



Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Nine Months and Quarter Ended September 30, 2011

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the nine months and quarter ended 30th September 2011.

(a) Basis of Accounting

The condensed unaudited financial statements comply with the International Financial Reporting Standards (IFRS) and are prepared under the historical cost convention except that:

- available-for-sale financial assets are stated at fair value.
- held-to-maturity investments, loans and receivables, relevant financial assets and financial liabilities are carried at amortised cost.

(b) Income Tax

Current tax rate on the profit for the period is at 15% (2010:15%).

(c) Operations

(i) Short-term

The operational results were satisfactory despite the soft market conditions and the adverse claims trend in some lines of business. The Company continues to focus on writing quality business at acceptable pricing levels and

managing efficiently its claims costs.

(ii) Long-term

The premium income for the individual business has increased satisfactorily compared to the corresponding period last year.

(d) Investments (Group)

The Group's investment portfolios were quite resilient in the context of the global declining stock market indices. On the fixed income side, overall yields remained satisfactory in spite of the prevailing low interest rates.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited
Secretary

1. Income Statements

	THE GROUP			
	9 Months Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2010 Rs'000	Quarter Ended 30 th Sept 2011 Rs'000	Quarter Ended 30 th Sept 2010 Rs'000
Gross premiums	2,469,798	2,265,048	891,252	826,628
Net earned premiums	1,714,228	1,565,402	578,086	562,244
Profit before taxation	130,432	126,354	47,037	46,523
Taxation	(18,535)	(17,814)	(7,297)	(7,304)
Profit for the period	111,897	108,540	39,740	39,219
Profit attributable to:				
Owners of the parent	111,002	105,288	40,432	38,451
Non-controlling interests	895	3,252	(692)	768
Earnings per share (Rs/cst)	15.48	14.68	5.64	5.36
Number of shares used in calculation				

	THE COMPANY			
	9 Months Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2010 Rs'000	Quarter Ended 30 th Sept 2011 Rs'000	Quarter Ended 30 th Sept 2010 Rs'000
Gross premiums	1,089,477	1,013,335	405,570	376,743
Net earned premiums	395,412	353,483	129,614	124,279
Profit before taxation	128,451	119,686	48,241	44,673
Taxation	(18,523)	(17,802)	(7,294)	(7,300)
Profit for the period	109,928	101,884	40,947	37,373
Profit attributable to:				
Owners of the parent	109,928	101,884	40,947	37,373
Non-controlling interests	-	-	-	-
Earnings per share (Rs/cst)	15.33	14.21	5.71	5.21
Number of shares used in calculation	7,171,346	7,171,346	7,171,346	7,171,346

2. Statements of Comprehensive Income

	THE GROUP			
	9 Months Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2010 Rs'000	Quarter Ended 30 th Sept 2011 Rs'000	Quarter Ended 30 th Sept 2010 Rs'000
Profit for the period	111,897	108,540	39,740	39,219
Other comprehensive income	64,825	(21,674)	(58,821)	(8,814)
Total comprehensive income	176,722	86,866	(19,081)	30,405
Total comprehensive income attributable to:				
Owners of the parent	137,080	83,103	(18,153)	30,220
Non-controlling interests	39,642	3,763	(928)	185
	176,722	86,866	(19,081)	30,405

	THE COMPANY			
	9 Months Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2010 Rs'000	Quarter Ended 30 th Sept 2011 Rs'000	Quarter Ended 30 th Sept 2010 Rs'000
Profit for the period	109,928	101,884	40,947	37,373
Other comprehensive income	(60,103)	5,000	(59,672)	15,384
Total comprehensive income	49,825	106,884	(18,725)	52,757
Total comprehensive income attributable to:				
Owners of the parent	49,825	106,884	(18,725)	52,757
Non-controlling interests	-	-	-	-
	49,825	106,884	(18,725)	52,757

3. Statements of Financial Position

	THE GROUP	
	Unaudited as at 30 th Sept 2011 Rs'000	Audited as at 31 st Dec 2010 Rs'000
ASSETS		
Non-current assets		
Property and equipment	86,822	84,001
Investment in subsidiary companies	-	-
Investment in associated company and joint venture	45,367	58,633
Investment in financial assets	527,393	601,149
Other non-current assets	109,386	100,599
	768,968	844,382
Current assets	1,616,841	1,132,636
Life business assets	20,107,713	20,888,758
Total assets	22,493,522	22,865,776
EQUITY AND LIABILITIES		
Capital and reserves (attributable to owners of the parent)		
Share capital	35,857	35,857
Reserves	1,114,458	977,394
Owners' interest	1,150,315	1,013,251
Non-controlling interests	90,495	50,853
Total equity	1,240,810	1,064,104
Life assurance fund	20,107,713	20,888,758
Technical Provisions	964,217	786,837
Non-current liabilities	26,226	37,726
	21,098,156	21,713,321
Current liabilities	154,556	88,351
Total equity and liabilities	22,493,522	22,865,776
Net assets per share (Rs/cst)	160.40	141.29
Number of shares used in calculation		

	THE COMPANY	
	Unaudited as at 30 th Sept 2011 Rs'000	Audited as at 31 st Dec 2010 Rs'000
ASSETS		
Non-current assets		
Property and equipment	86,629	83,785
Investment in subsidiary companies	55,220	55,220
Investment in associated company and joint venture	500	500
Investment in financial assets	527,393	601,149
Other non-current assets	109,386	100,599
	779,128	841,253
Current assets	1,417,566	1,070,645
Total assets	2,196,694	1,911,898
EQUITY AND LIABILITIES		
Capital and reserves (attributable to owners of the parent)		
Share capital	35,857	35,857
Reserves	1,012,668	962,843
Owners' interest	1,048,525	998,700
Non-controlling interests	-	-
Total equity	1,048,525	998,700
Life assurance fund	-	-
Technical Provisions	964,217	786,837
Non-current liabilities	26,112	37,612
	990,329	824,449
Current liabilities	157,840	88,749
Total equity and liabilities	2,196,694	1,911,898
Net assets per share (Rs/cst)	146.21	139.26
Number of shares used in calculation	7,171,346	7,171,346

4. Statements of Changes in Equity

	Attributable to owners of the parent							
	Share Capital Rs'000	Fair value reserves Rs'000	Revaluation and other reserves Rs'000	Proprietors' fund Rs'000	Retained Earnings Rs'000	Total Rs'000	Non-controlling interests Rs'000	Total Equity Rs'000
(a) THE GROUP								
Balance at January 1, 2011	35,857	150,730	49,321	(32,214)	809,557	1,013,251	50,853	1,064,104
Total comprehensive income for the period	-	(60,103)	(15,755)	101,920	111,002	137,064	39,642	176,706
Balance at September 30, 2011	35,857	90,627	33,566	69,706	920,559	1,150,315	90,495	1,240,810
Balance at January 1, 2010	35,857	108,213	61,179	29,953	678,802	914,004	60,844	974,848
Total comprehensive income for the period	-	5,000	(7,943)	(19,242)	105,288	83,103	3,763	86,866
Balance at September 30, 2010	35,857	113,213	53,236	10,711	784,090	997,107	64,607	1,061,714
(b) THE COMPANY								
Balance at January 1, 2011	35,857	150,730	28,719	-	783,394	998,700	-	998,700
Total comprehensive income for the period	-	(60,103)	-	-	109,928	49,825	-	49,825
Balance at September 30, 2011	35,857	90,627	28,719	-	893,322	1,048,525	-	1,048,525
Balance at January 1, 2010	35,857	108,213	28,719	-	658,590	831,379	-	831,379
Total comprehensive income for the period	-	5,000	-	-	101,884	106,884	-	106,884
Balance at September 30, 2010	35,857	113,213	28,719	-	760,474	938,263	-	938,263

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	9 Months Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2010 Rs'000	9 Months Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2010 Rs'000
Net cash generated from operating activities	79,627	43,960	78,886	38,193
Net cash generated from/(used in) investing activities	24,109	(111,500)	24,109	(111,478)
Net cash used in financing activities	-	(7,381)	-	-
Increase/(decrease) in cash and cash equivalents	103,736	(74,921)	102,995	(73,285)
Movement in cash and cash equivalents				
At January 1,	272,119	359,127	269,573	353,490
Increase/(decrease)	103,736	(74,921)	102,995	(73,285)
Effect of foreign exchange rate changes	(2,062)	1,164	(1,835)	1,148
At September 30,	373,793	285,370	370,733	281,353

6. Segment Information - (Group)

	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
9 Months Ended 30th September 2011				
Gross premiums	1,380,321	718,839	370,638	2,469,798
Net earned premiums	1,318,816	310,589	84,823	1,714,228
Underwriting surplus	-	138,578	91,440	230,018
9 Months Ended 30th September 2010				
Gross premiums	1,251,713	645,343	367,992	2,265,048
Net earned premiums	1,211,919	276,527	76,956	1,565,402
Underwriting surplus	-	121,183	84,971	206,154



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