



# Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Half Year and Quarter ended 30<sup>th</sup> June 2014

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the half year and quarter ended 30<sup>th</sup> June 2014.

## (a) Basis of accounting

The interim half year and quarter ended condensed financial statements comply with the International Financial Reporting Standards (IFRS) and have been prepared on the same basis of the accounting policies set out in the statutory financial statements of the Group for the year ended December 31, 2013, except for the adoption of relevant amendments to published Standards, Standards and Interpretation now effective.

## (b) Operations

### (i) Short Term

This is another solid mid-term operational result despite the prevailing difficult market conditions. Sound claims management and prudent underwriting are the principal drivers of the Company's encouraging performance.

### (ii) Long Term

The premium income increased satisfactorily during the second quarter as compared to the corresponding period in 2013.

## (c) Investments

Foreign equity markets continued improving during the second quarter, supported by both developed and emerging stocks. The local equity market on the other hand showed a nominal drop as compared to the first quarter. An astute portfolio management strategy ensured an overall positive performance for the equity asset class over the period. On the fixed income side, the portfolio continued earning reasonable returns in spite of the prevalent low interest rate and excess liquidity on the market.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited  
Secretary

13<sup>th</sup> August 2014

## 1. Statements of Profit or Loss

	THE GROUP			
	Half Year Ended 30 <sup>th</sup> June 2014 Rs'000	Half Year Ended 30 <sup>th</sup> June 2013 Rs'000	Quarter Ended 30 <sup>th</sup> June 2014 Rs'000	Quarter Ended 30 <sup>th</sup> June 2013 Rs'000
Gross premiums	2,320,687	2,341,531	1,167,189	1,184,089
Net earned premiums	1,745,624	1,696,239	855,903	822,195
Share of (loss)/profit of associate and joint venture	(2,227)	2,888	(5,720)	970
Profit before taxation	94,708	89,756	36,467	44,500
Taxation	(18,379)	(14,661)	(7,853)	(5,827)
Profit for the period	76,329	75,095	28,614	38,673
Profit attributable to:				
Owners of the parent	82,326	74,933	31,872	38,051
Non-controlling interests	(5,997)	162	(3,258)	622
Earnings per share (Rs/c)	9.95	9.05	3.85	4.60
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769

	THE COMPANY			
	Half Year Ended 30 <sup>th</sup> June 2014 Rs'000	Half Year Ended 30 <sup>th</sup> June 2013 Rs'000	Quarter Ended 30 <sup>th</sup> June 2014 Rs'000	Quarter Ended 30 <sup>th</sup> June 2013 Rs'000
Gross premiums	1,029,340	1,019,782	494,970	517,798
Net earned premiums	470,549	483,304	247,711	248,576
Share of (loss)/profit of associate and joint venture	-	-	-	-
Profit before taxation	115,958	96,900	50,830	46,577
Taxation	(18,947)	(14,299)	(7,875)	(5,871)
Profit for the period	97,011	82,601	42,955	40,706
Profit attributable to:				
Owners of the parent	97,011	82,601	42,955	40,706
Non-controlling interests	-	-	-	-
Earnings per share (Rs/c)	11.72	9.98	5.19	4.92
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			
	Half Year Ended 30 <sup>th</sup> June 2014 Rs'000	Half Year Ended 30 <sup>th</sup> June 2013 Rs'000	Quarter Ended 30 <sup>th</sup> June 2014 Rs'000	Quarter Ended 30 <sup>th</sup> June 2013 Rs'000
Profit for the period	76,329	75,095	28,614	38,673
Other comprehensive income for the period	43,547	44,159	25,055	(26,067)
Total comprehensive income for the period	119,876	119,254	53,669	12,606
Total comprehensive income attributable to:				
Owners of the parent	122,031	115,831	56,821	13,432
Non-controlling interests	(2,155)	3,423	(3,152)	(826)
	119,876	119,254	53,669	12,606

	THE COMPANY			
	Half Year Ended 30 <sup>th</sup> June 2014 Rs'000	Half Year Ended 30 <sup>th</sup> June 2013 Rs'000	Quarter Ended 30 <sup>th</sup> June 2014 Rs'000	Quarter Ended 30 <sup>th</sup> June 2013 Rs'000
Profit for the period	97,011	82,601	42,955	40,706
Other comprehensive income for the period	26,451	33,719	20,712	(23,680)
Total comprehensive income for the period	123,462	116,320	63,667	17,026
Total comprehensive income attributable to:				
Owners of the parent	123,462	116,320	63,667	17,026
Non-controlling interests	-	-	-	-
	123,462	116,320	63,667	17,026

## 3. Statements of Financial Position

	THE GROUP	
	Unaudited as at 30 <sup>th</sup> June 2014 Rs'000	Audited as at 31 <sup>st</sup> Dec 2013 Rs'000
<b>ASSETS</b>		
Non-current assets		
Property and equipment	107,462	105,014
Investment in subsidiary companies	-	-
Investment in associated company and joint venture	70,252	67,933
Investments in financial assets	1,242,915	949,828
Other non-current assets	225,768	229,923
Current assets	1,646,397	1,352,698
Life business assets	2,553,603	2,586,269
Total assets	34,030,138	32,364,576
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves (attributable to owners of the parent)		
Share capital	41,379	41,379
Reserves	1,730,818	1,608,787
Owners' interest	1,772,197	1,650,166
Non-controlling interests	199,151	193,582
Total equity	1,971,348	1,843,748
Life assurance fund	29,830,138	28,425,609
Technical provisions	1,787,210	1,637,936
Non-current liabilities	139,808	125,139
Current liabilities	31,757,156	30,188,684
Total equity and liabilities	34,030,138	32,364,576
Net assets per share (Rs/c)	214.14	199.40
Number of shares used in calculation	8,275,769	8,275,769

	THE COMPANY	
	Unaudited as at 30 <sup>th</sup> June 2014 Rs'000	Audited as at 31 <sup>st</sup> Dec 2013 Rs'000
Non-current assets		
Property and equipment	101,421	97,565
Investment in subsidiary companies	352,044	352,014
Investment in associated company and joint venture	500	500
Investments in financial assets	1,136,070	918,773
Other non-current assets	161,413	161,132
Current assets	1,751,448	1,529,984
Life business assets	2,164,237	2,145,359
Total assets	3,915,685	3,675,343
Capital and reserves (attributable to owners of the parent)		
Share capital	41,379	41,379
Reserves	1,748,620	1,625,158
Owners' interest	1,789,999	1,666,537
Non-controlling interests	-	-
Total equity	1,789,999	1,666,537
Life assurance fund	-	-
Technical provisions	1,786,981	1,637,936
Non-current liabilities	123,098	113,391
Current liabilities	1,910,079	1,751,327
Total equity and liabilities	215,607	257,479
	3,915,685	3,675,343
Net assets per share (Rs/c)	216.29	201.38
Number of shares used in calculation	8,275,769	8,275,769

## 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	Amalgamation reserve Rs'000	Actuarial gains/(losses) Rs'000	Total Rs'000	Non Controlling interests Rs'000	Total Equity Rs'000
<b>(a) THE GROUP</b>										
Balance at 1 <sup>st</sup> January 2014	41,379	243,625	16,900	(50,619)	1,181,031	267,477	(49,627)	1,650,166	193,582	1,843,748
Profit for the period	-	-	-	-	82,326	-	-	82,326	(5,997)	76,329
Other comprehensive income for the period	-	35,439	3,394	872	-	-	-	39,705	3,842	43,547
Other movement	-	-	-	-	-	-	-	-	7,724	7,724
Balance at 30 <sup>th</sup> June 2014	41,379	279,064	20,294	(49,747)	1,263,357	267,477	(49,627)	1,772,197	199,151	1,971,348
Balance at 1 <sup>st</sup> January 2013 - Restated	41,379	152,203	19,071	(1,521)	1,046,676	272,419	(25,670)	1,504,557	202,983	1,707,540
Profit for the period	-	-	-	-	74,933	-	-	74,933	162	75,095
Other comprehensive income for the period	-	33,719	5,115	2,064	-	-	-	40,898	3,261	44,159
Other movement	-	-	-	-	-	-	-	-	6,180	6,180
Balance at 30 <sup>th</sup> June 2013	41,379	185,922	24,186	543	1,121,609	272,419	(25,670)	1,620,388	212,586	1,832,974
<b>(b) THE COMPANY</b>										
Balance at 1 <sup>st</sup> January 2014	41,379	248,116	28,719	-	1,177,365	220,593	(49,635)	1,666,537	-	1,666,537
Profit for the period	-	-	-	-	97,011	-	-	97,011	-	97,011
Other comprehensive income for the period	-	26,451	-	-	-	-	-	26,451	-	26,451
Balance at 30 <sup>th</sup> June 2014	41,379	274,567	28,719	-	1,274,376	220,593	(49,635)	1,789,999	-	1,789,999
Balance at 1 <sup>st</sup> January 2013 - Restated	41,379	152,203	28,719	-	1,030,872	225,535	(25,678)	1,453,030	-	1,453,030
Profit for the period	-	-	-	-	82,601	-	-	82,601	-	82,601
Other comprehensive income for the period	-	33,719	-	-	-	-	-	33,719	-	33,719
Balance at 30 <sup>th</sup> June 2013	41,379	185,922	28,719	-	1,113,473	225,535	(25,678)	1,569,350	-	1,569,350

## 5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Half Year Ended 30 <sup>th</sup> June 2014 Rs'000	Half Year Ended 30 <sup>th</sup> June 2013 Rs'000	Half Year Ended 30 <sup>th</sup> June 2014 Rs'000	Half Year Ended 30 <sup>th</sup> June 2013 Rs'000
Net cash generated from/(used in) operating activities	92,577	(62,491)	106,531	(48,274)
Net cash (used in)/generated from investing activities	(122,677)	(96,346)	(37,701)	77,167
Net cash used in financing activities	(82,260)	(67,842)	(90,922)	(72,154)
Decrease in cash and cash equivalents	(112,360)	(226,679)	(22,092)	(43,261)
<b>Movement in cash and cash equivalents:</b>				
At 1 <sup>st</sup> January	287,755	383,014	132,499	124,627
Decrease	(112,360)	(226,679)	(22,092)	(43,261)
Effect of exchange rate changes	(4,323)	395	(984)	152
At 30 <sup>th</sup> June	171,072	156,730	109,423	81,518

## 6. Segment Information - (Group)

	Half year ended 30 <sup>th</sup> June 2014			
	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
Gross premiums	1,290,074	740,738	289,875	2,320,687
Net earned premiums	1,273,802	385,402	86,420	1,745,624
Underwriting surplus	-	197,520	75,660	273,180
Half year ended 30 <sup>th</sup> June 2013				
Gross premiums	1,277,039	736,089	328,403	2,341,531
Net earned premiums	1,211,459	343,396	141,384	1,696,239
Underwriting surplus	-	148,193	76,166	224,359



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