

Condensed Audited Financial Statements - Year Ended December 31, 2021

The Directors are pleased to present the condensed audited financial statements of the Group and the Company for the year ended December 31, 2021, as audited by KPMG.

(a) Basis of accounting

The condensed audited financial statements have been extracted from the audited financial statements for the year ended December 31, 2021 which have been prepared using the same accounting policies as set out in the audited financial statements for the year ended December 31, 2021.

(b) Operations

Short Term

Despite the prolonged difficult economic environment, the gross written premium for short-term business grew appreciably to reach MUR 3.25bn (+6%). The Company posted an improved net underwriting surplus of MUR 739m for 2021. The operations profits achieved are in accordance with the targets set.

Long Term

In spite of the challenging conditions, both gross premium income and profit before income tax expense have increased by 9% compared to last year. However, as a result of the implementation of the new Alternative Minimum Tax applicable to life insurance business, profit after income tax expense has only seen a marginal increase of less than 1%.

(c) Investments

Our investment portfolio closed the year and the quarter with solid gains, as all asset classes delivered attractive returns. During the quarter, the local stock market was boosted by the confirmed exit of Mauritius from the FATF grey list, in addition to the earlier re-start of the economy and amid rising vaccination rates. Global equity indices were upbeat, led by developed markets, and were supported by economic resilience and robust corporate earnings.

On the fixed income side, our portfolio continued to deliver attractive returns as the international diversification strategy strengthened performance.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
April 22, 2022

1. Statements of Financial Position

	THE GROUP			THE COMPANY	
	Dec 31, 2021	Dec 31, 2020	Jan 1, 2020	Dec 31, 2021	Dec 31, 2020
	Rs'000	Restated Rs'000	Restated Rs'000	Rs'000	Rs'000
ASSETS					
Non-current assets					
Property and equipment	377,448	384,809	406,064	68,461	75,399
Investment properties	422,105	425,317	433,191	-	-
Investments in subsidiary companies	-	-	-	565,874	565,874
Investments in associated companies and joint venture	226,430	162,343	163,793	104,489	102,641
Available-for-sale financial assets	31,987,893	25,094,238	26,395,052	2,771,104	1,736,799
Held-to-maturity financial assets	15,415,648	11,508,757	11,907,795	218,151	202,806
Loans and receivables	5,530,075	5,819,741	4,338,413	73,365	86,117
Non-current receivables	4,895	7,594	5,444	-	-
Other non-current assets	206,127	227,603	234,197	92,431	111,272
Total non-current assets	54,170,621	43,630,402	43,883,949	3,893,875	2,880,908
Current assets	9,146,759	10,375,453	9,939,305	2,468,199	2,676,857
Total assets	63,317,380	54,005,855	53,823,254	6,362,074	5,557,765
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	41,379	41,379	41,379	41,379	41,379
Reserves	4,888,445	3,724,177	3,425,480	3,069,728	2,452,152
Attributable to owners of the parent	4,929,824	3,765,556	3,466,859	3,111,107	2,493,531
Non-controlling interests	601,041	489,496	415,655	-	-
Total equity	5,530,865	4,255,052	3,882,514	3,111,107	2,493,531
Life Assurance Fund	52,790,703	45,084,339	45,166,453	-	-
Technical provisions	2,958,331	2,774,159	2,464,998	2,294,813	2,159,659
Non-current liabilities	607,473	592,898	465,932	355,852	360,916
	56,356,507	48,451,396	48,097,383	2,650,665	2,520,575
Current liabilities	1,430,008	1,299,407	1,843,357	600,302	543,659
Total equity and liabilities	63,317,380	54,005,855	53,823,254	6,362,074	5,557,765
Net assets per share (Rs/cs)	595.69	455.01	418.92	375.93	301.31
Number of shares used in calculation	8,275,769	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	
	Year Ended Dec 31, 2021	Year Ended Dec 31, 2020 Restated	Year Ended Dec 31, 2021	Year Ended Dec 31, 2020
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	8,975,070	8,157,438	3,246,476	3,051,387
Net earned premiums	7,500,268	6,865,213	2,408,649	2,297,335
Share of results of associated companies and joint venture	13,729	38,168	-	-
Profit before taxation	929,200	799,096	313,003	295,216
Income tax expense	(83,080)	(28,043)	(18,834)	(16,541)
Profit for the year	846,120	771,053	294,169	278,675
Other comprehensive income for the year, net of tax	595,879	(234,367)	442,578	(180,345)
Total comprehensive income for the year	1,441,999	536,686	736,747	98,330
Profit for the year attributable to:				
Owners of the parent	692,505	642,172	294,169	278,675
Non-controlling interests	153,615	128,881	-	-
	846,120	771,053	294,169	278,675
Total comprehensive income for the year attributable to:				
Owners of the parent	1,283,431	411,981	736,747	98,330
Non-controlling interests	158,568	124,705	-	-
	1,441,999	536,686	736,747	98,330
Basic and diluted earnings per share (Rs/cs)	83.68	77.60	35.55	33.67
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	Retained Earnings Rs'000	Amalgamation Reserve Rs'000	Actuarial reserve Rs'000	Total owners' interest Rs'000	Non-controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP									
Balance at January 1, 2021									
- As previously stated	41,379	145,401	(3,003)	3,445,647	267,477	(137,818)	3,759,083	489,496	4,248,579
- Effect of prior year adjustments	-	-	-	6,473	-	-	6,473	-	6,473
Restated balance at January 1, 2021	41,379	145,401	(3,003)	3,452,120	267,477	(137,818)	3,765,556	489,496	4,255,052
Profit for the year	-	-	-	692,505	-	-	692,505	153,615	846,120
Other comprehensive income for the year	-	5,286,451	81,353	-	-	(8,589)	5,359,215	4,953	5,364,168
Transfer to life assurance fund	-	(4,766,230)	-	-	-	(2,059)	(4,768,289)	-	(4,768,289)
Other movements	-	(125)	-	133	-	-	8	-	8
Dividends	-	-	-	(119,171)	-	-	(119,171)	(47,023)	(166,194)
Balance at December 31, 2021	41,379	665,497	78,350	4,025,587	267,477	(148,466)	4,929,824	601,041	5,530,865
At January 1, 2020,									
- As previously stated	41,379	301,372	30,350	2,922,998	267,477	(97,250)	3,466,326	415,655	3,881,981
- Effect of prior year adjustments	-	-	-	533	-	-	533	-	533
Restated balance at January 1, 2020	41,379	301,372	30,350	2,923,531	267,477	(97,250)	3,466,859	415,655	3,882,514
Profit for the year- restated	-	-	-	642,172	-	-	642,172	128,881	771,053
Other comprehensive income for the year	-	(2,974,066)	(33,819)	-	-	(80,219)	(3,088,104)	(4,176)	(3,092,280)
Transfer to life assurance fund	-	2,818,262	-	-	-	39,651	2,857,913	-	2,857,913
Effect of reduction in of minority interest in associate	-	-	-	6,034	-	-	6,034	(6,034)	-
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	(33)	-	-	(33)	(207)	(240)
Other movement	-	(167)	466	(413)	-	-	(114)	-	(114)
Dividends	-	-	-	(119,171)	-	-	(119,171)	(44,623)	(163,794)
Balance at December 31, 2020	41,379	145,401	(3,003)	3,452,120	267,477	(137,818)	3,765,556	489,496	4,255,052
(b) THE COMPANY									
Balance at January 1, 2021	41,379	121,446	43,099	2,199,963	220,593	(132,949)	2,493,531	-	-
Profit for the year	-	-	-	294,169	-	-	294,169	-	-
Other comprehensive income for the year	-	455,767	-	-	-	(13,189)	442,578	-	-
Dividends	-	-	-	(119,171)	-	-	(119,171)	-	-
Balance at December 31, 2021	41,379	577,213	43,099	2,374,961	220,593	(146,138)	3,111,107	-	-
At January 1, 2020,									
Profit for the year	41,379	261,886	43,099	2,040,459	220,593	(93,044)	2,514,372	-	-
Other comprehensive income for the year	-	(140,440)	-	-	-	(39,905)	(180,345)	-	-
Dividends	-	-	-	(119,171)	-	-	(119,171)	-	-
Balance at December 31, 2020	41,379	121,446	43,099	2,199,963	220,593	(132,949)	2,493,531	-	-

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2021	Year Ended Dec 31, 2020 Restated	Year Ended Dec 31, 2021	Year Ended Dec 31, 2020
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from/ (used in) operating activities	898,995	1,251,119	(4,402)	552,745
Net cash used in investing activities	(1,488,965)	(1,338,316)	(364,297)	(117,021)
Net cash used in financing activities	(173,223)	(189,107)	(72,776)	(304,149)
(Decrease)/Increase in cash and cash equivalents	(763,193)	(276,304)	(441,475)	131,575
Movement in cash and cash equivalents:				
At January 1,	3,552,803	3,693,363	621,728	475,563
(Decrease)/Increase	(763,193)	(276,304)	(441,475)	131,575
Effect of foreign exchange rate changes	166,817	135,744	31,240	14,590
At December 31,	2,956,427	3,552,803	211,493	621,728

5. Segment Information - The Group

	2021				2020			
	Life Rs'000	General Rs'000	Group Elimination Rs'000	Total Rs'000	RESTATED			
					Life Rs'000	General Rs'000	Group Elimination Rs'000	Total Rs'000
Gross written premiums	5,140,464	3,849,266	(14,660)	8,975,070	4,703,165	3,498,804	(44,531)	8,157,438
Net earned premiums	4,956,811	2,550,690	(7,233)	7,500,268	4,531,717	2,378,027	(44,531)	6,865,213
Underwriting surplus	1,537,893	814,891	(7,233)	2,345,551	1,170,101	692,889	(44,531)	1,818,459
Investment income	1,456,347	171,009	(135,622)	1,491,734	1,168,029	161,579	(131,621)	1,197,987
Operating profit	2,994,240	985,900	(142,855)	3,837,285	2,338,130	854,468	(176,152)	3,016,446
Other income	977,577	97,153	(13,059)	1,061,671	1,454,785	214,809	(50,524)	1,619,070
	3,971,817	1,083,053	(155,914)	4,898,956	3,792,915	1,069,277	(226,676)	4,635,516
Marketing and administrative expenses	(546,825)	(690,423)	22,937	(1,214,311)	(473,339)	(632,000)	55,593	(1,049,746)
Finance costs	(569)	(839)	-	(1,408)	(1,580)	(2,728)	-	(4,308)
Movement in allowances for credit impairment of financial assets	(6,116)	(3,665)	-	(9,781)	(34,952)	(4,727)	-	(39,679)
Movement in allowances for credit impairment of non financial assets	(197)	-	-	(197)	(10,349)	(83,985)	38,825	(55,509)
Impairment of financial/non-financial/insurance assets	(15,908)	(19,804)	16,667	(19,045)	(9,359)	-	(2,485)	(11,844)
Depreciation and amortisation	(45,206)	(47,305)	4,404	(88,107)	(50,222)	(53,809)	1,125	(102,906)
Net gain on exchange	264,759	22,680	-	287,439	133,560	31,643	-	165,203
Share of results of associated companies and joint venture	-	-	13,729	13,729	(9,268)	(413)	47,849	38,168
Movement in Life Assurance Fund	(2,938,075)	-	-	(2,938,075)	(2,775,799)	-	-	(2,775,799)
Profit before taxation	683,680	343,697	(98,177)	929,200	561,607	323,258	(85,769)	799,096
Income tax expense	(54,799)	(28,281)	-	(83,080)	(3,981)	(24,057)	(5)	(28,043)
Profit for the year	628,881	315,416	(98,177)	846,120	557,626	299,201	(85,774)	771,053

This communiqué is issued pursuant to the Listing Rule 12.14 and the Securities Act 2005.

Copies of these condensed audited financial statements and the statements of officers' interests, pursuant to Rule 8 (2)(m) 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 audited 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 audited financial statements.