SWAN

Swan General Ltd

Condensed Unaudited Financial Statements - Half Year and Quarter Ended June 30, 2020

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the Half Year and Quarter Ended June 30,2020.

(a) Basis of accounting
The condensed 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 Half Year and Quarter Ended June 30,2019 have been restated as a result of changes in accounting policies relating to:
(i) 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;
(ii) 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 the Half Year and Quarter Ended June 30, 2019.

(b) Operations
Short Term
The gross and net earned premiums have improved in line with targeted projections and we have achieved a satisfactory net underwriting result for the first semester.

Long Term
The Gross Premium income for the second quarter of 2020 has decreased by 11% compared to the same period last year, confirming the trend observed during the first quarter.

c) Investments
While the COVID-19 lockdown wreaked havoc across markets in the first quarter of 2020, the second quarter saw an improvement as governments and central banks unleashed fiscal and monetary firepower to support economic activity. Despite gaining some grounds in the second quarter, the local equity market remained weak amid heavy foreign selling and a depreciating Rupee while foreign markets posted stellar performances. Our investment portfolios weathered the heightened volatility over the first half of 2020 and outperformed their benchmarks on the back of a pro-active management of exposures.

On the fixed income side, the local market remained challenging on account of recent cuts in the repo rate and falling yields. However, international markets were encouraging.

COVID-19 outbreak continues to pose 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 condensed 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
August 21, 2020

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at June 30, 2020	Audited as at Dec 31, 2019	Unaudited as at June 30, 2020	Audited as at Dec 31, 2019
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets				
Property and equipment	390,537	406,064	79,415	85,360
Investment properties	429,093	433,191	-	-
Investments in subsidiary companies	-	-	557,087	557,087
Investments in associated companies and joint venture	172,825	163,793	138,615	34,509
Investments in financial assets	35,939,354	38,331,944	1,771,456	1,684,808
Loans and receivables	3,686,982	4,338,413	100,398	99,233
Non-current receivables	5,444	5,444	47,036	47,036
Other non-current assets	219,441	234,197	104,311	100,432
	40,843,676	43,913,046	2,798,318	2,608,465
Current assets	10,428,772	9,488,164	2,700,548	3,060,313
Total assets	51,272,448	53,401,210	5,498,866	5,668,778
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	41,379	41,379	41,379	41,379
Retained earnings	3,293,945	2,938,306	2,369,484	2,055,767
Other reserves	142,090	501,949	116,607	432,534
Attributable to owners of the parent	3,477,414	3,481,634	2,527,470	2,529,680
Non-controlling interests	454,762	415,655	-	-
Total equity	3,932,176	3,897,289	2,527,470	2,529,680
Life Assurance Fund	42,899,465	45,199,804	-	-
Technical Provisions	2,691,264	2,452,689	1,996,072	1,957,420
Non-current liabilities	460,888	465,932	298,846	300,507
	46,051,617	48,118,425	2,294,918	2,257,927
Current liabilities	1,288,655	1,385,496	676,478	881,171
Total equity and liabilities	51,272,448	53,401,210	5,498,866	5,668,778
Net assets per share (Rs/cs)	420.19	420.70	305.41	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			
	Half Year Ended June 30,2020	Half Year Ended June 30, 2019 Restated	Quarter Ended June 30,2020	Quarter Ended June 30, 2019 Restated	Half Year Ended June 30,2020	Half Year Ended June 30, 2019 Restated	Quarter Ended June 30,2020	Quarter Ended June 30, 2019 Restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	3,727,298	3,860,737	1,606,552	1,775,368	1,465,209	1,401,373	743,469	741,517
Net earned premiums	3,123,045	3,073,203	1,499,079	1,454,055	1,143,357	802,618	568,148	411,649
Share of results of associated companies and joint venture	18,121	8,826	12,733	5,760	-	-	-	-
Profit before taxation	440,514	174,751	266,523	76,585	352,855	46,768	190,173	23,687
Income tax expense	(45,186)	(23,663)	(32,831)	(11,151)	(39,138)	(6,127)	(23,740)	(2,631)
Profit for the period	395,328	151,088	233,692	65,434	313,717	40,641	166,433	21,056
Other comprehensive income for the period, net of tax	(360,441)	95,317	51,645	12,670	(315,927)	100,018	37,808	27,157
Total comprehensive income for the period	34,887	246,405	285,337	78,104	(2,210)	140,659	204,241	48,213
Profit for the period attributable to:								
Owners of the parent	347,941	122,937	216,409	53,811	313,717	40,641	166,433	21,056
Non-controlling interests	47,387	28,151	17,283	11,623	-	-	-	-
	395,328	151,088	233,692	65,434	313,717	40,641	166,433	21,056
Total comprehensive income for the period attributable to:								
Owners of the parent	(10,258)	220,216	268,463	68,008	(2,210)	140,659	204,241	48,213
Non-controlling interests	45,145	26,189	16,874	10,096	-	-	-	-
	34,887	246,405	285,337	78,104	(2,210)	140,659	204,241	48,213
Earnings per share (Rs/cs)	42.04	14.86	26.15	6.50	37.91	4.91	20.11	2.54
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769	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	-	-	-	-	347,941	-	-	347,941	47,387	395,328
Other comprehensive income for the period	-	(369,557)	11,261	-	-	-	97	(358,199)	(2,242)	(360,441)
Other movements	-	(2,126)	466	-	7,698	-	-	6,038	(6,038)	-
Balance at June 30, 2020	41,379	(70,311)	42,077	-	3,293,945	267,477	(97,153)	3,477,414	454,762	3,932,176
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	-	-	-	-	122,937	-	-	122,937	28,151	151,088
Other comprehensive income for the period - restated	-	113,399	(16,038)	-	-	-	(82)	97,279	(1,962)	95,317
Balance at June 30, 2019	41,379	306,306	12,287	-	2,603,865	267,477	(105,675)	3,125,639	389,801	3,515,440
(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	-	-	-	-	313,717	-	-	313,717		
Other comprehensive income for the period	-	(315,927)	-	-	-	-	-	(315,927)		
Balance at June 30, 2020	41,379	(54,041)	43,099	-	2,369,484	220,593	(93,044)	2,527,470		
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	-	-	-	-	40,641	-	-	40,641		
Other comprehensive income for the period	-	100,018	-	-	-	-	-	100,018		
Balance at June 30, 2019	41,379	271,347	43,099	-	1,908,159	220,593	(101,848)	2,382,729		

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Half Year Ended June 30,2020	Half Year Ended June 30, 2019 Restated	Half Year Ended June 30,2020	Half Year Ended June 30, 2019
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from operating activities	865,870	423,579	454,991	67,318
Net cash generated from/(used in) investing activities	642,745	809,892	(127,094)	(162,294)
Net cash (used in)/generated from financing activities	(167,851)	-	(300,560)	57,292
Increase/(Decrease) in cash and cash equivalents	1,340,764	1,233,471	27,337	(37,684)
Movement in cash and cash equivalents:				
At January 1,	3,474,638	2,867,296	516,703	359,438
Increase/(Decrease)	1,340,764	1,233,471	27,337	(37,684)
Effect of foreign exchange rate changes	101,593	27,705	17,170	3,086
At June 30,	4,916,995	4,128,472	561,210	324,840

5. Segment Information - (Group)

	Life	Casualty	Property	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Half Year Ended June 30, 2020				
Gross premiums	2,082,284	1,301,557	343,458	3,727,298
Underwriting surplus	435,666	279,635	93,789	809,091
Investment & other income				2,039,478
Management expenses, depreciation & amortisation				(556,903)
Impairment and other charges				(12,723)
Share of results of associated companies & joint venture				18,121
Surplus transferred to Life Assurance Fund				(1,856,550)
Profit before taxation				440,514

RESTATED

	Life	Casualty	Property	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Half Year Ended June 30, 2019				
Gross premiums	2,323,501	1,202,490	334,746	3,860,737
Underwriting surplus	417,260	164,733	103,695	685,688
Investment & other income				904,602
Management expenses, depreciation & amortisation				(474,024)
Impairment and other charges				(10,110)
Share of results of associated companies & joint venture				8,826
Surplus transferred to Life Assurance Fund				(940,231)
Profit before taxation				174,751

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.