



Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Half Year and Quarter Ended June 30, 2011

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the half year and quarter ended 30th June 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 are broadly in line with expectations despite the unprecedented soft and challenging market conditions. The Company continues to focus on securing adequate premium rates at a time of difficult pricing conditions and efficiently managing claims costs and recovery processes. The Company thus remains well

positioned to address the opportunities that exist in the current marketplace.

(ii) Long-term

Following the triennial actuarial valuation as at 31st December 2010, bonuses amounting to Rs 1.3 billion have been declared to the with-profit policyholders. Premium growth was satisfactory compared to the corresponding period last year.

(d) Investments (Group)

The Group's investment portfolios registered satisfactory performances over the quarter benefiting especially from the local equity market. Furthermore, the fixed income placements yielded encouraging returns notwithstanding prevailing low interest rates and a relatively strong rupee.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited
Secretary

1. Income Statements

	THE GROUP			
	Half Year Ended	Half Year Ended	Quarter Ended	Quarter Ended
	30 th June 2011	30 th June 2010	30 th June 2011	30 th June 2010
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	1,578,546	1,438,420	786,508	729,649
Net earned premiums	1,136,142	1,003,158	608,125	527,178
Profit before taxation	83,395	79,831	38,767	39,908
Taxation	(11,238)	(10,510)	(4,581)	(4,160)
Profit for the period	72,157	69,321	34,186	35,748
Profit attributable to:				
Owners of the parent	70,570	66,837	33,052	33,757
Non-controlling interests	1,587	2,484	1,134	1,991
Earnings per share ^(Rs/cst)	9.84	9.32	4.61	4.71
Number of shares used in calculation				

	THE COMPANY			
	Half Year Ended	Half Year Ended	Quarter Ended	Quarter Ended
	30 th June 2011	30 th June 2010	30 th June 2011	30 th June 2010
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	683,907	636,592	304,994	306,919
Net earned premiums	265,798	229,204	134,799	115,606
Profit before taxation	80,210	75,013	35,857	36,150
Taxation	(11,229)	(10,502)	(4,576)	(4,156)
Profit for the period	68,981	64,511	31,281	31,994
Earnings per share ^(Rs/cst)	9.62	9.00	4.36	4.46
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			
	Half Ended	Half Year Ended	Quarter Ended	Quarter Ended
	30 th June 2011	30 th June 2010	30 th June 2011	30 th June 2010
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	72,157	69,321	34,186	35,748
Other comprehensive income	123,646	(12,860)	126,853	2,588
Total comprehensive income	195,803	56,461	161,039	38,336
Total comprehensive income attributable to:				
Owners of the parent	155,233	52,883	121,379	34,181
Non-controlling interests	40,570	3,578	39,660	4,155
	195,803	56,461	161,039	38,336

	THE COMPANY			
	Half Year Ended	Half Year Ended	Quarter Ended	Quarter Ended
	30 th June 2011	30 th June 2010	30 th June 2011	30 th June 2010
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	68,981	64,511	31,281	31,994
Other comprehensive income	(431)	(10,384)	2,864	898
Total comprehensive income	68,550	54,127	34,145	32,892
Total comprehensive income attributable to:				
Owners of the parent	68,550	54,127	34,145	32,892
Non-controlling interests	-	-	-	-
	68,550	54,127	34,145	32,892

3. Statements of Financial Position

	THE GROUP	
	Unaudited as at	Audited as at
	30 th June 2011	31 st Dec 2010
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property and equipment	86,965	84,001
Investment in subsidiary companies	-	-
Investment in associated company and joint venture	46,878	58,633
Investment in financial assets	656,179	601,149
Other non-current assets	100,576	100,599
	890,598	844,382
Current assets	1,362,707	1,132,636
Life business assets	20,880,865	20,888,758
Total assets	23,134,170	22,865,776
EQUITY AND LIABILITIES		
Capital and reserves ^(attributable to owners of the parent)		
Share capital	35,857	35,857
Reserves	1,132,627	977,394
Owners' interest	1,168,484	1,013,251
Non-controlling interests	91,423	50,853
Total equity	1,259,907	1,064,104
Life assurance fund	20,880,865	20,888,758
Technical Provisions	860,876	786,837
Non-current liabilities	26,226	37,726
	21,767,967	21,713,321
Current liabilities	106,296	88,351
Total equity and liabilities	23,134,170	22,865,776
Net assets per share ^(Rs/cst)	162.94	141.29
Number of shares used in calculation		

	THE COMPANY	
	Unaudited as at	Audited as at
	30 th June 2011	31 st Dec 2010
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property and equipment	86,764	83,785
Investment in subsidiary companies	55,220	55,220
Investment in associated company and joint venture	500	500
Investment in financial assets	656,179	601,149
Other non-current assets	100,576	100,599
	899,239	841,253
Current assets	1,160,762	1,070,645
Total assets	2,060,001	1,911,898
EQUITY AND LIABILITIES		
Capital and reserves ^(attributable to owners of the parent)		
Share capital	35,857	35,857
Reserves	1,031,393	962,843
Owners' interest	1,067,250	998,700
Non-controlling interests	-	-
Total equity	1,067,250	998,700
Life assurance fund	-	-
Technical Provisions	860,876	786,837
Non-current liabilities	26,112	37,612
	886,988	824,449
Current liabilities	105,763	88,749
Total equity and liabilities	2,060,001	1,911,898
Net assets per share ^(Rs/cst)	148.82	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	Fair value reserves	Revaluation and other reserves	Proprietors' fund	Retained Earnings	Total	Non-controlling interests	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	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	-	(431)	(15,954)	101,048	70,570	155,233	40,570	195,803
Balance at June 30, 2011	35,857	150,299	33,367	68,834	880,127	1,168,484	91,423	1,259,907
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	-	(10,384)	(4,593)	1,023	66,837	52,883	3,578	56,461
Balance at June 30, 2010	35,857	97,829	56,586	30,976	745,639	966,887	64,422	1,031,309
(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	-	(431)	-	-	68,981	68,550	-	68,550
Balance at June 30, 2011	35,857	150,299	28,719	-	852,375	1,067,250	-	1,067,250
Balance at January 1, 2010	35,857	108,213	28,719	-	658,590	831,379	-	831,379
Total comprehensive income for the period	-	(10,384)	-	-	64,511	54,127	-	54,127
Balance at June 30, 2010	35,857	97,829	28,719	-	723,101	885,506	-	885,506

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended
	30 th June 2011	30 th June 2010	30 th June 2011	30 th June 2010
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash (used in)/generated from operating activities	(17,724)	30,603	(18,153)	24,655
Net cash generated from/(used in) investing activities	19,753	(125,108)	19,753	(125,086)
Net cash used in financing activities	-	(7,145)	-	-
Increase/(decrease) in cash and cash equivalents	2,029	(101,650)	1,600	(100,431)
Movement in cash and cash equivalents				
At January 1,	272,119	359,127	269,573	353,490
Increase/(decrease)	2,029	(101,650)	1,600	(100,431)
Effect of foreign exchange rate changes	(466)	614	(140)	484
At June 30,	273,682	258,091	271,033	253,543

6. Segment Information - (Group)

	Life	Casualty	Property	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Half Year Ended 30th June 2011				
Gross premiums	894,639	454,394	229,513	1,578,546
Net earned premiums	870,344	208,482	57,316	1,136,142
Underwriting surplus	-	92,679	56,901	149,580
Half Year Ended 30th June 2010				
Gross premiums	801,828	408,002	228,590	1,438,420
Net earned premiums	773,954	178,896	50,308	1,003,158
Underwriting surplus	-	84,183	50,379	134,562



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