



# Swan Insurance Company Limited

Condensed Audited Financial Statements - Year Ended December 31, 2014

The Directors are pleased to present the condensed audited financial statements of the Group and the Company for the year ended December 31, 2014 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, 2014 which have been prepared in accordance with International Financial Reporting Standards.

**(b) Operations**

**(i) Short Term**

This year's operational results are in line with expectations despite the persistent local soft market conditions. The consistency achieved in the underwriting result is attributable to efficient claims and cycle management coupled with a prudent and sound underwriting approach.

**(ii) Long Term**

The total surplus for the year has increased by 10%. This increase is mainly due to investment and other income as well as consideration for annuities, each increasing by around 20%. The individual savings sector remains challenging in view of the difficult economic environment.

**(c) Investments**

The equity portfolios, both local and international, performed well and investment income rose, showing a diversified and sound investing strategy. On the fixed income side, despite the excess liquidity and low interest rate environment, an active management ensured that the portfolio continued to deliver attractive yields.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited  
Secretary

March 26, 2015

**1. Statements of Profit or Loss**

Gross premiums	
Net earned premiums	
Share of profit of associate and joint venture	
Profit before taxation	
Taxation	
Profit for the year	
Profit attributable to:	
Owners of the parent	
Non-controlling interests	
Earnings per share (Rs/cst)	
Number of shares used in calculation	

THE GROUP	
Year Ended	Year Ended
December 31, 2014	December 31, 2013
Rs'000	Rs'000
4,691,429	4,618,248
3,376,400	3,314,677
5,862	14,174
296,765	283,061
(34,617)	(29,176)
262,148	253,885
242,028	224,561
20,120	29,324
262,148	253,885
29.25	27.13
8,275,769	8,275,769

THE COMPANY	
Year Ended	Year Ended
December 31, 2014	December 31, 2013
Rs'000	Rs'000
2,091,134	2,071,551
930,790	946,018
-	-
301,652	265,832
(33,364)	(29,133)
268,288	236,699
268,288	236,699
-	-
268,288	236,699
32.42	28.60
8,275,769	8,275,769

**2. Statements of Profit or Loss and Other Comprehensive Income**

Profit for the year	
Other comprehensive income for the year	
Total comprehensive income for the year	

THE GROUP	
Year Ended	Year Ended
December 31, 2014	December 31, 2013
Rs'000	Rs'000
262,148	253,885
187,923	(5,078)
450,071	248,807
401,545	235,815
48,526	12,992
450,071	248,807

THE COMPANY	
Year Ended	Year Ended
December 31, 2014	December 31, 2013
Rs'000	Rs'000
268,288	236,699
64,010	67,014
332,298	303,713
332,298	303,713
-	-
332,298	303,713

**3. Statements of Financial Position**

<b>ASSETS</b>	
Non-current assets	
Property and equipment	
Investment in subsidiary companies	
Investment in associated company and joint venture	
Investments in financial assets	
Other non-current assets	
Current assets	
Life business assets	
Total assets	
<b>EQUITY AND LIABILITIES</b>	
Capital and reserves (attributable to owners of the parent)	
Share capital	
Other reserves	
Retained Earnings	
Owners' interest	
Non-controlling interests	
Total equity	
Life assurance fund	
Technical provisions	
Non-current liabilities	
Current liabilities	
Total equity and liabilities	
Net assets per share (Rs/cst)	
Number of shares used in calculation	

THE GROUP	
As at	As at
December 31, 2014	December 31, 2013
Rs'000	Rs'000
98,840	105,014
-	-
68,287	67,933
1,489,564	949,828
245,572	229,923
1,902,263	1,352,698
2,576,836	2,586,269
30,906,657	28,425,609
35,385,756	32,364,576
41,379	41,379
587,273	427,756
1,323,750	1,181,031
1,952,402	1,650,166
238,942	193,582
2,191,344	1,843,748
30,906,657	28,425,609
1,675,063	1,637,936
134,779	125,139
32,716,499	30,188,684
477,913	332,144
35,385,756	32,364,576
235.91	199.40
8,275,769	8,275,769

THE COMPANY	
As at	As at
December 31, 2014	December 31, 2013
Rs'000	Rs'000
96,895	97,565
372,144	352,014
500	500
1,335,666	918,773
165,993	161,132
1,971,198	1,529,984
2,141,322	2,145,359
-	-
4,112,520	3,675,343
41,379	41,379
511,803	447,793
1,346,344	1,177,365
1,899,526	1,666,537
-	-
1,663,741	1,637,936
104,294	113,391
1,768,035	1,751,327
444,959	257,479
4,112,520	3,675,343
229.52	201.38
8,275,769	8,275,769

**4. Statements of Changes in Equity**

<b>(a) THE GROUP</b>									
Balance at January 1, 2014	41,379	243,625	16,900	(50,619)	1,181,031	267,477	(49,627)	1,650,166	1,843,748
Profit for the year	-	-	-	-	242,028	-	-	242,028	262,148
Other comprehensive income for the year	-	65,587	6,434	86,353	-	-	1,143	159,517	28,406
Total comprehensive income for the year	-	65,587	6,434	86,353	242,028	-	1,143	401,545	450,071
Other movement	-	-	-	-	-	-	-	23,517	23,517
Disposal of subsidiary	-	-	-	-	-	-	-	-	10,244
Dividends	-	-	-	-	(99,309)	-	-	(99,309)	(136,236)
Total transactions with owners of the parent	-	-	-	-	(99,309)	-	-	(99,309)	(102,475)
Balance at December 31, 2014	41,379	309,212	23,334	35,734	1,323,750	267,477	(48,484)	1,952,402	2,191,344
Balance at January 1, 2013 - Restated	41,379	152,203	19,071	(1,521)	1,046,676	267,477	(20,728)	1,504,557	202,983
Profit for the year	-	-	-	-	224,561	-	-	224,561	253,885
Other comprehensive income for the year	-	91,422	(2,171)	(49,098)	-	-	(28,899)	11,254	(5,078)
Total comprehensive income for the year	-	91,422	(2,171)	(49,098)	224,561	-	(28,899)	235,815	248,807
Issue of share capital	-	-	-	-	-	-	-	-	1,426
Other movement	-	-	-	-	-	-	-	-	9,938
Dividends	-	-	-	-	(90,206)	-	-	(90,206)	(33,757)
Total transactions with owners of the parent	-	-	-	-	(90,206)	-	-	(90,206)	(22,393)
Balance at December 31, 2013	41,379	243,625	16,900	(50,619)	1,181,031	267,477	(49,627)	1,650,166	1,843,748
<b>(b) THE COMPANY</b>									
Balance at January 1, 2014	41,379	248,116	28,719	-	1,177,365	220,593	(49,635)	1,666,537	
Profit for the year	-	-	-	-	268,288	-	-	268,288	
Other comprehensive income for the year	-	62,867	-	-	-	-	1,143	64,010	
Total comprehensive income for the year	-	62,867	-	-	268,288	-	1,143	332,298	
Dividends	-	-	-	-	(99,309)	-	-	(99,309)	
Balance at December 31, 2014	41,379	310,983	28,719	-	1,346,344	220,593	(48,492)	1,899,526	
Balance at January 1, 2013 - restated	41,379	152,203	28,719	-	1,030,872	220,593	(20,736)	1,453,030	
Profit for the year	-	-	-	-	236,699	-	-	236,699	
Other comprehensive income for the year	-	95,913	-	-	-	-	(28,899)	67,014	
Total comprehensive income for the year	-	95,913	-	-	236,699	-	(28,899)	303,713	
Dividends	-	-	-	-	(90,206)	-	-	(90,206)	
Balance at December 31, 2013	41,379	248,116	28,719	-	1,177,365	220,593	(49,635)	1,666,537	

Attributable to owners of the parent									
Share Capital	Fair value reserves	Other reserves	Proprietors' fund	Retained earnings	Amalgamation reserve	Actuarial gains / (losses)	Total	Non Controlling interests	Total Equity
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
41,379	243,625	16,900	(50,619)	1,181,031	267,477	(49,627)	1,650,166	193,582	1,843,748
-	-	-	-	242,028	-	-	242,028	20,120	262,148
-	65,587	6,434	86,353	-	-	1,143	159,517	28,406	187,923
-	65,587	6,434	86,353	242,028	-	1,143	401,545	48,526	450,071
-	-	-	-	-	-	-	23,517	-	23,517
-	-	-	-	-	-	-	-	10,244	10,244
-	-	-	-	(99,309)	-	-	(99,309)	(36,927)	(136,236)
-	-	-	-	(99,309)	-	-	(99,309)	(3,166)	(102,475)
41,379	309,212	23,334	35,734	1,323,750	267,477	(48,484)	1,952,402	238,942	2,191,344
41,379	152,203	19,071	(1,521)	1,046,676	267,477	(20,728)	1,504,557	202,983	1,707,540
-	-	-	-	224,561	-	-	224,561	29,324	253,885
-	91,422	(2,171)	(49,098)	-	-	(28,899)	11,254	(16,332)	(5,078)
-	91,422	(2,171)	(49,098)	224,561	-	(28,899)	235,815	12,992	248,807
-	-	-	-	-	-	-	-	-	1,426
-	-	-	-	-	-	-	-	9,938	9,938
-	-	-	-	(90,206)	-	-	(90,206)	(33,757)	(123,963)
-	-	-	-	(90,206)	-	-	(90,206)	(22,393)	(112,599)
41,379	243,625	16,900	(50,619)	1,181,031	267,477	(49,627)	1,650,166	193,582	1,843,748

**5. Statements of Cash Flows**

Net cash generated from/(used in) operating activities	71,472	(60,619)
Net cash (used in)/generated from investing activities	(267,601)	60,669
Net cash generated from/(used in) financing activities	28,527	(90,153)
(Decrease)/increase in cash and cash equivalents	(167,602)	(90,103)

THE GROUP	
Year Ended	Year Ended
December 31, 2014	December 31, 2013
Rs'000	Rs'000
287,755	383,014
(167,602)	(90,103)
7,328	(5,156)
127,481	287,755

THE COMPANY	
Year Ended	Year Ended
December 31, 2014	December 31, 2013
Rs'000	Rs'000
59,709	(45,160)
(168,353)	126,698
50,043	(72,239)
(58,601)	9,299
132,499	124,627
(58,601)	9,299
(1,463)	(1,427)
72,435	132,499

**6. Segment Information - (Group)**

Year ended December 31, 2014			
Gross premiums	2,598,749	1,470,777	621,903
Net earned premiums	2,444,064	767,488	164,848
Underwriting surplus	-	338,006	147,910
Year ended December 31, 2013			
Gross premiums	2,541,153	1,454,440	622,655
Net earned premiums	2,363,115	793,839	157,723
Underwriting surplus	-	321,054	130,153

THE GROUP			
Life	Casualty	Property	Total
Rs'000	Rs'000	Rs'000	Rs'000
2,598,749	1,470,777	621,903	4,691,429
2,444,064	767,488	164,848	3,376,400
-	338,006	147,910	485,916
2,541,153	1,454,440	622,655	4,618,248
2,363,115	793,839	157,723	3,314,677
-	321,054	130,153	451,207



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