

Condensed Unaudited Financial Statements - Quarter Ended March 31, 2020

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the Quarter Ended March 31, 2020.

(a) Basis of accounting

The abridged financial statements of the Group and the Company are unaudited and have been prepared using the same accounting policies as the audited financial statements for the year ended December 31, 2019, except for the adoption of new International Financial Reporting Standards issued which are now effective.

- The figures for Quarter Ended March 31, 2019 have been restated as a result of changes in accounting policies relating to:
- changes in accounting policies in the subsidiary, Swan Life Ltd, relating to the allocation of actuarial surplus and in the accounting of its subsidiaries and associates;
 - restatement of residual gratuity obligations in the Company's financial statements.

These changes were adopted in the audited financial statements for the year ended December 31, 2019 but were not reflected in Quarter Ended March 31, 2019.

(b) Operations

Short Term

The net operational results are in line with expectations for the quarter. The profit includes a one-off income as a result of an internal restructuring of our investment in Sacos in Seychelles.

Long Term

The Gross Premium income for the 1st quarter of 2020 has decreased by 12% compared to the same period last year, mainly due to the impact of the Covid-19 curfew period. It is anticipated that this trend will continue in the second quarter of 2020.

(c) Investments

After a nearly 11-year equity bull-run, the outbreak of COVID-19 sent global markets in deep red territory as global activity came to an abrupt halt. While international equity markets bounced back on 23 March 2020, supported by aggressive fiscal and

monetary stimulus measures across the globe, our local bourse remained depressed with trading sessions suspended between 20 March and 6 April 2020 following the national lockdown. While our equity portfolios tracked market trends downwards over the first quarter, much of the fall was attenuated through a pro-active management of equity exposure. 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.

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 abridged 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
July 10, 2020

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at Mar 31, 2020	Audited as at Dec 31, 2019	Unaudited as at Mar 31, 2020	Audited as at Dec 31, 2019
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets				
Property and equipment	393,451	406,064	81,968	85,360
Investment properties	431,312	433,191	-	-
Investments in subsidiary companies	-	-	557,087	557,087
Investments in associated companies and joint venture	175,054	163,793	138,615	34,509
Investments in financial assets	29,329,430	38,331,944	1,215,839	1,684,808
Loans and receivables	4,311,997	4,338,413	102,023	99,233
Non-current receivables	5,444	5,444	47,036	47,036
Other non-current assets	221,732	234,197	102,786	100,432
	34,868,420	43,913,046	2,245,354	2,608,465
Current assets	13,389,750	9,488,164	3,044,899	3,060,313
Total assets	48,258,170	53,401,210	5,290,253	5,668,778
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	41,379	41,379	41,379	41,379
Retained earnings	3,077,536	2,938,306	2,203,051	2,055,767
Other reserves	90,036	501,949	78,799	432,534
Attributable to owners of the parent	3,208,951	3,481,634	2,323,229	2,529,680
Non-controlling interests	437,888	415,655	-	-
Total equity	3,646,839	3,897,289	2,323,229	2,529,680
Life Assurance Fund	40,466,851	45,199,804	-	-
Technical Provisions	2,609,140	2,452,689	1,971,434	1,957,420
Non-current liabilities	461,915	465,932	299,681	300,507
	43,537,906	48,118,425	2,271,115	2,257,927
Current liabilities	1,073,425	1,385,496	695,909	881,171
Total equity and liabilities	48,258,170	53,401,210	5,290,253	5,668,778
Net assets per share (Rs/cs)	387.75	420.70	280.73	305.67
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, 2020	Quarter Ended Mar 31, 2019 Restated	Quarter Ended Mar 31, 2020	Quarter Ended Mar 31, 2019 Restated
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	2,120,746	2,085,369	721,740	659,856
Net earned premiums	1,623,966	1,619,148	575,209	390,969
Share of results of associated companies and joint venture	5,388	3,066	-	-
Profit before taxation	173,991	98,166	162,682	23,081
Income tax expense	(12,355)	(12,512)	(15,398)	(3,496)
Profit for the period	161,636	85,654	147,284	19,585
Other comprehensive income for the period, net of tax	(412,086)	82,647	(353,735)	72,861
Total comprehensive income for the period	(250,450)	168,301	(206,451)	92,446
Profit for the period attributable to:				
Owners of the parent	131,532	69,126	147,284	19,585
Non-controlling interests	30,104	16,528	-	-
	161,636	85,654	147,284	19,585
Total comprehensive income for the period attributable to:				
Owners of the parent	(278,721)	152,208	(206,451)	92,446
Non-controlling interests	28,271	16,093	-	-
	(250,450)	168,301	(206,451)	92,446
Earnings per share (Rs/cs)	15.89	8.35	17.80	2.37
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									
	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 gain/(losses) Rs'000	Total Rs'000	Non-controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP										
Balance at January 1, 2020	41,379	301,372	30,350	-	2,938,306	267,477	(97,250)	3,481,634	415,655	3,897,289
Profit for the period	-	-	-	-	131,532	-	-	131,532	30,104	161,636
Other comprehensive income for the period	-	(426,732)	16,382	-	-	-	97	(410,253)	(1,833)	(412,086)
Other movement	-	(2,126)	466	-	7,698	-	-	6,038	(6,038)	-
Balance at March 31, 2020	41,379	(127,486)	47,198	-	3,077,536	267,477	(97,153)	3,208,951	437,888	3,646,839
At January 1, 2019										
- As previously stated	41,379	195,033	36,594	1,024,347	1,834,071	267,477	(100,632)	3,298,269	470,795	3,769,064
- Effect of prior year adjustments	-	(2,126)	(8,269)	(1,024,347)	646,857	-	(4,961)	(392,846)	(107,183)	(500,029)
- As restated	41,379	192,907	28,325	-	2,480,928	267,477	(105,593)	2,905,423	363,612	3,269,035
Profit for the period - restated	-	-	-	-	69,126	-	-	69,126	16,528	85,654
Other comprehensive income for the period - restated	-	83,166	(84)	-	-	-	-	83,082	(435)	82,647
Balance at March 31, 2019	41,379	276,073	28,241	-	2,550,054	267,477	(105,593)	3,057,631	379,705	3,437,336
(b) THE COMPANY										
Balance at January 1, 2020	41,379	261,886	43,099	-	2,055,767	220,593	(93,044)	2,529,680	-	-
Profit for the period	-	-	-	-	147,284	-	-	147,284	-	-
Other comprehensive income for the period	-	(353,735)	-	-	-	-	-	(353,735)	-	-
Balance at March 31, 2020	41,379	(91,849)	43,099	-	2,203,051	220,593	(93,044)	2,323,229	-	-
At January 1, 2019										
- As previously stated	41,379	171,329	43,099	-	1,907,368	220,593	(100,640)	2,283,128	-	-
- Effect of prior year adjustments	-	-	-	-	(39,850)	-	(1,208)	(41,058)	-	-
- As restated	41,379	171,329	43,099	-	1,867,518	220,593	(101,848)	2,242,070	-	-
Profit for the period	-	-	-	-	19,585	-	-	19,585	-	-
Other comprehensive income for the period	-	72,861	-	-	-	-	-	72,861	-	-
Balance at March 31, 2019	41,379	244,190	43,099	-	1,887,103	220,593	(101,848)	2,334,516	-	-

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Quarter Ended Mar 31, 2020	Quarter Ended Mar 31, 2019 Restated	Quarter Ended Mar 31, 2020	Quarter Ended Mar 31, 2019
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from/(used in) operating activities	381,129	210,897	171,112	(52,050)
Net cash generated from/(used in) investing activities	4,931,341	190,677	306,339	(166,018)
Net cash (used in)/generated from financing activities	(165,330)	2,062	(218,219)	101,572
Increase/(Decrease) in cash and cash equivalents	5,147,140	403,636	259,232	(116,496)
Movement in cash and cash equivalents:				
At January 1,	3,474,638	2,867,296	516,703	359,438
Increase/(Decrease)	5,147,140	403,636	259,232	(116,496)
Effect of foreign exchange rate changes	50,133	16,259	12,173	1,941
At March 31,	8,671,911	3,287,191	788,108	244,883

5. Segment Information - (Group)

	Life	Casualty	Property	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Quarter Ended March 31, 2020				
Gross premiums	1,258,433	641,916	220,397	2,120,746
Underwriting surplus	270,100	99,064	44,490	413,653
Investment & other income	-	-	-	1,340,072
Management expenses, depreciation & amortisation	-	-	-	(305,779)
Impairment and other charges	-	-	-	(3,842)
Share of results of associated companies & joint venture	-	-	-	5,388
Surplus transferred to Life Assurance Fund	-	-	-	(1,275,501)
Profit before taxation	-	-	-	173,991
RESTATED				
	Life	Casualty	Property	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Quarter Ended March 31, 2019				
Gross premiums	1,332,183	560,987	192,199	2,085,369
Underwriting surplus	357,615	85,207	52,226	495,048
Investment & other income	-	-	-	482,457
Management expenses, depreciation & amortisation	-	-	-	(237,448)
Impairment and other charges	-	-	-	(18,252)
Share of results of associated companies & joint venture	-	-	-	3,066
Surplus transferred to Life Assurance Fund	-	-	-	(626,705)
Profit before taxation	-	-	-	98,166

This communiqué 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.