

### Condensed Audited Financial Statements - Year Ended December 31, 2018

The Directors are pleased to present the condensed audited financial statements of the Group and the Company for the Year Ended December 31, 2018 as audited by Messrs BDO & Co.

#### (a) Basis of Accounting

The condensed audited financial statements have been extracted from the audited financial statements for the year ended December 31, 2018 which have been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* are effective from 1 January 2018. The Group has deferred the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17 *Insurance contracts*) of 1 January 2022, opting for the temporary exemption from applying IFRS 9 by the amendments to IFRS 4 *Insurance contracts*. Insurance contracts within the scope of IFRS 4 are excluded from the scope of IFRS 15.

#### (b) Operations

In spite of challenging conditions, Swan Life Ltd has shown satisfactory results with gross premium income increasing in line with expectations.

#### (c) Investments

Heightened volatility during Quarter 4 adversely impacted the investment portfolio which closed slightly lower compared to Quarter 3. The local equity market weakened as foreign investors maintained selling pressure and most stocks declined. On the international platform, equity indices had a rough quarter amidst US-China trade disputes, a tech sell-off, worries that the US Federal Reserve would tighten monetary policy aggressively, and softening global growth indications.

On the fixed income side, despite the persistently high excess liquidity in the financial system and low yields, our portfolio delivered satisfactory returns on the back of active management.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd  
Company Secretary  
March 29, 2019

### 1. Life Assurance Fund

	THE GROUP		THE COMPANY	
	Audited as at Dec 31, 2018 Rs'000	Audited as at Dec 31, 2017 Rs'000	Audited as at Dec 31, 2018 Rs'000	Audited as at Dec 31, 2017 Rs'000
Gross premiums	4,394,991	4,026,740	4,394,991	4,026,740
Net premiums	4,232,930	3,865,936	4,232,930	3,865,936
Investment and other income	2,322,311	2,028,305	2,190,691	1,918,023
Share of profit/(loss) of associates	2,121	(7,650)	-	-
	6,557,362	5,886,591	6,423,621	5,783,959
Surplus for the year before taxation	2,525,453	2,131,421	2,423,041	2,025,402
Taxation	(31,592)	(34,586)	-	(2,339)
Surplus for the year	2,493,861	2,096,835	2,423,041	2,023,063
Surplus allocated as follows:				
- Life Assurance Fund	2,143,845	1,844,101	2,097,919	1,795,612
- Proprietors' Fund	325,122	227,451	325,122	227,451
- Non-controlling interests	24,894	25,283	-	-
	2,493,861	2,096,835	2,423,041	2,023,063

### 2. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Audited as at Dec 31, 2018 Rs'000	Audited as at Dec 31, 2017 Rs'000	Audited as at Dec 31, 2018 Rs'000	Audited as at Dec 31, 2017 Rs'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	275,483	275,504	250,680	250,681
Investment properties	478,896	479,475	439,074	439,653
Investment in subsidiary companies	-	-	540,012	540,012
Investment in associated companies	36,945	35,078	614	614
Investment in financial assets	33,284,111	31,810,041	33,222,441	31,781,820
Loans and receivables	3,966,249	4,510,844	3,979,687	4,524,282
Other non-current assets	97,024	103,833	14,008	15,002
	38,138,708	37,214,775	38,446,516	37,552,064
<b>Current assets</b>	5,149,590	4,623,255	4,708,893	4,202,670
<b>Total assets</b>	43,288,298	41,838,030	43,155,409	41,754,734
<b>Equity and liabilities</b>				
<b>Capital and reserves (attributable to owners of the parent)</b>				
Share capital	26,322	26,322	26,322	26,322
Proprietors' fund	1,366,252	703,425	1,366,252	703,425
Reserves	61,214	61,214	529,643	529,643
Owners' interest	1,453,788	790,961	1,922,217	1,259,390
Non-controlling interests	190,331	181,358	-	-
<b>Total equity</b>	1,644,119	972,319	1,922,217	1,259,390
<b>Life Assurance Fund</b>	40,644,034	39,881,578	40,273,465	39,556,256
<b>Non-current liabilities</b>				
Retirement benefit obligations	76,831	70,340	74,000	66,126
Other non-current liabilities	150,374	87,022	150,374	87,022
	227,205	157,362	224,374	153,148
<b>Current liabilities</b>	772,940	826,771	735,353	785,940
<b>Total equity and liabilities</b>	43,288,298	41,838,030	43,155,409	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
<b>THE GROUP</b>								
Balance at January 1, 2018	26,322	277,882	425,543	61,214	-	790,961	181,358	972,319
Issue of shares	-	-	-	-	-	-	497	497
Interest allocated	-	68,699	-	-	-	68,699	-	68,699
Net movement for the year	-	-	-	-	-	-	24,282	24,282
Transfer from Life Assurance Fund	-	325,122	399,300	-	-	724,422	-	724,422
Dividends	-	(130,294)	-	-	-	(130,294)	(15,806)	(146,100)
<b>Balance at December 31, 2018</b>	<b>26,322</b>	<b>541,409</b>	<b>824,843</b>	<b>61,214</b>	<b>-</b>	<b>1,453,788</b>	<b>190,331</b>	<b>1,644,119</b>
Balance at January 1, 2017	26,322	130,080	505,320	61,214	-	722,936	171,030	893,966
Interest allocated	-	41,433	-	-	-	41,433	-	41,433
Net movement for the year	-	-	-	-	-	-	25,533	25,533
Transfer from/ (to) Life Assurance Fund	-	227,451	(79,777)	-	-	147,674	-	147,674
Dividends	-	(121,082)	-	-	-	(121,082)	(15,205)	(136,287)
<b>Balance at December 31, 2017</b>	<b>26,322</b>	<b>277,882</b>	<b>425,543</b>	<b>61,214</b>	<b>-</b>	<b>790,961</b>	<b>181,358</b>	<b>972,319</b>
<b>THE COMPANY</b>								
Balance at January 1, 2018	26,322	277,882	425,543	61,214	468,429	1,259,390	-	-
Interest allocated	-	68,699	-	-	-	68,699	-	-
Transfer from Life Assurance Fund	-	325,122	399,300	-	-	724,422	-	-
Dividends	-	(130,294)	-	-	-	(130,294)	-	-
<b>Balance at December 31, 2018</b>	<b>26,322</b>	<b>541,409</b>	<b>824,843</b>	<b>61,214</b>	<b>468,429</b>	<b>1,922,217</b>	<b>-</b>	<b>-</b>
Balance at January 1, 2017	26,322	130,080	505,320	61,214	468,429	1,191,365	-	-
Interest allocated	-	41,433	-	-	-	41,433	-	-
Transfer from/ (to) Life Assurance Fund	-	227,451	(79,777)	-	-	147,674	-	-
Dividends	-	(121,082)	-	-	-	(121,082)	-	-
<b>Balance at December 31, 2017</b>	<b>26,322</b>	<b>277,882</b>	<b>425,543</b>	<b>61,214</b>	<b>468,429</b>	<b>1,259,390</b>	<b>-</b>	<b>-</b>

### 4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2018 Rs'000	Year Ended Dec 31, 2017 Rs'000	Year Ended Dec 31, 2018 Rs'000	Year Ended Dec 31, 2017 Rs'000
Net cash generated from operating activities	2,108,899	2,078,113	2,046,417	1,987,010
Net cash used in investing activities	(1,966,742)	(2,945,345)	(1,927,013)	(2,947,407)
Net cash used in financing activities	(267,182)	(136,287)	(251,376)	(121,082)
Decrease in cash and cash equivalents	(125,025)	(1,003,519)	(131,972)	(1,081,479)
Movement in cash and cash equivalents				
At January 1,	2,581,701	3,602,170	2,215,289	3,310,990
Decrease during the year	(125,025)	(1,003,519)	(131,972)	(1,081,479)
Effects of exchange rate changes	8,811	(16,950)	8,950	(14,222)
At December 31,	<b>2,465,487</b>	<b>2,581,701</b>	<b>2,092,267</b>	<b>2,215,289</b>

Copies of these condensed audited 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. This Communiqué is issued pursuant to DEM Rule 18 and published as per the Securities Act 2005.

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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