 2% in 2003. Net claims from long-term insurance business constituted 73% of the total net claims paid.
3. Total technical provisions for the industry were Rs 31.2 billion in 2004, registering an increase of 15%, compared to 20% in 2003. As indicated in Table 10, almost the totality of the reserves was derived from long-term insurance fund, indicating once more the importance of long-term insurance business.
4. Total profit before tax decreased to Rs 3.6 billion in 2004, thereby shrinking by 6%. It is to be noted that this reduction was caused by a decrease of profit both in the long-term and general insurance businesses. Once again, the bulk of the profit was generated by long-term insurance business.

3.2.5 CONCENTRATION OF INSURERS' BUSINESS

The trend in concentration of business amongst Insurers persisted in 2004. Splitting the Insurers into groups as per the range identified for each indicator (Table 11) demonstrates the following:

1. 90% of the total assets were held by seven Insurers holding assets of more than Rs 1 million.
2. For the long-term insurance business, 79% of the total net premiums were generated by the three largest Insurers (those with net premiums higher than Rs 500,000) – 83% of the total net claims were paid by these three Insurers.
3. The general insurance business was less concentrated than the long-term business: five Insurers (net premiums higher than Rs 100,000) generated 62% of the total net premiums while four Insurers paid out 56% of the total net claims.

The above statistics indicate that the domestic insurance market is increasingly controlled by a few major players, namely in the long-term insurance business. This trend is likely to continue in the future as it depicts the structure and composition of the industry from the outset. It also denotes an important fact relating to the survival of Insurers at the lower end of the market: the necessity for certain Insurers to gear up to an increasingly competitive environment benchmarked by international norms.

Table 11 : Concentration of Business in Total Insurance Market (2004)

Range for assets (Rs '000)			
Total assets	> 1,000,000	500,000 - 1,000,000	< 500,000
No. of Insurers	7	4	8
Concentration of assets (%)	90	7	3
Long-Term Business			
Range for net premiums (Rs '000)			
Net premiums	> 500,000	100,000 - 500,000	< 100,000
No. of Insurers	3	4	7
Concentration of net premiums (%)	79	16	5
Range for net claims (Rs '000)			
Net claims	> 500,000	100,000 - 500,000	< 100,000
No. of Insurers	3	2	9
Concentration of net claims (%)	83	10	7
General Business			
Range for net premiums (Rs '000)			
Net premiums	> 100,000	50,000 - 100,000	< 50,000
No. of Insurers	5	7	4
Concentration of net premiums (%)	62	35	3
Range for net claims (Rs '000)			
Net claims	> 100,000	50,000 - 100,000	< 50,000
No. of Insurers	4	6	6
Concentration of net claims (%)	56	33	11

Source: Statutory Returns

3.2.6 LONG-TERM INSURANCE BUSINESS

In 2004, there were 14 Insurers, including one foreign company operating in the long-term insurance business sector.

3.2.6.1 Income & Expenditure of Long-Term Insurance Business

As indicated in Table 12, for the year 2004, net

premiums in respect of long-term insurance business stood at Rs 4.4 billion, (representing an increase of 11%) while net claims reached Rs 2.8 billion (representing a growth of 29%). In terms of the type of business, "Ordinary Life" and "Pension Business" constituted 68% and 30% respectively of net premiums, while for net claims the shares were respectively 74% and 23%.

Table 12: Premiums & Claims Breakdown of Long-Term Business by Type of Business (2004)

	Ordinary Life	Industrial Life	Annuity	Pension Business	Permanent Health Insurance	Total
Premiums (Rs '000)						
Gross premiums received & receivable	3,179,457	48,613	11,533	1,369,995	527	4,610,126
Individual	3,046,955	48,613	9,740	873,849	527	3,979,685
Group	132,502	0	1,794	496,145	0	630,441
Premium on reinsurance ceded	141,640	26	0	28,373	449	170,488
Net premiums received & receivable	3,037,816	48,587	11,533	1,341,622	77	4,439,636
Claims (Rs '000)						
Gross claims paid & payable	2,160,337	55,368	1,839	680,880	15	2,898,439
Claims recovered & recoverable from reinsurers	54,826	0	0	930	0	55,756
Net claims paid & payable	2,105,512	55,368	1,839	679,950	15	2,842,684
Net premium flows (Rs '000)	932,306	(6,780)	9,694	661,672	62	1,596,952

Source: Statutory Returns

Appendix 3, which relates to the income and expenditure of the long-term insurance business, indicates that investment income was Rs 2.3 billion in 2004 – a slight decrease compared to 2003. Total administration costs amounted to Rs 656 million in 2004, out of which 33% were absorbed by staff salaries. As mentioned previously, profit before tax amounted

to Rs 3 billion in 2004, equally generated by "Ordinary Life" and "Pension Business". Total taxation for long-term insurance business reached Rs 63 million in 2004. Appendix 4 and Appendix 5 respectively provide details of premiums and claims of individual Insurers operating in long-term insurance business.

3.2.6.2 Net Claims for Long-Term Insurance Business

As indicated in Table 13, in 2004, payments of benefits in the form of net claims showed a marked increase of 29% and reached Rs 2.8 billion. Survival benefits payable under endowment policies and annuity payments accounted for 73% of the total payments, as opposed to 69% in 2003.

Approximately 5% of the total benefits were paid in respect of death during the year 2004. The proportion of bonus cashed to total payments increased to 12% in 2004 from 11% in 2003. Appendix 6 provides a detailed breakdown of the net claims paid by long-term Insurers.

Table 13: Net Claims Breakdown for Long-Term Insurance Business (2003-2004)

	2004	2003
	Rs m	Rs m
On death	138	114
On maturity	1,465	1,049
By way of lump sum	247	164
By way of periodical payments	348	305
On surrender	315	313
Bonus cashed	330	247
Total	2,843	2,192

Source: Statutory Returns

3.2.6.3 Financial Ratios for Long-Term Insurance Business

Long-term insurance business generally operates with sound financial ratios, as indicated in Table 14. In 2004, a slightly smaller part of premiums was ceded to re-Insurers compared to 2003, while net claims increased to 64.0% of net premiums. Administration costs absorbed 14.8% of net premiums in 2004, a decrease from 18% in the previous year. The investment income ratio in 2004 maintained a healthy level, although lower than in 2003. The profit before tax ratio

was inferior due to the lower profitability of long-term business during that year.

3.2.6.4 Assurances & Annuities

The FSC once again requested long-term business Insurers to submit data on assurances and annuities for 2004. The information submitted for "New business" and "Business in force" is summarised in Table 15 for 13 Insurers.

Table 14: Financial Ratios for Long-Term Insurance Business (1999-2004)

	2004	2003	2002	2001	2000	1999
	%	%	%	%	%	%
Ceded premiums/Gross premiums	3.7	3.9	3.6	3.8	4.2	4.1
Net claims/Net premiums	64.0	60.5	62.5	52.5	52.8	54.2
Administration costs/Net premiums	14.8	18.2	14.3	16.0	16.6	15.9
Investment income/Net premiums	52.6	59.5	53.6	50.6	53.1	59.2
Profit before tax/Net premiums	73.3	87.1	76.7	80.2	84.7	88.5

Source: Statutory Returns

Table 15: Assurances & Annuities 2004

	Business in force		New business	
	Individual	Group	Individual	Group
Assurances				
No. of policies	303,404	17,104	41,530	745,889
Sum assured (Rs m)	49,263	23,264	8,943	6,433
Annual premium (Rs m)	2,335	671	3,786	35
Single premium (Rs m)	1,431	41	935	24
Annuities				
No. of policies	6,920	2,100	980	184
Premium (Rs m)	93	61	16	97
Annuities (Rs m)	120	164	3	6

Source: Long-Term Insurance Business Survey 2004

As indicated in Table 15, the total number of life assurance policies in force in 2004 stood at 320,508 compared to 292,347 in 2003, representing an increase of 9.6%. New business life assurance policies for individuals increased to 41,530 in 2004, representing a negative growth of around 11% over the previous year. For life business in force, the sum assured for individuals increased to Rs 49.3 billion in 2004, compared to Rs 42.4 billion in 2003. Annual premiums for individual life business in force was Rs 2.3 billion in 2004, compared to Rs 2.1 billion in 2003, representing 51% of gross life premiums. It is to be noted that annual premiums for individuals generated by new business increased to Rs 3.8 billion in 2004, compared to Rs 388 million in 2003, while single premiums for the same type of business decreased very slightly in 2004. As for annuities, the number of policies for business in force increased by 10% in 2004. Detailed breakdowns of assurances and annuities (per individual Insurer) for "Business in force" and "New business" are indicated in Appendix 7 and Appendix 8 respectively.

3.2.7 GENERAL INSURANCE BUSINESS

In 2004, there were 15 Insurers, including one foreign Insurer, operating in general insurance business in Mauritius. General insurance business in Mauritius provides insurance cover for five classes of business, namely fire, motor, personal accident, transport and miscellaneous.

3.2.7.1 Income & Expenditure of General Insurance Business

As indicated in Table 16, gross premiums in respect of general insurance business reached Rs 3.0 billion in 2004 (representing a growth of 11% from the previous year), while gross claims stood at Rs 2.2 billion – an increase of 9% from 2003. In terms of the share of general insurance

business in 2004, it is noted that motor insurance constituted 39% of the gross premiums, followed by fire insurance, which absorbed 22% of the total gross premiums. However, in terms of gross claims, it is noted that in 2004, fire insurance had a larger share with 40%, followed by motor insurance with 37%.

Appendix 9, which relates to the aggregate income and expenditure of general insurance business, indicates that there was an overall underwriting loss of Rs 62 million in 2004. This was due to the high net claims incurred (Rs 1 billion) compared to the net premiums earned (Rs 1.5 billion) and the relatively high administration costs borne by the Insurers (Rs 509 million). However, the investment and interest income earned in 2004 (Rs 346 million) generated an overall profit before tax of Rs 261 million for Insurers in general insurance business. It is to be noted that 71% of this profit was produced by three leading Insurers. Appendix 10 provides details of premiums, claims and commissions of Insurers operating in general insurance business.

3.2.7.2 Financial Ratios for General Insurance Business

General insurance business operates, on the whole, with sound financial ratios, as indicated in Table 17. In 2004, a slightly smaller share of premiums was ceded to re-insurers compared to 2003, while net claims increased to 68% of net premiums in 2004. Administration costs absorbed 33% of net premiums in 2004, indicating a slight increase from the previous year. The investment & interest income ratio in 2004 increased slightly and reached 23%. The profit before tax ratio in 2004 was inferior due to the lower profitability of general insurance business during that year.

Table 16: Premiums & Claims of General Insurance Business by Class of Business (2003-2004)

	2004	2003
	Rs m	Rs m
Gross premiums		
Fire	677	603
Motor	1,185	1,052
Personal accident	243	202
Transport	325	275
Miscellaneous	613	597
Total gross premiums	3,043	2,729
Gross claims		
Fire	888	877
Motor	829	728
Personal accident	73	66
Transport	71	43
Miscellaneous	342	302
Total gross claims	2,203	2,016

Source: Statutory Returns

Table 17: Financial Ratios for General Insurance Business (1999-2004)

	2004	2003	2002	2001	2000	1999
	%	%	%	%	%	%
Ceded premiums/Gross premiums	50.0	51.2	50.8	46.8	49.1	48.0
Net claims/Net premiums	68.1	63.6	59.5	59.4	65.6	74.6
Administration costs/Net premiums	33.4	32.6	34.8	33.8	33.4	32.8
Investment & Interest income/Net premiums	22.7	19.2	23.7	25.1	25.0	26.3
Profit/(loss) before tax/Net premiums	17.2	25.5	34.8	36.9	32.3	24.1

Source: Statutory Returns

The gross claims ratios by class of general insurance business are indicated in Table 18. It is noted that the gross claims ratio for fire insurance remains high (131% in 2004 compared to 145%

in 2003). As for the other classes of business, the ratios remained under 100%, thereby indicating that gross premiums exceeded gross claims.

Table 18: Gross Claims Ratio for General Insurance Business by Class of Business (2003-2004)

	2004	2003
	%	%
<i>Gross claims/Gross premiums</i>		
Fire	131	145
Motor	70	69
Personal accident	30	33
Transport	22	16
Miscellaneous	56	51

Source: Statutory Returns

3.2.7.3 Policies in Force for General Insurance Business

Table 19 indicates that in 2004 a total of 345,822 policies for direct business were in force, representing a growth of 18% over the previous year. The core business remains motor insurance,

which accounted for 63%, followed by personal accident, which absorbed 12% of the total number of policies in force in 2004. Appendix 11 details the policies in force for each Insurer.

Table 19: Total Policies in Force for General Insurance Business – Direct Business (2003-2004)

	2004	2003
<i>Class of Business</i>		
Fire	33,247	28,644
Motor	216,882	182,172
Personal accident	40,385	37,020
Transport	24,106	17,209
Miscellaneous	31,202	28,219
Total	345,822	293,264

Source: Statutory Returns

3.2.8 INSURANCE BROKERS

The Annual NBFI Survey 2004 was conducted for the 11 operational Insurance Brokers. It is to be noted that during the period 2004-2005, five new Insurance Brokers were licensed by the FSC. As indicated in Table 20, the total asset base of Insurance Brokers stood at Rs 348 million in 2004, representing an increase of 16% over the previous year. Assets in 2003 registered the highest growth (78%) due to the fact that three more Insurance Brokers were in operation. Total income for 2004 witnessed a growth of 32% and amounted to Rs 132 million – income has been increasing steadily over the past four years. It is observed that 80% of the total income in 2004

was generated by the three leading Insurance Brokers. Total expenses reached Rs 110 million in 2004 (i.e. a growth of 24%), of which 44% was absorbed by compensation of employees. The business of Insurance Brokers remains an overall profitable industry: net profit after tax in 2004 reached Rs 22 million, representing an impressive growth of 97% over the previous year. Once more, the profit in 2004 remains concentrated amongst the three leading Insurance Brokers, which cumulatively contributed to 85% of the total profit of Rs 25 million, whilst two Insurance Brokers generated accumulated losses of Rs 2 million. Appendix 12 provides an aggregate breakdown of the financial performance of Insurance Brokers (2001-2004).

Table 20: Financial Performance of Insurance Brokers (2001-2004)

	2004 ¹	2003 ^{1,2}	2002 ²	2001 ³
No. of Insurance Brokers	11	11	8	7
Total assets (Rs)	348,538,962	300,166,499	168,221,056	150,515,494
Growth/(Contraction) (%)	16	78	12	-
Total income (Rs)	132,690,578	100,347,620	79,697,060	62,679,975
Growth/(Contraction) (%)	32	26	27	-
Total compensation of employees (Rs)	48,225,241	38,317,753	29,156,176	25,771,212
Total other expenses (Rs)	45,118,786	33,567,776	21,237,503	15,674,677
Total purchase of goods and services (Rs)	16,774,240	17,020,439	16,762,210	14,275,352
Total expenses (Rs)	110,118,266	88,905,968	67,155,889	55,721,241
Growth/(Contraction) (%)	24	32	21	-
Total profit/(loss) after tax (Rs)	22,572,312	11,441,652	12,541,171	6,958,734
Growth/(Contraction) (%)	97	(9)	80	-

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003

³ Annual NBFI Survey 2002

3.3 OCCUPATIONAL PENSION SCHEMES

3.3.1 INTERNATIONAL OVERVIEW

The Organisation of Economic Cooperation and Development (OECD) continues to spearhead developments in the regulation of private pension plans. It has been instrumental in the establishment of the IOPS in 2004. The OECD has joined forces with the International Social Security Association (ISSA) and the IOPS to work together in the area of complementary and private pensions. The primary focus of the partnership will be to develop and update the ISSA/IOPS/OECD Complementary and Private Pensions database. The database currently covers both voluntary and mandatory occupational pension plans as well as mandatory and privately managed pension schemes. It may also be extended in future to cover voluntary private pension plans. The database is intended to act as a tool for policy makers, administrators, supervisors, academics and the public to better understand and evaluate the realities of retirement income provision in different countries.

The World Bank, the OECD and the Dutch financial services group ING have agreed to join forces to undertake research to study how privatised pensions systems have performed in developing and transition economies during the past 20 years. The three partners will evaluate the performance and efficiency of funded pension arrangements in selected countries.

3.3.2 OVERVIEW IN MAURITIUS

The FSC continued to gather and compile relevant information on private Occupational Pension Schemes (OPS). This year, data was collected on a quarterly basis through the QSS. Information pertaining to Insured Pension Schemes (IPS) was

obtained from returns submitted by relevant Insurers while data for Superannuation Funds were sourced both from the QSS (returns submitted by Governing Bodies of Superannuation Funds and Pension Scheme Managers) and the audited accounts submitted to the Registrar of Associations (RoA). Information obtained from the Income Tax Office (ITO) was used to complement the information obtained from the QSS in relation to IPS. An overview of the private OPS is summarised in Table 21. It is noted that the total asset base of the surveyed private OPS in 2004 dropped to Rs 16.9 billion, compared to Rs 18.2 billion in 2003. This is explained by the fact that the number of IPS surveyed in 2004 dropped to 678 from 790 in 2003.

Table 21 : Overview of Occupational Pension Schemes (2000-2004)

	2004	2003 ¹	2002 ¹	2001 ¹	2000 ¹
A. Insured Pension Schemes					
No. of schemes approved by Commissioner of Income Tax ²	1,253	1,174	1,053	970	903
No. of schemes surveyed ³	678	790	753	n/a	n/a
<i>of which are DB plans</i>	599	719			
<i>of which are DC plans</i>	79	71			
Surveyed schemes coverage (%)	54	67	72	n/a	n/a
No. of Private Sector OPS	565	684	643	n.a	n.a
No. of Statutory Bodies Pension Funds	113	106	110	n.a	n.a
No. of beneficiary members	38,529	44,598	44,317	n.a	n.a
<i>of which are contributory</i>	9,322	13,961	n.a		
<i>of which are non-contributory</i>	29,207	30,637	n.a		
Value of funds under management (Rs m)	11,211	13,711	10,922	8,904 ³	8,120 ³
Growth/(Contraction) in fund value (%)	(18.2)	25.5	22.7	9.7	12.6
B. Superannuation Funds					
No. of funds registered by Registrar of Associations ⁵	45	44	40	35	32
No. of funds for which audited accounts have been analysed	37	34	33	32	29
Asset base (Rs m)	5,683	4,528	3,430	2,984	2,713
Growth in asset base (%)	25.5	32.0	14.9	9.9	13.9
No. of schemes surveyed ⁶	37	n/a	n/a	n/a	n/a
Value of funds under management (Rs m) ³	3,311	n/a	n/a	n/a	n/a
No. of beneficiary members	21,340	n/a	n/a	n/a	n/a
<i>of which are contributory</i>	16,208	n/a	n/a	n/a	n/a
<i>of which are non-contributory</i>	5,132	n/a	n/a	n/a	n/a
C. Other OPS					
No. of Personal Pension Schemes ²	15	14	12	11	9
No. of Superannuation Funds ⁷	3	n/a	n/a	n/a	n/a

¹ Includes revised figures

² Source: ITO. Approved as at 1 July

³ QSS (data as at Quarter 4) and Annual NBFIs Surveys

⁴ Source: Annual Reports of Insurers

⁵ Registered as at 30 June and excluding those in process of winding-up

⁶ QSS (data as at Quarter 4)

⁷ QSS, not registered with RoA

n.a: not available

n/a: not applicable

3.3.2.1 Insured Pension Schemes

Data for 678 IPS were captured in the QSS (quarter ending December 2004), indicating a coverage of 54% of the total number of approved IPS by the ITO. The majority of IPS relates to plans from the private sector and are of the Defined Benefit (DB) type. The IPS market is very concentrated with one Insurer insuring/ administering most of these schemes while the bulk of the Statutory Bodies Pension Funds are administered by the only state-owned Insurer. It must be noted that the number of IPS surveyed in 2004 was less than those surveyed in 2003 because the number of reported IPS from the largest concerned Insurer dropped in 2004 – please refer to Appendix 13.

Consequently, all the results relating to IPS in 2004 follow a downward trend as highlighted in Table 21. The fund value of IPS dropped to Rs 11.2 billion in 2004 from Rs 13.7 billion in 2003. The reported number of beneficiary members for the surveyed IPS was 38,529, of which 29,207 were non-contributory members.

Statistics on IPS extracted from the QSS and summarised in Table 22 indicate that over the quarters of 2004, the financial performance of the schemes progressed well. Aggregate data relating to general details and the financial performance of surveyed IPS insured/administered by each Insurer are indicated respectively in Appendix 14 and Appendix 15.

Table 22: Financial Performance of Insured Pension Schemes Surveyed (2004)

	Mar 2004	Jun 2004	Sept 2004	Dec 2004
No. of schemes covered	635	652	672	678
Value of funds under management (Rs m)	10,432	10,539	10,790	11,211
Income breakdown (Rs m)				
Employer contributions	198	249	219	224
Employee contributions	14	19	11	14
Other income	237	246	186	362
Total income (Rs m)	449	514	416	600
Expenditure breakdown (Rs m)				
Administration costs	6	5	5	6
Benefits payments	102	93	109	139
Cash withdrawals benefit	5	4	9	48
Cost of pension purchased	21	27	8	25
Other expenditure	10	9	23	3
Total expenditure (Rs m)	144	138	154	221
Operating performance (%)				
Benefits/contributions	48.1	34.7	47.4	58.4

Source: QSS

Total income of surveyed IPS reached Rs 600 million in December 2004, representing an overall increase of 34% over the year 2004. Data reported for the year 2003 indicated that the total income of the 790 surveyed IPS was Rs 2,266 million representing a decrease of 74% for the year 2004. Contributions account for 40% of the total income generated by IPS – other income consists mainly of investment income. Total expenditure incurred by IPS reached Rs 221 million in December 2004, representing an increase of 53% over the year 2004. Benefits payments absorbed 63% of the total expenditure while cash withdrawals benefit constituted 22% of the total expenditure. The operating performance ratio of IPS surveyed remained rather stable with a better performance (58.4%) achieved in December 2004.

3.3.2.2 Superannuation Funds

Two sets of statistics on Superannuation Funds are reported: one sourced from the QSS and the other from the audited accounts submitted to the RoA. These data are presented for the purpose of comparing the figures on a calendar basis and a combined financial year-end period, the former obviously providing a more precise indication since the data are at a given period. As highlighted respectively in Table 23 and Table 25, the figures relating to the asset base for the period 2004 was Rs 5.7 billion whereas the fund value of the surveyed Superannuation Funds in December 2004 was Rs 3.3 billion for almost the same number of schemes covered. This difference could be accounted for by the difference in reporting periods. Appendix 16 indicates the list of registered Superannuation Funds as at 30 June 2005.

Table 23: Financial Performance of Superannuation Funds Surveyed (2004)

	Mar 2004	Jun 2004	Sept 2004	Dec 2004
No. of schemes covered	37	38	38	38
Value of funds under management (Rs m)	2,474	2,927	3,107	3,311
Income breakdown (Rs m)				
Employer contributions	79	96	113	122
Employee contributions	14	20	21	26
Other pension premiums	4	8	8	36
Other income	75	102	118	116
Total income (Rs m)	172	226	260	300
Expenditure breakdown (Rs m)				
Benefits payments	20.5	34.6	46.9	42.7
Cost of pension purchased	1.4	2.3	2.4	1.7
Cash withdrawals benefit	8.9	18.4	17.2	16.4
Administration costs	4.3	7.9	7.4	5.9
Other expenditure	4.7	9.4	8.5	7.3
Total expenditure (Rs m)	39.9	72.6	82.4	74.0
Operating performance (%)				
Benefits/contributions	22.0	29.8	35.0	28.9

Source: QSS

As indicated in Table 23, the fund value of the surveyed Superannuation Funds progressed well over the year 2004 with an average growth of 34% throughout the year. Total income of surveyed Superannuation Funds reached Rs 300 million in December 2004, representing an increase of 74% over the year. Contributions account for 41% of the total income generated by surveyed Superannuation Funds – other income consists mainly of investment income. Total expenditure incurred by surveyed Superannuation Funds reached Rs 74 million in December 2004,

representing an increase of 85% over the year 2004. Benefits payments absorbed 58% of the total expenditure while cash withdrawals benefit constituted 22% of the total expenditure. The operating performance ratio of IPS surveyed remained rather stable with a performance of 29% achieved in December 2004. Aggregate data relating to general details and the financial performance of each surveyed Superannuation Fund are provided respectively in Appendix 17 and Appendix 18.

Table 24: Financial Performance of Superannuation Funds (2000-2004)

	2004	2003	2002	2001	2000
No. of schemes covered	37	34	33	32	29
Asset base (Rs m)	5,683	4,528	3,430	2,984	2,713
Income breakdown (Rs m)					
Employer contributions	392	382	294	263	239
Employee contributions	51	28	12	8	6
Investment income	217	274	236	214	199
Other income	259	274	229	49	454
Total income (Rs m)	919	958	771	534	898
Expenditure breakdown (Rs m)					
Benefits payments	246	181	156	137	128
Operating expenses	116	66	52	34	50
Operating performance (%)					
Benefits/contributions	55.5	44.1	51.0	50.7	52.0
Operating expenses/contributions	26.2	16.2	16.8	12.5	20.5
Investment income/assets	3.8	6.1	6.9	7.2	7.3
Investment income/total income	23.6	28.6	30.6	40.1	22.2

Source: Audited accounts (RoA)

Table 24 highlights the statistics extracted from the audited accounts of Superannuation Funds submitted to the RoA. The growth rate of the asset base of the schemes in 2004 was 25% compared

to 32% in 2003. All other indicators show that the figures are higher than those of the surveyed schemes – total income was Rs 919 million while benefits payments were Rs 246 million in 2004.

Table 25: Asset Allocation of Superannuation Funds (2000-2004)

	2004	2003	2002	2001	2000
Asset base (Rs m)	5,683	4,528	3,430	2,984	2,713
Percentage of total assets					
Corporate securities	31.0	29.1	26.4	26.2	27.3
Government securities	5.1	5.8	5.1	3.2	2.9
Bank deposits	7.5	9.5	5.8	10.0	10.5
Real estate	3.9	5.5	7.4	6.6	6.2
Foreign securities	10.7	10.7	12.0	11.3	9.3
Secured loans	12.5	14.1	17.7	18.7	20.0
Unsecured loans	14.7	16.5	20.1	20.0	19.2
Other assets	14.6	8.8	5.5	4.0	4.6
Growth rate of total assets (%)	25.5	32.0	14.9	9.9	14.0

Source: Audited accounts (RoA)

An analysis of the asset composition of Superannuation Funds indicates the implementation of a well diversified investment policy, as highlighted in Table 25. The same trend over the years is followed with the largest share of investments being made in domestic corporate securities and loan (secured and unsecured), with an average of 29% and 32% of total investments respectively. For the year 2004, investments in all the types of assets followed a lower contribution except for "Other assets".

3.3.2.3 Other Occupational Pension Schemes

There are a number of other Occupational Pension Schemes that have been identified, namely Personal Pension Schemes approved by the Commissioner of Income Tax as well as schemes that are not registered with the RoA but were captured through the FSC QSS.

3.3.3 ROLE OF CONTRACTUAL SAVINGS INSTITUTIONS IN HOUSING FINANCE

On the basis of information gathered from various sources and compiled in Table 26, the total housing loans were valued at Rs 22.3 billion in 2004, representing an increase of 10% over the previous year and equivalent to 12.8% of GDP. It is observed from the compiled statistics that contractual savings institutions are playing an increasingly smaller role in providing housing finance: their total share in the housing finance market dropped to 32.3% in 2004, compared to 35.9% in 2003. This contraction was mainly due to the lower share of Insurers in housing finance (26.3% in 2004 compared to 29.1% in 2003). On the other hand, it is noted that commercial banks have a more important role in mobilising funds for the housing market – the share was higher in 2004 with 42.3% compared to 37.5% in 2003. The mortgage finance institution, Mauritius Housing Company Ltd (MHC) has had a steady share in the housing finance market, albeit a slightly lower share of 25.4% in 2004.

Table 26: Role in Housing Finance (2000-2004)					
	2004	2003 ¹	2002	2001	2000
Percentage of total housing loans					
<i>Insurers</i>	26.3	29.1	29.5	29.1	29.1
<i>Sugar Industry Pension Fund</i>	2.7	3.7	3.9	4.1	4.4
<i>Superannuation Funds</i>	3.2	3.1	3.1	2.9	2.9
Total Contractual Savings Institutions	32.2	35.9	36.5	36.1	36.4
Commercial Banks	42.3	37.5	37.1	37.1	35.5
Mauritius Housing Company Ltd	25.4	26.6	26.4	26.8	28.1
Total (%)	100	100	100	100	100
Total value of housing loans (Rs m)	22,301	20,274	19,773	19,252	18,167
Percentage of GDP	12.8	12.9	13.9	14.6	15.2

Sources: Annual Reports of RoA, SIPF, MHC, BoM

¹ Includes revised figures

3.4 CAPITAL MARKET OPERATORS

3.4.1 INTERNATIONAL OVERVIEW¹

Equity markets across the globe remained robust in 2004, mainly due to ongoing strong investor optimism since the year before. Despite higher oil prices and macroeconomic imbalances in the major markets, inflation was modest and markets remained buoyant. According to the World Federation of Exchanges (WFE) data on member market capitalisation continued to grow by 19%, while the Morgan Stanley Capital International World Index grew by 13% and turnover improved by 29%. New worldwide equity issuance increased by 16% above the level in 2003. The favourable financing conditions that prevailed through most of 2004 enabled emerging market borrowers not only to raise substantial amounts in the international debt securities market at lower interest rates, but also to borrow at even longer maturities and in a wider variety of currencies.

With regard to the Asian economies, there was a quick economic recovery of the nations most adversely affected by the tsunami of 26 December 2004 – although it took longer in the resorts and coastal regions more hardly hit. The expectation of rapid recovery explained why Asian stock markets did not change much after the tsunami struck: Indonesia's and Malaysia's indices actually rose a little during the last week of December 2004, while Thailand's declined a little, and Sri Lanka's declined by a few percentage points.

The African Bourses maintained a growth momentum during the first half of 2005. Among the stock markets which had done extremely well

in % US Dollars terms were Egypt (+102.21%), Uganda (+54.91%), Zimbabwe (+38.88%), Kenya (+36.27%) and Zambia (35.93%).

At the annual meeting of the WFE in October 2004, the focus was on the business standards of members to ensure the transparency of a well-regulated and governed market for the listing and trading of securities and derivatives instruments. At the initiative of the WFE, a survey on the regulation of markets was conducted and it was found that regulation of exchanges is changing rapidly due to new laws, new trading platforms, technology, demutualisation and globalisation. Public confidence in the securities industry generally has been shaken by the numerous scandals in the US and elsewhere since the bursting of the technology bubble in 2000. The survey also showed that there is a risk that exchanges will lose their power to regulate their markets, market participants and listed companies – both exchanges and investors would be poorly served if such eventuality occurs. Moreover, it has been revealed that virtually all exchanges believe that regulation is part of their brand, and that they should make every effort to maintain their regulatory authority by adapting to changing market conditions and changing laws by the creative use of technology and innovative solutions to the new conflicts of interest which are emerging from new markets and new organisational forms.

¹ Sources: WFE Annual Report 2004 and IOSCO Annual Report 2004

3.4.2 OVERVIEW IN MAURITIUS²

In line with the international trends, the Mauritian stock market demonstrated a strong growth record for the period under review. The stock market enjoyed an upbeat path despite some jittery periods noted during the last quarter of 2004-2005. During the period 1 July 2004 to 30 June 2005, the stock market indices in Mauritius registered strong gains overall – the SEMDEX rose by 10%, the SEMTRI (Rs) by 17%, the SEMTRI (USD) by 12%, and the SEM-7 by 12%. The volume of shares traded decreased by 7% during 2004-2005 compared to the preceding period, while the value of shares for the same period registered an increase of 2.3%. Details on the statistics of the stock market and its indices are fully described in the publications of the SEM.

The Mauritian stock market currently depicts good fundamentals: further possibility of capital appreciation, good corporate conduct and interesting investment opportunities for both local and foreign investors.

During the period under review, projects to revamp the regulatory and operational framework of the OTC market together with a feasibility study to create an Alternative Development Market (Second-Tier Market) were being finalised. Further details relating to policy issues on the securities market are discussed earlier in this Report.

3.4.3 THE STOCK EXCHANGE OF MAURITIUS LTD. (SEM)²

During the period under review, the SEM enlisted the support of First Initiative, a donor agency financed by multilateral organisations such as the World Bank and the IMF to undertake a thorough review of the SEM's listing and business rules. The aim of this project is to update the existing rules to ensure that they reflect international standards and match the requirements of the forthcoming Securities Act 2005.

The SEM was also actively involved in the setting-up of an appropriate operational and regulatory framework to attract the listing of offshore funds and international products. New Listing Rules have been drafted to cater for these products and the SEM will work in close collaboration with the FSC to identify the key issues that will need to be addressed to ensure that the SEM can gradually position itself in this very competitive environment.

A Listing Rules Review Committee was set up to undertake a thorough review of the current Listing Rules, which were introduced in 2000. The mandate of this Committee is to make recommendations for changes to the Listing Rules to keep up with the changes which have characterised the securities industry locally and internationally, and to ensure that the Listing Rules reflect investors' expectations in terms of pre- and post-listing disclosure standards.

² Sources: SEM Newsletters 2004, 2005

Table 27: Number of Authorised/Licensed Capital Market Operators

Capital Market Operators	No. on Register as at 30 June 2005
Investment Schemes	23
Stockbroking Companies	11
Stockbrokers	22
Fund/Portfolio Managers	16
Custodian	1
Investment Advisers/Agents	5
Total (inc. Market Infrastructure Providers)	80

3.4.4 OTHER CAPITAL MARKET OPERATORS IN MAURITIUS

The number of capital market operators authorised/licensed by the FSC are listed in Table 27.

The FSC's Surveys were conducted on the following capital market operators:

- Stockbroking Companies
- Fund/Portfolio Managers
- Investment Advisers/Agents

Results of the surveys are described below.

3.4.4.1 Investment Schemes

For the period ending 2004, the FSC had authorised 22 Investment Schemes in the form of Unit Trusts, Authorised Mutual Funds, Private Equity Funds and other CIS. It is to be noted that these structures are governed by various existing legislations. The appellations of these structures will change with the forthcoming Securities Act 2005. The number of Investment Schemes has remained almost stagnant over the past years with only one Private Equity Fund being authorised during the fiscal period 2004-2005. The statistics

compiled in the FSC's Surveys indicate that as at 31 December 2004, the net asset base of the 22 Investment Schemes amounted to Rs 7.3 billion, representing an overall growth of 31% over the previous year. It is noted from Table 28 that growth was registered in the Net Assets of Investment Schemes since 2003 but in 2001 and 2002, there was a contraction of 10% and 1% respectively. It was further noted that the aggregate turnover of Investment Schemes reached Rs 586 million in 2004, representing a growth of 12% from the previous year. Aggregate net profit after tax increased by 1% in 2004 to Rs 421 million.

Appendix 19 which provides details of each Investment Scheme for the quarters of 2004, indicates that the schemes that dominate the market in terms of asset size are the state-driven schemes. Only a few private sector-driven schemes have comparable large assets. This important fact indicates the crucial role Government has in mobilising investment funds.

Table 29 indicates the portfolio composition of Investment Schemes – data is available as at 2003. It is noted that investments are mainly geared towards equity followed by bank deposits.

Table 28: Financial Performance of Surveyed Investment Schemes (2002-2004)

	2004	2003	2002
No of schemes			
Authorised Mutual Funds	5	5	5
Unit Trusts	10	10	9
Private Equity Funds	5	5	3
Other CIS	2	2	2
Total no. of schemes	22	22	19
Net assets (Rs m)			
Authorised Mutual Funds	1,388	1,085	965
Unit Trusts	2,550	1,862	1,651
Private Equity Funds	982	773	720
Other CIS	2,401	1,878	1,207
Total Net assets (Rs m)	7,321	5,599	4,543
Growth/(Contraction) in Net assets (%)	31	23	(1)
Turnover (Rs m)			
Authorised Mutual Funds	188	79	63
Unit Trusts	202	91	93
Private Equity Funds	104	123	33
Other CIS	92	229	120
Total turnover (Rs m)	586	522	309
Growth/(Contraction) in turnover (%)	12	69	
Profit/(loss) after tax (Rs m)			
Authorised Mutual Funds	172	66	49
Unit Trusts	183	61	12
Private Equity Funds	(6)	77	1
Other CIS	72	211	86
Total Profit/(loss) (Rs m)	421	415	148
Growth/(Contraction) in profit (%)	1	180	

Source: FSC Surveys

Table 29: Aggregate Portfolio Composition of Investment Schemes

	2003	2002	2001	2000	1999
	%	%	%	%	%
Equities	60	65	75	78	77
Locally Traded Government Bonds	2	3	1	0	1
Externally Traded Government Bonds	0	0	0	0	0
Corporate Bonds	3	2	1	1	2
Bank Deposits (Time Deposits)	13	9	11	9	7
Money Market Instruments	7	9	3	1	1
Other	15	12	9	11	12
Total	100	100	100	100	100

Source: FSC Surveys

3.4.4.2 Stockbroking Companies

During the period 2004-2005, no new SBC was licensed by the FSC. Table 30 indicates a summary of the financial performance of the SBCs since 2001 – extracted from the Annual NBFI Surveys conducted by the FSC. On the basis of the returns submitted by ten Stockbroking Companies (SBCs) for the Annual NBFI Survey 2004, the total asset base was Rs 496 million, compared to the revised figure of Rs 544 million in 2003 for 11 SBCs.

Total income for 2004 for the ten SBCs increased to Rs 61 million, representing a growth of 24% from the previous year. It is to be noted that 42% of the income is generated by one single SBC and

that 82% of the total income is earned by the four leading SBCs – this trend has been set over the past years and is likely to continue in the future. Total expenses for the ten SBCs amounted to Rs 53 million in 2004, out of which compensation of employees absorbed 25%. As far as profit after tax is concerned, only seven SBCs made profit (an aggregate of Rs 9.5 million) while the three loss-making SBCs accumulated an aggregate loss of Rs 1.6 million resulting in an overall profit for the ten SBCs of Rs 7.8 million. It is to be noted that 45% of the profit was generated by one single SBC while another SBC contributed to 30% of the profit. Appendix 20 provides an aggregate breakdown of the financial performance of the SBCs (2001-2004).

Table 30: Financial Performance of Stockbroking Companies (2001-2004)

	2004 ¹	2003 ^{1,2}	2002 ²	2001 ³
No. of Stockbroking Companies reporting	10	11	10	11
Total assets (Rs)	495,708,190	544,642,987	436,581,689	471,232,582
Growth/(Contraction) (%)	(9)	25	(7)	
Total income (Rs)	61,146,083	49,309,270	62,587,620	57,857,662
Growth/(Contraction) (%)	24	(21)	8	
Total compensation of employees (Rs)	13,246,774	11,954,364	12,517,228	12,613,985
Total other expenses (Rs)	26,793,621	24,202,461	13,572,468	11,973,758
Total purchase of goods & services (Rs)	13,256,486	7,773,819	5,137,779	4,752,962
Total expenses (Rs)	53,296,881	43,930,644	31,227,475	29,340,706
Growth/(Contraction) (%)	21	41	6	
Total profit/(loss) after tax (Rs)	7,849,202	5,378,626	31,360,145	28,516,956
Growth/(Contraction) (%)	46	(83)	10	

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003

³ Annual NBFI Survey 2002

Table 31 : Financial Performance of Fund/Portfolio Managers (2001-2004)

	2004 ¹	2003 ¹	2002 ^{2,3}	2001 ³
No. of Fund/Portfolio Managers	15	14	11	10
Total assets (Rs)	2,975,900,580	2,431,713,468	851,918,468	462,576,219
Growth/Contraction) (%)	22	185	84	
Total income (Rs)	454,374,255	308,869,170	139,507,217	112,425,982
Growth/(Contraction) (%)	47	121	24	
Total compensation of employees (Rs)	29,806,685	23,680,279	20,822,316	16,608,987
Total other expenses (Rs)	232,009,403	198,275,829	59,780,350	43,177,266
Total purchase of goods & services (Rs)	34,224,502	42,503,651	49,708,271	29,808,690
Total expenses (Rs)	296,040,590	264,459,759	130,310,938	89,594,943
Growth/(Contraction) (%)	12	103	45	
Total profit/(loss) after tax (Rs)	158,333,664	44,409,412	9,196,279	22,831,040
Growth/(Contraction) (%)	257	383	(60)	

Sources: FSC Annual NBFi Surveys

¹ Annual NBFi Survey 2004

² Annual NBFi Survey 2003

³ Annual NBFi Survey 2002

3.4.4.3 Fund/Portfolio Managers

The Annual NBFi Survey 2004 was conducted on the 15 licensed Fund/Portfolio Managers (FPMs) as at period ending 2004³. During the period 2004-2005, seven FPMs were licensed under section 14 of the FSD Act 2001. Table 31 which summarises the financial performance of these entities for the past four years, indicates that the total assets grew by 22% and reached Rs 2.9 billion in 2004. Total income of the 15 FPMs increased to Rs 454 million in 2004, representing a growth of 47% over the previous year. It is observed that 77% of the total income in 2004 was generated by two single FPMs

(40% and 37% share each) – both of these entities are state-owned FPMs. Total expenses reached Rs 296 million in 2004 (a growth of 12% from 2003) out of which 70% were absorbed by interest paid by the leading FPM. Aggregate net profit after tax generated by the 15 FPMs amounted to Rs 158 million in 2004, out of which 12 entities made profit (an aggregate of Rs 160 million), one FPM broke even and two others made accumulated losses of Rs 1.8 million. Appendix 21 provides an aggregate breakdown of the financial performance of the FPMs (2001-2004).

³ It is to be noted that the Annual NBFi Surveys conducted by the FSC since 2002 captured data for those Fund/Portfolio Managers that were not licensed at the period when the Surveys were conducted – these entities ultimately applied for a licence under section 14 of the FSD Act 2001. Thus, the data presented in Table 31 provides a complete coverage of the Fund/Portfolio Managers, irrespective of their licence date.

3.4.4.4 Investments Advisers/Agents

For the period ending 2004, four Investment Advisers/Agents (IAAs) were licensed and operational. During the period 2004-2005, two IAAs were licensed under section 14 of the FSD Act 2001. Data gathered on these IAAs through the annual NBFI Survey 2004 is summarised in Table 32. Total assets of the four IAAs amounted to Rs 4.8 million in 2004, compared to Rs 4.0 million in 2003 for two operational IAAs. Total income of the four IAAs increased to Rs 9.5 million,

representing a growth of 40% from the previous year. It is observed that one single IAA generated 45% of the total income while another IAA generated 31% of the total income. Total expenses amounted to Rs 10 million in 2004, out of which 51% was absorbed by compensation to employees. In 2004, the four IAAs generated a total net loss of Rs 627,698 which was caused by the loss of Rs 1.1 million made by the leading IAA in 2004. Appendix 22 provides an aggregate breakdown of the financial performance of the IAAs (2001-2004).

Table 32: Financial Performance of Investment Advisers/ Agents (2001-2004)

	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Investment Advisers/Agents	4	2	2	1
Total assets (Rs)	4,809,400	4,041,899	3,832,625	889,377
Growth/Contraction) (%)	16	5	77	
Total income (Rs)	9,523,443	5,737,279	2,141,188	1,302,116
Growth/(Contraction) (%)	40	63	39	
Total compensation of employees (Rs)	5,162,447	3,480,229	2,289,988	44,113
Total other expenses (Rs)	825,354	246,711	5,058	68,298
Total purchase of goods & services (Rs)	4,163,340	(18,051)	628,970	613,302
Total expenses (Rs)	10,151,141	3,708,889	2,924,016	725,713
Growth/(Contraction) (%)	63	21	75	
Total profit/(loss) before tax (Rs)	(627,698)	2,028,390	(782,828)	576,403
Growth/(Contraction) (%)	423	139	174	

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003

³ Annual NBFI Survey 2002

3.5 SPECIALISED FINANCE INSTITUTIONS

As per the FSC's classification of NBFIs, there are in operation in Mauritius five types of entities that are categorised as Specialised Finance Institutions, namely Leasing Companies, Credit Finance Companies, Factoring Companies, Cooperative Credit Unions and Mortgage Finance Companies.

Those NBFIs (involved in non-deposit-taking activities) that are currently licensed by the FSC under section 14 of the FSD Act 2001 are the Leasing Companies (3), Credit Finance Companies (2) and Factoring Companies (1).

Those NBFIs that are not licensed by the FSC include Cooperative Credit Unions, which are statutorily regulated by the Registrar of Cooperative Societies. These entities provide valuable credit access to low income borrowers and operate strictly as savings and loans. Statistics obtained from the Registrar of Cooperative Societies indicate that for the period ending 2004, there were 103 registered Cooperative Credit Unions having a total asset base of Rs 1.3 billion and 62,197 members. Despite their public deposit-taking activities, Cooperative Credit Unions are not subject to banking regulation. The Mauritius Housing Company Ltd (MHC), which acts as a Mortgage Finance Company, is involved essentially in providing long-term housing finance, especially for the low income group – see earlier part on *Report on housing finance (Role of Contractual Savings Institutions in Housing Finance)*. It is to be noted that the MHC is authorised by the Bank of Mauritius to transact deposit-taking business.

The Annual NBFI Survey 2004 captured information relating to Leasing Companies, Credit Finance Companies and Factoring Companies – both licensed and unlicensed entities – thus

providing a complete coverage of those NBFIs. The results of the Survey and the trends over the past four years are presented below.

3.5.1 LEASING COMPANIES

Leasing Companies (LCs) in Mauritius provide asset finance through finance leases and operating leases. There were 12 LCs operational in 2004 – one new company was licensed during the period 2004-2005 under section 14 of the FSD Act 2001, bringing the total number of LCs licensed by the FSC to three. The Bank of Mauritius has granted authorisation to all 12 LCs for their transactions in deposit-taking. Of the 12 LCs, three are subsidiaries of banks, five are subsidiaries of Insurers, and the remaining ones are affiliated with important commercial groups servicing their in-house leasing business. The business environment for the leasing sector remains lucrative and competitive with market segmentation continuing to persist, in line with the market demands of the economy. Prospects remain interesting for SMEs to tap attractive finance from the leasing industry compared to traditional alternatives.

Total assets for the 12 LCs amounted to Rs 8.6 billion representing a growth of 22% from the previous year. The three leading LCs (amongst which, one is a state-owned company) accounted for 58% of the total assets. Net investments in finance leases accounted for 68% of the total assets and amounted to Rs 5.8 billion in 2004 compared to Rs 5.2 billion in 2003. Total income in 2004 for the 12 LCs amounted to Rs 739 million, representing a growth of 11% from the previous year. The three leading LCs generated 65% of the total income. Total expenses in 2004 reached Rs 897 million, out of which Rs 600 million were absorbed by interest paid.

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The 12 LCs generated an aggregate net loss of Rs 159 million: nine companies produced a total profit of Rs 45 million while three companies made an aggregate loss of Rs 204 million –

Rs 184 million was due to one single LC. Appendix 23 provides an aggregate breakdown of the financial performance of the LCs (2001-2004).

Table 33: Financial Performance of Leasing Companies (2001-2004)

	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Leasing Companies	12	11	11	10
Total assets (Rs)	8,657,310,390	7,111,760,757	7,487,715,292	6,703,990,066
Growth/(Contraction) (%)	22	(5)	12	
Total Net Investments in Finance Leases	5,845,241,556	5,195,345,494	5,221,116,367	3,733,644,746
Growth/(Contraction) (%)	13	(0.49)	40	
Total income (Rs)	738,892,794	665,761,419	2,064,532,859	1,747,928,977
Growth/(Contraction) (%)	11	(68)	18	
Total compensation of employees (Rs)	33,008,053	21,342,114	24,655,476	23,128,363
Total other expenses (Rs)	845,609,015	757,163,217	1,857,150,119	1,557,283,400
Total purchase of goods & services (Rs)	18,929,584	12,970,328	5,834,296	6,752,015
Total expenses (Rs)	897,546,652	791,475,659	1,887,639,891	1,587,163,778
Growth/(Contraction) (%)	13	(58)	19	
Total profit/(loss) after tax (Rs)	(158,653,858)	(125,714,240)	176,892,968	160,765,199
Growth/(Contraction) (%)	(26)	(171)	10	

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003

³ Annual NBFI Survey 2002

The Annual NBFI Survey 2004 gathered additional and specific information on the leasing business – these are summarised below.

3.5.1.1 Credit Concentration by Industry Sector

The finance lease portfolio for the 12 LCs experienced a growth of 13% over the period 2004 as indicated in Table 33. In terms of the value of lendings, the “Financial & Business

Services” sector accounted for 20% of the total finance lease portfolio in 2004, followed by the “Other Manufacturing” and “Traders/Commerce” sectors, which accounted respectively for 13% and 12% of the total lendings. It is observed that “Personal” lease contracts and contracts from the “Traders/Commerce” sectors accounted respectively for 24% and 19% of the total lease contracts. Overall, the credit exposure of LCs remains well diversified in the different sectors, as indicated in Table 34.

Table 34: Credit Exposure by Industry Sector (2003-2004)

Sector	Lendings (Rs)		No. of Lease Contracts
	2004 ¹	2003 ²	2004 ³
Agriculture & Fisheries	298,496,103	178,733,373	359
Construction & Civil Engineering	472,848,762	396,259,168	788
Financial & Business Services	1,164,470,665	895,369,706	601
Other Manufacturing	720,932,439	343,360,505	445
Personal	416,327,875	222,004,824	2,257
Textile	428,959,039	324,669,586	105
Tourism	501,371,473	139,970,586	529
Traders/Commerce	695,681,105	395,231,753	1,811
Transport & Related Services	308,777,367	201,057,229	1,041
Others	837,376,728	694,157,152	1,442
Total	5,845,241,556	3,790,813,882	9,378

¹ Coverage of 12 Leasing Companies

² Coverage of 10 Leasing Companies

³ Coverage of 10 Leasing Companies

3.5.1.2 Credit Quality by Industry Sector

It is observed from Table 35 that for the nine LCs that submitted data, the overall lease loss ratio for the finance lease portfolio amounted to 1.15%, with the highest ratio resulting from the “Agriculture &

Fisheries” sector. It is further observed that the largest defaulting leases originated from the “Other Manufacturing” sector. The greatest provision for credit losses was made for the “Other Manufacturing” sector, indicating the large risk attributed to this sector of the economy.

Table 35: Credit Quality by Industry Sector (2004)

Sector	Performing Leases Rs	Non- Performing Leases Rs	Lease Loss Ratio %	Provision for Credit Losses Rs	Net Finance Leases ¹ Rs
Agriculture & Fisheries	152,022,304	5,658,523	3.72	4,804,021	152,876,806
Construction & Civil Engineering	574,873,726	9,546,821	1.66	12,306,752	572,113,795
Financial & Business Services	1,133,506,131	5,143,851	0.45	10,857,261	1,127,792,721
Other Manufacturing	671,512,774	11,671,872	1.74	13,810,185	669,374,461
Personal	226,869,676	3,239,305	1.43	2,392,509	227,716,472
Textile	426,987,724	664	0.00	3,081,488	423,906,900
Tourism	479,939,333	2,361,585	0.49	2,905,121	479,395,797
Traders / Commerce	577,773,773	2,503,258	0.43	4,387,889	575,889,142
Transport & Related Services	262,877,555	5,694,843	2.17	3,468,191	265,104,207
Others	566,944,751	12,424,388	2.19	13,465,105	565,904,034
Total	5,073,307,747	58,245,110	1.15	71,478,522	5,060,074,335

¹ Coverage of 9 Leasing Companies

Table 36: Breakdown of Net Investments in Finance Leases (2003-2004)

Remaining Term to Maturity	2004 ¹ Rs	2003 ² Rs
Within 3 months	282,407,037	251,475,971
Over 3 months up to 6 months	230,231,667	207,772,902
Over 6 months up to 12 months	788,766,523	847,518,499
Over 1 year up to 5 years	4,246,165,586	3,390,601,099
Over 5 years	145,570,567	128,258,510
Net Investments in Finance Leases	5,693,141,379	4,825,626,981

¹ Coverage of 11 Leasing Companies

² Coverage of 9 Leasing Companies

3.5.1.3 Details of Net Investments in Finance Leases

As indicated in Table 36, 75% of the net investments in finance leases made in 2004 related to receivables from finance leases maturing from one year to five years.

3.5.2 CREDIT FINANCE COMPANIES

The Annual NBF Survey was conducted on three Credit Finance Companies (CFCs), two of which were licensed under section 14 of the FSD Act 2001. As indicated in Table 37, in 2004, the total asset base of the three CFCs regressed slightly by

1% to Rs 695 million compared to the previous year, due to the decrease in accounts receivable of one entity. Total income grew by 3% in 2004 and reached Rs 210 million – 75% of it was generated by the leading CFC. Total expenses of the three CFCs amounted to Rs 188 million in 2004, out of which 56% were absorbed by dividends paid and interest paid. An aggregate net profit after tax of Rs 22 million was generated by the three CFCs, representing a growth of 55% over the previous year, whilst 81% of the profit was produced by the leading CFC. Appendix 24 provides an aggregate breakdown of the financial performance of the Credit Finance Companies (2001-2004).

Table 37: Financial Performance of Credit Finance Companies (2001-2004)

	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Credit Finance Companies	3	3	3	3
Total assets (Rs)	694,805,639	703,764,465	696,420,084	655,465,436
Growth/(Contraction) (%)	(1)	1	6	
Total income (Rs)	209,976,436	204,501,789	168,253,891	158,103,636
Growth/(Contraction) (%)	3	22	6	
Total compensation of employees (Rs)	39,868,189	35,678,326	34,486,179	33,076,289
Total other expenses (Rs)	109,613,740	118,455,994	96,869,199	89,342,395
Total purchase of goods & services (Rs)	38,401,220	36,081,448	1,272,060	2,977,463
Total expenses (Rs)	187,883,149	190,215,768	132,627,438	125,396,147
Growth/(Contraction) (%)	(1)	43	6	
Total profit/(loss) after tax (Rs)	22,093,287	14,286,021	35,626,453	32,707,489
Growth/(Contraction) (%)	55	(60)	9	

Sources: FSC Annual NBF Surveys

¹ Annual NBF Survey 2004

² Annual NBF Survey 2003

³ Annual NBF Survey 2002

The total value of credit provided in 2004 by two of the CFCs amounted to Rs 559 million compared to Rs 34 million in 2003 and Rs 606 million in 2002 – the bulk of credit was financed by the leading CFC. The Annual NBF Survey 2004 indicated that the total value of turnover of goods and services sold under the Hire Purchase Act 1964 in 2004 amounted to Rs 778 million (the bulk was driven by the leading CFC), while a turnover totalling Rs 24 million was generated outside the remit of the Hire Purchase Act 1964.

3.5.3 FACTORING COMPANIES

Factoring, which involves the sale of receivables, provides an attractive alternative for the financing of working capital especially for SMEs. Although

there is great scope for the use of this type of financing, the market for factoring business in Mauritius remains rather untapped. There is presently on the FSC's Register one Factoring Company (FC) licensed under section 14 of the FSD Act 2001. This FC operates under "*La loi des contrats*" under the Civil Code.

For the period ending 30 September 2004, the company had an asset base of Rs 6.3 million composed essentially of cash and liquid assets. An income of Rs 41,000 was generated resulting in a loss of Rs 123,000 for the period ending 2004. Table 38 indicates the financial performance of the licensed FC for the period ending 2004.

Table 38: Financial Performance of Factoring Company (2004)

	Rs
Total assets	6,352,615
Income	
Other interest (local)	41,624
Total income	41,624
Expenses	
Compensation of employees	
Other benefits	31,000
Total compensation of employees	31,000
Other expenses	
Depreciation	39,543
Interest paid	13,136
Miscellaneous other expenses	18,233
Rates and other taxes	10,000
Total other expenses	80,911
Purchase of goods and services	
Communication cost (post, courier service, telephone, internet fax, etc.)	430
Other purchase of goods and services	49,384
Printing, advertising and promotion	1,000
Stationery and other office requisites	2,439
Total purchase of goods and services	53,253
Total expenses	165,164
Total profit/(loss) after tax	(123,540)

Source: FSC Annual NBFI Survey 2004

3.6 FINANCIAL SERVICE PROVIDERS & MARKET PROFESSIONALS

The classification adopted by the FSC with regard to Financial Service Providers and Market Professionals operating within the domestic market include Pension Scheme Managers, Actuaries, Treasury Managers, Insurance Brokers, Insurance Agents, Insurance Salespersons and Investment Advisers/Agents. The Annual NBF Survey 2004 captured information pertaining to Financial Service Providers and Market Professionals licensed under section 14 of the FSD Act 2001. Analyses for the Insurance Intermediaries and the Investment Advisers/Agents are detailed earlier in the Report.

3.6.1 PENSION SCHEME MANAGERS

During the period under review, there were two Pension Scheme Managers (PSMs) licensed under

section 14 of the FSD Act 2001. Table 39, which summarises the financial performance of PSMs for the past four years, indicates that the total assets grew by 12% and reached Rs 9.9 million in 2004. Total income of the two PSMs increased to Rs 13 million in 2004, representing a growth of 13% over the previous year. It is observed that the two PSMs have almost equal share in the total income. Total expenses reached Rs 12 million in 2004 (a growth of 14% from 2003) out of which 52% were absorbed by compensation of employees. Aggregate net profit after tax generated by the two PSMs amounted to Rs 755,901 in 2004 – a small decrease of 1% from the previous year. Appendix 25 provides an aggregate breakdown of the financial performance of the PSMs (2001-2004).

Table 39: Financial Performance of Pension Scheme Managers (2001-2004)

	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Pension Scheme Managers	2	2	2	1
Total assets (Rs)	9,878,791	8,855,955	3,016,792	2,631,105
Growth/(Contraction) (%)	12	194	15	
Total income (Rs)	12,864,667	11,353,512	8,034,383	4,320,306
Growth/(Contraction) (%)	13	41	86	
Total compensation of employees (Rs)	6,314,524	5,657,025	4,448,126	1,606,314
Total other expenses (Rs)	3,182,703	2,833,804	1,336,135	806,588
Total purchase of goods & services (Rs)	2,611,539	2,099,769	3,779,049	1,448,917
Total expenses (Rs)	12,108,766	10,590,598	9,563,310	3,861,819
Growth/(Contraction) (%)	14	11	148	
Total profit/(loss) after tax (Rs)	755,901	762,914	(1,528,927)	458,487
Growth/(Contraction) (%)	(1)	(150)	(433)	

Sources: FSC Annual NBF Surveys

¹ Annual NBF Survey 2004

² Annual NBF Survey 2003

³ Annual NBF Survey 2002

3.6.2 ACTUARIES

The Annual NBFI Survey 2004 gathered data pertaining to the financial performance of one Actuary licensed by the FSC under section 14 of the FSD Act 2001, as summarised in Table 40. Total assets in 2004 contracted by 6% over the previous year and reached Rs 5.6 million. Total income also suffered a decrease of 30% in 2004 and amounted to Rs 13 million, unlike the

previous three years whereby there was a sustained growth in income. Total expenses culminated to Rs 14 million in 2004, out of which 51% was absorbed by compensation of employees. In 2004, the Actuary suffered a net loss of Rs 817,928 due to the lower income generated that year.

Table 40: Financial Performance of Actuary (2001-2004)

	2004 ¹	2003 ¹	2002 ²	2001 ³
Total assets (Rs)	5,581,844	5,947,772	5,899,997	7,626,141
Growth/(Contraction) (%)	(6)	1	(23)	
Income (Rs)				
Fees and commissions	12,609,732	18,577,878	14,172,559	11,302,026
Other interest (local)	68,854	102,507	115,766	18,383
Profit on sale of assets	327,564			
Total income	13,006,150	18,680,385	14,288,325	11,320,409
Growth/(Contraction) (%)	(30)	31	26	
Expenses (Rs)				
Wages & Salaries	7,105,431	9,622,289	7,006,998	6,020,339
Other expenses				
Depreciation	477,732	759,571		
Dividends paid	3,450,000	3,853,098		
Income Tax	578,674	823,090	663,350	348,679
Insurance premiums	48,126	57,762		
Interest paid	81,362	135,189	175,474	381,231
Rates and other taxes	81,314	67,919		
Other			960,529	509,293
Total other expenses	4,717,208	5,696,629	1,799,353	1,239,203
Purchase of goods and services				
Electricity and water charges	244,112	366,229		
Motor vehicles running expenses	152,163	113,856		
Other purchase of goods and services	833,296	1,078,526	182,238	163,924
Printing, advertising and promotion	170,389	81,419		
Rent of buildings/premises	444,600	667,446		
Repairs and maintenance	14,358	34,355		
Stationery and other office requisites	142,521	224,604	1,511,566	1,877,237
Total purchase of goods and services	2,001,439	2,566,435	1,693,804	2,041,161
Total expenses	13,824,078	17,885,353	10,500,155	9,300,703
Total profit/(loss) after tax (Rs)	(817,928)	795,032	3,788,170	2,019,706
Growth/(Contraction) (%)	(203)	(79)	88	

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003

³ Annual NBFI Survey 2002

3.6.3 TREASURY MANAGERS

During the period 2004-2005, two Treasury Managers (TMs) were licensed by the FSC under section 14 of the FSD Act 2001, bringing the total number of these licensed entities to three. The Annual NBFI Survey 2004 covered only one operational TM - the results of the financial performance are summarised in Table 41. Total assets in 2004 amounted to Rs 2 million,

representing a contraction of 21% from the previous year. After two years of operation, the total income of the TMs increased significantly in 2004 to reach Rs 5.6 million. Total expenses, which reached Rs 3.5 million in 2004, were essentially absorbed by purchase of goods and services. After a net loss of Rs 3 million in 2003, the TM generated a net profit after tax of Rs 2 million in 2004.

Table 41 : Financial Performance of Treasury Manager (2002-2004)

	2004 ¹	2003 ¹	2002 ²
Total assets (Rs)	2,013,082	2,557,371	2,864,928
Growth/(Contraction) (%)	(21)	(11)	
Total income (fees & commission) (Rs)	5,629,643	1,427,213	384,307
Growth/(Contraction) (%)	294	271	
Expenses (Rs)			
Total purchase of goods and services	2,734,513	4,912,525	6,450
Other expenses			
Depreciation	150,000	0	
Income tax	373,462	(558,799)	89,790
Insurance premiums	228,992	146,110	
Interest paid	15,135	6,403	5,912
Miscellaneous other expenses	0	0	12,783
Total other expenses	767,589	(406,286)	0
Total expenses	3,502,102	4,506,239	6,450
Total profit/(loss) after tax (Rs)	2,127,541	(3,079,026)	377,857
Growth/(Contraction) (%)	(169)	(915)	

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003

3.7 GLOBAL BUSINESS OPERATORS

The term “Qualified Global Business” derives from section 19 of the Financial Services Development Act. The main types of licensees are referred to as Global Business Companies (GBCs). Management Companies, Corporate Trustees and Captive Managers are all responsible for managing the operations of GBCs. The analysis below provides details relating to the activities undertaken by GBCs for the period ending December 2004.

3.7.1 ANALYSIS OF STRIKING OFF FROM THE REGISTER OF GBCs

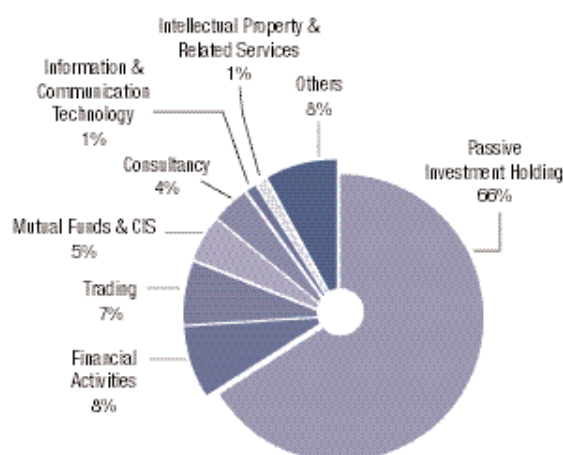
Striking off of companies holding a Global Business licence from the Register of Companies is an outcome of regulatory processes in place at the FSC. Table 42 indicates the statistics relating to the number of GBCs 1 and GBCs 2 struck off from the Register of Companies. As at 30 June 2005, a total of 3,348 GBCs were cumulatively struck off from the Register of Companies. The data also indicates that for the period ending 2005, there were 650 GBCs 2 struck off during the year, compared to 286 GBCs 1.

3.7.2 ACTIVITIES OF GBCs 1

The Annual NBFi Survey 2004 captured information on the activities of GBCs 1 as at 31 December 2004. Respondents provided data for 3,970 GBCs 1 (i.e 53% of all licensed GBCs 1 (this includes those GBCs 1 that were in the process of

winding-up). As indicated in Chart 1, GBCs 1 are involved in passive investment holding principally 66%. Our figures indicate that the 3,970 GBCs 1 had made a net aggregate investment of USD 29 billion as at 31 December 2004.

Chart 1: Breakdown of Activities of GBCs 1 (as at 31 December 2004)



In the period between 1 January to 31 December 2004, FSC's internal database provide further information on investments made through GBCs 1 in specific sectors. Reports were generated on the geographic origin of the promoters of the GBCs 1 and on the value of investments made by those entities.

Table 42: Analysis of GBCs struck off (2002-2005)

	30 June 2005	30 June 2004	30 June 2003	30 June 2002
No. of cumulative GBCs 1 struck off	1,716	1,430	1,119	592
No. of cumulative GBCs 2 struck off	1,632	982	511	320
No. of effective GBCs 1 on FSC Register ¹	6,017	5,831	5,728	5,654
No. of effective GBCs 2 on FSC Register ¹	16,535	15,352	14,056	12,483
No. of GBCs 1 struck off during the year	286	311	227	227
No. of GBCs 2 struck off during the year	650	471	191	113

Source: Registrar of Companies

¹ Cumulative figures, excluding struck-off entities

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The report on country of origin of promoters was generated on 368 GBCs 1. It was observed that 23% of the promoters came from the US, followed by 10% from the UK, 9% from Singapore and 8% from India.

The report on value of earmarked investments which was generated for 500 licensees, indicated that 65% of the GBCs 1 was involved in investment holding activities with a total investment of USD 7 billion being committed. The activities of the GBCs 1 followed almost the same pattern as the GBCs 1 surveyed in the Annual NBF Survey 2004. The total committed investments of these GBCs 1 amounted to USD 8.8 billion.

3.7.3 ANALYSIS OF INVESTMENTS OF GBCs 1

The Annual NBF Survey 2004 continued to gather data pertaining to value of investments sourced

and targetted through GBCs 1 involved in investment holding and Mutual Funds & CIS business by geographic breakdown and by activity sector breakdown.

In terms of geographic breakdown, the total inward investments as at 31 December 2004 increased to USD 59.5 billion (undertaken through 2,837 GBCs 1) compared to USD 39.9 billion in 2003 (undertaken through 3,049 GBCs 1). As indicated in Table 43 it is observed that 56% of the inward investments were targetted towards India, while Indonesia and China obtained respectively 17% and 6% of the total inward investments. Total outward investments in 2004 rose to USD 61.7 billion, representing an impressive growth of 81% over the previous year.

Table 43: Value of Investments through GBCs 1¹ by Geographic Breakdown (2003-2004)

Value of Investments (USD m)	31 December 2004	%	31 December 2003	%
No. of GBCs 1 reporting ¹	2,837	38	3,049	43
Total no. of GBCs 1 licensed ²	7,445	100	7,013	100
Target Countries				
India	32,004	54	22,264	56
Indonesia	10,558	18	6,692	17
China	3,687	6	2,511	6
Hong Kong	2,130	4	312	1
Singapore	2,077	3	1,057	3
South Africa	1,878	3	1,045	3
Africa (combined)	922	2	918	2
Others	6,276	10	5,175	12
Total inward investments	59,532	100	39,974	100
Source Countries				
USA	16,439	27	8,730	26
Singapore	12,903	21	6,100	18
UK	5,304	9	3,594	11
British Virgin Islands & other	4,728	8	4,748	14
Bermuda	4,114	7	0	0
Luxembourg	3,383	5	749	2
South Africa	1,795	3	1,230	4
Hong Kong	1,686	3	1,523	4
Netherlands	1,503	2	642	2
Indonesia	1,432	2	689	2
India	603	1	425	1
Others	7,855	12	5,777	16
Total outward investments	61,745	100	34,207	100

Sources: FSC Annual NBF Surveys 2003, 2004

¹ Investment Holding & Mutual Funds/CIS

² GBCs licensed as at 31 December (including those in process of winding-up)

Appendix 26 and Appendix 27 provide respectively detailed analyses of inward investments and outward investments undertaken by the GBCs 1 involved in investment holding and Mutual Funds and CIS business.

The Annual NBFI Survey 2004 also picked up

information pertaining to investments undertaken by the GBCs 1 in specific activity sectors. Table 44 indicates that for total investments of USD 57.5 billion as at 31 December 2004, the Information and Communication Technology (ICT) sector and portfolio investments attracted 18% each of the total investments.

Table 44: Value of Investments through GBCs 1¹ by Activity Breakdown (2003-2004)

Value of Investments (USD m)	31 December 2004	%	31 December 2003	%
No. of GBCs 1 reporting ¹	2,837	38	3,049	43
Total no. of GBCs 1 licensed ²	7,445	100	7,013	100
Information & Communication				
Technology (ICT)	10,597	18	9,548	25
Investment related activities	10,487	18	4,864	13
Manufacturing	5,133	9	715	2
Power	4,672	8	2,378	6
Infrastructure & Transport	3,789	7	2,178	6
Others	22,872	40	19,181	48
Total	57,550	100	38,864	100

Sources: FSC Annual NBFI Surveys 2003, 2004

¹ Investment Holding & Mutual Funds/CIS

² GBCs licensed as at 31 December (including those in process of winding-up)

3.7.3.1 Investment Holding Companies

The Annual NBFI Survey 2004 which captured data on 2,638 GBCs 1 involved in investment holding business, indicated that total inward investments as at 31 December 2004 amounted to USD 44 billion compared to USD 33 billion in 2003 – 50% of the investments in 2004 were targetted toward India. Total outward investments as at 31 December 2004 reached USD 49 billion (compared to USD 30 billion in 2003) - 26% were sourced from the US and 20% from Singapore. In terms of investments in specific activities, it is observed that ICT attracted 20% of the total investments of USD 44 billion as at December 2004.

3.7.3.2 Mutual Funds & CIS

Data pertaining to Mutual Funds & CIS registered in the Global Business sector are derived from two sources, namely, the Annual NBFI Survey 2004 and information compiled in the Licensing Directorate from the quarterly returns submitted. For the period ending 30 June 2005, there were 334 authorised Mutual Funds/CIS on the FSC's Register (includes 73 CIS in process of winding-up), which represents an increase of 41 during the period under review. The Net Asset Value of the authorised CIS as at 30 June 2005 was USD 16.7 billion compared to USD 12.2 billion at 30 June 2004.

The Annual NBFI Survey 2004 captured statistics on 199 Mutual Funds/CIS out of a total registered population of 309 as at 31 December 2004. Total inward investments as at 31 December 2004 stood at USD 15.3 billion, compared to USD 7 billion in 2003 for a reporting population of 194 Mutual Funds/CIS. It is observed that 63% of the investments through the Mutual Funds/CIS were targetted toward India. Total outward investments were valued at USD 12 billion as at 31 December 2004 (compared to USD 3.7 billion in 2003) - 27% were sourced from the US and 22% from the UK. In terms of investments in specific activities, it is noted that 17% of the total investments were directed toward portfolio investments and 14% toward the ICT sector.

3.7.4 GLOBAL BUSINESS SERVICE PROVIDERS

Management Companies (MCs), Corporate Trustees (CTs) and Captive Managers (CMs) are classified as Financial Service Providers operating in the Global Business sector – Global Business Service Providers - as per the classification of NBFIs adopted by the FSC. MCs and CTs are

licensed by the FSC under section 24 of the FSD Act 2001, and thus have a Management Licence. MCs are important market players and have a crucial role in the development of the Global Business sector in Mauritius. The services offered by MCs range from pure secretarial and administrative services to more technical ones, of operational nature and include *inter alia* the following services: processing applications for GBCs 1 and GBCs 2, providing company secretarial services, preparation of accounts, providing registered office facilities, and providing resident directors. They may also be established as Nominee Companies. See Glossary for further details:

As at 30 June 2005, there were 109 Management Licences in issue – this figure includes four new MCs licensed during the period under review, eight MCs and one CT in the process of winding-up. Table 45 shows the number of MCs and CTs that were licensed at the end of the period under review along with comparatives for the last three years.

Table 45: Management Licences in Issue (2002-2005)

Type	30 June 2005	30 June 2004	30 June 2003 ¹	30 June 2002
Management Companies	86	81	79	71
Corporate Trustees	24	24	20	17
Total	110	105	99	88

¹ Includes revised figures

3.7.4.1 Analysis of Audited Accounts of Management Licensees⁴

For the purpose of the analysis of the audited accounts submitted by MCs and CTs, all accounts with a year-end in 2004 were considered and the cut off date was 31 December 2004. As indicated in Table 46, out of the 105 Management

Licensees (MLs) registered as at 31 December 2004, 18 failed to submit accounts, thus bringing the overall compliance rate of MLs to 82%. It is observed from Table 46 that the lowest compliance rate of MLs was in 2003 whereby 81% of the MLs has complied in submitting their audited accounts.

⁴ The exchange rate as at 31 December was used to convert all currencies into US Dollars. Exchange rates were sourced from Oanda, the currency website (www.oanda.com).

Table 46: Analysis of Operational Level & Compliance of Management Licensees (2002-2004)

	2004	2003 ¹	2002 ¹
No. of MLs on FSC Register as at 31 December	105	101	93
<i>of which MCs</i>	81	80	74
<i>of which CTs</i>	24	21	19
No. of MLs licensed during period under review ²	5	11	2
<i>of which MCs</i>	5	8	1
<i>of which CTs</i>	0	3	1
No. of MLs obliged to submit accounts ³	99	90	91
<i>of which MCs</i>	75	72	73
<i>of which CTs</i>	24	18	18
No. of MLs for which the accounts were compiled	81	73	91
<i>of which MCs</i>	65	59	75 ⁵
<i>of which CTs</i>	16	14	16
No. of MCs failing to submit accounts ⁴	18	17	2
<i>of which MCs</i>	10	13	0
<i>of which CTs</i>	8	4	2
Compliance rate of MLs (%)	82	81	100
<i>of which MCs</i>	87	82	100
<i>of which CTs</i>	67	78	89
No. of loss making MLs	23	21	25
<i>of which MCs</i>	15	13	20
<i>of which CTs</i>	8	8	5

¹ Includes revised figures

² 1 July – 30 June

³ As at 30 June

⁴ As at 31 July

⁵ Includes one MC licensed in September 2002 and three MCs struck off after period under review

The review exercise of the MLs' audited accounts which is summarised in Table 47, revealed that total assets of MLs in 2004 reached USD 39.6 million, representing an increase of 59% over the previous year. A total turnover of USD 37.9 million was generated in 2004 by 81 MLs representing a growth of 51% over the previous year, (USD 25.2 million generated in 2003 by 73 MLs). It is observed that the income produced by CTs was not very significant

compared to the income generated by MCs, thereby indicating that the rather low level of business of CTs. Total net profit before tax stood at USD 11.0 million in 2004, compared to USD 6.5 million in 2003. It was observed from the review that 58 MLs generated an aggregate profit of USD 12.2 million in 2004 while 20 MLs generated aggregate losses of USD 1.2 million, out of which 67% was produced by two MCs.

Table 47: Summary of Financial Results of MLs' Audited Accounts (2001-2004)

	2004	2003	2002	2001
No. of MLs	81	73	91	88
<i>of which MCs</i>	65			
<i>of which CTs</i>	16			
Aggregate assets (USD million)	39.6	25.0	45.5	n.a
<i>of which MCs</i>	38.34	23.85	43.40	n.a
<i>of which CTs</i>	1.29	1.16	2.06	n.a
Aggregate turnover (USD million)	37.9	25.2	35.7	29.9
<i>of which MCs</i>	37.25	24.68	34.77	29.64
<i>of which CTs</i>	0.71	0.54	0.95	0.25
Aggregate profit before tax (USD million)	11.0	6.5	10.6	10.5
<i>of which MCs</i>	10.79	6.19	9.84	10.48
<i>of which CTs</i>	0.25	0.26	0.72	0.04

n.a: not available

The review exercise further indicated that the business of MCs continued to be increasingly dominated by the ten leading MCs which generated 59% of the aggregate turnover in 2004, compared to 54% in 2003, as indicated in Table 48. Total turnover of the ten leading MCs

amounted to USD 21.8 million in 2004, compared to USD 13.2 million in 2003 (growth of 65%). It is noted that the ten leading MCs together produced a total profit of USD 9.2 million in 2004, representing 77% of total profit generated by all MCs (USD 5.3 million in 2003).

Table 48: Ten Leading MCs - Concentration of MCs' Business (2002-2004)

	2004	2003	2002
Representation of total MCs (%)	14	17	13
Value of turnover (USD million)	21.8	13.2	21.8
Representation of aggregate turnover (%)	59	54	63
Value of profit before tax (USD million)	9.2	5.3	9.5
Representation of aggregate profit before tax (%)	76	77	82

3.7.4.2 Annual NBFi Survey Results for Management Companies

On the basis of the information submitted by MCs for the Annual NBFi Survey 2004, it was observed that the statistics compiled varied from the returns submitted in the form of audited accounts. For the period ending 2004, 67 MCs which had submitted their survey returns generated total assets of USD 43 million, representing an increase of 16% from the previous year, as indicated in Table 49. Total income in 2004 increased by 25% and amounted to USD 41 million – 62% of the income was generated by the ten leading MCs. Total expenses reached USD 39 million in 2004, out of which

27% was absorbed by purchase of goods and services. Aggregate profit after tax decreased significantly in 2004 and reached USD 1.5 million. It was observed that 51 MCs were profitable in 2004 and produced a total profit of USD 4.3 million, 64% being generated by ten MCs. One MC broke even while 15 MCs made aggregate losses of USD 2.8 million in 2004, out of which 65% was accounted by one single MC. Appendix 28 provides an aggregate breakdown of the financial performance of the Management Companies (2002-2004).

Table 49: Financial Performance of Surveyed Management Companies (2002-2004)

	2004 ¹	2003 ^{1,2}	2002 ²
No. of Management Companies	67	69	57
Total assets (USD)	43,092,880	36,990,389	38,155,801
Growth/(Contraction) (%)	16	(3)	
Total income (USD)	41,164,877	33,060,893	29,396,436
Growth/(Contraction) (%)	25	12	
Total compensation of employees (USD)	9,067,953	6,693,249	5,161,661
Total other expenses (USD)	19,726,086	10,966,048	13,116,904
Total purchase of goods & services (USD)	10,811,991	9,184,059	5,730,164
Total expenses (USD)	39,606,030	26,843,357	24,008,729
Growth/(Contraction) (%)	48	12	
Total profit/(loss) after tax (USD)	1,558,848	6,217,536	5,387,707
Growth/(Contraction) (%)	(75)	15	

Sources: FSC Annual NBFi Surveys

¹ Annual NBFi Survey 2004

² Annual NBFi Survey 2003

3.7.4.3 Annual NBFI Survey Results for Corporate Trustees

The Annual NBFI Survey 2004 captured data on trustee business for 22 operational CTs and one MC— two registered CTs were not operational in 2004. Total assets for CTs reached USD 3.3 million in 2004, representing a growth of 29% from the previous year, as indicated in Table 50. Total income witnessed a decline of 7% in 2004 and amounted to USD 2.4 million. It was observed that 76% of the total income was generated by four CTs in 2004 – 51% being accounted for one single CT. Total expenses reached USD 2.2 million

in 2004, out of which 58% was absorbed by dividends paid out. Aggregate profit after tax in 2004 shrunk by 34% and reached USD 261,686. It was noted that 16 CTs collectively generated a net profit of USD 297,823 and seven CTs generated aggregate losses of USD 36,137 in 2004, out of which 53% was accounted by one single CT. Appendix 29 provides an aggregate breakdown of the financial performance of the Corporate Trustees (2002-2004).

Table 50: Financial Performance of Surveyed Corporate Trustees (2002-2004)

	2004 ¹	2003 ^{1,2}	2002 ²
No. of Corporate Trustees	23	21	15
Total assets (USD)	3,272,691	2,545,881	1,831,924
Growth/(Contraction) (%)	29	39	
Total income (USD)	2,418,741	2,589,446	937,503
Growth/(Contraction) (%)	(7)	176	
Total compensation of employees (USD)	104,304	45,232	17,436
Total other expenses (USD)	1,411,702	1,905,198	76,003
Total purchase of goods & services (USD)	641,050	243,365	169,476
Total expenses (USD)	2,157,056	2,193,795	262,915
Growth/(Contraction) (%)	(2)	734	
Total profit/(loss) after tax (USD)	261,686	395,651	674,588
Growth/(Contraction) (%)	(34)	(41)	

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003

3.7.4.4 Annual NBFI Survey Results for Captive Managers

The information submitted by the five operational CMs through the Annual NBFI Survey 2004 revealed that the financial performance of the CMs followed a rather erratic pattern with income, expenses and profit varying significantly since 2002. Further, it is noted that on the basis of information submitted by respondents, most of the CMs hardly generated any business with the exception of one CM which has been driving the industry since 2002.

As indicated in Table 51, total assets amounted to USD 4.6 million in 2004, representing a slight decrease of 1% from the previous year. Total income in 2004 dropped drastically and reached USD 357,916, thereby indicating a significant drop in business. Total expenses increased by 60% in

2004 to reach USD 477,325 – 80% of the expenses were absorbed by insurance premiums paid out by the leading CM. The five CMs generated aggregate losses of USD 119,409 in 2004, which was caused by the loss produced by the leading CM. Data submitted by two CMs indicate that the aggregate value of premiums under management amounted to USD 8.9 million in 2004 (compared to USD 12.8 million in 2003) while total claims paid in 2004 reached USD 553,641 (compared to USD 1.3 million in 2003).

Appendix 30 provides an aggregate breakdown of the financial performance of the Captive Managers (2002-2004).

Table 51: Financial Performance of Surveyed Captive Managers (2002-2004)

	2004 ¹	2003 ¹	2002 ²
No. of Captive Managers	5	4	5
Total assets (USD)	4,617,069	4,666,978	276,291
Total income (USD)	357,916	1,489,516	88,664
Total compensation of employees (USD)	8,739	8,183	364,960
Total other expenses (USD)	455,364	278,315	729,920
Total purchase of goods & services (USD)	13,222	11,323	1,459,840
Total expenses (USD)	477,325	297,821	42,717
Total profit/(loss) after tax (USD)	(119,409)	1,191,695	45,947

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004

² Annual NBFI Survey 2003



AUDIT COMMITTEE REPORT



AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF THE FINANCIAL SERVICES COMMISSION

REPORT FOR THE YEAR ENDED
30 JUNE 2005

The Audit Committee (the Committee) was established by the Financial Services Commission (the Commission) on 11 November 2002 and comprises three non-executive Commission members, namely Mr. Yon Yan Pat Fong (Chairman), Mr. Radhakrishna Chellapermal, and Dr. Jawaharlal Lallchand. All Board members are independent and are nominated in their individual capacity and not as representatives of specific organisations. The Secretary of the Commission, Mr. R. Sokappadu acts as Secretary of the Committee.

1. TERMS OF REFERENCE

The Committee, under its written charter, is required to evaluate the effectiveness of the system of internal control, to ensure that the Commission is conducting its affairs in compliance with the principles of good governance and standards of best practices, and to ensure that the financial disclosures made by management in its financial reporting reasonably reflect the results of its operations, plans and commitments.

2. RESPONSIBILITIES OF THE BOARD, THE EXTERNAL AUDITORS AND THE COMMITTEE

The Board has the primary responsibility for the Commission's financial statements and the reporting process, including the system of internal control. The external auditors are responsible for performing an independent audit of the Commission's financial statements in accordance with auditing standards and to issue a report thereon. The Committee's responsibility is to monitor these processes.

3. ACTIVITIES OF THE COMMITTEE

The Committee met on ten occasions during the year under review and the following main issues were dealt with. Appropriate recommendations were submitted to the Board for action.

- (i) As part of the action plan for the year, the internal auditor had been requested to document all accounting and control procedures and to develop a system of internal audit and testing of internal control. Flowcharts of the Licensing Cluster and Finance and Administration Cluster were presented to the Committee for consideration. Proper implementation of the procedures depends on proper allocation of duties among the staff force recruited.
- (ii) The Committee considered the recommendations made by the external auditors on the financial statements for the year ended 30 June 2004. To ensure proper accounting of income from annual licence fees of global business companies, the Board decided to introduce a "Lapse System" (see paragraph 4(i) below).
- (iii) With the computerisation of the accounting system, monthly management accounts duly vetted by the internal auditor are now being presented to the Board for consideration. These monthly figures are compared with the approved annual budget to ensure that all expenditure is controlled.
- (iv) The Committee considered the budget estimates for 2005-2006 (prepared on an accruals basis) to ensure that they are in conformity with the annual action plan (prepared by management in conjunction with each of the clusters involved - and approved by the Board).

The Committee also ensures that the quantum of annual contribution to Government's Capital Budget has been worked out on a consistent basis after taking into account the ongoing operational needs of the Commission. The budget is then recommended to the Board for approval.

- (v) Following the decision of the Board to advertise the appointment of an external auditor over the next two years, eight candidates have been short-listed out of 17 applications. After careful analysis of the applicant's past experience, the Committee decided to recommend to the Board to re-appoint the existing external auditor for this year. In the meantime, the Board will make a Policy decision on the rotation of auditors.
- (vi) The Committee also discussed with the external auditor for the draft financial statements of the Commission for the year ended 30 June 2005. We have reviewed the fair value determination of financial instruments, adequacy of contingent liabilities provided, related party transactions, and our amortisation policy. The first time adoption of International Financial Reporting Standards as set out in the next paragraph has necessitated the restatement of opening balances of certain items. Following criticism directed against the Commission on its recruitment policy, we have also requested our external auditor, as an extended audit engagement, to review and to report on the recruitment procedure followed by the Commission during the year. We are satisfied with the quality of financial reporting. We recommend that the Board approves the audited financial statements for the

year ended 30 June 2005 for inclusion in the Annual Report 2004-2005 of the Commission.

4. FIRST TIME ADOPTION OF IFRS

The Commission has adopted the IFRS and the IAS, (collectively IFRS), for the purpose of preparing the financial statements for the year ended 30 June 2005.

(i) Revenue

Revenues arising from processing fees, annual licence fees, registration and brokerage fees, where no significant uncertainty arises as to their "collectibility", have been accounted for on an accrual basis and those with significant uncertainty are accrued as and when realised. The estimate of certainty is established on the basis of the Lapse System introduced effective 1 November 2004. This procedure is based on section 22(2) of the Financial Services Development Act 2001, which provides that if the annual fee is not paid within one month of the due date, the Commission may notify the Licensee that the licence has lapsed. Where the fees are not paid within 30 days, the licence lapses and the fees are no longer accrued as income. Interest on bank deposits and on state treasury bills have been accounted for on an accrual basis. The Commission relies on the interest rate payable on bank deposits and on treasury bills as the effective rate of interest, i.e., the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, thus recognising income on the instrument evenly over the life of the instrument.

IFRS Impact

Revenues are accounted for on an accrual basis, except where specifically stated otherwise and accrued evenly over the life of the instrument.

(ii) Asset classification and fair value

The Tangible fixed assets have been stated at historical cost less accumulated depreciation or fair value, whichever is lower. The historical costs have been adjusted to the fair value at the commencement of the financial year instead of at year-end as previously.

IFRS Impact

In compliance with IFRS, the Commission has adjusted historical costs to the fair value at the commencement of the financial year instead of at year-end as previously. Renovations to leasehold properties having a written down value of Rs 3,434,714 at July 2004 have been assessed at fair value being nil and restated thereat. This has resulted in an additional charge of Rs 1,988,268.02 to the General Fund at the beginning of the year.

(iii) Reconciliation Balance Sheet

	As per IAS at 30 June 2004 Rs	Changes Rs	Restated Balance at 1 July 2004 Rs
ASSETS			
Current assets			
Debtors and prepayments	44,001,199		44,001,199
<i>Cash and Cash Equivalents</i>			
Treasury Bills	57,612,261		57,612,216
Bank and cash balances	13,232,842		13,232,842
Bank deposits	219,445,605		219,445,605
	334,291,907		334,291,907
Non current assets			
Property, Plant and Equipment	18,927,641	(3,434,714)	15,492,927
Intangible assets	-		
Other non current assets	-		
	18,927,641	(3,434,714)	15,492,927
TOTAL ASSETS	353,219,548	(3,434,714)	349,784,834
Liabilities and shareholder's funds			
LIABILITIES			
Current liabilities			
Creditors and payables	66,289,301	(1,446,446)	64,842,855
Non current liabilities			
Retirement benefit obligations	7,100,000		7,100,000
TOTAL LIABILITIES	73,389,301	(1,446,446)	71,942,855
Shareholder's funds			
Represented by General Fund	279,830,247	(1,988,268)	277,841,979
Total liabilities and shareholders' funds	353,219,548	(3,434,714)	349,784,834

(iv) Reconciliation of General Fund

Particulars	Rs
General fund	
Balance as at 1 July 2003	240,573,301
Surplus for the year 2003-2004	99,256,946
Total	339,830,247
Contribution to the Capital Budget	(60,000,000)
Balance as at 30 June 2004	279,830,247
Surplus after effecting changes as follows:	
Impairment	(3,434,714)
Creditors and payables	1,446,446
Opening balance as at 1 July 2004 as per IFRS	277,841,979

5. CORPORATE GOVERNANCE

With a view to enhancing its governance structures, the Board (at its 75th meeting held on 19 July 2005) considered draft terms of reference for the setting up of an Audit and Risk Management Committee in place of the existing Audit Committee, a Treasury Management Committee in place of the existing Investment Committee, a Governance Committee and a Human Resource Committee. The Board is committed - over the next financial year - to establishing additional committees and developing structures in creating more comprehensive overall governance framework, which *inter alia* include disclosure of interests and risk management as necessary to ensure further adherence to the Code. The Board of FSC has after the end of the financial year created a Corporate Governance Committee under the chairmanship of Mr. Désiré Basset.

Training expenditure as originally budgeted has not been fully utilised due to delays in staff recruitment.

The Audit Committee has assessed the extent of compliance of the Code of Corporate Governance, as set out under the Financial Reporting Act 2004, and considers that, during the year under review, the Commission was broadly compliant with the principles of the Code, though formal overall framework needs to be put in place during the future.

6. EXTERNAL AUDITORS REMUNERATION

The annual audit fee approved by the Commission for the current year has remained unchanged at USD 11,500 plus out of pocket expenses. As stated in paragraph 3(vi) above, the external auditor has been requested, as an extended audit exercise, to review and report on the Commission's recruitment procedure. The Commission has approved an additional fee of USD 2,500 plus out of pocket expenses to cover the exercise.

Yours faithfully



Y.Y. Pat Fong
(Chairman)



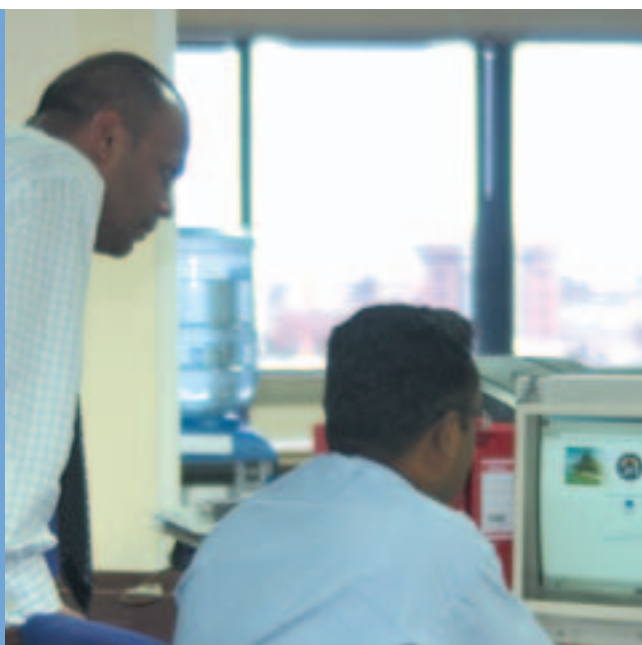
R. Chellapermal
(Member)



J. Lalchand
(Member)

25 October 2005

FINANCIAL STATEMENTS





To ensure the soundness and stability
of the financial system in Mauritius
for the benefit of the economy

FINANCIAL STATEMENTS

FINANCIAL SERVICES COMMISSION BOARD'S REPORT

The Board of the Commission presents its Report and the audited financial statements of the Commission for the year ended 30 June 2005.

REVIEW OF ACTIVITIES

The Commission is an independent regulatory authority established under the Financial Services Development Act 2001 to regulate the non-banking financial services sector. The Commission licenses, regulates, monitors and supervises the conduct of business activities in the said sector.

STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of the Commission is responsible for the preparation of the financial statements for each financial year, which gives a true and fair view of the state of affairs and income and expenditure account of the Commission.

In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, i.e. the International Financial Reporting Standards (IFRS) have been followed, subject to any material departures, and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission will continue in business.

The Board confirms that they have complied with the above requirements in preparing the financial statements.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission. The Board is also responsible for safeguarding the assets of the Commission, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of the Commission on 30 September 2005

Signed on their behalf



B.R. Gujadhur
Chairman



D. Basset
Vice Chairman



H. McCann
Ag. Chief Executive

AUDITORS' REPORT

CHOKSHI & CHOKSHI (Regd.)
Chartered Accountants

REPORT OF THE INDEPENDENT AUDITORS TO THE CHAIRMAN OF THE BOARD OF FINANCIAL SERVICES COMMISSION (Under Section 8 of the Statutory Bodies (Accounts & Audit) Act 1982 as amended), the Act

We have audited the accompanying Financial Statements of the Financial Services Commission (The Commission) for the year ended 30 June 2005, which are set out on pages 110 to 123. These financial statements have been prepared under the historical cost convention, on the basis of the accounting policies set out on pages 113 to 115 and comply with the International Financial Reporting Standards (IFRS).

RESPONSIBILITIES OF THE BOARD OF THE COMMISSION

The Board of the Commission is responsible for the preparation of the financial statements and safeguarding the assets of the Commission, and hence taking reasonable steps for the prevention of fraud and other irregularities.

RESPONSIBILITIES OF THE AUDITORS

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with the International Standards on Auditing. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of the Commission in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming our opinion, we also evaluate the overall adequacy of the presentation of the information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have no relationship with or interests in the Commission other than in our capacity as auditors.

OPINION

- We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of the audit;
- Proper books of account have been kept by the Commission as far as appears from our examination of those books;
- The balance sheet and the statement of income and expenditure of the Commission are in agreement with the books of account;
- The financial statements give a true and fair view of the income and expenditure for the year and of the state of affairs of the Commission, as at 30 June 2005;
- In relation to the implementation of mandatory Code of Corporate Governance under the Financial Reporting Act 2004, *the Board explanation on part compliance in note 23 has been relied upon* and in relation to the accounts, **the Act** has been complied with and no directions have been received from the Minister; and
- As far as could be ascertained from our examination of the accounts and *relying on Board explanation in note 22*, no expenditure was of an extravagant or wasteful nature judged by normal commercial practice and prudence.



For CHOKSHI & CHOKSHI
Chartered Accountants
M.R.Chokshi, Partner

20 October, 2005
Port Louis, Mauritius.

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FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30 JUNE 2005			
	NOTE	2005 Rs	2004 Rs
ASSETS			
Non Current			
Property, Plant & Equipment	5(a)	12,812,353	18,927,641
Intangible	5(b)	72,833	-
		12,885,186	18,927,641
Current			
Debtors and prepayments	6	35,504,786	44,001,199
Treasury Bills		195,713,325	57,612,261
Bank and cash balances	7	4,052,138	13,232,842
Bank deposits		258,148,093	219,445,605
		493,418,342	334,291,907
TOTAL ASSETS		506,303,528	353,219,548
LIABILITIES			
Non Current			
Retirement benefit obligations	8	6,330,000	7,100,000
Current			
Creditors and payables	9	129,438,138	66,289,301
TOTAL LIABILITIES		135,768,138	73,389,301
NET ASSETS		370,535,390	279,830,247
REPRESENTED BY GENERAL FUND	10	370,535,390	279,830,247

Approved by the Board of the Commission on 30 September 2005

Signed on their behalf



B.R. Gujadhur
Chairman



D. Basset
Vice Chairman



H. McCann
Ag. Chief Executive

The accounting policies on pages 113 to 115 and the notes on pages 116 to 123 form an integral part of these Financial Statements

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 Rs	2004 Rs
INCOME			
Fees	11	222,078,570	183,826,259
Interest	12	26,907,876	15,194,157
Other income		-	167,000
		248,986,446	199,187,416
EXPENDITURE			
Salaries and allowances	13	64,148,948	45,673,335
Training and seminars	14	7,648,082	7,999,363
Legal and professional fees		5,339,673	1,005,110
Office and administrative	15	31,043,586	24,917,627
Depreciation and amortisation	5(a), 5(b)	7,426,996	12,184,209
		115,607,285	91,779,644
SURPLUS OF INCOME OVER EXPENDITURE		133,379,161	107,407,772
Exchange fluctuation gain/(loss)		29,314,250	(8,150,828)
TRANSFER TO GENERAL FUND		162,693,411	99,256,944

The accounting policies on pages 113 to 115 and the notes on pages 116 to 123 form an integral part of these Financial Statements

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005			
	NOTE	2005 Rs	2004 Rs
Cash Flow from operating activities	16	215,534,226	115,594,595
Cash Flow from investing activities			
Interest		26,907,876	15,194,157
Fixed assets		(4,819,255)	(11,691,902)
Proceeds from disposal of fixed assets		-	249,802
Net Cash (used in) from investing activities		22,088,621	3,752,057
Cash Flow from financing activities			
Contribution to Capital Budget		(70,000,000)	(60,000,000)
Net Cash (used in) from financing activities		(70,000,000)	(60,000,000)
Net Increase in Cash/Cash Equivalents		167,622,847	59,346,652
Cash/Cash Equivalents at 1 July		290,290,708	230,944,056
Cash/Cash Equivalents at 30 June		457,913,555	290,290,708
Cash and bank balance		262,200,231	232,678,447
Treasury Bills		195,713,324	57,612,261
		457,913,555	290,290,708

The accounting policies on pages 113 to 115 and the notes on pages 116 to 123 form an integral part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

1. CONSTITUTION OF THE COMMISSION

The Commission is an independent regulatory authority established under the Financial Services Development Act 2001 to regulate the non-banking financial services sector.

2. ACCOUNTING POLICIES

The principal accounting policies adopted by the Commission are as follows:

2.1 Basis of Preparation

These financial statements have been prepared on accrual basis, are in accordance with the historical cost convention, and comply with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standard Board (IASB) and interpretations issued by the Standing Interpretations Committee of the IASB. The presentation of the financial statements in accordance with the IFRS requires the management to make estimates and assumptions that affect the reported amount and disclosures in the financial statements. Actual results could differ from those estimates.

2.2 Revenue

Revenues arising from processing, annual licence, registration and brokerage, where no significant uncertainty as to its collectibility exists, have been accounted on accrual basis and those with significant uncertainty are accrued as and when realised.

Interests on bank deposits and state treasury bills have been accounted for on accrual basis.

2.3 Expenditure

All expenses have been accounted on accrual basis.

Office rental payments termed as operating expenses are charged off on straight line basis over the lease period.

2.4 Employee Entitlements

The Commission contributes to a defined benefit plan for non-contractual employees, the assets of which are held independently and administered by an Insurance company, taking account of the recommendations of independent qualified actuaries.

For defined pension benefit plans, the pension costs are assessed using the projected unit credit method. The costs of providing pension are charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured as the present value of the estimated future cash outflow using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses are recognised over the average remaining service lives of the employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

2.5 Property/Plant/Equipment and Depreciation

Tangible assets are stated at historical cost less accumulated depreciation or fair value, whichever is lower and restated as at 1 July 2004, wherever necessary.

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

Item	%
Motor Vehicles	20
Furniture	20
Office Equipment	20
Computer Equipment	33.33
Renovations/Fitting out at rental premises	over the lease period

2.6 Intangible Assets

All computer software and development costs are considered as Intangible Assets and will be amortised over the estimated period of utilisation not exceeding three years.

Costs associated with maintaining software are recognised as an expense when incurred.

2.7 Cash and Cash Equivalents

Cash comprises cash at bank and in hand. 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.

2.8 Foreign Currency Translation

Transactions during the year are translated at the rates of exchange ruling at the date of transaction (being transaction date).

Assets and liabilities denominated in foreign currencies are translated in Mauritian Rupees at the rates of exchange ruling at the end of the financial year.

Gains or losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income and Expenditure Account.

2.9 Taxation

The Commission is exempt from the provisions of the Income Tax Act 1995 (as amended).

2.10 Impairment

The Commission reviews the carrying amounts of the tangible and intangible assets during the year to determine whether there is any indication that those assets have suffered an impairment loss and is accounted for/adjusted to the carrying cost of the asset with a corresponding charge to the Income and Expenditure Account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

2.11 Contribution to the Capital Fund of the Government of Mauritius

The Commission contributes a sum to the capital fund of the Government of Mauritius from the General Fund in terms of the provisions of the Financial Services Development Act 2001 based on income and expenditure estimates, and as determined by the Board of the Commission.

2.12 Comparatives

Comparative figures have been reclassified to confirm with presentation of current year. This being the first year of transition to IFRS, the figures for the previous year are compared as per restated balances as at 30 June 2004.

3. CONTINGENT LIABILITIES/COMMITMENTS**3.1 Contingent Liabilities**

3.1.1 There are pending lawsuits against the Commission with claims estimated at Rs 17,771,958 (Previous year: Rs 17,431,775). However, any consequential claims arising therefrom cannot be quantified nor the timings of those outflows can be estimated. The Commission is of the view that the liabilities, if any, that may arise in future shall be appropriately dealt with in the year of settlement of the claims.

3.2 Financial Commitments

3.2.1 The Commission rents office accommodation at premises in Port Louis. There are no sub-leases during the current year, the amount charged to the Income & Expenditure Statement is Rs 18,220,182 (previous year: Rs 14,772,680).

The rentals on the premises expire at different points of time, payable up to the date of expiry amount to Rs 18,515,732 (Previous year: Rs 28,965,708) and amounts due within one year Rs 13,961,340 (Previous year: Rs 15,206,520).

3.2.2 The Commission has approved, in principle, an Information Technology (IT) Plan, aimed at putting in place state-of-the-art infrastructure and applications commensurate with the scale of operations. The total amounts committed to date are Rs 13,886,938, which includes amounts committed but not provided for and due within one year of Rs 13,886,938 (Previous year: Rs 1,369,000).

3.3 Statutory Deposits of Insurance Companies

Statutory security deposits of Insurance Companies amounting to Rs 278,778,345 (Previous year: Rs 310,147,426) are in the physical custody of the Commission in terms of the Insurance Act 1987 and are not included in the Balance Sheet.

4. COMPENSATION FUND

Section 18 of the Financial Services Development Act 2001 provides for the setting up of Compensation Funds. Whilst no such Fund has been created to date, it is anticipated that under the new Insurance Act 2005, it will be established.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

NON CURRENT ASSETS

5. (a) Property, Plant and Equipment

	Motor Vehicle Rs	Furniture Rs	Computer Equipment Rs	Office Equipment Rs	Renovation Rs	Total Rs
Cost						
At 1 July 2004	7,339,899	10,364,067	7,174,666	1,807,815	4,682,246 *	31,368,693
Additions	2,533,135	931,507	1,162,075	83,288	-	4,710,005
At 30 June 2005	9,873,034	11,295,574	8,336,741	1,891,103	4,682,246	36,078,698
Depreciation						
At 1 July 2004	2,414,352	3,782,268	4,311,077	715,823	4,682,246 *	15,905,766
Charge for the year	1,974,607	2,259,115	2,778,636	378,221	-	7,390,579
At 30 June 2005	4,388,959	6,041,383	7,059,713	1,094,044	4,682,246	23,266,345
Net book value						
At 30 June 2005	5,484,075	5,254,191	1,277,028	797,059	-	12,812,353
At 1 July 2004	4,925,547	6,581,799	2,863,589	1,091,992	- *	15,462,927

* Restated to fair value

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

5. (b) Intangibles

	2005 Rs	2004 Rs
Cost		
At 1 July	4,792,556	3,213,697
Purchases	109,250	1,578,859
	-	
At 30 June	4,901,806	4,792,556
Amortisation		
At 1 July	4,792,556	1,647,671
Charge for the year	36,417	3,144,885
At 30 June	4,828,973	4,792,556
Net book value		
At 30 June	72,833	-

6. DEBTORS AND PREPAYMENTS

		2005 Rs	2004 Rs
Debtors (Unsecured, considered good)			
Debtors		1,328,505	11,428,001
Staff loans			12,104,626
Receivable within one year	3,831,994		
Receivable beyond one year	<u>13,627,963</u>	17,459,957	
Other receivables		638,152	12,477,467
Prepayments			
Prepayment		4,264,861	422,054
Accrued interest		11,813,310	7,569,051
		35,504,786	44,001,199

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

7. BANK & CASH BALANCES

	2005 Rs	2004 Rs
Cash in hand	10,000	9,116
Bank balances	4,042,138	13,223,726
	4,052,138	13,232,842

8. RETIREMENT BENEFIT OBLIGATIONS

The pension scheme is a defined benefit plan and is partly funded. The assets of the funded plan are held independently and administered by SICOM.

	2005 Rs	2004 Rs
Present value of funded obligations	28,710,000	26,680,000
Fair value of plan assets	(23,990,000)	(20,230,000)
Unrecognised actuarial gain		650,000
Liability in the Balance Sheet	4,720,000	7,100,000
Unrecognised Transitional	-	-
Unrecognised actuarial gain	1,610,000	650,000
The amount recognised in the Income and Expenditure Statement are as follows:		
Current service cost	1,840,000	1,620,000
Interest cost	2,800,000	2,510,000
Expected return on plan assets	(2,320,000)	(1,906,844)
Total included in staff cost	2,320,000	2,223,156
Actual return on plan assets	2,050,000	2,910,000
Movement in liability recognised in the Balance Sheet		
As determined by the Actuarial Valuation	7,100,000	6,730,000
Expense for the year	2,320,000	2,223,156
Contribution paid	(3,090,000)	(1,853,156)
As at 30 June	6,330,000	7,100,000
<i>The principal actuarial assumptions used for accounting purposes were:</i>		
<i>Discount rate (%)</i>	<i>10.50</i>	<i>10.50</i>
<i>Expected return on plan assets (%)</i>	<i>11.00</i>	<i>11.00</i>
<i>Future salary increase (%)</i>	<i>5.00</i>	<i>5.00</i>
<i>Future pension increase (%)</i>	<i>7.50</i>	<i>7.50</i>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

9. CREDITORS & PAYABLES

	2005 Rs	2004 Rs
Accruals	2,549,357	2,775,998
Other creditors	5,286,759	6,518,491
Prepaid licence fees	121,602,022	56,994,813
	129,438,138	66,289,302

10. GENERAL FUND

	2005 Rs	2004 Rs
Balance brought forward	277,841,979	240,573,301
Surplus for the year	162,693,411	99,256,946
	440,535,390	339,830,247
Contribution to capital budget 2004-2005	(70,000,000)	(60,000,000)
At 30 June	370,535,390	279,830,247

11. FEES

The Commission follows the accounting policy on Revenue as set out in note 2.2. During the year, effective 1 November 2004, the Commission has commenced application of the Lapse System in terms of section 22 of the Financial Services Development Act 2001, with regard to the licence fees from Global Business companies. Where the annual fees are not received within one month of falling due, the Commission notifies the licensees that the licence has lapsed. This has resulted in payment of arrears of licence fees amounting to Rs 50,167,674 being accounted for during the year.

12. INTEREST

	2005 Rs	2004 Rs
Treasury Bills	9,741,631	8,776,769
Bank deposits	16,605,575	5,146,796
Staff loans	560,670	1,095,191
Non current asset	-	175,401
	26,907,876	15,194,157

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

13. SALARIES AND ALLOWANCES

	2005 Rs	2004 Rs
Staff salaries and allowances	54,418,897 *	39,128,716
Passage benefits	1,173,709	1,246,830
Board and Committee fees	2,040,000	1,845,000
Travelling	5,151,851	2,955,334
Staff welfare	1,364,491	497,455
	64,148,948	45,673,335

* As a result of a salary review, staff salaries and allowances (including the allowances granted to staff for travel) increased during the period.

Salaries, sitting fees and allowances

		2005 Board Fees Rs	Salaries Rs	2004 Board Fees Rs	Salaries Rs
Chairman	Jul 04-Jun 05	440,000		480,000	
Vice Chairman	Jul 04-Jun 05	300,000		300,000	
Mr R. Chellapermal	Jul 04-Jun 05	240,000		240,000	
Dr J. Lallchand	Jul 04-Jun 05	240,000		240,000	
Mr Y. Y. Pat Fong	Jul 04-Jun 05	240,000		240,000	
Mr R. Makoond	Jul 04-Jun 05	240,000		240,000	
Mr R.P. Ramlugun	Aug 04-Jun 05	220,000			
Chief Executive	Jul 04-Jun 05		4,689,750		4,686,890
Deputy Chief Executive	Jul 04-Jun 05		6,356,356		5,749,679
Director - Licensing	Jul 04-Jun 05		3,367,333		837,850
Director - Surveillance	Jul 04-Dec 04		1,056,320		-

14. TRAINING, SEMINARS AND CONFERENCES

	2005 Rs	2004 Rs
Overseas conferences and seminars	5,970,088	4,624,535
Local events	1,491,794	2,927,205
Staff training	186,200	447,623
	7,648,082	7,999,363

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

15. OFFICE AND ADMINISTRATIVE EXPENSES

	2005 Rs	2004 Rs
Rental & Maintenance of office premises	19,635,914	14,772,680
Post, telephone, internet and fax charges	1,983,181	2,003,643
Electricity	1,004,772	1,011,839
Stationery	1,511,565	1,342,239
Subscription **	2,842,392	1,799,461
General office expenses	2,354,019	2,216,780
Vehicle expenses	922,164	722,575
Press notices and publications	789,579	1,048,410
	31,043,586	24,917,627

** Includes membership fees for IOSCO, OGIS, software licences, etc.

16. RECONCILIATION OF SURPLUS OF INCOME OVER EXPENDITURE

TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2005 Rs	2004 Rs
Surplus of Income over Expenditure	162,693,411	99,256,946
Adjustments for:		
Interest Income	(26,907,876)	(15,194,157)
Insurance claim on motor vehicle	-	(167,000)
Non-recurrent Expenditure	-	2,395,338
Increase/(Decrease) in Retirement benefit obligations	(770,000)	370,000
Depreciation and Amortisation	7,426,996	12,184,209
Cash Flow from operating activities, before working capital changes	142,442,531	98,845,336
Decrease in debtors	10,099,496	18,930,316
Increase in staff loans	(5,355,332)	(39,749)
Increase in interest receivable	(4,244,259)	(1,450,948)
Decrease in other receivables	11,839,315	(2,345,605)
Increase in prepayments	(3,842,807)	(57,597)
Increase in accrued expenses and other payables	64,595,282	1,712,842
Net Cash Flow from operating activities	215,534,226	115,594,595

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

17. RELATED PARTY DISCLOSURE

The Chairman of the Investment Committee of the Commission is also the First Deputy Governor of the Bank of Mauritius and the Commission has purchased Treasury Bills of Rs 195,713,325 (2004: Rs 111,540,443) from the Bank.

These transactions have been undertaken at market quotations and are at arms length price.

18. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Commission has an internal control system. There are the Audit Committee, Investment Committee and Applications Committee in place to deal with specific issues. There is an internal auditor who reports monthly to the Audit Committee and is responsible for providing assurance regarding the implementation, operation and effectiveness of internal control. The adequacy of the internal control system is being reviewed on an ongoing basis, commensurate with the growing size and nature of operations of the Commission. The Commission has achieved progress in its IT development plan, which *inter alia* includes database management/integrity and security policy aimed at enhanced risk management.

19. LIQUIDITY RISK

The liquidity risk with regard to outflows is limited to contribution to Capital Budget and operative expenses. The outflows to Capital Budget are matched with the corresponding bank deposits of maturities around the expected time of outflows. The outflows to operative expenses are matched with the corresponding licence fee income, based on budget estimates. The surplus based on decisions of the Investment Committee are invested with maturity profiles as at 30 June 2005.

Maturity profiles are as under:

	Maturity	
	0 - 1 Year	> 1 year
Cash and bank balances	4,052,138	nil
Treasury Bills	195,713,325	nil
Bank deposits	258,148,093	nil

The Committee monitors the adequacy of cash inflows in terms of the budget estimates at all times.

20. CREDIT RISK

Credit risk with regard to account receivable is limited as the Commission is a regulatory body and fees are charged in terms of the legislation, and there is an effective Lapse System since 1 November 2004.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 1 JULY 2004 TO 30 JUNE 2005

21. EXCHANGE RISK

Substantial revenues of the Commission are received in foreign currency and the Commission is subjected to Exchange Fluctuation Risk. Based on the potential foreign exchange fluctuation estimate by the Investment Committee, the investments are made in foreign currency to minimise losses.

Currency profile is as under:

	2005	2004
Australian Dollars	1,366,307	10,473,810
New Zealand Dollars	10,002,744	-
US Dollars	925,114	707,378

The assessment of currency fluctuation is being reviewed by the Investment Committee from time to time.

22. DEVELOPMENT EXPENDITURE

The Commission continues to work on a long-term plan that reflects (*inter alia*) recommendations made by World Bank/IMF, concerning staff employment, training and development expenses, which represent the Commission's main expenses. The rationale for such expenses is considered to be reasonably justifiable and reflects plans for overall future development. The Board believes that these have been incurred with the long-term development objective of the Commission and that their quantum compares favourably with the levels in other jurisdictions. Further, there is a tendering policy in place. Every procurement is based on the tendering procedure under the supervision of the respective Board Committee.

23. CORPORATE GOVERNANCE

The Financial Reporting Act 2004 has made the compliance with the Code of Corporate Governance (The Code) mandatory for the financial year ending 30 June 2005. The Commission has during the year in place an Audit Committee, which substantially complies with the recommendations as specified in para 3.9.2 of the Code. There is an Internal Auditor who reports to the Audit Committee and is responsible for providing assurance regarding the implementation, operation and effectiveness of internal control.

The Commission has, during the year, in place a Staff Committee, which is responsible for making an optimum use of the Commission's human resources, an Investment Committee, which is responsible for the monitoring of liquidity risks and an IT Committee, which is responsible for IT development and risk management. The Commission is in the process of expanding the Audit and Risk Management Committee to include risk management issues, as per paragraph 3.9.3 of the Code.

The effectiveness of the Code of Conduct for the directors, senior management and staff with regard to ethical and operational affairs is being reviewed. The Board considers that it is already substantially compliant with the underlying principles of the Code of Corporate Governance but will nevertheless review its status on an ongoing basis.

24. CURRENCY

The Financial Statements have been presented in Mauritian Rupees.



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Appendix 26: Value of Inward Investments (Investment Holding & Mutual Funds/CIS) as at
31 December 2004

Appendix 27: Value of Outward Investments (Investment holding & Mutual Funds/CIS) as at
31 December 2004

Appendix 28: Income & Expenditure of Surveyed Management Companies (2002-2004)

Appendix 29: Income & Expenditure of Surveyed Corporate Trustees (2002-2004)

Appendix 30: Income & Expenditure of Surveyed Captive Managers (2002-2004)

A3: FINANCIAL YEAR-ENDS OF INSURERS

1.	Albatross Insurance Company Ltd	30 June
2.	Anglo Mauritius Assurance Society Ltd	31 December
3.	British American Insurance Co. (Mtius) Ltd	31 December
4.	Ceylincostella Insurance Company Ltd	31 December
5.	G.F.A Insurance Ltd	31 December
6.	Indian Ocean General Assurance Ltd	30 June
7.	Island General Insurance Co. Ltd	31 December
8.	Island Life Assurance Co. Ltd	31 December
9.	Jubilee Insurance (Mauritius) Ltd	31 December
10.	Lamco International Insurance Ltd	30 June
11.	La Prudence (Mauricienne) Assurances Ltée	31 December
12.	Life Insurance Corporation of India	31 March
13.	Mauritian Eagle Insurance Company Ltd	31 December
14.	Mauritius Union Assurance Company Ltd	31 December
15.	New India Assurance Company Ltd	31 March
16.	Rainbow Insurance Company Ltd	31 December
17.	State Insurance Company of Mauritius Ltd	30 June
18.	Sun Insurance Company Ltd	30 June
19.	Swan Insurance Company Ltd	31 December

A4: APPENDICES TABLES

APPENDIX 1(i)

ASSET ALLOCATION OF INSURERS (2004)
(BY INDIVIDUAL INSURER)

	ALBATROSS		ANGLO MTIUS		BAI		CEYLINCO		GFA		IOGA		ISLAND GEN		JUBILEE		LAMCO		LA PRUDENCE	
	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General
INVESTMENT ASSETS																				
1. Government Securities	758,384	200,333	9,507,153	3,235,799	45,232	76,494	50,613	66,211	94,476	544,111	31,067	42,508	77,816	662,060	248,686					
2. Mortgages on Property	0	0	850,290	174,210	3,290	14,076	0	1,507	0	70,847	0	0	0	128,126	28,015					
3. House & Landed property	213,686	0	2,093,642	450,290	9,308	0	0	20,139	0	82,647	0	24,366	616	88,620	13,780					
4. Loans	0	0	246,030	542,992	14,602	44,004	1,500	3,240	0	55,000	0	0	25,039	10,595	21,190					
4.1. Loans to Directors	18,653	0	224,790	44,964	2,524	0	20	3,664	0	44,995	0	498	0	41,118	635					
4.2. Loan on Insurance Policies	0	0	0	30,795	533	0	0	0	0	0	0	0	0	10,857	0					
4.3. Loan on Personal Securities	9,769	0	82,367	14,169	1,991	0	0	3,653	0	8,145	0	498	0	24,545	0					
4.4. Other Loans	0	0	4,906	0	0	0	0	11	0	0	0	0	0	1,902	211					
5. Deposits and Securities	8,884	0	137,517	0	0	0	20	0	0	36,850	0	0	0	3,814	424					
5.1. Fixed Deposits	97,660	72,232	1,068,448	55,069	15,508	18,214	46,301	28,323	48,301	91,723	150,076	16,204	48,984	79,419	34,437					
5.2. Short Term Deposits	0	0	0	0	2,000	2,000	17,208	15,650	37,300	0	0	7,915	39,230	0	0					
5.3. Cash on Hand	30,000	35,000	1,013,387	67,273	5,025	7,350	10,386	3,050	2,200	3,000	107,793	0	0	69,318	20,684					
5.4. Bank Balance	7,648	5,440	0	115	0	0	33	162	65	49	144	1	5	13	22					
5.5. Other Securities & Deposits	51,596	22,196	47,061	(12,319)	483	864	10,674	1,461	736	48,684	15,296	288	1,749	2,088	5,731					
6. Investment in related companies	8,416	9,596	8,000	0	8,000	8,000	8,000	8,000	8,000	39,990	26,843	8,000	8,000	8,000	8,000					
7. Other Investments	0	25	125,724	1,759,619	0	0	0	0	0	2,753	25,981	0	0	400	25,750					
8. Receivables and other debtors	428,385	128,076	4,896,229	208,655	0	200	2,792	5,176	14,670	0	114,565	1,440	3,177	313,782	124,879					
8.1. Outstanding Premium	28,588	188,397	442,753	667,150	11,674	57,962	4,344	790	7,535	39,989	23,188	2,581	29,910	26,913	92,521					
8.2. Amt receivable from Insurers	26,126	113,815	309,311	588,406	1,484	50,708	2,412	333	6,766	33,879	15,544	2,330	20,908	22,442	69,105					
8.3. Amt receivable from Reinsurers	13,726	73,469	35,761	5,474	0	15,782	2,412	0	1,887	31,863	8,923	1,058	11,954	15,565	65,111					
8.4. Other Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	9,800	0					
8.5. Interest, Dividend & Rent Receivable	6,147	17,516	6,866	3,329	0	0	0	2,413	552	0	25,107	14	0	0	0					
8.6. Sundry Debtors	6,024	18,148	227,500	5,054	0	0	0	116	816	0	0	0	226	0	0					
9. Other Assets	229	149	39,184	496,740	710	166	0	333	515	241	6,621	0	0	1,964	2,812					
TOTAL ASSETS	786,972	388,730	9,949,906	3,902,949	56,906	134,456	54,957	59,599	73,746	134,465	567,299	45,089	107,726	688,973	341,207					

Source : Audited returns and accounts

ASSET ALLOCATION OF INSURERS (2004) (BY INDIVIDUAL INSURER)

	LIC		MTIAN EAGLE		MTIUS UNION		NEW INDIA		RAINBOW		SICOM		SUN		SWAN		TOTAL	
	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	TOTAL	TOTAL
INVESTMENT ASSETS																		
1. Government Securities	1,412,457	237,461	134,481	237,461	1,296,318	550,076	197,891	197,891	107,929	92,399	11,222,923	2,107,076	259,283	212,345	543,558	29,287,447	4,242,944	33,530,391
2. Mortgages on Property	840,679	0	0	0	0	0	106,575	0	0	0	5,381,497	575,127	61,442	98,774	0	7,511,888	822,567	8,334,455
3. House & Landed property	233,794	93,876	0	0	241,200	341	0	0	12,616	0	1,420,607	744,218	72,045	0	53,373	5,056,836	812,328	5,869,164
4. Loans	17,274	0	54,296	0	68,215	40,990	1,756	27,453	27,453	0	17	144,673	24,338	32,053	0	1,006,516	396,194	1,402,710
4.1. Loans to Directors	12,871	0	1,403	0	79,609	18,329	0	5,353	5,353	0	361,048	70,251	3,522	30,941	8,800	843,609	121,579	965,188
4.2. Loan on Insurance Policies	0	0	0	0	0	0	0	0	0	0	0	5,623	0	0	0	42,185	5,623	47,808
4.3. Loan on Personal Securities	12,871	0	0	0	42,022	0	0	4,071	4,071	0	66,043	0	3,339	0	0	273,483	0	273,483
4.4. Other Loans	0	0	1,403	0	37,587	18,329	0	1,282	1,282	0	0	6,663	0	0	0	8,101	6,874	14,975
5. Deposits and Securities	0	0	0	0	0	0	0	0	0	0	295,005	57,965	183	30,941	8,800	519,840	117,882	637,722
5.1. Fixed Deposits	111,643	40,605	151,162	151,162	155,483	45,400	89,060	10,426	13,237	220,668	48,888	73,944	39,207	204,770	2,123,476	778,213	2,901,689	
5.2. Short Term Deposits	0	17,000	0	0	0	0	44,117	0	0	0	0	1,000	1,000	0	43,565	152,790	196,355	
5.3. Cash on Hand	0	0	63,705	0	48,068	14,722	0	241	0	162,488	19,176	44,500	22,600	157,285	1,551,143	356,108	1,907,251	
5.4. Bank Balance	2,013	0	2	2	2	34	1	15	237	23,273	5,404	3	13	4	33,389	11,309	44,698	
5.5. Other Securities & Deposits	12,184	9,750	22,853	22,853	99,413	22,644	35,942	1,837	4,897	20,852	14,508	20,086	6,833	39,481	270,076	243,171	513,247	
6. Investment in related companies	97,446	13,855	64,602	64,602	8,000	8,000	9,000	8,333	8,333	8,103	14,055	9,800	8,355	8,761	8,000	225,303	219,605	444,908
7. Other Investments	0	0	0	0	34,308	132,611	0	0	0	2,193,959	400,036	0	0	31,039	4,139,991	592,214	4,732,205	
OTHER ASSETS	196,196	0	30,600	30,600	717,503	312,405	500	52,081	51,709	1,645,127	123,883	23,992	11,370	245,576	8,605,131	1,049,837	9,654,968	
8. Receivables and other debtors	17,102	2,842	187,099	187,099	57,664	165,948	77,678	13,730	74,341	182,168	106,347	2,637	48,698	369,641	1,479,780	1,113,060	2,592,840	
8.1. Outstanding Premium	11,939	2,842	174,414	174,414	34,553	144,163	77,678	1,158	61,132	182,168	69,849	229	45,297	267,354	1,198,865	901,771	2,100,636	
8.2. Amt receivable from Insurers	3,609	0	126,400	126,400	5,279	133,681	31,454	7	31,647	8,188	28,370	0	40,063	144,574	97,590	744,436	842,026	
8.3. Amt receivable from Reinsurers	0	0	0	0	0	0	0	0	0	23,790	0	0	3,704	0	23,790	13,504	37,294	
8.4. Other Accounts receivable	0	0	10,211	10,211	0	0	47,212	0	0	31,002	8,899	0	0	107,321	47,358	219,231	266,589	
8.5. Interest, Dividend & Rent Receivable	0	0	19,357	19,357	14,806	8,682	4,736	0	23,793	0	0	0	0	15,459	253,384	91,333	344,717	
8.6. Sundry Debtors	5,470	2,842	0	0	0	0	0	838	165	73,427	16,125	229	1,530	0	628,587	21,703	650,290	
9. Other Assets	2,860	0	18,446	18,446	14,468	1,800	(5,724)	313	5,527	45,761	16,455	0	0	0	148,156	78,918	227,074	
TOTAL ASSETS	5,163	0	12,685	12,685	23,111	21,785	0	12,572	13,209	0	36,498	2,408	3,401	102,287	280,915	313,576	594,491	
TOTAL ASSETS	1,429,559	137,323	424,560	424,560	1,353,982	716,024	275,569	121,659	166,740	11,405,091	2,213,423	261,920	261,043	913,199	30,767,227	6,269,203	37,036,430	

Source : Audited returns and accounts

BREAKDOWN OF LIABILITIES & FINANCING OF INSURERS (2004) (BY INDIVIDUAL INSURER)

	ALBATROSS		ANGLO MTIUS		BAI		CEYLINCO		GFA		IOGA		ISLAND GEN ISLAND LIFE		JUBILEE		LAMCO		LA PRUDENCE	
	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General
1. Creditors	16,152	84,276	70,874	146,834	1,373	10,331	1,243	2,263	2,181	31,712	6,380	15,298	1,853	5,365	27,827	42,256				
1.1. Amount due to Insurers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.2. Amount due to Reinsurers	0	48,238	0	2,942	470	7,525	531	205	218	21,508	2,627	7,142	475	206	7,313	27,202				
1.3. Amt. payable to Policy Holders	0	0	8,994	12,648	0	0	0	85	0	6,251	0	0	0	0	0	0	0	0	0	0
1.4. Other Creditors	16,152	36,038	61,880	131,244	903	2,806	712	1,973	1,963	3,953	3,753	8,156	1,378	5,159	20,514	15,054				
2. Outs. Claims Reserves	0	41,359	4,882	10,759	0	26,252	8,825	0	28,201	36,359	1,274	10,197	0	19,462	0	56,159				
3. Borrowings	0	0	0	15,886	5	27,133	0	0	0	29	8,794	21,457	0	8,511	0	26,819				
3.1. Short Term Borrowings	0	0	0	5,331	5	15,049	0	0	0	0	8,794	1,523	0	1,734	0	0	0	0	0	0
3.2. Long Term Borrowings	0	0	0	10,555	0	12,084	0	0	0	29	0	19,934	0	6,777	0	26,819				
4. Taxation	0	6,992	12,000	0	0	0	669	756	185	1,673	3,585	0	650	435	0	0				
5. Other Liabilities	0	10,887	83,113	0	0	7,950	0	28	119	0	3,613	0	0	1,525	1,321	0				
TOTAL LIABILITIES	16,152	143,514	170,869	173,479	1,378	71,666	10,737	3,047	30,686	69,773	23,646	46,952	2,503	35,298	29,148	125,234				
1. Paid Up Share Capital	0	26,400	25,000	81,434	0	67,500	25,000	0	25,000	25,000	25,000	30,000	0	30,091	8,000	17,000				
2. Profit & Loss A/C	89,494	0	0	593,646	(60,096)	0	441	3,412	0	7,748	1,758	(17,135)	1,086	0	55,201	0				
3. Technical Provisions	770,820	129,322	9,754,037	3,054,390	55,528	55,387	18,779	56,552	14,647	31,944	516,895	3,541	42,585	41,252	651,825	143,771				
3.1. Statutory Reserve Fund	0	27,383	0	2,390	0	1,235	3,374	0	1,500	4,357	0	922	0	8,500	0	24,690				
3.2. Long Term Insurance Fund	770,820	0	9,748,836	2,944,070	53,965	0	0	58,372	0	0	487,571	0	42,585	0	651,825	0				
3.3. General Insurance Fund	0	50,738	0	0	0	43,920	13,263	0	3,233	24,708	0	2,328	0	31,805	0	56,369				
3.4. Other Reserves	0	51,201	0	63,959	1,310	9,474	2,142	(1,820)	8,737	673	28,169	291	0	947	0	62,712				
3.5. Other Funds	0	0	5,201	43,971	253	758	0	0	1,177	2,206	1,155	0	0	0	0	0				
TOTAL FINANCING	860,314	155,722	9,779,037	3,729,470	(4,568)	122,887	44,220	59,964	39,647	64,692	543,653	16,406	43,671	71,343	715,026	160,771				
TOTAL LIABILITIES AND FINANCING	876,466	299,236	9,949,906	3,902,949	(3,190)	194,553	54,957	63,011	70,333	134,465	567,299	63,358	46,174	106,641	744,174	286,005				

Source : Audited returns and accounts

BREAKDOWN OF LIABILITIES & FINANCING OF INSURERS (2004) (BY INDIVIDUAL INSURER)

	LUC		MTIAN EAGLE		MTIUS UNION		NEW INDIA		RAINBOW		SICOM		SUN		SWAN		TOTAL	
	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General	Long Term	General
1. Creditors	22,360	0	57,881	13,882	11,445	40,313	8,469	18,810	103,062	55,743	5,549	31,053	94,025	426,878	501,932	928,810		
1.1. Amount due to Insurers	0	0	0	0	0	0	0	0	8,163	7,500	0	0	0	8,163	7,500	15,663		
1.2. Amount due to Reinsurers	0	0	35,175	1,945	(1,973)	34,832	8,006	10,998	35,127	0	83	12,908	60,728	59,193	265,238	324,431		
1.3. Amt. payable to Policy Holders	5,007	0	0	5,205	3,191	0	0	0	20,583	49	0	0	0	52,522	9,491	62,013		
1.4. Other Creditors	17,353	0	22,706	6,732	10,227	5,481	463	7,812	39,189	48,194	5,466	18,145	33,297	307,000	219,703	526,703		
2. Outs. Claims Reserves	738	0	64,890	2,122	122,813	69,596	986	23,897	0	97,496	239	90,633	94,174	21,000	790,313	811,313		
3. Borrowings	15,848	0	0	0	0	0	406	41,884	0	737,784	0	0	0	40,939	863,617	904,556		
3.1. Short Term Borrowings	15,848	0	0	0	0	0	141	26,409	0	31,743	0	0	0	30,119	76,458	106,577		
3.2. Long Term Borrowings	0	0	0	0	0	0	265	15,475	0	706,041	0	0	0	10,820	787,159	797,979		
4. Taxation	17,315	0	7,486	0	32	0	0	0	18,121	41,073	2,245	5,417	3,504	54,672	67,466	122,138		
5. Other Liabilities	613	0	0	0	1,659	0	0	0	0	4,533	723	1,248	0	89,411	27,921	117,332		
TOTAL LIABILITIES	56,874	0	130,257	16,004	135,949	109,909	9,861	84,591	121,183	936,629	8,756	128,351	191,703	632,900	2,251,249	2,884,149		
1. Paid Up Share Capital	0	0	26,667	0	119,516	0	0	25,000	0	25,000	0	35,429	35,857	139,434	513,460	652,894		
2. Profit & Loss A/C	0	0	125,510	0	90,400	0	10,685	0	0	1,012,479	0	14,448	351,091	695,186	1,584,982	2,280,168		
3. Technical Provisions	1,372,685	137,323	142,127	1,337,978	370,158	165,660	111,799	46,465	11,299,964	223,261	253,162	82,816	334,548	29,415,543	1,803,678	31,219,221		
3.1. Statutory Reserve Fund	0	0	28,566	0	29,539	10,163	0	5,325	0	22,273	0	21,440	66,811	2,390	256,078	258,468		
3.2. Long Term Insurance Fund	1,261,130	137,323	0	1,337,978	0	0	92,951	0	11,283,910	0	234,461	0	0	29,105,797	0	29,105,797		
3.3. General Insurance Fund	0	0	66,296	0	141,503	49,709	0	22,292	0	0	0	35,264	115,100	0	656,528	656,528		
3.4. Other Reserves	108,697	0	47,265	0	199,116	105,788	18,848	18,848	0	200,988	18,701	26,112	118,613	237,864	852,907	1,090,771		
3.5. Other Funds	2,858	0	0	0	0	0	0	0	16,054	0	0	0	34,024	69,492	38,165	107,657		
TOTAL FINANCING	1,372,685	137,323	294,304	1,337,978	580,074	165,660	122,484	71,465	11,299,964	1,260,740	253,162	132,693	721,496	30,250,163	3,902,120	34,152,283		
TOTAL LIABILITIES AND FINANCING	1,429,559	137,323	424,561	1,353,982	716,023	275,569	132,345	156,056	11,421,147	2,197,369	261,918	261,044	913,199	30,883,063	6,153,369	37,036,432		

Source : Audited returns and accounts

INCOME AND EXPENDITURE FOR LONG TERM INSURANCE BUSINESS BY TYPE OF BUSINESS (2004) (AGGREGATE)

	Ordinary Life	Industrial Life	Annuity	Pension Business	Permanent Health Insurance	Total
(Amount Rs '000)						
1. PREMIUMS						
Gross Premium Received & Receivable						
Individual	3,179,457	48,613	11,533	1,369,995	527	4,610,126
Group	3,046,955	48,613	9,740	873,849	527	3,979,685
Premium On Reinsurance Ceded	132,502	0	1,794	496,145	0	630,441
Net Premium Received & Receivable	141,640	26	0	28,373	449	170,488
	3,037,817	48,587	11,533	1,341,622	78	4,439,638
2. CLAIMS						
Gross Claims Paid & Payable	2,160,337	55,368	1,839	680,880	15	2,898,439
Claims Recovered & Recoverable From Reinsurers	54,826	0	0	930	0	55,756
Net Claims Paid & Payable	2,105,511	55,368	1,839	679,950	15	2,842,683
3. NET PREMIUM FLOWS	932,306	(6,780)	9,694	661,672	63	1,596,955
4. COMMISSIONS						
Commission Received & Receivable	21,137	0	19	6,907	123	28,186
Commission Paid & Payable	170,877	5,134	255	17,383	0	193,650
Net commissions earned	(149,741)	(5,134)	(236)	(10,476)	123	(165,465)
5. OTHER INCOME						
Investment Income Received & Receivable	1,379,313	21,494	4,787	929,025	49	2,334,668
Other Income (Interest-Sundry)	120,925	0	0	89,684	0	210,609
6. TOTAL INCOME	4,559,192	70,082	16,340	2,367,237	250	7,013,101
7. ADMINISTRATION COSTS						
Staff Salaries & Other	160,696	2,743	7	50,383	0	213,830
Directors' Fees & Other	3,420	104	0	462	0	3,986
General Management Expenses	151,827	1,732	721	17,178	1	171,459
Professional Fees:						
Auditor	2,169	5	0	806	0	2,981
Actuary	8,527	96	0	2,996	0	11,620
Legal	1,455	30	0	631	0	2,116
Medical	4,168	40	0	1,084	0	5,292
Other	8,466	245	0	2,411	0	11,121
Maintenance & Repairs	63,172	2,292	1	3,602	0	69,067
Motor Vehicles Expenses	22,072	198	5	6,472	0	28,746
Other	77,852	1,124	115	56,587	0	135,678
8. TOTAL ADMINISTRATION COSTS	503,822	8,610	850	142,612	1	655,896
9. TOTAL EXPENDITURE COSTS	2,780,211	69,112	2,945	839,945	16	3,692,229
10. SURPLUS/DEFICIT BEFORE TAXATION	1,778,981	969	13,395	1,527,292	234	3,320,872
11. TAXATION						63,388
12. SURPLUS/(DEFICIT) AFTER TAXATION						3,257,483

PREMIUMS BREAKDOWN FOR LONG TERM INSURANCE BUSINESS (2004)
(BY INDIVIDUAL INSURER)

Analysis of Premium															(Amount Rs '000)	
		ALBATROSS	ANGLO MTIUS	BAI	CEYLINCO STELLA	IOGA	ISLAND ILIFE	LA PRUDENCE	LAMCO	LIC	MTIAN EAGLE	MTIUS UNION	RAINBOW	SICOM	SUN	Grand Total
Gross Premium Received & Receivable		76,282	494,703	1,247,620	10,345	7,936	60,936	145,168	7,255	239,990	66,026	167,920	18,064	596,987	40,226	3,179,457
Industrial Life		0	0	48,588	0	0	0	0	0	0	0	25	0	0	0	48,613
Annuity		0	0	0	0	0	0	0	0	0	0	100	1,058	10,376	0	11,533
Pension Business		65,428	547,010	38,488	0	0	0	29,097	23	0	0	46,031	7,617	636,299	0	1,369,995
Permanent Health Insurance		0	0	0	0	0	0	475	0	0	0	0	0	52	0	527
Total		141,710	1,041,713	1,334,697	10,345	7,936	60,936	174,740	7,278	239,990	66,026	214,077	26,739	1,243,714	40,226	4,610,126
Net Premium Received & Receivable		69,094	465,957	1,238,494	9,841	7,466	58,242	136,668	6,814	239,990	59,027	152,298	15,752	539,812	38,362	3,037,816
Industrial Life		0	0	48,563	0	0	0	0	0	0	0	25	0	0	0	48,587
Annuity		0	0	0	0	0	0	0	0	0	0	100	1,058	10,376	0	11,533
Pension Business		59,380	526,374	37,963	0	0	0	28,759	23	0	0	46,031	6,792	636,299	0	1,341,622
Permanent Health Insurance		0	0	0	0	0	0	25	0	0	0	0	0	52	0	77
Total		128,474	992,331	1,325,019	9,841	7,466	58,242	165,452	6,837	239,990	59,027	198,454	23,601	1,186,539	38,362	4,439,636
Premium On Reinsurance Ceded		7,188	28,746	9,126	505	470	2,694	8,499	441	0	6,998	15,622	2,312	57,175	1,865	141,640
Industrial Life		0	0	26	0	0	0	0	0	0	0	0	0	0	0	26
Annuity		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pension Business		6,048	20,636	526	0	0	0	338	0	0	0	0	826	0	0	28,373
Permanent Health Insurance		0	0	0	0	0	0	449	0	0	0	0	0	0	0	449
Total		13,236	49,382	9,677	505	470	2,694	9,286	441	0	6,998	15,622	3,137	57,175	1,865	170,488

APPENDIX 5

CLAIMS BREAKDOWN FOR LONG TERM INSURANCE BUSINESS (2004) (BY INDIVIDUAL INSURER)

Analysis of Claims															(Amount Rs '000)		
															Grand Total		
Claims Recovered & Recoverable From Reinsurers	ALBATROSS	ANGLO MTIUS	BAI	CEYLINCO STELLA	IOGA	ISLAND ILIFE	LA PRUDENCE	LAMCO	LIC	MTIAN EAGLE	MTIUS UNION	RAINBOW	SICOM	SUN			
	Ordinary Life	0	19,100	387	0	9	591	2,156	14	0	2,073	2,891	208	25,525	1,872	54,826	
	Industrial Life	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Annuity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Pension Business	0	535	0	0	0	0	0	0	0	0	0	395	0	0	930	
	Permanent Health Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total	0	19,635	387	0	9	591	2,156	14	0	2,073	2,891	604	25,525	1,872	55,756	
	Gross Claims Paid & Payable	Ordinary Life	24,525	330,516	988,923	6,317	5,849	37,099	38,598	4,449	157,577	23,376	120,631	15,216	377,266	29,995	2,160,337
		Industrial Life	0	0	55,276	0	0	0	0	0	0	0	91	0	0	0	55,368
		Annuity	0	0	1,401	0	0	0	0	0	70	0	79	0	290	0	1,839
Pension Business		13,195	284,475	241	0	0	0	332	0	0	0	1,939	4,627	376,071	0	680,880	
Permanent Health Insurance		0	0	0	0	0	0	0	0	0	0	0	0	15	0	15	
Total		37,720	614,991	1,045,841	6,317	5,849	37,099	38,930	4,449	157,647	23,376	122,740	19,843	753,642	29,995	2,898,439	
Net Claims Paid & Payable		Ordinary Life	24,525	311,416	988,536	6,317	5,841	36,508	36,443	4,435	157,577	21,303	117,740	15,008	351,741	28,123	2,105,512
		Industrial Life	0	0	55,276	0	0	0	0	0	0	0	91	0	0	0	55,368
		Annuity	0	0	1,401	0	0	0	0	0	70	0	79	0	290	0	1,839
		Pension Business	13,195	283,940	241	0	0	0	332	0	0	0	1,939	4,232	376,071	0	679,950
	Permanent Health Insurance	0	0	0	0	0	0	0	0	0	0	0	0	15	0	15	
	Total	37,720	595,356	1,045,454	6,317	5,841	36,508	36,775	4,435	157,647	21,303	119,849	19,240	728,117	28,123	2,842,684	

CLAIMS BREAKDOWN FOR LONG TERM INSURANCE BUSINESS (2004) (BY INDIVIDUAL INSURER)

(Amount Rs '000)

	ALBATROSS	ANGLO MTIUS	BAI	CEYLINCO STELLA	IOGA	ISLAND LIFE	LAMCO	LA PRUDENCE	LIC	MTIAN EAGLE	MTIUS UNION	RAINBOW	SICOM	SUN	TOTAL
ORDINARY LIFE:															
On Death	2,278	17,321	39,520	176	102	1,715	61	7,744	12,485	1,089	6,149	(12)	25,674	3,041	117,343
On Maturity	6,809	262,775	615,571	4,658	4,860	24,606	3,691	2,252	138,308	17,020	105,249	14,690	240,211	24,439	1,465,139
On Surrender	15,438	31,320	117,077	402	878	3,184	485	23,133	6,784	1,889	6,433	330	32,629	643	240,625
Bonus Cashed	0	0	271,644	1,081	0	4,089	198	0	~	0	0	0	53,228	0	330,240
ANNUITY BUSINESS:															
On Death	0	0	0	0	0	0	0	0	~	0	0	0	0	0	0
By Way of Lump Sum	0	0	1,174	0	0	0	0	0	~	0	0	0	181	0	1,355
By Way of Periodical Payments	0	0	227	0	0	0	0	0	70	585	79	0	109	0	1,070
On Surrender	0	0	0	0	0	0	0	0	~	0	0	0	0	0	0
PENSION BUSINESS:															
On Death	0	9,467	0	0	0	0	0	0	~	720	0	3,569	7,391	0	21,147
By Way of Lump Sum	4,007	108,739	0	0	0	490	0	332	~	0	0	0	132,046	0	245,614
By Way of Periodical Payments	5,570	101,689	241	0	0	2,192	0	3,314	~	0	1,939	91	234,335	0	349,371
On Surrender	3,618	64,045	0	0	0	232	0	0	~	0	0	572	2,298	0	70,765
PERMANENT HEALTH INSURANCE:															
By Way of Periodical Payments	0	0	0	0	0	0	0	0	~	0	0	0	15	0	15
TOTAL CLAIMS:															
On Death	2,278	26,788	39,520	176	102	1,715	61	7,744	12,485	1,809	6,149	3,557	33,065	3,041	138,490
On Maturity	6,809	262,775	615,571	4,658	4,860	24,606	3,691	2,252	138,308	17,020	105,249	14,690	240,211	24,439	1,465,139
By Way of Lump Sum	4,007	108,739	1,174	0	0	490	0	332	0	0	0	0	132,227	0	246,969
By Way of Periodical Payments	5,570	101,689	468	0	0	2,192	0	3,314	70	585	2,018	91	234,459	0	350,456
On Surrender	19,056	95,365	117,077	402	878	3,416	485	23,133	6,784	1,889	6,433	902	34,927	643	311,390
Bonus Cashed	0	0	271,644	1,081	0	4,089	198	0	0	0	0	0	53,228	0	330,240
TOTAL	37,720	595,356	1,045,454	6,317	5,840	36,508	4,435	36,775	157,647	21,303	119,849	19,240	728,117	28,123	2,842,684

ASSURANCES AND ANNUITIES FOR LONG TERM INSURANCE BUSINESS : BUSINESS IN FORCE FOR YEAR 2004 (BY INDIVIDUAL INSURER)

ASSURANCES (Rs) :	ALBATROSS	ANGLO-MTIUS	BAI	IOGA	ISLAND LIFE	LAMCO	LA PRUDENCE	LIC	MTIAN EAGLE	MTIUS UNION	RAINBOW	SICOM	SUN	TOTAL
NO OF POLICIES :														
Individual	11,257	41,016	82,815	1,665	8,620	1,494	10,815	51,735	5,627	19,749	4,638	54,830	9,143	303,404
Group	103	558	16		23		23	0	1	16,155	3	220	2	17,104
SUM ASSURED :														
Individual	2,546,148,809	8,028,207,951	13,447,111,287	129,722,500	932,809,590	186,545,671	1,970,994,851	4,752,052,090	1,633,430,806	4,695,913,133	479,181,505	9,774,289,207	686,711,213	49,263,118,414
Group	1,676,576,943	7,613,177,925	2,461,315,614		355,609,017		3,246,265,566	0	18,435,300	608,999,564	16,266,781	7,221,989,746	45,584,412	23,264,220,868
ANNUAL PREMIUM :														
Individual	73,275,703	443,241,936	524,776,660	8,209,660	55,042,066	8,980,070	89,474,073	254,492,840	59,172,896	190,750,241	32,838,972	549,973,466	44,850,494	2,335,079,077
Group	40,704,209	523,247,854	11,458,868		4,554,625		19,695,716	0	434,949	665,633	0	70,315,295		671,077,149
SINGLE PREMIUM :														
Individual	44,221,904	20,383,469	1,291,227,089	0	529,424	23,589	43,774,435	2,086,400	20,949,881	0	0	6,445,663	1,450,654	1,431,092,508
Group	1,290,890		0		0			0		11,662,404	5,388,736	22,617,022	220,335	41,179,387
ANNUITIES (Rs)														
NO OF POLICIES :														
Individual			23	0	145	1	1,080	194		4,147	93	476	761	6,920
Group	200	1,842	2		18	4	14	0	10		4	6		2,100
PREMIUM														
Individual			3,457,435	0	767,053	6,385	16,155,504	1,576,820		61,397,753	1,585,700	6,240,481	1,934,400	93,121,531
Group	45,370,537		543,994		8,634,948	16,224	3,866,405	0			789,916	1,793,605		61,015,629
ANNUITIES														
Individual			350,565	0	13,660,000		745,512	8,094,576		315,829	220,604		96,459,540	119,846,626
Group	6,395,364	101,689,298	51,953		55,173,200			0	585,472		494,288			164,389,575

ASSURANCES & ANNUITIES FOR LONG TERM INSURANCE BUSINESS : NEW BUSINESS FOR YEAR 2004 (BY INDIVIDUAL INSURER)

ASSURANCES (Rs) :	ALBATROSS	ANGLO-MTIUS	BAI	IOGA	ISLAND LIFE	LAMCO	LA PRUDENCE	LIC	MTIAN EAGLE	MTIUS UNION	RAINBOW	SICOM	SUN	TOTAL
NO OF POLICIES :														
Individual	1,763	5,382	15,067	176	602	127	2,519	5,364	1,172	1,929	480	5,884	938	41,530
Group	3	86	1		23		745,512	0		244	0	20		745,889
SUM ASSURED :														
Individual	342,718,918	2,214,114,164	2,708,373,940	22,557,500	93,152,000	20,902,500	381,890,088	732,938,500	240,465,070	586,416,760	46,124,010	1,446,926,700	85,278,278	8,942,760,928
Group	5,052,240	5,321,488,436	332,945,869		355,609,017		102,067,792	0		85,349,265	0	230,849,900		6,433,362,519
ANNUAL PREMIUM :														
Individual	10,299,526	84,053,294	97,452,091	1,336,754	5,172,212	1,123,392	18,635,990	39,500,437	13,123,025	3,430,312,293	4,509,759	73,790,397	6,022,541	3,786,455,103
Group	206,517	27,516,645	871,294		4,554,625		782,196	0		646,050	0	788,870		35,366,197
SINGLE PREMIUM :														
Individual	18,512,190	29,428,408	831,927,247	0	511,323	405	43,774,435	2,086,400	7,649,710	0	213,992	1,108,410	121,412	935,334,336
Group	850,321	21,694,167	0		0			0		471,506	0	1,013,431		24,029,425
ANNUITIES (Rs) :														
Individual			15	0	8		256	23		594	41	28	15	980
Group	20	163	0		0		1	0		0	0			184
PREMIUM														
Individual			2,739,702	0	2,747		5,155,057	151,553		7,187,893	80,400	666,252	37,200	16,020,80
Group	3,452,847	93,843,666	0	0			49,953	0		0	0			97,346,466
ANNUITIES														
Individual			267,315	0	600,000		745,512	69,740		0	41,376		1,344,780	3,068,723
Group	521,676	5,786,460	0		0			0		0	0			6,308,136

INCOME & EXPENDITURE FOR GENERAL INSURANCE BUSINESS (2004) (BY INDIVIDUAL INSURER)

	ALBATROSS	BAI	CEYLINCO STELLA	GFA	IOGA	ISLAND GENERAL	JUBILEE	LA PRUDENCE	LAMCO	MTIAN EAGLE	MTIUS UNION	NEW INDIA	RAINBOW	SICOM	SUN	SWAN	Grand Total
(Amount Rs '000)																	
1. PREMIUMS																	
Net premiums received & receivable	87,803	0	113,762	26,072	8,081	54,235	12,434	150,908	79,111	178,743	283,007	95,933	61,214	82,718	70,527	217,786	1,522,335
(Increase)/Decrease in Unearned Premium Reserve	593	0	(14,661)	0	221	(3,657)	18,905	(1,986)	891	2,705	(43,324)	(2,717)	(1,261)	(4,636)	3,422	(7,211)	(52,716)
Net earned premiums	88,396	0	99,101	26,072	8,302	50,578	31,339	148,922	80,002	181,448	239,682	93,216	59,953	78,083	73,949	210,575	1,469,619
2. CLAIMS																	
Net claims paid	53,036	0	57,606	13,045	5,552	35,537	23,539	156,314	55,783	114,923	167,198	66,505	42,264	50,313	55,309	139,076	1,035,998
Net increase/(decrease) in outstanding claims reserve	(2,607)	0	4,140	2,675	3,090	(761)	2,031	(57,385)	(671)	12,985	27,526	25,188	16,834	(6,145)	(12,046)	5,896	20,750
Net claims incurred	50,429	0	61,746	15,720	8,642	34,776	25,570	98,929	55,112	127,908	194,723	91,693	59,098	44,168	43,263	144,972	1,056,747
3. COMMISSIONS																	
Commissions received & receivable	47,613	0	309	594	139	31,962	67	20,986	1,910	29,696	13,004	9,402	4,919	20,810	8,989	75,666	266,065
Commissions paid & payable	17,581	0	17,200	2,546	81	26,814	2,166	23,490	10,756	24,672	36,690	21,128	5,485	5,307	8,297	52,439	254,653
Net commissions	30,032	0	(16,891)	(1,953)	58	5,148	(2,099)	(2,505)	(8,847)	5,025	(23,686)	(11,727)	(566)	15,503	691	23,227	11,412
4. ADMINISTRATION COSTS																	
Staff salaries & Other Benefits	32,317	0	8,107	2,516	1,535	9,674	4,773	16,879	8,674	18,982	12,032	5,268	10,109	88,276	11,760	67,801	298,702
Directors' Fees, etc ...	0	0	0	2,437	50	1,854	0	0	2,479	208	491	0	3,026	778	6,980	497	18,800
General Management Expenses	0	0	9,704	3,797	701	4,597	3,623	11,141	6,571	9,242	0	9,676	10,751	16,721	2,471	19,375	108,372
Professional Fees:																	
Auditors	637	0	318	50	115	204	161	303	114	106	242	92	334	460	158	914	4,208
Legal	0	0	303	0	17	16	0	754	38	0	53	97	226	222	186	51	1,963
Survey	0	0	0	67	0	0	0	370	14	0	0	0	0	0	0	521	972
Other	0	0	0	0	0	1,019	5,505	154	65	15	0	0	0	1,125	42	0	7,926
Maintenance & Repairs	602	0	662	96	17	427	158	834	236	571	2,251	0	94	5,662	304	1,292	13,206
Motor Vehicles Expenses	883	0	798	421	34	1,225	0	1,661	897	2,626	625	344	463	327	547	3,741	14,593
Other	11,642	0	0	0	862	0	0	6,397	0	0	18,702	0	0	0	0	0	37,602
Total administration costs	46,081	0	19,892	9,385	3,332	19,015	14,798	38,493	19,089	31,749	34,396	15,477	25,002	113,570	22,450	95,948	508,677
5. UNDERWRITING PROFIT/(LOSS)	21,918	0	571	(985)	(3,613)	1,935	(11,128)	8,996	(3,046)	26,816	(13,123)	(25,680)	(24,713)	(64,152)	8,927	(7,118)	(84,394)
6. INTEREST & INVESTMENT INCOME	7,547	0	4,433	4,035	5,693	4,867	3,367	22,261	4,901	13,276	24,501	15,458	1,178	141,571	16,040	76,653	345,781
7. OPERATING PROFIT/(LOSS)																	
CARRIED FORWARD TO PROFIT & LOSS ACCOUNT	29,465	0	5,005	3,051	2,080	6,802	(7,761)	31,257	1,855	40,092	11,378	(10,223)	(23,535)	77,419	24,967	69,535	261,387

PREMIUMS, CLAIMS & COMMISSIONS FOR GENERAL INSURANCE BUSINESS BY TYPE OF BUSINESS (2004) (BY INDIVIDUAL INSURER)

(Amount Rs '000)

	ALBATROSS	BAI	CEYLINCO STELLA	GFA	IOGA	ISLAND GENERAL	JUBILEE	LAMCO	LA PRUDENCE	MTIAN EAGLE	MTIUS UNION	NEW INDIA	RAINBOW	SICOM	SUN	SWAN	TOTAL
PREMIUM																	
GROSS :																	
FIRE	87,241	0	3,116	921	551	97,660	1,916	2,737	61,715	114,240	40,989	39,160	8,442	34,291	20,322	163,597	676,898
MOTOR	48,579	0	119,438	28,137	7,908	33,489	12,398	86,404	78,648	119,216	249,314	85,071	61,193	75,232	73,040	107,260	1,185,327
PERS. ACC.	78,628	0	4,375	147	11	8,485	0	511	14,182	66,420	11,879	1,003	4,244	11,547	3,389	37,990	242,811
TRANSPORT	72,198	0	639	366	3	15,407	1,150	1,271	11,260	35,516	7,498	6,156	1,544	108,192	1,163	62,183	324,546
MISCELLANEOUS	97,674	0	655	2,081	107	64,721	2,354	2,495	88,520	33,224	64,951	9,156	19,252	4,097	11,119	212,579	612,985
TOTAL	384,320	0	128,223	31,652	8,580	219,762	17,818	93,418	254,325	368,616	374,631	140,546	94,675	233,359	109,033	583,609	3,042,567
NET :																	
FIRE	7,369	0	751	24	138	1,144	(239)	251	4,087	11,889	7,354	12,310	894	3,424	850	21,420	71,666
MOTOR	42,851	0	108,790	24,629	7,908	33,276	12,159	77,921	73,340	106,542	237,294	73,483	56,464	68,387	65,931	87,807	1,076,782
PERS. ACC.	15,162	0	3,813	146	11	1,399	165	122	5,151	28,576	(16,795)	912	755	737	905	11,730	52,789
TRANSPORT	10,264	0	48	59	1	128	349	267	4,498	29,236	3,109	3,485	359	9,606	146	25,025	86,580
MISCELLANEOUS	12,157	0	360	1,214	24	18,293	0	550	63,832	2,500	52,044	5,743	2,741	564	2,696	71,804	234,522
TOTAL	87,803	0	113,762	26,072	8,082	54,240	12,434	79,111	50,908	178,743	283,006	95,933	61,213	82,718	70,528	217,786	1,522,339
CLAIMS																	
GROSS :																	
FIRE	90,817	0	1,417	2,665	0	245,240	10,842	2,464	296,004	45,299	24,561	53,560	45,891	16,698	6,465	46,119	888,042
MOTOR	30,905	0	67,977	16,448	6,474	23,322	23,570	60,964	53,453	96,014	169,621	54,900	40,817	57,094	55,758	71,216	828,533
PERS. ACC.	34,740	0	0	0	0	2,039	0	23	5,191	11,811	3,748	901	1,277	2,300	790	10,757	73,577
TRANSPORT	6,022	0	0	0	0	10,921	2,170	837	7,426	6,910	2,107	1,039	298	4,940	20	28,226	70,916
MISCELLANEOUS	17,296	0	463	0	86	35,326	1,815	135	57,570	7,920	23,578	1,151	7,476	2,565	2,120	184,190	341,691
TOTAL	179,780	0	69,857	19,113	6,560	316,848	38,397	64,423	419,644	167,954	223,615	111,551	95,759	83,597	65,153	340,508	2,202,759
NET :																	
FIRE	8,814	0	847	47	0	3,095	1,869	77	55,543	6,634	2,473	11,912	131	832	76	10,080	102,430
MOTOR	27,564	0	52,208	12,998	6,474	23,369	21,019	55,445	52,639	92,906	145,460	52,080	38,477	47,378	54,270	68,352	750,639
PERS. ACC.	10,233	0	4,088	0	0	0	0	7	2,650	7,474	(197)	689	1,057	(83)	210	3,206	29,334
TRANSPORT	4,549	0	0	0	0	1,161	218	178	1,824	6,910	1,264	970	98	1,851	11	8,373	27,407
MISCELLANEOUS	1,876	0	463	0	(923)	7,912	433	76	43,658	999	18,197	854	2,501	335	742	49,065	126,188
TOTAL	53,036	0	57,606	13,045	5,551	35,537	23,539	55,783	156,314	114,923	167,197	66,505	42,264	50,313	55,309	139,076	1,035,998
COMMISSION																	
RECEIVED :																	
FIRE	23,932	0	248	235	103	18,467	492	754	11,223	11,416	5,884	6,586	868	7,005	4,937	38,104	130,254
MOTOR	617	0	0	0	0	35	(1,981)	0	218	923	(193)	1,278	0	61	732	474	2,164
PERS. ACC.	11,266	0	24	0	0	1,727	0	144	2,114	10,209	3,466	27	1,807	3,874	729	7,094	42,481
TRANSPORT	2,901	0	37	89	1	3,073	531	899	1,268	1,989	899	692	346	8,002	285	5,456	25,845
MISCELLANEOUS	8,897	0	0	269	36	8,660	1,025	736	6,163	5,159	2,948	819	1,898	1,868	2,306	24,538	65,322
TOTAL	47,613	0	309	593	140	31,962	67	1,910	20,966	29,696	13,004	9,402	4,919	20,810	8,989	75,666	266,066
PAID :																	
FIRE	7,766	0	74	83	3	8,202	250	385	6,306	9,915	4,883	4,916	134	2,247	31,792	19,157	66,413
MOTOR	2,501	0	16,146	2,330	77	3,241	1,524	10,029	10,625	6,469	23,334	15,089	4,969	1,076	5,401	10,599	113,410
PERS. ACC.	3,942	0	525	2	0	1,842	0	81	1,216	2,127	1,588	76	202	433	323	3,359	15,716
TRANSPORT	1,169	0	77	34	0	1,320	280	50	1,280	5,145	960	637	12	1,299	54	4,814	17,131
MISCELLANEOUS	2,203	0	78	97	1	12,209	112	212	4,063	1,016	5,925	410	169	251	726	14,510	41,982
TOTAL	17,581	0	17,200	2,546	81	26,814	2,166	10,757	23,490	24,672	36,690	21,128	5,486	5,306	8,296	52,439	254,652

POLICIES IN FORCE - DIRECT BUSINESS GENERAL INSURANCE BUSINESS (2004)
(BY INDIVIDUAL INSURER)

Total Policies in Force in Respect of Direct Business (No.)	ALBATROSS	BAI	CEYLINCO STELLA	GFA	IOGA	ISLAND GENERAL	JUBILEE	LAMCO	LA PRUDENCE	MTIAN EAGLE	MTIUS UNION	NEW INDIA	RAINBOW	SICOM	SUN	SWAN	GRAND TOTAL
Fire	1,921	0	502	220	176	995	449	563	8,875	2,175	4,706	1,980	1,312	958	765	7,650	33,247
Motor	3,310	0	57,455	12,572	6,168	3,585	3,176	32,838	12,081	12,750	24,293	10,800	11,265	6,038	12,308	8,243	216,882
Personal Accident	2,670	0	18,761	187	16	970	0	887	4,706	5,485	1,511	270	1,821	291	437	2,373	40,385
Transport	2,322	0	66	24		3,488	0	393	3,731	6,349	3,405	650	315	2,125	645	593	24,106
Miscellaneous	4,228	0	497	511	134	3,286	991	548	6,864	274	3,867	530	2,284	609	456	6,123	31,202
Total	14,451	0	77,281	13,514	6,494	12,324	4,616	35,229	36,257	27,033	37,782	14,230	16,997	10,021	14,611	24,982	345,822

FINANCIAL PERFORMANCE OF INSURANCE BROKERS (2001-2004)

Rs	2004 ¹	2003 ^{1,2}	2002 ²	2001 ³
No. of Insurance Brokers	11	11	8	7
Total assets	348,538,962	300,166,499	168,221,056	150,515,494
Income				
Bad debt recovered	0	0		
Dividends received	132,376	100,617		
Fees and commissions	113,816,629	91,567,076	75,276,460	59,677,232
Gain on exchange	1,953,513	(564,816)		
Insurance claims received	0	0		
Interest on investments in Govt. Securities, T-Bills, BoM Bills	1,061,188	0		
Management fees	5,924,613	3,960,517		
Other income	5,175,528	533,526	935,680	99,514
Other interest (Abroad)	0	0		
Other interest (Local)	3,380,551	3,507,512	1,520,631	
Other investment income	1,250,809	1,057,189	1,964,289	2,903,229
Profit on sale of assets	(4,629)	185,999		
Rent received	0	0		
Total income	132,690,578	100,347,620	79,697,060	62,679,975
Expenses				
Compensation of employees				
Wages & Salaries (inc bonus & overtime)	40,592,931	32,632,883	29,156,176	25,771,212
Employer's contribution to pension and life assurance schemes	2,929,919	2,355,721		
Other benefits	1,548,458	1,175,642		
Payment in kind (food, rent, etc)	0	0		
Refund of travelling to and from work	1,276,110	909,669		
Retirement pension	1,877,823	1,243,838		
Total compensation of employees	48,225,241	38,317,753	29,156,176	25,771,212
Other expenses				
Depreciation	5,626,019	4,424,757		
Dividends paid	13,000,000	10,500,000		
Income Tax	11,721,013	7,085,641	6,316,850	2,303,008
Insurance premiums	1,303,128	932,299		
Interest paid	592,552	880,815	3,220,228	1,166,933
Miscellaneous other expenses	12,806,368	9,691,669	11,700,425	12,204,736
Rates and other taxes	69,706	52,596		
Total other expenses	45,118,786	33,567,776	21,237,503	15,674,677
Purchase of goods & services				
Communication cost (post, courier service, telephone, internet fax, etc)	1,728,491	1,616,666		
Electricity and water charges	963,834	722,301		
Motor vehicles running expenses (including fuel, spareparts etc)	2,183,013	1,827,273		
Other purchase of goods and services	4,272,104	4,897,909	37,200	1,199,284
Printing, advertising and promotion	1,188,147	1,453,434		
Rent of buildings/premises	3,081,478	2,982,643		
Repairs and maintenance	775,564	764,431		
Stationery and other office requisites	2,581,608	2,755,782	16,725,010	13,076,068
Total purchase of goods & services	16,774,240	17,020,439	16,762,210	14,275,352
Total expenses	110,118,266	88,905,968	67,155,889	55,721,241
Total profit/(loss) after tax	22,572,312	11,441,652	12,541,171	6,958,734

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004² Annual NBFI Survey 2003³ Annual NBFI Survey 2002

APPENDIX 13

Number of Insured Pension Schemes Surveyed – Breakdown by Insurance Company			
Insurance Company	2004 ¹	2003	2002
Albatross Insurance Company Ltd	86	94	90
Anglo Mauritius Assurance Society Ltd	425	510	467
British American Insurance Co. (Mtius) Ltd	3	1	7
Island Life Assurance Co Ltd	NR	12	7
La Prudence (Mauricienne) Assurances Ltee	NR	12	7
Mauritian Eagle Insurance Company Ltd	2	2	3
Mauritius Union Assurance Company Ltd	1	1	2
Rainbow Insurance Company Ltd	4	0	4
State Insurance Company of Mauritius Ltd	156	148	147
Sun Insurance Company Ltd	1	0	3
Total no. of Insured Pension Schemes	678	790	753

¹ Quarterly Statistical Surveys (data as at Quarter 4)

NR: Not reported

OVERVIEW OF SURVEYED INSURED PENSION SCHEMES (QSS 2004)

Name	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	No. of Schemes	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter	No. of Schemes	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter	No. of Schemes	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter	No. of Schemes	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter
Albatross Insurance Company Ltd Total	87	239,432,025	2,128	88	239,432,025	2,128	86	238,398,632	2,104	86	238,398,632	2,104
British American Insurance Co (Mtius) Ltd Total	3	6,356,865	1	3	6,652,503	1	3	7,150,077	1	3	7,689,312	1
Mauritian Eagle Insurance Co. Ltd	2	4,383,445	52	2	4,834,896	52	2	4,984,309	52	2	5,141,757	52
Mauritius Union Assurance Co. Ltd	1	0	104	1	56,067,748	101	1	58,654,618	109	1	62,555,187	109
Rainbow Insurance Company Ltd Total	4	0	65	4	0	65	4	0	65	4	0	65
State Insurance Company of Mauritius Ltd Total	143	7,972,967,814	3,710	148	7,967,801,906	3,757	152	8,130,347,066	3,845	156	8,479,682,910	3,961
Sun Insurance Co. Ltd	1	0	755	1	0	759	1	0	765	1	0	766
The Anglo-Mauritius Assurance Society Ltd Total	392	2,208,935,191	11,193	405	2,264,552,146	11,297	423	2,350,720,179	11,474	425	2,417,433,796	11,589
Grand Total	633	10,432,075,340	18,008	652	10,539,341,225	18,160	672	10,790,254,881	18,415	678	11,210,901,595	18,647

INCOME & EXPENDITURE OF SURVEYED INSURED PENSION SCHEMES (QSS 2004)

QUARTER 1

No. of Schemes	Employee Contributions	Employer Contributions	Other pension premiums	Total Pension Turnover	Benefit Payments	Cost of pension purchased*	Cash withdrawals benefit (including transfers to other schemes)*	Administration (if charged against fund)	Other expenditure	Total Expenditure		
Albatross Insurance Company Ltd Total	88	107,899	6,196,146	0	0	6,304,045	11,965	374,782	470,194	236,957	753,266	3,984,243
British American Insurance Co (Mtius) Ltd Total	3	0	410,869	0	0	410,869	9,269	0	0	0	0	9,269
Mauritian Eagle Insurance Co. Ltd	2	0	99,596	0	0	99,596	0	19,667	0	0	16,768	36,435
Mauritius Union Assurance Co. Ltd	1	186,968	463,440	0	0	650,408	8,160	0	0	0	8,160	16,320
	4	0	388,655	0	0	388,655	0	0	0	0	0	388,655
State Insurance Company of Mauritius Ltd Total	143	9,352,076	136,690,618	0	196,850,854	342,893,548	93,991,584	0	435,680	3,268,563	2,303,284	99,999,111
Sun Insurance Co. Ltd	1	0	0	212,500	0	212,500	4,914	0	0	0	0	4,914
The Anglo-Mauritius Assurance Society Ltd Total	392	4,251,594	53,815,651	470,863	39,213,341	97,751,449	7,287,568	20,878,235	3,297,188	2,475,127	6,208,663	40,146,781
Grand Total	634	13,898,537	198,064,976	683,363	236,064,195	448,711,071	101,313,460	21,272,684	4,203,062	5,980,647	9,290,141	144,585,727

QUARTER 2

No. of Schemes	Employee Contributions	Employer Contributions	Other pension premiums	Other income	Total Pension Turnover	Benefit Payments	Cost of pension purchased*	Cash withdrawals benefit (including transfers to other schemes)*	Administration (if charged against fund)	Other expenditure	Total Expenditure	
Albatross Insurance Company Ltd Total	88	102,517	14,045,697	0	0	14,148,214	14,247	0	296,013	89,872	169,365	683,514
British American Insurance Co (Mtius) Ltd Total	3	0	416,068	0	0	416,068	9,269	0	0	0	0	9,269
Mauritian Eagle Insurance Co. Ltd	2	0	99,596	0	0	99,596	0	19,667	0	0	16,768	36,435
Mauritius Union Assurance Co. Ltd	1	193,872	475,314	0	0	669,186	3,581	1,280,568	0	0	3,581	1,287,730
Rainbow Insurance Company Ltd Total	4	0	327,349	0	0	327,349	0	0	0	0	0	0
State Insurance Company of Mauritius Ltd Total	148	14,159,630	181,868,206	0	202,981,424	399,009,260	87,680,251	0	1,333,444	3,829,576	8,294,209	101,137,480
Sun Insurance Co. Ltd	1	0	0	287,878	0	287,878	3,826	0	0	0	0	3,826
The Anglo-Mauritius Assurance Society Ltd Total	405	4,568,184	52,309,021	1,237,811	41,321,251	99,436,267	4,626,762	25,961,492	2,725,062	1,886,586	263,994	35,463,896
Grand Total	652	19,024,203	249,541,251	1,525,689	244,302,675	514,393,818	92,337,936	27,261,727	4,354,519	5,806,034	8,747,917	138,622,149

INCOME & EXPENDITURE OF SURVEYED INSURED PENSION SCHEMES (QSS 2004)

QUARTER 3

	No. of Schemes	Employee Contributions	Employer Contributions	Other pension premiums	Total Pension Turnover	Benefit Payments	Cost of pension purchased*	Cash withdrawals benefit (including transfers to other schemes)*	Administration (if charged against fund)	Other expenditure	Total Expenditure
Albatross Insurance Company Ltd Total	86	63,569	12,508,906	2,434,370	0	15,006,845	20,423	0	6,568	390,944	397,512
British American Insurance Co (Mtius) Ltd Total	3	0	409,694	0	0	409,694	9,269	0	0	0	9,269
Mauritian Eagle Insurance Co. Ltd	2	0	99,596	0	0	99,596	0	19,667	0	16,768	36,435
Mauritius Union Assurance Co. Ltd	1	213,710	525,060	0	0	738,770	0	0	0	0	0
Rainbow Insurance Company Ltd Total	4	0	396,444	0	0	396,444	0	7,233	0	0	7,233
State Insurance Company of Mauritius Ltd Total	152	7,095,511	131,573,638	0	133,014,440	271,683,589	99,501,889	0	13,922	6,669,546	109,138,426
Sun Insurance Co. Ltd	1	0	0	176,601	0	176,601	2,537	0	0	0	2,537
The Anglo-Mauritius Assurance Society Ltd Total	423	3,821,028	73,719,984	6,821,680	42,956,579	127,319,271	9,575,172	8,483,244	2,044,911	16,413,551	44,825,971
Grand Total	672	11,193,818	219,233,323	9,432,651	175,971,019	415,830,811	109,109,290	8,328,760	5,004,548	23,490,809	154,417,383

QUARTER 4

	No. of Schemes	Employee Contributions	Employer Contributions	Other pension premiums	Total Pension Turnover	Benefit Payments	Cost of pension purchased*	Cash withdrawals benefit (including transfers to other schemes)*	Administration (if charged against fund)	Other expenditure	Total Expenditure
Albatross Insurance Company Ltd Total	86	63,753	10,292,676	0	0	10,356,429	13,139	0	77,517	150,745	44,592,061
British American Insurance Co (Mtius) Ltd Total	3	0	408,298	0	0	408,298	9,269	0	0	0	9,269
Mauritian Eagle Insurance Co. Ltd	2	0	99,596	0	0	99,596	0	19,667	0	16,768	36,435
Mauritius Union Assurance Co. Ltd	1	282,904	694,852	0	0	977,756	6,809	2,932,997	0	6,809	2,946,614
Rainbow Insurance Company Ltd Total	4	0	327,349	0	0	327,349	0	16,827	0	0	16,827
State Insurance Company of Mauritius Ltd Total	156	12,074,570	160,366,566	0	313,672,270	486,113,406	130,835,965	0	3,623,967	2,030,957	136,877,009
Sun Insurance Co. Ltd	1	0	0	204,100	0	204,100	13,785	0	0	0	13,785
The Anglo-Mauritius Assurance Society Ltd Total	425	1,596,507	51,672,669	3,569,699	44,919,965	101,758,840	7,675,408	22,165,668	2,088,666	145,518	36,183,473
Grand Total	678	14,017,734	223,862,006	3,773,799	358,592,235	600,245,774	138,554,375	25,118,331	5,790,150	2,350,797	220,675,472

LIST OF REGISTERED SUPERANNUATION FUNDS (AS AT 30 JUNE 2005)

NAME OF SUPERANNUATION FUND

1. Axxess Superannuation Fund
2. BNPI Superannuation Fund¹
3. Bonair Group (Management) Superannuation Fund²
4. Building & Civil Engineering (Workers) Superannuation Fund
5. BWL Pension Fund
6. Casinos of Mauritius Pension Fund
7. Caudan Group Retirement Fund
8. Central Electricity Board Manual Workers Pension Fund
9. Central Electricity Board Staff Pension Fund
10. Confident Pension Fund²
11. Deutsche Bank (Mauritius) Limited Pension Scheme
12. Food & Allied Group Superannuation Fund
13. Forges Tardieu (Workmen) Superannuation Fund
14. General Construction Intermediate Staff Superannuation Fund
15. Gibling Ducray Superannuation Fund
16. GML Pension Fund
17. Happy World Group (Employees) Superannuation Fund
18. Happy World Group (Executives) Superannuation Fund
19. Hong Kong and Shanghai Banking Corporation Superannuation Fund for Resident Officers Ltd
20. Hong Kong and Shanghai Banking Corporation Superannuation Fund for Staff Officers, Clerical and Subordinate Staff Ltd
21. I.B.L. Group Retirement Fund
22. Leal Group (Staff) Superannuation Fund²
23. Manndel Industrial Packers Pension Fund
24. Margarine Industries Employees Pension Fund
25. Mauritius Freeport Development Pension Fund
26. Mauritius Superannuation Fund
27. MSIRI Pension Fund
28. Naiade Resorts Group Pension Fund
29. New Mauritius Hotels Group Superannuation Fund
30. Quality Beverages Limited Employees Pension Fund
31. Rehm-Grinaker Construction Co. Ltd Superannuation Fund
32. Rogers Group Superannuation Fund²
33. Rogers Money Purchase Retirement Fund
34. SBM Group Pension Fund
35. Societe du Port Pension Fund
36. Standard Bank (Mauritius) Pension Fund
37. SUN Insurance Superannuation Fund
38. Super Fund
39. Systems Building Superannuation Fund
40. The Mauritius Civil Service Mutual Aid Association Employees Superannuation Fund
41. The Mauritius Commercial Bank Limited Superannuation Fund (Non-Clerical Staff)
42. The Mauritius Commercial Bank Limited Superannuation Fund Clerical Group
43. The PriceWaterHouseCoopers Ltd Superannuation Fund
44. The United Mutual Superannuation Fund
45. United Docks Superannuation Fund
46. La Sentinelle Group Pension Fund

¹ Struck out on 1 July 2005² In process of winding up

Overview of Surveyed Superannuation Funds (QSS 2004)

Quarter 1 - 2004

Scheme	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter	No. of contributory members at end of Quarter	No. of non-contributory members at end of Quarter	No. of Defined Benefit Plans at end of Quarter	No. of Defined Contribution Plans at end of Quarter
1. Air Mauritius Ltd Defined Contribution Scheme	20,601,951	486	443	43	0	1
2. Axxess Superannuation Fund	23,385,946	182	97	85	0	1
3. British American Insurance Co. (Mtius) Ltd - Employees' Pension Plan	27,568,454	16	177	133	1	0
4. Building & Civil Engineering (Workers) Superannuation Fund	8,283,521	6	65	0	1	0
5. BWL Pension Fund	1,206,170	8	5	3	0	1
6. Casinos of Mauritius Pension Fund	54,175,590	5	771	0	0	0
7. Caudan Group Retirement Fund	5,738,238	167	98	69	0	1
8. Deutsche Bank (Mtius) Limited Pension Scheme	2,009,726	35	12	23	0	1
9. DML Pension Fund	13,319,318	268	113	155	0	1
10. Food and Allied Group Superannuation Fund	45,989,267	24	726	0	0	0
11. Forges Tardieu (Workmen) Superannuation Fund	19,829,651	21	110	0	1	0
12. General Construction Intermediate Site Staff Sup. Fund	15,273,175	10	0	78	1	0
13. Gblot Ducray Superannuation Fund	35,678,414	15	294	25	1	0
14. GML Pension Fund	427,291,151	2,154	1,877	277	1	0
16. Happy World Group (Executives) Superannuation Fund	53,339,337	6	70	0	0	0
17. IBL Group Retirement Fund	35,159,045	717	684	33	0	1
18. MCS Mutual Aid Employees Superannuation and Pension Fund	28,403,400	5	46	46	46	0
19. Manzdel Industrial Packers Pension Fund (MIPPF)	18,152,304	4	0	0	0	0
20. Margarine Industries Employees Pension Fund	29,672,244	11	91	0	0	1
21. MCB Superannuation Fund (Clerical)	1,036,975,680	127	0	1,276	1	0
22. MCB Superannuation Fund (Non Clerical)	112,390,942	96	0	405	1	0
23. MFD Pension Fund	11,266,725	137	137	0	0	1
24. MSRI Pension Fund	58,551,724	141	0	141	1	0
25. Naiade Resorts Group Pension Fund	14,419,669	1,233	1,233	0	1	1
26. New Mauritius Hotels Group Superannuation Fund	647,114,000	173	3,909	0	1	0
27. PricewaterhouseCoopers Ltd. Superannuation Fund	32,226,571	1	0	159	0	0
28. Rehm Grinaker Construction Co. Ltd. Superannuation Fund	21,327,816	0	130	0	0	0
29. Rogers Money Purchase Retirement Fund	419,770,061	3,419	2,704	715	0	1
30. Standard Bank(Mtius) Pension Fund	1,505,983	29	28	1	0	1
31. Sun Insurance Superannuation Fund	8,917,549	63	0	63	1	0
32. Superfund	29,928,221	375	280	95	2	30
33. Systems Building Superannuation Fund	14,576,532	35	12	23	0	1
34. The HSBC Superannuation Fund for Resident Officers (ROC's)	57,091,055	11	0	21	1	0
35. The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)						
36. United Docks Superannuation Fund (UDSF)	96,013,137	26	0	272	1	0
37. United Mutual Superannuation Fund	44,837,200	33	11	0	0	1
	90,825,859	27	516	247	18	51
TOTAL	2,474,442,932	10,095	15,481	4,388	79	95

Overview of Surveyed Superannuation Funds (QSS 2004)

Quarter 2 - 2004

Scheme	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter	No. of contributory members at end of Quarter	No. of non-contributory members at end of Quarter	No. of Defined Benefit Plans at end of Quarter	No. of Defined Contribution Plans at end of Quarter
1. Air Mauritius Ltd Defined Contribution Scheme	24,419,037	528	485	43	0	1
2. Avess Superannuation Fund	26,000,974	178	97	81	0	1
3. British American Insurance Co. (Mitus) Ltd - Employees' Pension Plan	28,387,674	18	188	141	1	0
4. Building & Civil Engineering (Workers) Superannuation Fund	8,994,557	6	65	0	1	0
5. BWL Pension Fund	1,398,265	9	5	4	0	1
6. Casinos of Mauritius Pension Fund	59,172,993	5	766	0	0	0
7. Caudan Group Retirement Fund	6,324,781	163	95	68	0	1
8. Deutsche Bank (Mitus) Limited Pension Scheme	2,196,128	35	13	22	0	1
9. DML Pension Fund	14,973,008	288	118	150	0	1
10. Food and Allied Group Superannuation Fund	50,135,909	27	721	0	0	0
11. Forges Tardieu (Workmen) Superannuation Fund	20,941,027	23	109	0	1	0
12. General Construction Intermediate Site Staff Sup. Fund	15,683,152	11	0	86	1	0
13. Gbiot Ducray Superannuation Fund	35,788,861	15	283	25	1	0
14. GML Pension Fund	463,330,973	2152	1890	262	1	0
15. Happy World Group (Employees) Superannuation Fund	58,836,742	32	821	0	0	0
16. Happy World Group (Executives) Superannuation Fund	56,260,590	7	70	0	0	0
17. IBL Group Retirement Fund	39,409,440	736	704	32	0	1
18. MCS Mutual Aid Employees Superannuation and Pension Fund	28,233,110	6	46	46	46	0
19. Manzdel Industrial Packers Pension Fund (MIPPF)	18,629,250	4	0	104	0	0
20. Margarine Industries Employees Pension Fund	34,432,586	14	93	0	0	1
21. MCB Superannuation Fund (Clerical)	1,194,083,314	128	0	1364	1	0
22. MCB Superannuation Fund (Non Clerical)	136,905,849	97	0	403	1	0
23. MFD Pension Fund	12,456,470	166	16	150	0	1
24. MSRI Pension Fund	58,827,055	141	0	141	1	0
25. Naiade Resorts Group Pension Fund	16,834,922	1156	1156	0	1	1
26. New Mauritius Hotels Group Superannuation Fund	689,814,000	181	3927	0	1	0
27. PricewaterhouseCoopers Ltd. Superannuation Fund	34,791,161	1	0	159	0	0
28. Rehm Grinaker Construction Co. Ltd. Superannuation Fund	23,976,430	0	130	0	0	0
29. Rogers Money Purchase Retirement Fund	426,231,379	3422	2722	700	0	1
30. SBM Group Pension Fund	310,099,628	28	0	605	1	0
31. Standard Bank (Mitus) Pension Fund	1,767,324	29	28	1	1	1
32. Sun Insurance Superannuation Fund	9,102,353	63	0	63	1	0
33. Superfund	32,648,579	370	264	106	2	31
34. Systems Building Superannuation Fund	15,527,125	195	195	0	0	1
35. The HSBC Superannuation Fund for Resident Officers (ROC's)	58,515,047	11	0	21	1	0
36. The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)	98,047,567	26	0	261	1	0
37. United Docks Superannuation Fund (UDSF)	45,573,094	32	11	0	11	1
38. United Mutual Superannuation Fund	99,043,250	27	509	246	18	51
TOTAL	2,926,804,441	10,310	15,527	5,284	80	96

Overview of Surveyed Superannuation Funds (QSS 2004)

Quarter 3 - 2004

Scheme	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter	No. of contributory members at end of Quarter	No. of non-contributory members at end of Quarter	No. of Defined Benefit Plans at end of Quarter	No. of Defined Contribution Plans at end of Quarter
1. Air Mauritius Ltd Defined Contribution Scheme	27,485,519	540	488	52	0	1
2. Axxess Superannuation Fund	27,727,477	176	96	80	0	1
3. British American Insurance Co. (Mitus) Ltd - Employees' Pension Plan	39,982,145	18	199	147	1	0
4. Building & Civil Engineering (Workers) Superannuation Fund	9,065,884	6	65	0	1	0
5. BWL Pension Fund	1,532,958	8	5	3	0	1
6. Casinos of Mauritius Pension Fund	65,267,935	4	782	0	0	0
7. Caudan Group Retirement Fund	6,731,664	163	95	68	0	1
8. Deutsche Bank(Mitus)Limited Pension Scheme	2,382,714	35	12	23	0	1
9. DML Pension Fund	15,792,453	264	121	143	0	1
10. Food and Allied Group Superannuation Fund	50,946,326	29	851	0	0	0
11. Forges Tardieu (Workmen) Superannuation Fund	21,133,542	23	110	0	1	0
12. General Construction Intermediate Site Staff Sup. Fund	16,055,324	11	0	87	1	0
13. Gblot Ducray Superannuation Fund	36,247,286	15	253	25	1	0
14. GML Pension Fund	482,487,413	2294	2020	274	1	0
15. Happy World Group (Employees) Superannuation Fund	60,567,995	32	883	0	0	0
16. Happy World Group (Executives) Superannuation Fund	55,780,141	7	66	0	0	0
17. IBL Group Retirement Fund	42,536,643	792	760	32	0	1
18. MCS, Mutual Aid Employees Superannuation and Pension Fund	29,728,717	6	46	46	46	0
19. Manzdel Industrial Packers Pension Fund (MIPPF)	18,968,070	4	0	106	0	0
20. Margarine Industries Employees Pension Fund	37,854,171	16	93	0	0	1
21. MCB Superannuation Fund (Clerical)	1,215,956,572	133	0	1403	1	0
22. MCB Superannuation Fund (Non Clerical)	1,215,956,572	133	0	1403	1	0
23. MFD Pension Fund	13,280,636	169	169	0	0	1
24. MSRI Pension Fund	58,898,570	141	0	141	1	1
25. Naiaie Resorts Group Pension Fund	18,294,124	1110	1110	0	0	1
26. New Mauritius Hotels Group Superannuation Fund	732,514,000	189	3945	0	1	0
27. PricewaterhouseCoopers Ltd. Superannuation Fund	38,042,008	1	0	153	0	0
28. Rehm Grinaker Construction Co. Ltd. Superannuation Fund	25,654,917	0	131	0	0	0
29. Rogers Money Purchase Retirement Fund	482,499,371	3359	2728	631	0	1
30. SBM Group Pension Fund	318,526,061	27	0	609	1	0
31. Standard Bank(Mitus) Pension Fund	1,837,937	29	29	0	0	1
32. Sun Insurance Superannuation Fund	9,282,464	65	0	65	1	0
33. Superfund	35,753,108	403	295	108	2	33
34. Systems Building Superannuation Fund	15,834,115	181	181	0	0	1
35. The HSBC Superannuation Fund for Resident Officers (ROC's)	59,939,039	11	0	21	1	0
36. The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)	100,081,997	28	0	257	1	0
37. United Docks Superannuation Fund (UDSF)	45,730,497	31	11	0	0	1
38. United Mutual Superannuation Fund	102,236,743	27	537	246	18	52
TOTAL	3,106,679,963	10,480	16,081	6,123	80	99

Overview of Surveyed Superannuation Funds (QSS 2004)

Quarter 4 - 2004

Scheme	Value of funds under management at end of Quarter (Rs)	No. of beneficiaries at end of Quarter	No. of contributory members at end of Quarter	No. of non-contributory members at end of Quarter	No. of Defined Benefit Plans at end of Quarter	No. of Defined Contribution Plans at end of Quarter
1. Air Mauritius Ltd Defined Contribution Scheme	32,634,665	558	497	61	0	1
2. Axa Superannuation Fund	31,809,950	182	102	80	0	1
3. British American Insurance Co. (Mitus) Ltd - Employees' Pension Plan	43,971,000	17	212	155	1	0
4. Building & Civil Engineering (Workers) Superannuation Fund	9,633,913	6	65	0	1	0
5. BWL Pension Fund	1,796,516	7	4	3	0	1
6. Casinos of Mauritius Pension Fund	70,559,384	6	768	0	0	0
7. Caudan Group Retirement Fund	7,698,170	176	96	80	0	1
8. Deutsche Bank(Mitus)Limited Pension Scheme	2,782,595	41	14	27	0	1
9. DML Pension Fund	17,992,765	282	139	143	0	1
10. Food and Allied Group Superannuation Fund	54,960,534	29	844	0	0	0
11. Forges Tardieu (Workmen) Superannuation Fund	22,358,526	24	108	0	1	0
12. General Construction Intermediate Site Staff Sup. Fund	16,386,815	11	0	86	1	0
13. Gblot Ducray Superannuation Fund	39,906,891	16	231	25	1	0
14. GML Pension Fund	533,433,707	2288	2026	262	1	0
15. Happy World Group (Employees) Superannuation Fund	66,093,173	34	871	0	0	0
16. Happy World Group (Executives) Superannuation Fund	59,393,785	9	65	0	0	0
17. IBL Group Retirement Fund	50,566,677	825	794	31	0	1
18. MCS Mutual Aid Employees Superannuation and Pension Fund	29,975,670	6	47	47	47	0
19. Manzdel Industrial Packers Pension Fund (MIPPF)	19,842,450	4	0	105	0	0
20. Margarine Industries Employees Pension Fund	37,163,920	19	94	0	0	1
21. MCB Superannuation Fund (Clerical)	1,726,379,176	133	0	1439	1	0
22. MCB Superannuation Fund (Non Clerical)	207,927,994	99	0	406	1	0
23. MFD Pension Fund	15,535,541	171	171	0	0	1
24. MFD Pension Fund	61,129,516	141	0	141	1	0
25. Naiade Resorts Group Pension Fund	20,895,981	1040	1040	0	0	1
26. New Mauritius Hotels Group Superannuation Fund	761,336,000	197	3959	0	1	0
27. PricewaterhouseCoopers Ltd. Superannuation Fund	40,161,705	1	0	144	0	0
28. Rehm Grinaker Construction Co. Ltd. Superannuation Fund	28,464,806	0	132	0	0	0
29. Rogers Money Purchase Retirement Fund	509,730,390	3511	2896	615	0	1
30. SBM Group Pension Fund	331,589,353	28	0	593	1	0
31. Standard Bank(Mitus) Pension Fund	2,385,346	27	26	1	0	1
32. Sun Insurance Superannuation Fund	9,416,311	61	0	61	0	0
33. Superfund	41,677,740	416	293	123	1	35
34. Systems Building Superannuation Fund	17,063,424	178	176	2	0	1
35. The HSBC Superannuation Fund for Resident Officers(ROC's)	61,363,029	12	0	21	1	0
36. The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)	102,116,425	35	0	237	1	0
37. United Docks Superannuation Fund (UDSF)	45,583,805	31	11	0	0	1
38. United Mutual Superannuation Fund	113,798,125	27	527	244	18	52
TOTAL	3,311,008,602	10,648	16,208	5,132	80	101

INCOME & EXPENDITURE OF SURVEYED SUPERANNUATION FUNDS (QSS 2004)

Quarter 1

Scheme	Employee Contributions	Employer Contributions	Other pension premiums	Other Income	Total Pension Turnover	Benefit Payments	Cost of pension purchased	Cash withdrawals benefit (including transfers to other schemes)	Administration cost (if charged against fund)	Other Expenditure	Total Expenditure
1 Air Mauritius Ltd Defined Contribution Scheme	703,910	1,625,060	85,344	2,239,505	4,653,819	0	0	92,793	104,636	66,183	263,612
2 Axaess Superannuation Fund	203,879	710,623	0	1,251,812	2,166,314	67,444	0	142,558	39,219	87,688	336,909
3 British American Insurance Co. (Mitus) Ltd - Employees' Pension Plan	298,540	298,540	0	0	597,079	191,287	0	13,889	0	0	205,176
4 Building & Civil Engineering (Workers) Superannuation Fund	52,142	125,140	0	164,205	341,487	5,127	0	31,402	31,510	48,928	116,966
5 BWL Pension Fund	30,769	78,209	0	57,708	166,686	0	0	33,175	9,000	3,033	45,208
6 Casinos of Mauritius Pension Fund	1,771,123	3,542,247	0	1,024,740	6,338,110	69,073	0	358,839	179,187	277,962	885,061
7 Caudan Group Retirement Fund	128,388	326,317	0	515,953	970,658	0	166,762	26,719	26,011	37,003	256,495
8 Deutsche Bank (Mitus) Limited Pension Scheme	45,747	230,090	0	0	275,837	0	0	16,856	11,528	10,249	38,633
9 DML Pension Fund	62,420	3,213,361	1,821,329	0	5,097,110	0	0	854,410	41,689	28,011	924,110
10 Food and Allied Group Superannuation Fund	265,246	530,492	0	798,333	1,594,071	118,978	0	46,753	114,889	51,075	331,495
11 Forges Tardieu (Workmen) Superannuation Fund	68,554	205,663	0	333,067	607,285	66,078	0	250,912	49,027	80,746	446,763
12 General Construction Intermediate Site Staff Sup. Fund	0	345,000	0	182,105	527,105	62,856	0	346,000	62,206	38,181	509,243
13 Giblot Ducrey Superannuation Fund	43,675	546,845	0	0	590,520	458,547	0	0	200,000	300,270	958,817
14 GML Pension Fund	1,707,187	11,346,197	333,594	20,490,037	33,877,015	2,410,595	187,934	433,221	263,952	1,601,639	4,897,341
15 Happy World Group (Employees) Superannuation Fund	544,164	1,088,328	0	1,074,505	2,706,998	261,167	0	168,951	130,497	77,064	637,678
16 Happy World Group (Executives) Superannuation Fund	437,828	875,656	0	956,222	2,269,706	111,969	0	0	57,575	67,548	237,092
17 IBL Group Retirement Fund	1,091,798	2,107,168	207,539	960,554	4,357,059	4,380	0	3,905,816	148,661	273,529	4,332,386
18 MCS Mutual Aid Employees Superannuation and Pension Fund	0	342,191	0	1,197,822	1,540,013	98,571	0	0	1,500	7,906	107,977
19 Manzel Industrial Packers Pension Fund (MIPPF)	0	247,734	0	381,000	628,734	45,102	0	0	112,248	4,674	162,024
20 Margarine Industries Employees Pension Fund	0	524,396	0	221,314	55,547	0	8,379	0	18,000	8,977	26,977
21 MCB Superannuation Fund (Clerical)	0	16,853,695	0	18,120,921	34,974,616	7,224,596	0	0	691,349	4,000	7,919,945
22 MCB Superannuation Fund (Non-Clerical)	0	1,479,066	0	1,950,675	3,429,741	938,385	0	0	113,796	0	1,052,181
23 MFD Pension Fund	259,257	469,911	0	406,524	1,135,692	0	0	35,736	29,015	74,530	139,281
24 MSRI Pension Fund	0	2,006,989	0	2,176	2,224,494	774,319	0	0	204,134	0	978,453
25 Naiade Resorts Group Pension Fund	1,190,117	1,665,142	0	0	2,855,259	0	0	390,943	0	0	390,943
26 New Mauritius Hotels Group Superannuation Fund	3,725,000	19,250,000	0	10,900,000	33,875,000	2,769,000	806,000	375,000	436,000	140,000	4,526,000
27 PricewaterhouseCoopers Ltd. Superannuation Fund	0	0	0	653,405	653,405	879	0	0	90,000	737,694	828,573
28 Rehm Grinaker Construction Co. Ltd. Superannuation Fund	709,892	709,892	0	277,632	1,697,415	0	196,214	126,703	102,502	99,540	524,960
29 Rogers Money Purchase Retirement Fund	0	0	0	0	0	0	0	0	0	0	0
30 Standard Bank (Mitus) Pension Fund	92,740	238,037	0	120,645	451,422	0	0	0	18,000	3,766	21,766
31 Sun Insurance Superannuation Fund	0	0	0	595,402	595,402	0	0	0	20,301	20,301	20,301
32 Superfund	539,124	1,503,614	491,702	1,254,012	3,788,452	40,695	0	42,404	85,774	154,602	323,475
33 Systems Building Superannuation Fund	250,980	313,945	32,188	573,450	1,170,563	2,061	0	629,492	47,181	44,888	723,622
34 The HSBC Superannuation Fund for Resident Officers (RO's)	0	547,282	156,405	1,546,128	2,249,815	1,191,845	0	0	43,765	562	1,236,172
35 The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)	0	1,838,253	0	2,317,421	4,155,674	2,041,717	0	0	45,171	0	2,086,888
36 United Docks Superannuation Fund (UDSF)	132,204	270,535	0	2,145,864	2,548,603	1,495,104	0	0	515,630	0	2,010,734
37 United Mutual Superannuation Fund	0	3,995,969	708,655	2,595,357	7,299,981	133,920	0	615,573	300,000	391,322	1,440,815
TOTAL	14,344,684	79,451,586	3,836,756	75,308,494	172,466,687	20,563,695	1,365,289	8,938,145	4,343,753	4,721,570	39,944,071

INCOME & EXPENDITURE OF SURVEYED SUPERANNUATION FUNDS (QSS 2004)

Quarter 2

Scheme	Employee Contributions	Employer Contributions	Other pension premiums	Other income	Total Pension Turnover	Benefit Payments	Cost of pension purchased	Cash withdrawals benefit (including transfers to other schemes)	Administration cost (if charged against fund)	Other Expenditure	Total Expenditure
1 Air Mauritius Ltd Defined Contribution Scheme	775,043	1,873,476	53,735	1,390,825	4,093,079			58,127	120,178	75,065	253,370
2 Access Superannuation Fund	203,702	706,581	104,141	232,505	1,246,929	7,518	0	197,278	39,029	87,242	331,067
3 British American Insurance Co. (Mitus) Ltd - Employees' Pension Plan	319,620	319,620	0	0	639,239	236,302	0	18,934	0	0	255,235
4 Building & Civil Engineering (Workers) Superannuation Fund	52,142	125,140	405,792	56,365	233,647	55,851	0	0	31,510	43,554	130,915
5 BWL Pension Fund	35,269	87,544	0	93,623	216,436	0	0	0	9,000	3,343	12,343
6 Casinos of Mauritius Pension Fund	1,756,734	3,513,468	0	1,127,798	6,398,000	40,488	0	707,376	179,187	753,586	1,680,636
7 Caudan Group Retirement Fund	125,815	321,630	7,344	0	454,789	0	0	34,170	25,448	36,203	95,821
8 Deutsche Bank(Mitus)Limited Pension Scheme	87,918	277,456	0	0	365,374	0	0	55,729	13,873	12,316	81,918
9 DMIL Pension Fund	100,395	1,080,169	661,473	0	1,842,037	0	0	353,026	46,706	31,383	431,115
10 Food and Allied Group Superannuation Fund	261,342	522,684	0	547,763	1,331,790	54,078	0	130,805	114,689	37,240	336,812
11 Forges Tardieu (Workmen) Superannuation Fund	66,850	200,550	0	306,425	573,826	167,282	0	0	49,027	73,106	289,415
12 General Construction Intermediate Site Staff Sup. Fund	0	345,000	0	(124,100)	220,900	88,118	0	0	60,000	7,805	155,923
13 Gblot Ducrey Superannuation Fund	43,675	546,845	0	230,219	820,739	461,547	0	8,481	0	1,346	471,374
14 GML Pension Fund	1,736,312	11,241,636	505,424	22,124,540	35,607,912	5,445,032	391,450	467,311	263,754	1,607,308	8,174,855
15 Happy World Group (Employees) Superannuation Fund	530,143	1,060,286	0	681,419	2,271,848	173,383	0	3,088,064	131,132	69,141	3,461,720
16 Happy World Group (Executives) Superannuation Fund	439,179	878,359	0	492,925	1,810,462	111,969	0	459,303	62,149	270,191	903,612
17 IBL Group Retirement Fund	1,071,357	2,085,022	115,656	1,582,963	4,854,998	4,380	0	608,338	149,796	274,817	1,037,331
18 MCS Mutual Aid Employees Superannuation and Pension Fund	0	339,625	0	113,333	452,958	623,248	0	0	0	0	623,248
19 Manzdel Industrial Packers Pension Fund (MIPP)	0	243,614	0	278,434	522,048	45,102	0	0	0	0	45,102
20 Margarine Industries Employees Pension Fund	0	465,712	0	331,360	83,189	227,870	8,379	0	0	32,544	32,544
21 MCB Superannuation Fund (Clerical)	0	22,888,790	0	39,867,138	62,755,928	8,570,744	0	0	2,582,068	77	11,155,889
22 MCB Superannuation Fund (Non-Clerical)	0	2,497,837	0	5,770,388	8,268,225	940,190	0	0	482,235	0	1,422,425
23 MFD Pension Fund	269,248	451,768	295,534	254,041	1,270,591	0	0	296,987	30,634	78,701	406,322
24 MSRI Pension Fund	0	1,939,506	0	0	1,939,506	2,561,698	0	0	191,109	0	2,752,807
25 Nalade Resorts Group Pension Fund	945,304	1,589,782	0	0	2,535,086	0	0	799,394	0	0	799,394
26 New Mauritius Hotels Group Superannuation Fund	3,725,000	19,250,000	0	10,900,000	33,875,000	2,769,000	806,000	375,000	436,000	140,000	4,526,000
27 PricewaterhouseCoopers Ltd Superannuation Fund	0	2,000,000	0	689,776	2,689,776	879	0	0	122,142	2,165	125,186
28 Rehm Grinaker Construction Co. Ltd. Superannuation Fund	702,393	702,393	0	182,100	1,586,885	0	0	74,085	102,502	94,820	271,407
29 Rogers MoneyPurchase Retirement Fund	5,897,037	9,752,968	6,065,875	503,576	22,219,456	6,437,794	1,067,195	9,389,004	651,870	5,043,106	22,588,969
30 SBM Group Pension Fund	0	0	0	1,646,792	1,646,792	122,415	0	0	415,325	0	537,740
31 Standard Bank (Mitus) Pension Fund	99,996	256,701	0	240,020	596,717	0	0	0	18,000	4,104	22,104
32 Sun Insurance Superannuation Fund	0	0	0	797,438	797,438	0	0	13,021	24,512	0	37,533
33 Superfund	664,586	1,494,804	35,142	2,951,483	5,146,015	43,704	0	159,036	86,755	158,216	447,711
34 Systems Building Superannuation Fund	239,721	299,662	0	564,729	1,104,112	2,061	0	524,555	44,918	42,732	614,266
35 The HSBC Superannuation Fund for Resident Officers (ROC's)	0	782,610	156,405	1,713,652	2,652,667	1,191,845	0	0	43,765	562	1,236,172
36 The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)	0	1,670,829	0	2,518,660	4,189,489	2,041,717	0	156,405	45,171	0	2,243,293
37 United Docks Superannuation Fund (UDSF)	132,204	394,909	0	3,809,536	4,336,649	1,999,872	0	0	1,063,014	0	3,062,886
38 United Mutual Superannuation Fund	0	4,465,258	189,601	147,904	4,802,764	133,900	19,759	431,041	300,000	391,322	1,276,022
Total	20,280,985	96,672,233	8,596,122	102,023,631	226,453,296	34,557,987	2,292,783	18,405,470	7,935,498	9,371,995	72,330,482

INCOME & EXPENDITURE OF SURVEYED SUPERANNUATION FUNDS (QSS 2004)

Quarter 3

Scheme	Employee Contributions	Employer Contributions	Other pension premiums	Other Income	Total Pension Turnover	Benefit Payments	Cost of pension purchased	Cash withdrawals benefit (including transfers to other schemes)	Administration cost (if charged against fund)	Other Expenditure	Total Expenditure
1 Air Mauritius Ltd Defined Contribution Scheme	788,472	1,972,514	41,305	517,746	3,320,037	0	0	57,096	127,262	79,009	263,367
2 Axxess Superannuation Fund	232,592	793,175	171,456	817,785	2,015,008	7,518	0	111,689	44,563	94,095	257,865
3 British American Insurance Co. (Mtius) Ltd - Employees' Pension Plan	458,571	458,571	0	0	917,142	214,486	0	0	0	0	214,486
4 Building & Civil Engineering (Workers) Superannuation Fund	17,381	41,713	0	143,032	202,126	5,127	0	0	45,552	156,287	206,966
5 BWL Pension Fund	62,737	88,515	0	7,538	158,790	0	0	16,686	9,000	3,411	29,097
6 Casinos of Mauritius Pension Fund	1,837,635	3,675,270	0	1,096,693	6,609,598	40,488	0	0	215,515	258,583	514,586
7 Caudan Group Retirement Fund	139,370	279,913	16,245	83,865	519,393	0	0	36,588	27,801	38,536	102,925
8 Deutsche Bank(Mtius)Limited Pension Scheme	70,788	280,737	0	0	351,525	0	0	138,441	14,037	12,461	164,939
9 DML Pension Fund	140,868	1,043,243	329,747	0	1,513,858	0	0	443,853	47,299	104,243	595,395
10 Food and Allied Group Superannuation Fund	130,299	260,597	0	566,547	957,444	61,986	0	135,663	95,000	13,718	306,367
11 Forges Tardieu (Workmen) Superannuation Fund	71,611	214,834	0	152,449	438,894	92,387	0	0	40,500	258,996	391,883
12 General Construction Intermediate Site Staff Sup. Fund	0	345,000	0	(56,724)	288,276	65,154	0	128,998	60,000	6,952	261,104
13 Gblot Ducray Superannuation Fund	43,675	546,845	0	502,025	1,092,545	462,704	0	626	0	270	463,600
14 GML Pension Fund	2,005,746	12,958,732	4,277,797	4,961,214	24,203,489	1,787,064	646,575	1,513,509	284,859	1,768,665	6,000,672
15 Happy World Group (Employees) Superannuation Fund	557,599	1,115,199	0	789,413	2,462,211	214,710	0	285,021	139,739	74,960	714,430
16 Happy World Group (Executives) Superannuation Fund	425,608	851,216	0	508,823	1,785,647	1,413,628	750,000	0	61,459	64,430	2,289,517
17 IBL Group Retirement Fund	1,190,510	2,333,239	3,056	649,841	4,176,646	4,512	0	1,611,931	166,747	302,854	2,086,044
18 MCS Mutual Aid Employees Superannuation and Pension Fund	0	354,436	0	1,305,248	1,659,684	124,077	0	0	0	40,000	164,077
19 Manzdel Industrial Packers Pension Fund (MIPPF)	0	304,525	0	191,446	495,971	45,102	0	0	112,049	0	157,151
20 Margarine Industries Employees Pension Fund	0	476,676	0	173,843	106,008	96,500	8,379	0	0	409,401	409,401
21 MCB Superannuation Fund (Clerical)	0	18,063,988	0	15,756,568	33,820,556	13,534,563	0	0	1,220,466	85	14,755,114
22 MCB Superannuation Fund (Non-Clerical)	0	18,063,988	0	15,756,568	33,820,556	13,534,563	0	0	1,220,466	85	14,755,114
23 MFD Pension Fund	301,743	525,232	0	150,594	977,569	0	0	18,615	33,598	85,204	137,417
24 MSIRI Pension Fund	0	1,955,495	0	77,288	2,032,783	1,758,649	0	0	574,808	0	2,333,457
25 Nalade Resorts Group Pension Fund	1,366,519	814,234	0	0	2,180,753	0	0	754,541	0	0	754,541
26 New Mauritius Hotels Group Superannuation Fund	3,725,000	19,250,000	0	10,900,000	33,875,000	2,769,000	806,000	375,000	436,000	140,000	4,526,000
27 PricewaterhouseCoopers Ltd. Superannuation Fund	0	3,000,000	0	443,548	3,443,548	879	0	5,361	186,426	36	192,702
28 Rehm Grinaker Construction Co. Ltd. Superannuation Fund	776,279	776,279	0	224,113	1,776,670	0	0	25,582	0	105,083	130,665
29 Rogers Money Purchase Retirement Fund	5,981,298	9,459,853	2,122,333	47,513,123	65,076,607	6,435,676	102,850	9,516,895	610,766	2,897,549	19,563,735
30 SSM Group Pension Fund	0	5,180,233	0	3,640,374	8,820,607	380,872	0	0	899,990	0	1,280,862
31 Standard Bank (Mtius) Pension Fund	104,778	261,615	0	2,662	369,055	0	0	149,724	18,000	4,093	171,817
32 Sun Insurance Superannuation Fund	0	0	0	187,102	187,102	0	0	0	6,991	0	6,991
33 Superfund	668,613	1,554,018	573,215	1,685,715	4,481,561	33,483	0	1,029,976	96,740	169,372	1,329,571
34 Systems Building Superannuation Fund	233,264	291,611	375,345	199,890	1,100,110	5,478	84,273	702,301	43,781	41,560	877,393
35 The HSBC Superannuation Fund for Resident Officers(ROC's)	0	797,736	156,405	1,713,652	2,667,793	1,191,845	0	0	43,765	562	1,236,172
36 The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)	0	1,740,769	0	2,518,660	4,259,429	2,041,717	0	156,405	45,171	0	2,243,293
37 United Docks Superannuation Fund (UDSF)	22,935	68,364	0	715,933	807,232	483,978	0	0	165,852	0	649,830
38 United Mutual Superannuation Fund	0	3,487,331	0	4,819,190	8,306,521	152,129	0	0	300,000	1,341,176	1,793,305
TOTAL	21,353,891	113,685,696	8,066,904	118,715,763	257,790,412	46,958,275	2,398,077	17,214,501	7,394,202	8,471,675	82,331,851

INCOME & EXPENDITURE OF SURVEYED SUPERANNUATION FUNDS (QSS 2004)

Quarter 4

Scheme	Employee Contributions	Employer Contributions	Other pension premiums	Other income	Total Pension Turnover	Benefit Payments	Cost of pension purchased	Cash withdrawals benefit transfers to other schemes)	Administration cost (if charged against fund)	Other Expenditure	Total Expenditure
1 Air Mauritius Ltd Defined Contribution Scheme	1,054,254	2,661,546	18,782	2,243,646	5,978,228	0	0	580,024	171,438	92,976	844,438
2 Avess Superannuation Fund	314,581	943,185	53,527	110,918	1,422,211	40,234	0	31,895	58,974	94,367	225,470
3 British American Insurance Co. (Mitus) Ltd - Employees' Pension Plan	683,880	683,880	0	0	1,367,760	212,306	0	0	0	0	212,306
4 Building & Civil Engineering (Workers) Superannuation Fund	52,142	125,140	0	155,672	332,954	5,127	0	0	29,352	5,969	40,448
5 BWL Pension Fund	77,244	104,600	0	116,837	298,681	0	0	17,404	9,662	3,056	30,122
6 Casinos of Mauritius Pension Fund	1,828,840	3,657,680	0	1,266,879	6,753,399	1,061,715	0	6,183	118,401	275,651	1,461,950
7 Caudan Group Retirement Fund	186,015	383,082	36,588	459,015	1,064,700	0	0	0	38,799	43,017	81,816
8 Deutsche Bank (Mitus) Limited Pension Scheme	96,967	402,014	0	0	498,981	0	0	0	20,103	14,801	34,904
9 DML Pension Fund	205,932	1,426,688	93,996	0	1,726,616	0	0	44,000	64,554	119,372	227,926
10 Food and Allied Group Superannuation Fund	189,254	378,508	0	736,865	1,304,626	81,088	0	9,292	105,000	70,043	265,423
11 Forges Tardieu (Workmen) Superannuation Fund	93,697	281,091	0	227,748	602,536	160,680	0	9,262	40,500	35,697	246,139
12 General Construction Intermediate Site Staff Sup. Fund	0	345,000	0	(33,165)	311,835	65,154	0	0	89,713	170,477	325,344
13 Gblot Duway Superannuation Fund	43,675	546,845	0	268,051	858,571	511,777	0	102,609	60,897	22,452	697,735
14 GML Pension Fund	2,838,496	19,103,605	799,259	36,646,484	59,387,844	5,355,459	187,379	668,847	287,913	1,928,380	8,427,978
15 Happy World Group (Employees) Superannuation Fund	551,486	1,102,972	100,940	979,512	2,734,909	148,121	0	219,968	0	14,487	382,576
16 Happy World Group (Executives) Superannuation Fund	429,140	858,280	0	870,368	2,157,789	218,398	0	20,106	0	366,190	604,695
17 IBL Group Retirement Fund	1,615,053	3,135,849	1,757,904	1,482,880	7,991,686	4,512	0	600,902	224,657	333,265	1,163,336
18 MCS Mutual Aid Employees Superannuation and Pension Fund	0	346,085	0	77,226	423,311	161,410	0	0	6,800	8,148	176,358
19 Manzdel Industrial Packers Pension Fund (MPPF)	0	308,486	0	744,568	1,053,054	45,102	0	0	0	133,573	178,674
20 Margarine Industries Employees Pension Fund	0	476,174	0	837,807	146,613	0	20,250	0	1,557,567	34,159	34,159
21 MCB Superannuation Fund (Clerical)	0	12,549,502	0	31,726,074	44,275,576	11,916,312	0	0	319,149	42,151	13,516,030
22 MCB Superannuation Fund (Non-Clerical)	0	1,314,686	0	2,826,879	4,141,565	1,887,276	0	6,789	44,768	89,989	2,206,425
23 MFD Pension Fund	403,599	885,542	0	1,127,370	2,416,511	0	0	0	63,286	0	141,546
24 MSRI Pension Fund	0	1,954,861	0	0	1,954,861	1,060,155	0	0	0	0	1,123,441
25 Naiade Resorts Group Pension Fund	991,733	1,819,804	56,544	0	2,868,081	0	0	1,246,929	0	0	1,246,929
26 New Mauritius Hotels Group Superannuation Fund	4,340,000	22,422,000	0	11,550,000	38,312,000	7,752,000	314,000	853,000	438,000	133,000	9,490,000
27 PricewaterhouseCoopers Ltd Superannuation Fund	0	2,170,396	0	1,642,526	3,812,922	879	0	1,505,389	186,426	36	1,692,730
28 Rehm Grinaker Construction Co. Ltd. Superannuation Fund	779,785	779,785	0	294,572	1,854,142	0	0	0	222,010	107,690	329,700
29 Rogers Money Purchase Retirement Fund	8,524,433	26,712,339	31,926,656	84,510	67,247,938	6,639,380	787,956	8,679,880	391,236	2,585,520	19,083,972
30 SBM Group Pension Fund	118,916	4,880,157	0	4,296,592	9,176,749	681,624	0	0	325,724	0	1,007,348
31 Standard Bank (Mitus) Pension Fund	0	300,061	0	273,406	692,383	0	0	178,528	21,206	2,795	202,529
32 Sun Insurance Superannuation Fund	0	0	0	365,565	365,565	38,293	0	0	13,314	0	51,607
33 Superfund	675,249	1,803,354	1,770,840	2,390,276	6,639,719	19,374	316,750	1,194,436	106,525	181,790	1,818,875
34 Systems Building Superannuation Fund	230,723	285,735	194,980	145,204	859,642	5,478	84,273	167,666	45,530	41,326	344,273
35 The HSBC Superannuation Fund for Resident Officers(ROC's)	0	797,423	156,405	1,379,316	2,333,144	1,191,845	0	0	43,765	562	1,236,172
36 The HSBC Superannuation Fund for Staff Officers, Clerical and Subordinate Staff (SOC's)	0	1,667,797	0	2,518,660	4,186,457	2,041,717	0	156,405	45,171	0	2,243,293
37 United Docks Superannuation Fund (UDSF)	57,636	171,750	0	1,437,626	1,667,070	1,314,184	0	0	342,178	0	1,656,362
38 United Mutual Superannuation Fund	0	4,392,408	0	7,530,990	7,530,990	133,672	0	99,420	400,000	371,078	1,004,171
TOTAL	26,382,730	122,181,311	36,966,421	116,780,877	296,751,620	42,753,272	1,710,608	16,398,934	5,892,618	7,322,017	74,057,201

NET ASSETS OF INVESTMENT SCHEMES AT CLOSE OF QUARTERS 2004						
Type of Investment Schemes	Fund/Portfolio Manager	Investment Schemes	1st Qtr Rs	2nd Qtr Rs	3rd Qtr Rs	4th Qtr Rs
Private Equity Funds	Venture Capital Partners Ltd	Mauritius Venture Capital Fund Ltd	87,800,611	86,290,452	93,724,421	95,485,041
	Venture Capital Partners Ltd	Indian Ocean Regional Fund Ltd	169,541,060	184,783,470	186,936,720	194,474,163
	SIC Fund Management Ltd I & P Management	National Equity Fund Ltd I & P Capital	8,931,142	130,403,188	131,307,076	131,395,138
	(Indian Ocean) Ltd	(Indian Ocean) Ltd	13,075,966	36,640,156	34,996,389	37,836,354
	SBM Mauritius Asset Managers Ltd	First Republic Fund Ltd	503,973,622	523,086,504	523,086,504	523,086,504
		TOTAL	783,322,401	961,203,770	970,051,109	982,277,200
Authorised Mutual Funds	Capital Asset Management Ltd	Port Louis Fund	815,135,652	836,489,783	822,989,594	869,028,597
	Tomfin Asset Management Ltd	Liberty Investment Trust Ltd	129,550,493	136,731,290	132,795,983	146,767,484
	National Mutual Fund Ltd	NMF General Fund	207,347,889	235,537,588	235,920,275	258,647,275
	National Mutual Fund Ltd	NMF Property Trust	91,441,410	93,916,431	96,287,606	99,013,786
	ASMO Securities & Investments Ltd	Authorised Long Term Ethical Equity Fund	1,300,714	13,463,388	13,268,609	14,531,651
		TOTAL	1,244,776,158	1,316,138,480	1,301,262,067	1,387,988,793
Unit Trusts	Investment Professionals Ltd	Policy Growth Fund	37,939,277	163,575,545	8,991,515	5,438,440
	Investment Professionals Ltd	Crme Growth Fund	302,010,511	310,932,633	305,470,749	320,791,895
	Sicom Financial Services Ltd	Sicom General Fund	90,441,432	117,493,877	116,898,212	120,324,239
	SBM Mauritius Asset Managers Ltd	SBM Universal Fund	77,969,959	155,660,319	156,009,218	160,340,341
	Multipliant Management Co. Ltd	Multipliant General Fund	221,182,711	240,078,814	238,226,091	255,736,193
	Multipliant Management Co. Ltd	The Penny Indexed Fund	73,886,901	80,168,122	79,928,544	90,399,887
	Multipliant Management Co. Ltd	The Penny Yield Fund	48,524,763	64,414,432	62,734,444	62,729,063
	Multipliant Management Co. Ltd	The MFL Fund	36,196,109	39,281,136	39,279,495	42,873,585
	National Investment Trust Ltd	National Investment Trust Ltd	1,177,682,000	1,233,955,000	1,284,423,000	1,440,805,000
	Bramer Asset Management Ltd	Indian Ocean Privatisation & Equity Fund	36,430,923	39,946,601	44,634,863	50,167,986
		TOTAL	2,102,264,585	2,445,506,479	2,336,596,131	2,549,606,629
Others	Investment Professionals Ltd	Policy Limited ¹	n.a.	592,524,000	n.a.	691,291,948
	Sugar Investment Trust	Sugar Investment Trust ¹	n.a.	1,749,658,000	n.a.	1,710,094,000
		TOTAL		2,342,182,000		2,401,385,948
AGGREGATE TOTAL			4,130,363,145	7,065,030,730	4,607,909,307	7,321,258,570

Source: Quarterly Statistical Surveys

¹ These entities report on a semi-annual basis

n.a. Not available

APPENDIX 20

INCOME & EXPENDITURE OF STOCKBROKING COMPANIES (2001-2004)

Rs	2004 ¹	2003 ^{1,2}	2002 ²	2001 ³
No. of Stockbroking Companies	10	11	10	11
Total assets	495,708,190	544,642,987	436,581,689	471,232,582
Income				
Bad debt recovered	0	0		
Dividends received	16,689,200	15,471,930		
Fees and commissions	35,691,978	22,251,497		
Gain on exchange	185,039	(11,674)		
Insurance claims received	0	0		
Interest on investments in Govt. Securities, T-Bills, BoM Bills	902,333	1,208,520		
Management fees	668,909	2,529,786	25,171,564	24,367,512
Other income	1,584,836	1,926,556	34,268,393	31,402,193
Other interest (Abroad)	0	0		
Other interest (Local)	3,460,265	2,991,501	3,147,663	2,087,957
Other investment income	233,018	23,988		
Profit on sale of assets	939,384	2,183,694		
Rent received	791,120	733,471		
Total income	61,146,083	49,309,270	62,587,620	57,857,662
Expenses				
Compensation of employees				
Wages and salaries including bonus and overtime	10,900,060	10,112,399	12,517,228	12,613,985
Employer's contribution to pension and life assurance schemes	740,281	471,970		
Other benefits	514,857	398,270		
Payment in kind (food, rent, etc)	13,399	14,322		
Refund of travelling to and from work	638,771	597,873		
Retirement pension	439,405	359,530		
Total compensation of employees	13,246,774	11,954,364	12,517,228	12,613,985
Other expenses				
Depreciation	1,437,809	1,591,836		
Dividends paid	19,800,000	19,100,000		
Income Tax	1,591,113	172,587	2,645,324	1,129,227
Insurance premiums	181,278	125,069		
Interest paid	733,065	1,046,451	892,401	1,850,646
Miscellaneous other expenses	2,800,336	1,936,768	10,034,743	8,993,885
Rates and other taxes	250,020	229,750		
Total other expenses	26,793,621	24,202,461	13,572,468	11,973,758
Purchase of goods & services				
Communication cost (post, courier service, telephone, internet fax, etc)	726,613	590,521		
Electricity and water charges	254,887	264,748		
Motor vehicles running expenses (including fuel, spareparts etc)	150,620	83,672		
Other purchase of goods and services	8,113,531	3,259,704	731,486	916,406
Printing, advertising and promotion	312,590	174,129		
Rent of buildings/premises	2,665,632	2,326,284		
Repairs and maintenance	390,613	351,396		
Stationery and other office requisites	642,000	723,365	4,406,293	3,836,556
Total purchase of goods & services	13,256,486	7,773,819	5,137,779	4,752,962
Total expenses	53,296,881	43,930,644	31,227,475	29,340,706
Total profit/(loss) after tax	7,849,202	5,378,626	31,360,145	28,516,956

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004² Annual NBFI Survey 2003³ Annual NBFI Survey 2002

INCOME & EXPENDITURE OF FUND / PORTFOLIO MANAGERS (2001-2004)

Rs	2004 ¹	2003 ¹	2002 ^{2,3}	2001 ³
No. of Fund/Portfolio Managers	15	14	11	10
Total assets	2,975,900,580	2,431,713,468	851,918,468	462,576,219
Income				
Bad debt recovered	0	0		
Dividends received	36,022,794	50,536,356		
Fees and commissions	11,142,349	7,779,613		
Gain on exchange	499,469	(80,985)		
Insurance claims received	0	0		
Interest on investments in Govt. Securities, T-Bills, BoM Bills	90,566,603	66,641,906		
Interest received	750,836	851,527		
Management fees	73,915,165	56,351,406	61,715,440	46,512,545
Other income	22,747,008	5,757,020	2,192,658	6,492,038
Other interest (Local)	100,911,299	87,263,780		
Other investment income	91,752,000	33,293,000	75,599,119	59,421,399
Profit on sale of assets	25,928,528	362,250		
Rent received	126,000	98,700		
Total income	454,374,255	308,869,170	139,507,217	112,425,982
Expenses				
Compensation of employees				
Payment in kind (food, rent, etc.)	0	0		
Employer's contribution to pension and life assurance schemes	770,112	631,696		
Other benefits	3,746,352	779,117		
Payment in kind (food, rent, etc)	734,361	268,221		
Refund of travelling to and from work	859,734	596,771		
Retirement pension	33,339	7,700		
Wages and salaries including bonus and overtime	23,662,787	21,396,774	20,822,316	16,608,987
Total compensation of employees	29,806,685	23,680,279	20,822,316	16,608,987
Other expenses				
Depreciation	3,225,384	1,752,670		
Dividends paid	44,224,000	50,634,000		8,000,000
Income Tax	4,032,233	2,165,238	4,534,521	4,348,082
Insurance premiums	779,976	553,649		
Interest paid	161,618,754	127,794,393	55,245,829	30,829,184
Miscellaneous other expenses	17,756,237	15,113,457	0	
Rates and other taxes	372,819	262,422		
Total other expenses	232,009,403	198,275,829	59,780,350	43,177,266
Purchase of goods & services				
Communication cost (post, courier service, telephone, internet, fax, etc.)	24,644	24,476		
Printing, advertising and promotion	252,451	241,999	1,253,376	891,304
Audit fees	46,000	57,500		
Communication cost (post, courier service, telephone, internet fax, etc)	1,121,720	1,159,483		
Directors' fees	50,000	0		
Electricity and water charges	409,134	326,358		
Motor vehicles running expenses (including fuel, spareparts etc)	855,341	1,001,681		
Other purchase of goods and services	26,229,530	36,348,158	27,704,655	19,635,847
Printing, advertising and promotion	1,165,987	688,659		
Rent of buildings/premises	2,808,517	2,022,462		
Repairs and maintenance	237,926	246,408		
Stationery and other office requisites	1,023,253	386,467	20,750,241	9,281,539
Total purchase of goods & services	34,224,502	42,503,651	49,708,271	29,808,690
Total expenses	296,040,590	264,459,759	130,310,938	89,594,943
Total profit/(loss) after tax	158,333,664	44,409,412	9,196,279	22,831,040

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004² Annual NBFI Survey 2003³ Annual NBFI Survey 2002

APPENDIX 22

INCOME & EXPENDITURE OF INVESTMENT ADVISERS/AGENTS (2001-2004)

Rs	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Investment Advisers/Agents	4	2	2	1
Total assets	4,809,400	4,041,899	3,832,625	889,377
Income				
Fees and commissions	4,809,155	1,412,198	1,326,192	
Gain on exchange	104,404			
Management fees	4,604,038	4,314,243	735,496	0
Other income	5,846	7,159	79,500	1,302,116
Rent received		3,679		
Total income	9,523,443	5,737,279	2,141,188	1,302,116
Expenses				
Compensation of employees				
Wages and salaries including bonus and overtime	4,965,830	3,366,239	2,289,988	44,113
Employer's contribution to pension and life assurance schemes	24,782	8,190		
Other benefits	0	0		
Payment in kind (food, rent, etc)	0	0		
Refund of travelling to and from work	123,513	105,800		
Retirement pension	48,322	0		
Total compensation of employees	5,162,447	3,480,229	2,289,988	44,113
Other expenses				
Depreciation	322,580	21,210		
Dividends paid	0			
Income Tax	113,499	35,103	0	65,590
Insurance premiums	97,025			
Interest paid	111,144	2,661	5,058	2,708
Miscellaneous other expenses	153,038	163,669		
Rates and other taxes	28,068	24,068		
Total other expenses	825,354	246,711	5,058	68,298
Purchase of goods & services				
Communication cost (post, courier service, telephone, internet fax, etc)	189,337	70,251		
Electricity and water charges	136,988	27,946		
Motor vehicles running expenses (including fuel, spareparts etc)	300,789	0		
Other purchase of goods and services	2,635,373	(243,451)	157,808	254,577
Printing, advertising and promotion	29,327	0	17,250	43,143
Rent of buildings/premises	647,590	81,230		
Repairs and maintenance	42,435	31,061		
Stationery and other office requisites	181,502	14,912	453,912	315,582
Total purchase of goods & services	4,163,340	(18,051)	628,970	613,302
Total expenses	10,151,141	3,708,889	2,924,016	725,713
Total profit/(loss) before tax	(627,698)	2,028,390	(782,828)	576,403

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004² Annual NBFI Survey 2003³ Annual NBFI Survey 2002

INCOME & EXPENDITURE OF LEASING COMPANIES (2001-2004)

Rs	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Leasing Companies	12	11	11	10
Total assets	8,657,310,390	7,111,760,757	7,487,715,292	6,703,990,066
of which Net Investments in Finance Leases	5,845,241,556	5,195,345,494	5,221,116,367	3,733,644,746
Income				
Bad debt recovered	351	261		
Dividends received	10,144,983	9,298,321		
Fees and commissions	30,546,694	28,340,458		
Gain on exchange	325,199	0		
Insurance claims received	0	0		
Interest on investments in Govt. Securities, T-Bills, BoM Bills	117,826,895	101,551,470		
Management fees	888,054	287,497		
Other income	31,040,027	32,485,754	84,821,115	158,006,689
Other interest (Abroad)	0	0		
Other interest (Local)	487,758,463	468,672,003	1,823,152,156	1,434,357,792
Other investment income	38,604,886	22,188,764	156,559,588	155,564,496
Profit on sale of assets	10,260,231	(225,873)		
Rent received	11,497,011	3,162,764		
Total income	738,892,794	665,761,419	2,064,532,859	1,747,928,977
Expenses				
Compensation of employees				
Wages and salaries including bonus and overtime	26,712,725	20,205,691	24,655,476	23,128,363
Employer's contribution to pension and life assurance schemes	1,721,987	3,953		
Other benefits	2,313,118	276,724		
Payment in kind (food, rent, etc)	594,577	20,082		
Refund of travelling to and from work	904,646	574,664		
Retirement pension	761,000	261,000		
Total compensation of employees	33,008,053	21,342,114	24,655,476	23,128,363
Other expenses				
Depreciation	47,118,758	45,844,441		
Dividends paid	122,556,000	79,811,000		
Income Tax	17,970,483	12,845,649	32,810,280	25,181,854
Insurance premiums	354,064	263,223		
Interest paid	599,859,076	578,727,339	1,725,483,121	1,452,676,185
Miscellaneous other expenses	48,907,681	32,470,607	98,856,718	79,425,361
Rates and other taxes	8,842,953	7,200,959		
Total other expenses	845,609,015	757,163,217	1,857,150,119	1,557,283,400
Purchase of goods & services				
Communication cost (post, courier service, telephone, internet fax, etc)	839,948	675,468		
Electricity and water charges	576,283	528,278		
Motor vehicles running expenses (including fuel, spareparts etc)	1,372,621	778,724		
Other purchase of goods and services	8,755,105	5,607,426	5,834,296	6,752,015
Printing, advertising and promotion	2,601,055	1,694,114		
Rent of buildings/premises	1,702,711	1,271,609		
Repairs and maintenance	1,521,757	838,062		
Stationery and other office requisites	1,560,104	1,576,648		
Total purchase of goods & services	18,929,584	12,970,328	5,834,296	6,752,015
Total expenses	897,546,652	791,475,659	1,887,639,891	1,587,163,778
Total profit/(loss) after tax	(158,653,858)	(125,714,240)	176,892,968	160,765,199

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004² Annual NBFI Survey 2003³ Annual NBFI Survey 2002

APPENDIX 24

INCOME & EXPENDITURE OF CREDIT FINANCE COMPANIES (2001-2004)

Rs	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Credit Finance Companies	3	3	3	3
Total assets	694,805,639	703,764,465	696,420,084	655,465,436
Income				
Bad debt recovered	6,736,086	19,454,839		
Fees and commissions	32,324,220	29,770,677	168,253,891	22,624,353
Management fees	16,150,111	14,623,160		
Other income	5,427,324	4,508,048		13,664,283
Other interest (Local)	148,838,169	136,083,806		121,815,000
Profit on sale of assets	500,526	61,260		
Total income	209,976,436	204,501,789	168,253,891	158,103,636
Expenses				
Compensation of employees				
Wages & Salaries (inc bonus & overtime)	29,000,584	26,440,569	34,486,179	33,076,289
Employer's contribution to pension and life assurance schemes	2,452,728	2,282,297		
Other benefits	5,239,215	4,340,824		
Payment in kind (food, rent, etc)	273,003	291,566		
Refund of travelling to and from work	2,902,660	2,323,071		
Total compensation of employees	39,868,189	35,678,326	34,486,179	33,076,289
Other expenses				
Depreciation	7,980,667	7,257,171		
Dividends paid	27,710,907	20,000,000		
Income Tax	10,988,047	10,304,411	1,739,000	4,101,000
Insurance premiums	841,733	909,496		
Interest paid	33,204,109	39,988,106	47,842,284	40,642,856
Miscellaneous other expenses	28,550,595	39,316,280	47,287,915	44,598,539
Rates and other taxes	337,683	680,528		
Total other expenses	109,613,740	118,455,994	96,869,199	89,342,395
Purchase of goods & services				
Communication cost (post, courier service, telephone, internet fax, etc)	5,420,296	4,659,353		
Electricity and water charges	933,848	1,005,577		
Motor vehicles running expenses (including fuel, spareparts etc)	756,803	931,312		
Other purchase of goods and services	17,675,273	16,842,003	609,615	1,726,380
Printing, advertising and promotion	4,481,377	6,425,804		
Rent of buildings/premises	2,581,895	2,529,699		
Repairs and maintenance	933,034	624,700		
Stationery and other office requisites	5,618,695	3,063,001	662,445	1,251,083
Total purchase of goods & services	38,401,220	36,081,448	1,272,060	2,977,463
Total expenses	187,883,149	190,215,768	132,627,438	125,396,147
Total profit/(loss) before tax	22,093,287	14,286,021	35,626,453	32,707,489

Sources: FSC Annual NBFI Surveys

¹ Annual NBFI Survey 2004² Annual NBFI Survey 2003³ Annual NBFI Survey 2002

INCOME & EXPENDITURE OF PENSION SCHEME MANAGERS (2001-2004)				
Rs	2004 ¹	2003 ¹	2002 ²	2001 ³
No. of Pension Scheme Managers	2	2	2	1
Total assets	9,878,791	8,855,955	3,016,792	2,631,105
Income				
Fees and commissions	5,794,996	5,408,681		
Management fees	6,790,435	5,812,827	7,533,334	3,985,677
Other income	28,648	69,200	501,049	334,629
Other interest (Local)	120,588	62,804		
Profit on sale of assets	130,000			
Total income	12,864,667	11,353,512	8,034,383	4,320,306
Expenses				
Compensation of employees				
Wages & Salaries (inc bonus & overtime)	5,676,370	5,221,964	4,448,126	1,606,314
Employer's contribution to pension and life assurance schemes	103,192	86,195		
Other benefits	128,894	116,414		
Refund of travelling to and from work	319,514	127,398		
Retirement pension	86,554	105,054		
Total compensation of employees	6,314,524	5,657,025	4,448,126	1,606,314
Other expenses				
Depreciation	1,113,526	938,639		
Dividends paid	500,000	500,000		
Income Tax	340,365	286,297	65,792	142,512
Insurance premiums	261,039	214,742		
Interest paid	252,311	253,219	14,568	2,538
Miscellaneous other expenses	649,747	591,942	1,255,775	661,538
Rates and other taxes	65,715	48,965		
Total other expenses	3,182,703	2,833,804	1,336,135	806,588
Purchase of goods and services				
Communication cost (post, courier service, telephone, internet fax, etc)	235,326	170,651		
Electricity and water charges	151,917	136,060		
Motor vehicles running expenses (including fuel, spareparts etc)	762,250	636,892		
Other purchase of goods and services	206,428	282,352	2,188,334	734,820
Printing, advertising and promotion	170,337	44,604	128,976	259,884
Rent of buildings/premises	496,947	472,044		
Repairs and maintenance	456,854	113,644		
Stationery and other office requisites	131,480	243,522	1,461,739	454,213
Total purchase of goods and services	2,611,539	2,099,769	3,779,049	1,448,917
Total expenses	12,108,766	10,590,598	9,563,310	3,861,819
Total profit/(loss) after tax	755,901	762,914	(1,528,927)	458,487

Sources: FSC Annual NBF Survey

¹ Annual NBF Survey 2004

² Annual NBF Survey 2003

³ Annual NBF Survey 2002

VALUE OF INWARD INVESTMENTS IN USD (INVESTMENT HOLDING & MUTUAL FUNDS/CIS) AS AT 31 DECEMBER 2004				
Country	Investment Holding	Mutual Funds/CIS	Total	Percentage
Total	44,220,847,490	15,311,360,269	59,532,207,759	100
India	22,271,299,244	9,732,868,910	32,004,168,154	54
Indonesia	10,037,974,619	520,444,833	10,558,419,452	18
China	3,224,662,175	462,591,734	3,687,253,909	6
Hong Kong	70,607,976	2,059,176,645	2,129,784,621	4
Singapore	2,039,257,371	38,279,703	2,077,537,074	3
South Africa	1,834,967,977	43,475,420	1,878,443,397	3
Africa	682,700,208	239,367,532	922,067,740	2
USA	452,539,798	265,877,834	718,417,632	1
Sri Lanka, India & Pakistan		616,698,661	616,698,661	1
Bermuda	507,252,625		507,252,625	1
Japan	317,376	466,335,761	466,653,137	1
Others	323,612,793		323,612,793	1
Europe(UK,Germany,France,Lux)	243,981,909	59,336,617	303,318,526	1
Mauritius	200,850,903	78,906,766	279,757,669	0
other		278,014,022	278,014,022	0
Malaysia	240,365,032	3,566,221	243,931,253	0
Pakistan	223,954,564		223,954,564	0
Indonesia	79,050,632	62,793,000	141,843,632	0
African Countries	128,305,279	1,178,889	129,484,168	0
UK	107,844,828	12,304,403	120,149,231	0
Madagascar	36,905,030	68,966,017	105,871,047	0
Republic of Panama	90,830,000		90,830,000	0
Australia	73,666,603	15,406,445	89,073,048	0
Taiwan	35,013,552	49,331,076	84,344,628	0
Netherlands	81,819,428	491,465	82,310,893	0
Worldwide	56,481,288	24,773,294	81,254,582	0
Guernsey	103,768	79,980,478	80,084,246	0
Indian Ocean	75,366,358		75,366,358	0
Chile	72,747,632		72,747,632	0
France	63,560,928	2,809,856	66,370,784	0
Cayman Island	65,817,925		65,817,925	0
Thailand	31,244,988	25,489,867	56,734,855	0
Luxembourg	52,578,187		52,578,187	0
United Arab Emirates	41,072,524	11,210,624	52,283,148	0
SADC	49,273,296		49,273,296	0
United States	49,230,791		49,230,791	0
Sri Lanka	17,629,675	30,804,000	48,433,675	0
United Kingdom	44,431,858	678,600	45,110,458	0
South East Asia and India	41,300,093		41,300,093	0
Hongkong	40,616,000		40,616,000	0
Ireland	37,656,626		37,656,626	0
Germany	36,219,925	294,408	36,514,333	0

APPENDICES

APPENDIX 26 (contd.)

VALUE OF INWARD INVESTMENTS IN USD (INVESTMENT HOLDING & MUTUAL FUNDS / CIS) AS AT 31 DECEMBER 2004				
Country	Investment Holding	Mutual Funds / CIS	Total	Percentage
Zambia	35,227,412		35,227,412	0
Ivory Coast	35,155,000		35,155,000	0
BVI	27,603,536	7,178,626	34,782,162	0
Sweden	32,373,268	56,624	32,429,892	0
Canada	16,956,523	14,850,618	31,807,141	0
Algeria	30,522,982		30,522,982	0
Egypt	28,099,506		28,099,506	0
UAE	20,068,970		20,068,970	0
Kenya	16,249,385	2,861,863	19,111,248	0
Asian countries (other)	11,543,646	5,078,000	16,621,646	0
Italy	11,470,000		11,470,000	0
Morocco	11,427,341		11,427,341	0
China & Singapore	11,352,825		11,352,825	0
Tanziland	10,772,017		10,772,017	0
Namibia	419,445	9,850,618	10,270,063	0
Tanzania	10,109,042		10,109,042	0
Gibraltar	9,472,730		9,472,730	0
Tunisia	8,375,786		8,375,786	0
Malawi	8,148,183		8,148,183	0
India & Singapore	7,448,824		7,448,824	0
Switzerland	7,323,130		7,323,130	0
Nigeria	5,225,500	1,898,385	7,123,885	0
Belgium	7,061,037		7,061,037	0
Argentina	6,429,906		6,429,906	0
China, Indonesia & Vietnam	6,323,923		6,323,923	0
Korea		5,280,427	5,280,427	0
Asia Pacific Region including India	5,220,000		5,220,000	0
Egypt	5,188,000		5,188,000	0
Seychelles	5,113,092		5,113,092	0
Madagascar	5,090,000		5,090,000	0
Guatemala	5,000,000		5,000,000	0
Rwanda	4,880,300		4,880,300	0
Caymand Island	4,564,979		4,564,979	0
Cote Divoire	4,431,657		4,431,657	0
Finland	4,173,672		4,173,672	0
Ghana	2,629,001	1,530,000	4,159,001	0
El Savador	4,000,000		4,000,000	0
African and Asian Countries	3,670,803		3,670,803	0
Philippines	3,403,458		3,403,458	0
US & Asian Countries	3,237,816		3,237,816	0
Uganda	2,021,418	960,000	2,981,418	0
Bangladesh	10,000	2,849,000	2,859,000	0
South East Asian Countries	2,829,373		2,829,373	0

APPENDIX 26 (contd.)

VALUE OF INWARD INVESTMENTS IN USD (INVESTMENT HOLDING & MUTUAL FUNDS/CIS) AS AT 31 DECEMBER 2004				
Country	Investment Holding	Mutual Funds/CIS	Total	Percentage
Zimbabwe	2,772,796		2,772,796	0
Eastern Europe	0	2,700,000	2,700,000	0
Denmark		2,000,000	2,000,000	0
Ireland		1,855,023	1,855,023	0
India, Malaysia, Taiwan, Vietnam & Other Pacific RIM Countries	1,649,796		1,649,796	0
Reunion Island	1,483,938		1,483,938	0
Morocco	1,368,808		1,368,808	0
Oman/Quatar	1,212,086		1,212,086	0
Mozambique	1,153,205		1,153,205	0
Russia	1,009,909		1,009,909	0
Cyprus	1,000,000		1,000,000	0
Panama	0	958,005	958,005	0
USA, Europe, Japan & India	935,369		935,369	0
Mali	618,743		618,743	0
India and Asia Pacific countries	513,350		513,350	0
Israel	468,230		468,230	0
Asia and Australia	456,000		456,000	0
Brazil	370,000		370,000	0
British Virgin Islands	334,879		334,879	0
India, South East Asia and China	308,899		308,899	0
Asian Countries	199,900		199,900	0
Caymans	195,910		195,910	0
Niger	177,266		177,266	0
Uganda, Tanzania & Kenya	117,698		117,698	0
Thailand	100,000		100,000	0
Guernsey and Isle of Man	95,450	0	95,450	0
Cameroon	88,634		88,634	0
Guinea	88,634		88,634	0
Rep of Benin	88,634		88,634	0
Mexico	62,331		62,331	0
Shares held in Simcocks Trust (Mauritius) Limited	50,500	0	50,500	0
Barbados	49,350		49,350	0
Lichtenstein	44,003		44,003	0
Indian Ocean Region	29,517		29,517	0
Jersey, C.I	23,000		23,000	0
Investment in GB 1 and GB 2 companies	21,523	0	21,523	0
Congo	16,213		16,213	0
South East Asian Countries & Indian Ocean RIM Countries	7,650		7,650	0

VALUE OF OUTWARD INVESTMENTS IN USD (INVESTMENT HOLDING & MUTUAL FUNDS / CIS) AS AT 31 DECEMBER 2004				
Country	Investment Holding	Mutual Funds / CIS	Total	Percentage
Total	49,474,850,396	12,270,443,353	61,745,293,748	100
USA	13,162,472,719	3,276,385,773	16,438,858,492	27
Singapore	12,501,060,618	401,951,402	12,903,012,019	21
UK	2,588,895,446	2,715,387,666	5,304,283,112	9
Bermuda	3,885,365,118	228,818,709	4,114,183,827	7
Luxembourg	1,167,730,290	2,215,550,135	3,383,280,425	5
BVI/Indonesia/China/Nigeria/Netherlands	2,514,009,237		2,514,009,237	4
BVI	1,607,803,491	606,707,000	2,214,510,491	4
South Africa	1,685,841,262	109,180,651	1,795,021,913	3
Hong Kong	1,685,641,647		1,685,641,647	3
Netherlands	1,485,457,523	17,810,722	1,503,268,245	2
Indonesia	1,393,029,445	38,795,492	1,431,824,937	2
China	748,829,362	356,991,687	1,105,821,049	2
Other		857,080,914	857,080,914	1
Mauritius	740,501,534	106,812,600	847,314,135	1
India	476,984,340	125,987,156	602,971,495	1
UAE	496,273,633	101,935,529	598,209,162	1
Caymand Island	50,829,685	478,321,100	529,150,785	1
British Virgin Island	513,653,941	0	513,653,941	1
Switzerland	253,325,924	84,053,719	337,379,643	1
Cayman Islands	267,202,780		267,202,780	0
Australia	225,315,697	28,219,187	253,534,884	0
Cayman Island	121,255,340	75,103,573	196,358,913	0
France	158,175,611	37,876,272	196,051,883	0
Italy, Austria)	163,666,213		163,666,213	0
Australia/UK	142,844,367		142,844,367	0
Japan	17,742,623	105,823,779	123,566,402	0
Canada	93,370,538	23,267,000	116,637,538	0
Hong Kong	101,324,969		101,324,969	0
The Netherlands	92,000,000		92,000,000	0
Luxembourg/Rep of Panama	90,830,000		90,830,000	0
African Countries	30,572,000	58,619,035	89,191,035	0
Guernsey	4,030,391	79,980,478	84,010,869	0
Barbados	83,938,820		83,938,820	0
Ireland		81,427,567	81,427,567	0
Malaysia	73,667,112		73,667,112	0
Jersey	59,609,801		59,609,801	0
Hongkong	54,462,395		54,462,395	0
Belgium	49,992,605		49,992,605	0
Germany	48,285,814		48,285,814	0

APPENDIX 27 (contd.)

VALUE OF OUTWARD INVESTMENTS IN USD (INVESTMENT HOLDING & MUTUAL FUNDS / CIS) AS AT 31 DECEMBER 2004				
Country	Investment Holding	Mutual Funds / CIS	Total	Percentage
Cayman	46,000,000		46,000,000	0
Sri Lanka	45,675,138		45,675,138	0
Libya	43,520,000		43,520,000	0
Country of New Castle	41,288,479		41,288,479	0
Ivory Coast	40,770,000		40,770,000	0
Channel Islands	40,405,059		40,405,059	0
Japan	38,809,801		38,809,801	0
Indonesia	29,459,189		29,459,189	0
Cyprus	25,374,714		25,374,714	0
Africa	21,162,497	3,859,082	25,021,579	0
Norway	21,837,212	1,970,933	23,808,145	0
Nigeria	14,129,958	8,751,197	22,881,155	0
Madagascar	17,374,107		17,374,107	0
Denmark		17,112,204	17,112,204	0
Others	16,444,736		16,444,736	0
Kuwait	11,158,691	3,000,000	14,158,691	0
Bahrain	10,522,614	2,916,667	13,439,281	0
Bahamas	13,177,496		13,177,496	0
Egypt	12,551,900		12,551,900	0
New Zealand	12,413,170		12,413,170	0
Indonesia/Singapore	12,007,280		12,007,280	0
Dubai	11,754,390		11,754,390	0
Gibraltar	11,558,445		11,558,445	0
Italy	10,128,499		10,128,499	0
Thailand	9,821,497		9,821,497	0
Isle of Man	9,590,728		9,590,728	0
Zimbabwe	9,165,647		9,165,647	0
Israel	8,936,634		8,936,634	0
Kenya	7,891,097	250,000	8,141,097	0
Republic of Liberia	6,656,623		6,656,623	0
Sweden	2,085,045	4,335,990	6,421,035	0
Finland		5,518,518	5,518,518	0
Russia	5,221,650		5,221,650	0
Germany		5,167,109	5,167,109	0
Bangladesh	4,717,859		4,717,859	0
Phillipines	1,278,921	2,916,667	4,195,588	0
Luxembourg and Switzerland	3,441,540		3,441,540	0
Tunisia	2,715,000		2,715,000	0
Hong Kong & India	2,285,707		2,285,707	0
India/Kenya	2,130,273		2,130,273	0

APPENDICES

APPENDIX 27 (contd.)

VALUE OF OUTWARD INVESTMENTS IN USD (INVESTMENT HOLDING & MUTUAL FUNDS / CIS) AS AT 31 DECEMBER 2004				
Country	Investment Holding	Mutual Funds / CIS	Total	Percentage
Thailand	1,765,000	100,000	1,865,000	0
Maldives		1,852,526	1,852,526	0
Philippines	1,742,811		1,742,811	0
India/Nigeria	1,649,980		1,649,980	0
Austria	1,592,993		1,592,993	0
Poland	1,370,868		1,370,868	0
Holland	899,634		899,634	0
Tanzania	852,177		852,177	0
Kenya, Uganda & UK	802,871		802,871	0
UK/Seychelles	708,246		708,246	0
Ireland		605,314	605,314	0
UEA/USA	529,834		529,834	0
UAE/Hong Kong /UK	529,620		529,620	0
Portugal	475,035		475,035	0
Madagascar /Holland	333,189		333,189	0
Mauritius & UK	325,881		325,881	0
Sultanate of Oman	288,000		288,000	0
UK/USA	268,777		268,777	0
Chad	183,217		183,217	0
SA	158,874		158,874	0
Liechsteinstein	147,012		147,012	0
INDONESIA	122,538		122,538	0
Seychelles/South Africa	120,390		120,390	0
Liberia	116,469		116,469	0
Leicheinstein	106,570		106,570	0
South Korea	100,000		100,000	0
Asian countries (other)	50,000		50,000	0
Bahamas	41,510		41,510	0
Uzbekistan	34,000		34,000	0
France	17,824		17,824	0
SADC	17,360		17,360	0
Namibia	12,082		12,082	0
Turkey	10,585		10,585	0
UAE/UK	6,934		6,934	0
Labuan	6,007		6,007	0
Reunion Island	5,219		5,219	0
Zambia	4,900		4,900	0
Panama	100		100	0
Iran	2		2	0

APPENDIX 28

INCOME & EXPENDITURE OF SURVEYED MANAGEMENT COMPANIES (2002-2004)			
USD	2004 ¹	2003 ^{1,2}	2002 ²
No. of Management Companies	67	69	57
Total assets	43,092,880	36,990,389	38,155,801
Income			
Company set-up fees	2,291,836	1,867,563	1,657,904
Directorship fees	5,092,838	4,132,696	2,247,790
Dividends received	457,474	0	
Fees for use of registered office	3,895,761	3,078,244	2,516,991
Insurance claims	107	0	
Interest received	125,852	73,227	
Management fees	19,258,103	17,199,114	20,570,682
Other income	6,255,277	3,116,424	
Rent	9,753	50,516	
Secretarial fees	3,777,877	3,543,109	2,403,070
Total income	41,164,877	33,060,893	29,396,436
Expenses			
Compensation of employees			
Payment in kind (food, rent, etc.)	51,296	0	
Employer's contribution to pension and life assurance schemes	308,857	165,783	
Other benefits	380,596	188,657	156,376
Refund of travelling to and from work	323,756	249,293	
Retirement pension	65,476	48,930	
Wages and salaries including bonus and overtime	7,937,972	6,040,586	5,005,285
Total compensation of employees	9,067,953	6,693,249	5,161,661
Other expenses			
Depreciation	1,410,836	1,077,847	
Dividends paid	5,975,350	1,234,968	
Income Tax	1,295,301	905,012	959,721
Insurance premiums	523,935	242,226	
Interest paid	4,104,463	1,795,727	79,156
Miscellaneous other expenses	6,384,262	5,699,220	12,078,027
Rates and other taxes	31,939	11,048	
Total other expenses	19,726,086	10,966,048	13,116,904
Purchase of goods & services			
Communication cost (post, courier service, telephone, internet, fax, etc.)	1,015,242	666,200	
Motor vehicle running expenses (including fuel, spareparts, etc.)	310,407	262,992	
Printing, advertising and promotion	764,124	746,647	
Accountancy services	408,531	291,585	72,646
Audit fees	127,944	117,398	105,809
Directors' fees	984,483	846,901	681,924
Electricity and water charges	261,836	164,270	
FSC fees	334,394	229,762	1,488,490
Other purchase of goods and services	4,125,704	4,120,582	1,330,978
Rent of buildings/premises	1,803,322	1,234,481	
Repairs and maintenance	184,626	112,195	
Stationery and other office requisites	491,376	391,048	2,050,318
Total purchase of goods & services	10,811,991	9,184,059	5,730,164
Total expenses	39,606,030	26,843,357	24,008,729
Total profit/(loss) after tax	1,558,848	6,217,536	5,387,707

Sources: FSC Annual NBF Survey

¹ Annual NBF Survey 2004² Annual NBF Survey 2003

INCOME & EXPENDITURE OF SURVEYED CORPORATE TRUSTEES (2002-2004)			
USD	2004 ¹	2003 ^{1,2}	2002 ²
No. of Corporate Trustees	23	21	15
Total assets	3,272,691	2,545,881	1,831,924
Income			
Company set-up fees	15,348	1,403	
Directorship fees	52	44	
Dividends received	1,198,294	1,934,484	
Fees for use of registered office	25,042	136,077	2,860
Insurance claims	0	0	
Interest received	6,915	3,611	
Management fees	701,259	124,384	425,191
Other income	471,779	389,401	509,452
Rent	0	0	
Secretarial fees	52	44	
Total income	2,418,741	2,589,446	937,503
Expenses			
Compensation of employees			
Employer's contribution to pension and life assurance schemes	1,612	1,734	
Other benefits	1,601	1,723	2,577
Refund of travelling to and from work	13,060	5,921	
Wages and salaries including bonus and overtime	88,031	35,854	14,859
Total compensation of employees	104,304	45,232	17,436
Other expenses			
Depreciation	25,320	14,915	
Dividends paid	1,255,576	1,756,000	
Income Tax	48,918	38,871	24,117
Insurance premiums	0	0	
Interest paid	5,719	817	5,361
Miscellaneous other expenses	76,169	94,595	46,525
Rates and other taxes	0	0	
Total other expenses	1,411,702	1,905,198	76,003
Purchase of goods & services			
Communication cost (post, courier service, telephone, internet, fax, etc.)	19,119	14,126	42,992
Motor vehicle running expenses (including fuel, spareparts, etc.)	2,977	4,095	
Printing, advertising and promotion	6,539	2,292	
Accountancy services	56,893	5,274	4,730
Audit fees	19,448	16,531	10,617
Directors' fees	53,776	43,641	29,209
Electricity and water charges	2,559	1,255	
FSC fees	23,368	32,289	34,105
Other purchase of goods and services	409,489	88,231	9,304
Rent of buildings/premises	38,741	30,663	
Repairs and maintenance	2,956	1,474	
Stationery and other office requisites	5,185	3,494	38,519
Total purchase of goods & services	641,050	243,365	169,476
Total expenses	2,157,056	2,193,795	262,915
Total profit/(loss) after tax	261,686	395,651	674,588

Sources: FSC Annual NBF Survey

¹ Annual NBF Survey 2004² Annual NBF Survey 2003

APPENDIX 30

INCOME & EXPENDITURE OF SURVEYED CAPTIVE MANAGERS (2002-2004)

USD	2004 ¹	2003 ¹	2002 ²
No. of Captive Managers	5	4	5
Total assets	4,617,069	4,666,978	276,291
Income			
Company set-up fees	0	0	
Directorship fees	0	0	
Dividends received	0	0	
Fees for use of registered office	0	0	
Insurance claims	224,373	1,303,380	
Interest received	72,743	90,447	5,074
Management fees	59,597	95,618	77,590
Other income	1,122	0	
Rent	0	0	
Secretarial fees	80	71	6,000
Total income	357,916	1,489,516	88,664
Expenses			
Compensation of employees			
Payment in kind (food, rent, etc.)	0	0	
Employer's contribution to pension and life assurance schemes	0	0	
Other benefits	0	0	
Refund of travelling to and from work	0	0	
Retirement pension	0	0	
Wages and salaries including bonus and overtime	8,739	8,183	5,312
Total compensation of employees	8,739	8,183	5,312
Other expenses			
Depreciation	0	0	
Dividends paid	0	0	
Income Tax	(146)	37,126	2,899
Insurance premiums	382,554	136,382	
Interest paid	20	1,510	90
Miscellaneous other expenses	72,936	103,297	11,621
Rates and other taxes	0	0	
Total other expenses	455,364	278,315	14,610
Purchase of goods & services			
Communication cost (post, courier service, telephone, internet, fax, etc.)	0	2	
Motor vehicle running expenses (including fuel, spareparts, etc.)	0	0	
Printing, advertising and promotion	0	0	
Accountancy services	2,000	2,534	
Audit fees	2,949	843	1,221
Directors' fees	1,121	1,125	2,772
Electricity and water charges	0	0	
FSC fees	4,803	3,267	5,500
Other purchase of goods and services	2,340	3,551	13,302
Rent of buildings/premises	0	0	
Repairs and maintenance	0	0	
Stationery and other office requisites	8	0	
Total purchase of goods & services	13,222	11,323	22,795
Total expenses	477,325	297,821	42,717
Total profit/(loss) after tax	(119,409)	1,191,695	45,947

Sources: FSC Annual NBF Survey

¹ Annual NBF Survey 2004² Annual NBF Survey 2003

**A5: LIST OF REGULATORY INSTRUMENTS ISSUED BY THE FSC
(PERIOD ENDING 30 JUNE 2005)**

NBFIs Concerned	Type of Regulatory Instrument	Subject	Date of Issue
Registered Motor Insurers	Circular Letter CL 010904	Cancellation of Motor Insurance Policy	3 Sept 2004
Insurers	Circular Letter CL 020904	Unlicensed Insurance Intermediaries	3 Sept 2004
Management Companies	Circular Letter CL 030904	Notice of Resignation of Management Companies/Registered Agents	3 Sept 2004
Management Companies & GBCs	Circular Letter CL 040904	Licence Renewals of GBCs	7 Sept 2004
Management Companies	Practice Notes PN 010904	Incorporator Companies	7 Sept 2004
Management Companies	Circular Letter CL 050904	Private Trust Companies	17 Sept 2004
Management Companies	Circular Letter CL 011004	Regulation and Practice Notes on Protected Cell Companies	1 Oct 2004
Insurers & Insurance Intermediaries	Circular Letter & Consultation Paper CP 011004	Code of Business Conduct for Insurance Business ¹	8 Nov 2004
Insurers	Circular Letter CL 011204	Dealings with Insurance Agencies Owned by Related Parties	29 Dec 2004
Insurers	Circular Letter CL 021204	Notification of Lapse Policies by Life Insurers	29 Dec 2004
Management Companies	Circular Letter & Practice Notes CL 010105 PN 010105	Managed Corporate Service Providers ²	6 Jan 2005
Management Companies	Circular Letter CL 010105(a)	Resignation of Registered Agents of Incorporator Companies	10 Jan 2005

NBFIs Concerned	Type of Regulatory Instrument	Subject	Date of Issue
Management Companies, GBCs 1, & NBFIs ³	Circular Letter CL 020105	New Licensing Conditions	14 Jan 2005
NBFIs ⁴	Circular Letter & Survey Forms	Quarterly Statistical Surveys ⁵	31 Jan 2005
Fund / Portfolio Managers & Investment Schemes	Circular Letter & Survey Form	IOSCO CIS Survey	4 Feb 2005
Management Companies & GBCs 1	Circular Letter	Submission of Audited Accounts	22 Feb 2005
NBFIs ⁶	Circular Letter & Survey Forms	Annual NBFI Survey 2004	15 Mar 2005
NBFIs ⁶	Circular Letter & Survey Forms	CPIS 2004	23 Mar 2005
NBFIs ⁷	Codes	Revised Codes on Prevention of Money Laundering and Terrorist Financing	22 Jul 2005
NBFIs ⁸	Circular Letter CL 010705	National Code of Corporate Governance	22 Jul 2005

¹ Not yet issued – still in working stage

² Followed consultation process on 24 September 2004

³ Excluded NBFIs include Insurers, Insurance Intermediaries and Stockbroking Companies & Stockbrokers

⁴ Relates to Insurers, Fund/Portfolio Managers, Investment Schemes and Occupational Pension Schemes only

⁵ Followed consultation process on 2 June 2004 and 15 October 2004

⁶ Relates to all NBFIs (licensed and unlicensed by the FSC)

⁷ Relates to Management Companies, Insurers & Insurance Intermediaries and Investment Businesses

⁸ Relates to all NBFIs licensed by the FSC

A6: LIST OF MOUs¹

1. Bank of Mauritius
2. Securities and Exchange Board of India (SEBI)
3. Committee of Insurance, Securities and Non Banking Financial Authorities (CISNA)
4. Financial Services Board of South Africa
5. Malta Financial Services Authority
6. Pensions and Insurance Authority of Zambia
7. Capital Markets Authority of Uganda
8. Namibia Financial Institutions Supervisory Authority
9. Securities and Exchange Commission of Zambia
10. Insurance Supervisory Department of Tanzania
11. Financial Intelligence Unit Mauritius
12. Isle of Man's Financial Supervision Commission
13. Reserve Bank of Malawi
14. South Asian Securities Regulators Forum

¹ Signed between the FSC and counterparts as at 30 June 2005

A7: CLASSIFICATION OF LICENSED & LICENSABLE NON-BANK FINANCIAL INSTITUTIONS

A. Insurance & Pension

- (1) Insurers
- (2) Re-insurance Companies¹
- (3) Occupational Pension Schemes
 - a) Superannuation Funds
 - b) Insured Pension Schemes
 - c) Provident Funds
 - d) Retirement Schemes

B. Capital Market Operators

- (1) Investment Schemes²
 - a) Authorised Mutual Funds
 - b) Unit Trust Schemes
 - c) Private Equity Funds
 - d) Collective Investment Schemes
 - e) Investment Companies

(2) Market Intermediaries³

- a) Fund/Portfolio Managers
- b) Investment Advisers/Agents
- c) Custodian
- d) Stockbroking Companies
- e) Stockbrokers
- f) Dealers' Representatives

(3) Market Infrastructure Providers

- a) Stock Exchange of Mauritius Ltd
- b) Central Depository & Settlement Co. Ltd

C. Specialised Finance Institutions⁴

- a) Credit Finance Companies
- b) Leasing Companies
- c) Factoring Companies
- d) Cooperative Credit Unions
- e) Mortgage Finance Companies

D. Financial Service Providers and Market Professionals⁵*Service Providers for the domestic market:*

- a) Insurance Brokers
- b) Insurance Agents
- c) Insurance Salesmen
- d) Pension Scheme Managers⁴
- e) Investment Advisers/Agents
- f) Actuaries⁴
- g) Treasury Managers⁴

Service Providers for the Global Business market

- a) Management Companies
- b) Corporate Trustees (Trust Service Providers)
- c) Captive Managers (Managers of Captive Insurance Business)

¹ Those currently in operation are licensed as GBCs¹

² These structures are governed by various existing legislation currently in force – their appellations will change with the forthcoming Securities Act 2005

³ The Securities Act 2005 will regroup and rename the current Market Intermediaries – some of the current intermediaries have been termed to reflect the type of business operations they are involved in. See definitions in Glossary

⁴ Some of these NBFIs are currently licensed under Section 14 of FSD Act 2001. They may all be governed by various new legislation in the future

⁵ Some of these NBFIs will be governed by the Insurance Act 2005 and the Securities Act 2005

A8: GLOSSARY (DEFINITION OF TERMS)

A. Insurance Business

Administration costs include staff salaries and other benefits, directors' fees, general management expenses, professional fees, maintenance & repairs, motor vehicles expenses and other administrative expenses.

Captive insurance relates to insurance business where the insured is a related company of the insurer.

Deposits & securities include fixed deposits, short term deposits, other securities & deposits, cash on hand and bank balances (as defined in the statutory returns).

General insurance business relates to insurance business of any class other than a class covered in Long-Term Insurance Business.

General Insurance Fund (or Reserve Fund) is maintained by an Insurer involved in general insurance business as required statutorily.

Insurance Intermediaries covers Insurance Brokers, Insurance Agents and Insurance Salespersons.

An **Insurer** is a body corporate authorised under the Insurance Act 1987 to carry on insurance business.

Investment assets include Government securities, mortgages on property, house & landed property, loans, deposits and securities, investment in related companies and other investments.

Investment income is income generated from the investment portfolio of Insurers.

Land & property relates to house & landed property (as defined in the statutory returns).

Long-term insurance business means insurance business of the classes relating to life assurance business, pension business and permanent health insurance business.

Long-Term Insurance Fund is maintained by an Insurer involved in long-term insurance business as required statutorily.

Mortgage loans relate to mortgages on property (as defined in the statutory returns).

Net claims incurred (general insurance business) refer to amount of net claims incurred during the financial year and include movements in the outstanding claims reserve.

Net claims paid and payable (long-term insurance business) relate to gross claims paid and payable less claims recovered and recoverable from Reinsurers.

Net earned premiums (general insurance business) refer to amount of net premiums earned during the financial year and include movements in the unearned premium reserve.

Net premiums received and receivable (long-term insurance business) relate to gross premiums received and receivable less ceded reinsurance premiums.

Other assets include outstanding premiums, amount receivable from Insurers, amount receivable from Reinsurers, other accounts receivable, interest, dividend and rent receivable, sundry debtors and other assets (as defined in the statutory returns).

Other investments relate essentially to investments in corporate securities.

¹ Includes terms that are currently in use but may change following coming into force of new legislation

Other loans include loans to directors, loans on insurance policies, loans on personal security and other loans.

Outstanding claims reserve relates to provisions made in respect of future claims arising from future events insured under existing policies.

Statutory Reserve Fund is maintained by all Insurers and involves the cession of a percentage of relevant risks to the Statutory Reinsurer (statutory requirement).

Technical provisions include Statutory Reserve Fund, Long-Term Insurance Fund, General Insurance Fund, other reserves and other funds.

Underwriting profit/loss is a measure of profitability of an Insurer involved in general insurance business – it is the surplus or deficit that emerges after reinsurance costs, claims expense, net commissions and administration costs applicable to a period are deducted from net premium revenue.

Unearned premium reserve relates to provisions made in respect of all unpaid premiums on policies.

B. Pension Business

An **Actuary** is an institution or an individual that provides actuarial consultancy services especially to Occupational Pension Schemes. Section 14 of the FSD Act 2001 provides for the licensing of Actuaries.

Cash withdrawal benefit applies if a member leaves service before reaching the appropriate retiring age.

Contractual Savings Institutions include Insurers & Occupational Pension Funds (inclusive of Superannuation Funds, Insured Pension Schemes, National Pension Fund, National Savings Fund and Sugar Insurance Pension Fund)

Cost of pension purchased relates to the benefit accrued to the legal beneficiaries of a member upon his/her death or if the member becomes totally and permanently disabled before retiring on pension. The benefit is equal to twice the member's final pensionable emoluments. In addition, the member's accumulated share shall be available to purchase a pension life if he is disabled, or on that of his spouse, child, or dependent if he has died, at best available terms from an Insurer.

Defined Benefit (DB) plan is a pension plan that defines the benefits by a formula stipulated in the plan text. The employer contributions are not predetermined but are a function of the cost of providing the promised pension, taking into consideration employee contributions, if any.

Defined Contribution (DC) plan is a pension plan that specifies the employee's (if the plan is contributory) and the employer's contributions. Members' benefits are provided from accumulated contributions plus the return on the investment of these monies.

Insured Pension Schemes are set up with an Insurer through an insurance policy contract.

Occupational Pension Schemes are plans that provide employees of statutory bodies or private sector organisations with regular streams of payment after retirement and until death. All Occupational Pension Schemes are approved by the Commissioner of Income Tax.

A Pension Scheme Manager is an institution or an individual that advises and manages pension funds and employee benefit schemes and related activities pertaining to Occupational Pension Schemes. All Pension Scheme Managers are currently licensed under section 14 of the FSD Act 2001.

Superannuation Funds are schemes set up under the Employees Superannuation Fund Act 1982 (private sector organisations' schemes and the Statutory Bodies Pension Funds Act 1978 (statutory bodies' schemes). Some of the private sector schemes are established as trusts under the Trusts Act 2001. These schemes are self-administered and are registered with the Registrar of Associations.

C. Investment Business

The Central Depository & Settlement Co. Ltd which forms part of the market infrastructure of the securities sector has been established by the Stock Exchange of Mauritius in 1996 to provide centralised depository, clearing and settlement services for the Mauritian equity and debt markets.

A Fund Manager is an institution or individual that undertakes on behalf of a customer (whether on a discretionary authority granted by the customer or otherwise) the full management and administration of established Investment Schemes and/or portfolio investments. Currently, section 14 of the FSD Act 2001 provides for the licensing of Fund Managers.

An Investment Adviser/Agent is an institution or individual that advises, guides or recommends customers to enter into investment transactions. It may also act as an agent for the marketing and distribution of financial products. Currently, section 14 of the FSD Act 2001 provides for the licensing of Investment Advisers/Agents.

Investment Schemes are defined as investment vehicles which pool investors' (individuals and firms) funds for the purpose of acquiring financial assets in the form of equity, debt, and derivative promises. The distinguishing characteristic of these vehicles is that they transform the underlying investment promises into essentially equity or participation type promises by the vehicle. The ultimate risk inherent in the underlying investment portfolio is borne by the shareholder or unitholder in the vehicle. Investment Schemes currently in operation in Mauritius are governed by various existing legislation which will be repealed following the coming into force of the Securities Act 2005 and its Regulations.

A Portfolio Manager is an institution or individual that undertakes on behalf of a customer (whether on a discretionary authority granted by the customer or otherwise) the management and/or administration of portfolios of assets belonging to the customer. Currently, section 14 of the FSD Act 2001 provides for the licensing of Portfolio Managers.

A Stockbroking Company is a market intermediary that transacts trading of listed securities on the stock exchange on behalf of investors.

The Stock Exchange of Mauritius Ltd which is a privately owned organisation set up in 1989 provides the necessary infrastructure for the trading and settling of listed securities on the stock exchange. The SEM operates two markets, namely the Official Market and the Over-The-Counter (OTC) Market. The stock market has been opened to foreign investors since 1994, when exchange controls were lifted. The SEM's Automated Trading System (SEMATS) provides an electronic trading system of securities.

D. Specialised Finance Institutions

A **Credit Finance Company** is an institution that provides debt financing services such as deposits, loan, payment services and money transfers to the public. Currently, section 14 of the FSD Act 2001 provides for the licensing of Credit Finance Companies.

A **Factoring Company** is an institution to whom commercial receivables are transferred from their holders and which collects the receivables and guarantees the settlement thereof even in the event of a temporary or permanent default of the debtor. Section 14 of the FSD Act 2001 provides for the licensing of Factoring Companies.

A **Leasing Company** is an institution that provides asset financing through finance and operating leases. All Leasing Companies in Mauritius are authorised by the Bank of Mauritius for their transactions in deposit-taking business. Certain Leasing Companies are also licensed by the FSC under section 14 of the FSD Act 2001.

E. Other Domestic Financial Service Providers/Market Professionals

A **Treasury Manager** is an institution or individual that provides treasury services (including management of financial assets & liabilities, cash management, working capital management, foreign exchange management and interest rate hedging) to a company or group of companies (related or non-related). Currently, section 14 of the FSD Act 2001 provides for the licensing of Treasury Managers.

F. Global Business

A **Captive Manager** is a GBC 1 that provides captive insurance management services to other GBCs 1 which are involved in captive insurance activities.

Captive Insurance relates to insurance business where the insured is a related corporation of the insurer.

A **Corporate Trustee** offers trusteeship services to GBCs as provided under the Trusts Act 2001 – it is licensed by the FSC under section 24 of the FSD Act 2001, and has a Management Licence.

GBCs 1 - A corporation holding a Category 1 Global Business Licence is a corporation which conducts a Qualified Global Business as listed in the Second Schedule of the FSD Act 2001 and which is carried on from within Mauritius with persons all of whom are resident outside Mauritius and which is conducted in foreign currency: It is qualified to take protection of the tax treaties to which Mauritius is a party if it comes within the definition of a resident under the Income Tax Act 1995.

GBCs 2 - A corporation holding a Category 2 Global Business Licence is a corporation which undertakes any business or other activity which is carried on by private company incorporated or registered under the Companies Act 2001 and which does not conduct business with persons resident in Mauritius nor conduct any dealings in Mauritius currency. It is exempt from the provisions of the Income Tax Act 1995 and is declared as a non-resident for tax purposes.

Qualified Global Business covers

1. Aircraft financing and leasing
2. Assets management
3. Consultancy services
4. Employment services
5. Financial services
6. Funds management
7. Information and Communication Technologies
8. Insurance
9. Licensing and franchising
10. Logistics and or marketing
11. Operational headquarters
12. Pension funds
13. Ship and ship management.
14. Trading
15. Any other activity as may be approved by the Commission

A **Management Company** holds a Management Licence and its main activities are to set up, manage and provide nominee and other services to GBCs 1 and GBCs 2. As the FSC requires that all applications for a Global Business licence be channelled through a Management Company, the latter has the responsibility of initial vetting of the client and needs to exercise due diligence. Management Companies interface between clients and the Commission and they operate under the Guidance Notes for Management Companies issued by the FSC. While performing their Customer Due Diligence (CDD) duties, they are under the obligation of collecting and verifying all necessary information about their clients and keeping this information for any request by the Commission. Most of the licensed Management Companies form part of reputable international consultancy firms network thereby providing high standard professional services to clients.

Services provided by Management Companies are *inter alia*:

- Company and trust formation and administration
- Professional advice on company law, trusts and tax related issues
- Provision of directors, secretary and nominee shareholders
- Registered Agents for GBCs 2
- Registered Office for Category 1 and Category 2 Global Business licensees
- Preparation of incorporation and application documents for GBCs
- Post-statutory compliance in relation to company and tax laws (filing of changes on Directors, Shareholders, etc.)
- Preparation of documents for applications for residence and work permits, visa, duty exemption, etc.
- Maintenance of books and accounting records
- Fund administration services such as NAV calculation, preparation of quarterly reports, etc.

A **Management Licence** is issued under section 24 of the FSD Act 2001 to a Management Company or a Corporate Trustee.

A **Nominee Company** is a company holding a Management Licence which performs solely the functions of a nominee company.

A **Registered Agent** is a company (GBC 1 or GBC 2) providing services such as the filing of statutory returns, communicating with the Commission or the Registrar of Companies, and other compliance matters which relate to the GBCs for which they are responsible.

A9: ABBREVIATIONS & ACRONYMS

AC	Actuary
AGOA	African Growth and Opportunity Act
AML/CFT	Anti-Money Laundering & Combating the Financing of Terrorism
BoM	Bank of Mauritius
CCU	Cooperative Credit Union
CDD	Customer Due Diligence
CDS	Central Depository and Settlement Co. Ltd
CFC	Credit Finance Company
CIS	Collective Investment Scheme
CISNA	Committee for Insurance, Securities and Non-Banking Financial Authorities
CM	Captive Manager
COMESA	Common Market of Eastern and Southern Africa
CSO	Central Statistics Office
CPIS	Coordinated Portfolio Investment Survey
CPMLTF	Code on the Prevention of Money Laundering and Terrorist Financing
CT	Corporate Trustee
DB	Defined Benefit
DC	Defined Contribution
FATF	Financial Action Task Force
FIAML Act 2002	Financial Intelligence and Anti-Money Laundering Act 2002
FC	Factoring Company
FIU	Financial Intelligence Unit
FRC	Financial Reporting Council
FSC	Financial Services Commission
FSD Act 2001	Financial Services Development Act 2001
FPM	Fund/Portfolio Manager
GAAP	Generally Accepted Accounting Standards
GBC 1	Category 1 Global Business Company
GBC 2	Category 2 Global Business Company
GDP	Gross Domestic Product
IAA	Investment Adviser/Agent
IAIS	International Association of Insurance Supervisors
IAS	International Accounting Standards
IB	Insurance Broker
ICP (IAIS)	Insurance Core Principles (IAIS)
ICT	Information & Communication Technology
IFRS	International Financial Reporting Standards

IMF	International Monetary Fund
INPRS	International Network Pension Regulators and Supervisors
IOPS	International Organisation of Pension Supervisors
IOSCO	International Organisation of Securities Commissions
IPS	Insured Pension Scheme
IS	Investment Scheme
IT	Information Technology
ITO	Income Tax Office
LC	Leasing Company
MC	Management Company
ML	Management Licensee
MLRO	Money Laundering Reporting Officer
MMOU	Multilateral Memorandum of Understanding
MOU	Memorandum of Understanding
MCSP	Managed Corporate Service Provider
MHC	Mauritius Housing Company Ltd
NBFI	Non-Bank Financial Institution
NPF	National Pension Fund
NSF	National Savings Fund
OECD	Organisation of Economic Cooperation and Development
OFC	Offshore Financial Centres
OGIS	Offshore Group of Insurance Supervisors
OPS	Occupational Pension Scheme
OTC	Over-the-Counter
PCC	Protected Cell Company
PSM	Pension Scheme Manager
PTC	Private Trust Company
QSB	Quarterly Statistical Bulletin
QSS	Quarterly Statistical Survey
RoA	Registrar of Associations
SBC	Stockbroking Company
SEM	Stock Exchange of Mauritius
SIPF	Sugar Industry Pension Fund
TM	Treasury Manager
WFE	World Federation of Exchanges



This year's Annual Report features the Bird of Paradise flower (*Strelitzia reginae*). The Bird of Paradise flower is an exotic blossom, combining distinctive shapes, orange petals contrasting with an arrow-shaped tongue of vivid blue. It takes five to seven years for blossoming to begin.

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