

Condensed Unaudited Financial Statements - Quarter Ended March 31, 2018

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the Quarter ended March 31, 2018

(a) Basis of Accounting

The interim quarterly condensed financial statements have been prepared on the same basis of the accounting policies set out in the statutory financial statements of the Group/Company for the year ended December 31, 2017, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued now effective. IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are effective from 1 January 2018. The Group plans to defer the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17) of 1 January 2021, opting for the temporary exemption from applying IFRS 9 by the amendments to IFRS 4. Insurance contracts within the scope of IFRS 4 Insurance Contracts are excluded from the scope of IFRS 15.

(b) Operations

Short Term

Both the gross and net earned premiums showed an appreciable growth despite the stiff competitive environment. However, the underwriting result has been markedly affected by a series of weather related and man-made events impacting various classes of business during the first quarter 2018.

Long Term

The increase in gross premium income over the first three months was satisfactory compared to the corresponding period in 2017.

(c) Investments (Group)

Our investment portfolio made further gains in the first quarter of 2018, led by the positive performance of our local investments. The SEMDEX grew at a healthy pace. On the international side, although equity markets started the year on a robust note, they closed lower as investors feared that US interest rates would rise faster and due to trade hostilities between US and China. A further depreciation of the USD against the MUR weighed on performance.

On the fixed income side, although excess liquidity fell over the quarter compared to end 2017, it remains high and continues to weigh on long-term yields. Despite this challenging environment, our fixed income portfolio continued to deliver a commendable performance.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
May 14, 2018

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at Mar 31, 2018 Rs'000	Audited as at Dec 31, 2017 Rs'000	Unaudited as at Mar 31, 2018 Rs'000	Audited as at Dec 31, 2017 Rs'000
ASSETS				
Non-current assets				
Property and equipment	91,000	90,899	90,489	90,258
Investment in subsidiary companies	-	-	536,371	536,371
Investment in associated company and joint ventures	60,835	61,242	500	500
Investment in financial assets	1,868,816	1,856,171	1,641,037	1,630,544
Non current receivables	60,832	60,832	59,950	59,950
Other non-current assets	190,764	200,509	156,279	163,189
	2,272,247	2,269,653	2,484,626	2,480,812
Current assets	3,698,761	3,565,349	2,501,602	2,378,332
Life business assets	40,641,954	39,881,578	-	-
Total assets	46,612,962	45,716,580	4,986,228	4,859,144
EQUITY AND LIABILITIES				
Capital and reserves (attributable to owners of the parent)				
Share capital	41,379	41,379	41,379	41,379
Retained earnings	1,619,570	1,604,806	1,747,067	1,730,617
Other reserves	1,029,972	1,026,634	474,246	473,373
Owners' interest	2,690,921	2,672,819	2,262,692	2,245,369
Non-controlling interests	358,583	352,569	-	-
Total equity	3,049,504	3,025,388	2,262,692	2,245,369
Life assurance fund	40,641,954	39,881,578	-	-
Technical Provisions	2,309,053	2,082,371	2,247,840	2,021,414
Non-current liabilities	189,997	214,373	159,087	187,032
	43,141,004	42,178,322	2,406,927	2,208,446
Current liabilities	422,454	512,870	316,609	405,329
Total equity and liabilities	46,612,962	45,716,580	4,986,228	4,859,144
Net assets per share (Rs/cs)	325.16	322.97	273.41	271.32
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769

2. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP		THE COMPANY	
	Quarter Ended Mar 31, 2018 Rs'000	Quarter Ended Mar 31, 2017 Rs'000	Quarter Ended Mar 31, 2018 Rs'000	Quarter Ended Mar 31, 2017 Rs'000
Gross premiums	1,838,010	1,672,743	668,807	607,390
Net earned premiums	1,468,969	1,310,183	367,180	334,912
Share of profit/(loss) of associated company and joint ventures	(39)	273	-	-
Profit before taxation	18,187	42,324	19,252	46,883
Taxation	(3,440)	(7,065)	(2,802)	(7,035)
Profit for the period	14,747	35,259	16,450	39,848
Other comprehensive income for the period	3,646	81,246	873	76,344
Total comprehensive income for the period	18,393	116,505	17,323	116,192
Profit attributable to:				
Owners of the parent	14,764	35,256	16,450	39,848
Non-controlling interests	(17)	3	-	-
	14,747	35,259	16,450	39,848
Total comprehensive income attributable to:				
Owners of the parent	18,102	117,301	17,323	116,192
Non-controlling interests	291	(796)	-	-
	18,393	116,505	17,323	116,192
Earnings per share (Rs/cs)	1.78	4.26	1.99	4.82
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769

3. Statements of Changes in Equity

Attributable to owners of the parent company

	Share Capital Rs'000	Fair Value Reserve Rs'000	Other Reserves Rs'000	Proprietors' Fund Rs'000	Retained Earnings Rs'000	Amalgamation Reserve Rs'000	Actuarial gains/(losses) Rs'000	Total Rs'000	Non-controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP										
Balance at January 1, 2018	41,379	350,387	31,321	476,056	1,604,806	267,477	(98,607)	2,672,819	352,569	3,025,388
Profit for the period	-	-	-	-	14,764	-	-	14,764	(17)	14,747
Other comprehensive income for the period	-	2,634	(1,837)	2,541	-	-	-	3,338	308	3,646
Other movement	-	-	-	-	-	-	-	-	5,723	5,723
Balance at March 31, 2018	41,379	353,021	29,484	478,597	1,619,570	267,477	(98,607)	2,690,921	358,583	3,049,504
Balance at January 1, 2017	41,379	208,515	54,460	419,787	1,494,110	267,477	(91,701)	2,394,027	344,523	2,738,550
As previously stated	-	-	(108)	-	(34,291)	-	(3,090)	(37,489)	(7,804)	(45,293)
Corrections of prior period errors	41,379	208,515	54,352	419,787	1,459,819	267,477	(94,791)	2,356,538	336,719	2,693,257
As restated	-	-	-	-	35,256	-	-	35,256	3	35,259
Profit for the period	-	-	-	(792)	-	-	-	82,045	(799)	81,246
Other comprehensive income for the period	-	87,439	(4,602)	-	-	-	-	-	6,275	6,275
Other movement	-	-	-	(65,992)	-	-	-	(65,992)	(13,785)	(79,777)
Non distributable reserve	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2017	41,379	295,954	49,750	353,003	1,495,075	267,477	(94,791)	2,407,847	328,413	2,736,260

(b) THE COMPANY

Balance at January 1, 2018	41,379	308,296	43,099	-	1,730,617	220,593	(98,615)	2,245,369		
Profit for the period	-	-	-	-	16,450	-	-	16,450		
Other comprehensive income for the period	-	873	-	-	-	-	-	873		
Balance at March 31, 2018	41,379	309,169	43,099	-	1,747,067	220,593	(98,615)	2,262,692		
Balance at January 1, 2017	41,379	210,550	43,099	-	1,619,522	220,593	(91,709)	2,043,434		
As previously stated	-	-	-	-	(26,235)	-	(3,090)	(29,325)		
Corrections of prior period errors	41,379	210,550	43,099	-	1,593,287	220,593	(94,799)	2,014,109		
As restated	-	-	-	-	39,848	-	-	39,848		
Profit for the period	-	-	-	-	-	-	-	76,344		
Other comprehensive income for the period	-	76,344	-	-	-	-	-	-		
Balance at March 31, 2017	41,379	286,894	43,099	-	1,633,135	220,593	(94,799)	2,130,301		

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Quarter Ended Mar 31, 2018 Rs'000	Quarter Ended Mar 31, 2017 Rs'000	Quarter Ended Mar 31, 2018 Rs'000	Quarter Ended Mar 31, 2017 Rs'000
Net cash generated from operating activities	87,563	39,038	51,900	48,908
Net cash generated from investing activities	106,556	109,646	105,520	106,677
Net cash used in financing activities	(169,354)	(99,309)	(148,431)	(99,334)
Increase in cash and cash equivalents	24,765	49,375	8,989	56,251
Movement in cash and cash equivalents:				
At January 1	224,022	138,396	161,841	69,980
Increase	24,765	49,375	8,989	56,251
Effect of exchange rate changes	(268)	(1,946)	70	(155)
At March 31	248,519	185,825	170,900	126,076

5. Segment Information - (Group)

	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
Quarter ended March 31, 2018				
Gross premiums	1,136,187	493,887	207,936	1,838,010
Underwriting surplus	221	71,704	39,431	111,356
Investment & other income				20,274
Management expenses, depreciation & amortisation				(113,404)
Share of profit of associated company & joint ventures				(39)
Profit before taxation				18,187
Quarter ended March 31, 2017				
Gross premiums	1,022,546	498,932	151,265	1,672,743
Underwriting surplus	-	75,072	61,427	136,499
Investment & other income				17,652
Management expenses, depreciation & amortisation				(112,100)
Share of profit of associated company & joint ventures				273
Profit before taxation				42,324

This communique is issued pursuant to the Listing Rule 12.20 and the Securities Act 2005.

Copies of these condensed unaudited financial statements and the statements of officers' interests, pursuant to Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge from the Company Secretary at the registered office of the Company at Swan Centre, 10 Intendance Street, Port Louis. The condensed unaudited financial statements can also be viewed on the Company's website.

The Board of Directors of Swan General Ltd accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements.