

Condensed Audited Financial Statements - Year Ended December 31, 2019

The Directors are pleased to present the condensed financial statements of the Group and the Company for the Year Ended December 31, 2019 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, 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounts for financial year 2018 have been restated mainly due to the changes in accounting policies relating to the allocation of actuarial surplus and in the accounting of subsidiaries and associates.

IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* are effective from January 1, 2018. The Group and the Company have deferred the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17 *Insurance contracts*) of January 1, 2023, 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

Long-term operations performance has been satisfactory for 2019 with gross premium income increasing by nearly 10%.

(c) Investments

Our investment portfolio made further gains over the fourth quarter of 2019, with strong support coming from international equity markets. The latter rallied on the back of improving economic data and a prospective interim trade deal between the US and China. The local equity market closed the last quarter of

the year on a positive note with support from the larger listed companies.

On the fixed income side, our portfolio continued to deliver encouraging returns despite the challenging environment characterized by persistently high excess liquidity and low yields.

COVID-19 outbreak poses a serious public health threat worldwide. Like many other countries, it is expected that the economy in Mauritius will be adversely impacted by the slowing global activity. There is barely any visibility on how long COVID-19 will last and what will be its full impact on society, businesses, and the economy. While we acknowledge this state of affairs, we believe that markets will recover as they have always done in the past.

The capital and solvency margins have always been above the minimums required by the Insurance Act 2005. The Group does not foresee any pressure on its solvency ratio in the near term based on the different stress tests carried out. The Group also believes that its liquidity position is adequate to ensure any future commitments and obligations that may arise are settled. As such, the financial statements as presented have been prepared on a going concern basis.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
May 19, 2020

1. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP		THE COMPANY	
	2019 Rs'000	2018 Restated Rs'000	2019 Rs'000	2018 Restated Rs'000
Gross premiums	4,821,113	4,394,991	4,821,113	4,394,991
Net earned premiums	4,676,232	4,232,930	4,676,232	4,232,930
Share of results of associated companies	5,747	2,121	-	-
Transfer to Life Assurance Fund	(2,281,536)	(2,097,919)	(2,281,536)	(2,097,919)
Profit before taxation	455,282	496,233	338,578	393,821
Taxation	(35,770)	(31,592)	-	-
Profit for the year	419,512	464,641	338,578	393,821
Other comprehensive income for the year	1,788,327	(982,701)	1,792,027	(981,410)
Transfer to Life Assurance Fund	(1,792,027)	981,410	(1,792,027)	981,410
Other comprehensive income for the year, net of tax	(3,700)	(1,291)	-	-
Total comprehensive income for the year	415,812	463,350	338,578	393,821
Profit for the year attributable to:				
Owners of the parent	391,911	439,747	338,578	393,821
Non-controlling interests	27,601	24,894	-	-
	419,512	464,641	338,578	393,821
Total comprehensive income for the year attributable to:				
Owners of the parent	387,694	439,068	338,578	393,821
Non-controlling interests	28,118	24,282	-	-
	415,812	463,350	338,578	393,821
Earnings per share (Rs/cts)	148.89	167.06	128.63	149.62

2. Statements of Financial Position

	THE GROUP			THE COMPANY		
	Dec 31, 2019 Rs'000	Dec 31, 2018 Restated Rs'000	Jan 1, 2018 Restated Rs'000	Dec 31, 2019 Rs'000	Dec 31, 2018 Restated Rs'000	Jan 1, 2018 Restated Rs'000
Assets						
Non-current assets						
Property and equipment	276,224	275,483	275,504	251,125	250,680	250,681
Investment properties	433,191	478,896	479,475	395,960	439,074	439,653
Investments in subsidiary companies	-	-	-	548,512	540,012	540,012
Investments in associated companies	39,519	36,945	35,078	4,364	614	614
Investments in financial assets	36,387,024	33,284,111	31,810,041	36,304,460	33,222,441	31,781,820
Loans and receivables	4,239,180	3,966,249	4,510,844	4,252,618	3,979,687	4,524,282
Other non-current assets	114,352	97,024	103,833	21,750	14,008	15,002
	41,489,490	38,138,708	37,214,775	41,778,789	38,446,516	37,552,064
Current assets	6,413,044	5,149,590	4,623,255	5,859,998	4,708,893	4,202,670
Total assets	47,902,534	43,288,298	41,838,030	47,638,787	43,155,409	41,754,734
Equity and liabilities						
Capital and reserves						
Share capital	26,322	26,322	26,322	26,322	26,322	26,322
Retained earnings	1,162,074	926,516	617,063	723,634	541,409	277,882
Other reserves	42,459	46,676	47,355	529,643	529,643	529,643
Owners' interest	1,230,855	999,514	690,740	1,279,599	1,097,374	833,847
Non-controlling interests	201,146	190,331	181,358	-	-	-
Total equity	1,432,001	1,189,845	872,098	1,279,599	1,097,374	833,847
Life Assurance Fund	45,199,804	41,098,308	39,981,799	45,199,804	41,098,308	39,981,799
Other Technical Provisions	347,458	401,068	355,705	347,458	401,068	355,705
	45,547,262	41,499,376	40,337,504	45,547,262	41,499,376	40,337,504
Non-current liabilities						
Retirement benefit obligations	98,234	76,831	70,340	85,508	74,000	66,126
Other non-current liabilities	65,511	54,076	-	61,860	54,076	-
	163,745	130,907	70,340	147,368	128,076	66,126
Current liabilities	759,526	468,170	558,088	664,558	430,583	517,257
Total equity and liabilities	47,902,534	43,288,298	41,838,030	47,638,787	43,155,409	41,754,734

3. Statements of Changes in Equity

	Attributable to owners of the parent							
	Share Capital Rs'000	Retained Earnings Rs'000	Non-distributable Reserve Rs'000	Amalgamation Reserve Rs'000	Other Reserves Rs'000	Total Rs'000	Non-Controlling Interests Rs'000	Total Equity Rs'000
THE GROUP								
Balance at January 1, 2019	26,322	541,409	824,843	61,214	-	1,453,788	190,331	1,644,119
- As previously stated	-	385,107	(824,843)	-	(14,538)	(454,274)	-	(454,274)
- Prior year adjustments	26,322	926,516	-	61,214	(14,538)	999,514	190,331	1,189,845
- As restated	-	391,911	-	-	-	391,911	27,601	419,512
Profit for the year	-	-	-	-	(4,217)	(4,217)	517	(3,700)
Other comprehensive income for the year	-	(156,353)	-	-	-	(156,353)	(17,303)	(173,656)
Dividends	26,322	1,162,074	-	61,214	(18,755)	1,230,855	201,146	1,432,001
Balance at December 31, 2019								
Balance at January 1, 2018	26,322	277,882	425,543	61,214	-	790,961	181,358	972,319
- As previously stated	-	339,181	(425,543)	-	(13,859)	(100,221)	-	(100,221)
- Prior year adjustments	26,322	617,063	-	61,214	(13,859)	690,740	181,358	872,098
- As restated	-	-	-	-	-	-	497	497
Issue of shares	-	439,747	-	-	-	439,747	24,894	464,641
Profit for the year - restated	-	-	-	-	(679)	(679)	(612)	(1,291)
Other comprehensive income for the year - restated	-	(130,294)	-	-	-	(130,294)	(15,806)	(146,100)
Dividends	26,322	926,516	-	61,214	(14,538)	999,514	190,331	1,189,845
Balance at December 31, 2018								
THE COMPANY								
Balance at January 1, 2019	26,322	541,409	824,843	61,214	468,429	1,922,217	-	2,824,234
- As previously stated	-	-	(824,843)	-	-	(824,843)	-	-
- Prior year adjustments	26,322	541,409	-	61,214	468,429	1,097,374	-	2,135,525
- As restated	-	338,578	-	-	-	338,578	-	338,578
Profit for the year	-	(156,353)	-	-	-	(156,353)	-	(156,353)
Dividends	26,322	723,634	-	61,214	468,429	1,279,599	-	2,539,258
Balance at December 31, 2019								
Balance at January 1, 2018	26,322	277,882	425,543	61,214	468,429	1,259,390	-	2,539,258
- As previously stated	-	-	(425,543)	-	-	(425,543)	-	-
- Prior year adjustments	26,322	277,882	-	61,214	468,429	833,847	-	1,834,292
- As restated	-	393,821	-	-	-	393,821	-	393,821
Profit for the year - restated	-	(130,294)	-	-	-	(130,294)	-	(130,294)
Dividends	26,322	541,409	-	61,214	468,429	1,097,374	-	2,135,525
Balance at December 31, 2018								

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	2019 Rs'000	2018 Restated Rs'000	2019 Rs'000	2018 Restated Rs'000
Net cash generated from operating activities	2,082,379	2,108,899	1,867,469	2,046,417
Net cash used in investing activities	(1,626,172)	(1,966,742)	(1,609,242)	(1,927,013)
Net cash used in financing activities	(4,152)	(267,182)	(2,968)	(251,376)
Increase/ (decrease) in cash and cash equivalents	452,055	(125,025)	255,259	(131,972)
Movement in cash and cash equivalents				
At January 1,	2,465,487	2,581,701	2,092,267	2,215,289
Increase/ (decrease) during the year	452,055	(125,025)	255,259	(131,972)
Effects of exchange rate changes	42,089	8,811	36,449	8,950
At December 31,	2,959,631	2,465,487	2,383,975	2,092,267

Copies of these condensed audited financial statements and the statement of officers' interests are available to the public free of charge from the Company 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 accept full responsibility for the accuracy of the information contained in this communiqué.

