

Condensed Unaudited Financial Statements - Nine Months and Quarter Ended September 30, 2018

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the nine months and quarter ended September 30, 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

The long-term operations continued to deliver satisfactory results for the third quarter ended September 2018.

(c) Investments

The investment portfolio made further gains over the third quarter as both the equity and fixed income investments contributed positively to the overall performance. The performance of the local equity market was subdued over the quarter with foreign investors remaining net sellers. On the international scene, developed and emerging equity markets headed in opposite directions. US equities delivered the best returns on the back of robust economic indicators while emerging markets closed lower as their improving fundamentals were clouded by the impact of a strong dollar, US-China trade tensions, and uncertainties in Turkey and Argentina.

On the fixed income market, although excess liquidity in the financial system hit an all-time high in the third quarter and fixed income yields remained relatively low, the fixed income portfolio performance remained encouraging.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
November 13, 2018

1. Life Assurance Fund

	THE GROUP				THE COMPANY			
	9 months Ended Sep 30, 2018	9 months Ended Sep 30, 2017	Quarter Ended Sep 30, 2018	Quarter Ended Sep 30, 2017	9 months Ended Sep 30, 2018	9 months Ended Sep 30, 2017	Quarter Ended Sep 30, 2018	Quarter Ended Sep 30, 2017
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	3,304,314	2,891,756	1,157,924	919,028	3,304,314	2,891,756	1,157,924	919,028
Net premiums	3,197,102	2,772,278	1,119,047	873,480	3,197,102	2,772,278	1,119,047	873,480
Investment and other income	1,526,316	1,446,307	517,194	616,530	1,311,863	1,209,767	517,194	526,543
Share of profit/(loss) of associates	677	(85)	14	(68)	-	-	-	-
	4,724,095	4,218,500	1,636,255	1,489,942	4,508,965	3,982,045	1,636,241	1,400,023
Surplus for the period before taxation	1,775,417	1,469,516	737,010	551,600	1,649,879	1,346,261	694,679	507,161
Taxation	(22,779)	(19,672)	(7,363)	(7,065)	(3,000)	-	-	-
Surplus for the period	1,752,638	1,449,844	729,647	544,535	1,646,879	1,346,261	694,679	507,161
Surplus allocated as follows:								
- Life Assurance Fund	1,734,778	1,431,981	724,669	538,669	1,646,879	1,346,261	694,679	507,161
- Non-controlling interests	17,860	17,863	4,978	5,865	-	-	-	-
	1,752,638	1,449,844	729,647	544,534	1,646,879	1,346,261	694,679	507,161

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at Sep 30, 2018	Audited as at Dec 31, 2017	Unaudited as at Sep 30, 2018	Audited as at Dec 31, 2017
	Rs'000	Rs'000	Rs'000	Rs'000
Assets				
Non-current assets				
Property and equipment	272,232	275,504	247,113	250,681
Investment properties	478,587	479,475	438,765	439,653
Investment in subsidiary companies	-	-	540,012	540,012
Investment in associated companies	35,989	35,078	614	614
Investment in financial assets	33,507,615	31,810,041	33,428,521	31,781,820
Loans and receivables	4,011,481	4,510,844	4,024,919	4,524,282
Other non-current assets	96,893	103,833	12,495	15,002
	38,402,797	37,214,775	38,692,439	37,552,064
Current assets	5,599,153	4,623,255	5,089,770	4,202,670
Total assets	44,001,950	41,838,030	43,782,209	41,754,734
Equity and liabilities				
Capital and reserves (attributable to owners of the parent)				
Share capital	26,322	26,322	26,322	26,322
Proprietors' fund	1,150,081	703,425	1,150,081	703,425
Reserves	61,214	61,214	529,643	529,643
Owners' interest	1,237,617	790,961	1,706,046	1,259,390
Non-controlling interests	198,839	181,358	-	-
Total equity	1,436,456	972,319	1,706,046	1,259,390
Life Assurance Fund	41,391,610	39,881,578	40,979,486	39,556,256
Non-current liabilities	58,941	70,340	52,027	66,126
Retirement benefit obligations	89,403	87,022	89,403	87,022
Other non-current liabilities	148,344	157,362	141,430	153,148
Current liabilities	1,025,540	826,771	955,247	785,940
Total equity and liabilities	44,001,950	41,838,030	43,782,209	41,754,734

3. Statements of Changes in Equity

Attributable to owners of the parent company

	Share Capital	Proprietors' Fund		Amalgamation Reserves	Other Reserves	Total	Non-controlling Interests	Total Equity
		Distributable	Non distributable					
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP								
Balance at January 1, 2018	26,322	277,882	425,543	61,214	-	790,961	181,358	972,319
Interest allocated	-	47,357	-	-	-	47,357	-	47,357
Net movement for the period	-	-	-	-	-	-	17,481	17,481
Transfer from Life Assurance Fund	-	-	399,299	-	-	399,299	-	399,299
Balance at Sep 30, 2018	26,322	325,239	824,842	61,214	-	1,237,617	198,839	1,436,456
Balance at January 1, 2017	26,322	130,080	505,320	61,214	-	722,936	171,030	893,966
Interest allocated	-	20,169	-	-	-	20,169	-	20,169
Net movement for the period	-	-	-	-	-	-	18,285	18,285
Transfer to Life Assurance Fund	-	-	(79,776)	-	-	(79,776)	-	(79,776)
Balance at Sep 30, 2017	26,322	150,249	425,544	61,214	-	663,329	189,315	852,644
THE COMPANY								
Balance at January 1, 2018	26,322	277,882	425,543	61,214	468,429	1,259,390	-	-
Interest allocated	-	47,357	-	-	-	47,357	-	-
Transfer from Life Assurance Fund	-	-	399,299	-	-	399,299	-	-
Balance at Sep 30, 2018	26,322	325,239	824,842	61,214	468,429	1,706,046		
Balance at January 1, 2017	26,322	130,080	505,320	61,214	468,429	1,191,365	-	-
Interest allocated	-	20,169	-	-	-	20,169	-	-
Transfer to Life Assurance Fund	-	-	(79,776)	-	-	(79,776)	-	-
Balance at Sep 30, 2017	26,322	150,249	425,544	61,214	468,429	1,131,758		

4. Statements of Cash Flows

THE GROUP

	9 months Ended	
	Sep 30, 2018	Sep 30, 2017
	Rs'000	Rs'000
Net cash generated from operating activities	1,651,157	1,483,929
Net cash used in investing activities	(1,511,852)	(2,093,250)
Net cash used in financing activities	(121,082)	(123,582)
Increase/ (decrease) in cash and cash equivalents	18,223	(732,903)
Movement in cash and cash equivalents		
At January 1,	2,581,701	3,602,170
Increase/ (decrease)	18,223	(732,903)
Effects of exchange rate changes	16,769	(59,604)
At September 30,	2,616,693	2,809,663

THE COMPANY

	9 months Ended	
	Sep 30, 2018	Sep 30, 2017
	Rs'000	Rs'000
Net cash generated from operating activities	1,555,895	1,370,748
Net cash used in investing activities	(1,459,297)	(2,096,172)
Net cash used in financing activities	(121,082)	(121,082)
Increase/ (decrease) in cash and cash equivalents	(24,484)	(846,506)
Movement in cash and cash equivalents		
At January 1,	2,215,290	3,310,990
Increase/ (decrease)	(24,484)	(846,506)
Effects of exchange rate changes	16,767	(57,312)
At September 30,	2,207,573	2,407,172

This Communiqué is issued pursuant to DEM Rule 17 and published as per the Securities Act 2005.

Copies of these condensed unaudited financial statements and the statement of officers' interests are available to the public free of charge with the Secretary, at the Company's registered office, Swan Centre, 10 Intendance Street Port Louis. The Board of Directors of Swan Life Ltd accepts full responsibility for the accuracy of the information contained in this communiqué.

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