



Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Nine Months and Quarter Ended September 30, 2014

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the nine months and quarter ended September 30, 2014.

- (a) **Basis of Accounting**
The interim nine months 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
The Company delivered satisfactory operational results despite the stiff competitive environment and some severe claims.
(ii) Long-Term
The premium income increased satisfactorily during the third quarter as compared to the corresponding period in 2013.
- (c) **Investments**
The equity market on the domestic front bounced back. On the other hand, foreign equity platforms edged lower in USD terms. However, the weakness of the Rupee provided a protection to the investment portfolio and improved results in foreign asset classes.
On the fixed income side, the portfolio continued generating satisfactory returns despite persistent excess liquidity and prevailing low interest rates.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited
Secretary
November 14, 2014

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at 30 th Sept 2014 Rs'000	Audited as at 31 st Dec 2013 Rs'000	Unaudited as at 30 th Sept 2014 Rs'000	Audited as at 31 st Dec 2013 Rs'000
ASSETS				
Non-current assets				
Property and equipment	102,443	105,014	99,886	97,565
Investment in subsidiary companies	-	-	352,044	352,014
Investment in associated company and joint venture	63,126	67,933	500	500
Investment in financial assets	1,483,139	949,828	1,330,608	918,773
Other non-current assets	223,085	229,923	159,643	161,132
	1,871,793	1,352,698	1,942,681	1,529,984
Current assets				
Life business assets	2,848,869	2,586,269	2,306,388	2,145,359
Total assets	35,541,289	32,364,576	4,249,069	3,675,343
EQUITY AND LIABILITIES				
Capital and reserves (attributable to owners of the parent)				
Share capital	41,379	41,379	41,379	41,379
Reserves	1,952,942	1,608,787	1,846,912	1,625,158
Owners' interest	1,994,321	1,650,166	1,888,291	1,666,537
Non-controlling interests	255,548	193,582	-	-
Total equity	2,249,869	1,843,748	1,888,291	1,666,537
Life assurance fund	30,820,627	28,425,609	-	-
Technical Provisions	1,812,722	1,637,936	1,812,486	1,637,936
Non-current liabilities	130,382	125,139	105,678	113,391
	32,763,731	30,188,684	1,918,164	1,751,327
Current liabilities	527,689	332,144	442,614	257,479
Total equity and liabilities	35,541,289	32,364,576	4,249,069	3,675,343
Net assets per share (Rs/CS)	240.98	199.40	228.17	201.38
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769

2. Statements of Profit or Loss

	THE GROUP				THE COMPANY			
	9 months Ended 30 th Sept 2014 Rs'000	9 months Ended 30 th Sept 2013 Rs'000	Quarter Ended 30 th Sept 2014 Rs'000	Quarter Ended 30 th Sept 2013 Rs'000	9 months Ended 30 th Sept 2014 Rs'000	9 months Ended 30 th Sept 2013 Rs'000	Quarter Ended 30 th Sept 2014 Rs'000	Quarter Ended 30 th Sept 2013 Rs'000
Gross premiums	3,596,533	3,436,917	1,275,846	1,095,386	1,599,835	1,598,157	570,495	578,375
Net earned premiums	2,666,858	2,416,229	921,234	719,990	716,935	726,433	246,386	243,129
Share of (loss)/profit of associate and joint venture	(802)	6,818	1,425	3,930	-	-	-	-
Profit before taxation	140,620	147,106	45,912	57,350	174,250	159,507	58,292	62,607
Taxation	(25,851)	(24,421)	(7,472)	(9,760)	(26,158)	(23,812)	(7,211)	(9,513)
Profit for the period	114,769	122,685	38,440	47,590	148,092	135,695	51,081	53,094
Profit attributable to:								
Owners of the parent	121,576	125,238	39,200	50,305	148,092	135,695	51,081	53,094
Non-controlling interests	(6,757)	(2,553)	(760)	(2,715)	-	-	-	-
Earnings per share (Rs/CS)	14.68	15.13	4.74	6.08	17.89	16.40	6.17	6.42
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769

3. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP				THE COMPANY			
	9 months Ended 30 th Sept 2014 Rs'000	9 months Ended 30 th Sept 2013 Rs'000	Quarter Ended 30 th Sept 2014 Rs'000	Quarter Ended 30 th Sept 2013 Rs'000	9 months Ended 30 th Sept 2014 Rs'000	9 months Ended 30 th Sept 2013 Rs'000	Quarter Ended 30 th Sept 2014 Rs'000	Quarter Ended 30 th Sept 2013 Rs'000
Profit for the period	114,769	122,685	38,440	47,590	148,092	135,695	51,081	53,094
Other comprehensive income for the period	267,199	69,070	223,652	24,911	73,662	66,349	47,211	32,630
Total comprehensive income for the period	381,968	191,755	262,092	72,501	221,754	202,044	98,292	85,724
Total comprehensive income attributable to:								
Owners of the parent	344,155	195,141	222,124	79,310	221,754	202,044	98,292	85,724
Non-controlling interests	37,813	(3,386)	39,968	(6,809)	-	-	-	-
	381,968	191,755	262,092	72,501	221,754	202,044	98,292	85,724

4. Statements of Changes in Equity

	Attributable to owners of the parent company									
	Share Capital Rs'000	Fair Value Reserves Rs'000	Revaluation and Other Reserves Rs'000	Proprietors' Fund Rs'000	Retained Earnings Rs'000	Amalgamation Reserves Rs'000	Actuarial Gains/(Losses) Rs'000	Total Rs'000	Non-Controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP										
Balance at 1 st 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	-	-	-	-	121,526	-	-	121,526	(6,757)	114,769
Other comprehensive income for the period	-	78,516	9,807	134,306	-	-	-	222,629	44,570	267,199
Other movement	-	-	-	-	-	-	-	-	24,153	24,153
Balance at 30 th September 2014	41,379	322,141	26,707	83,687	1,302,557	267,477	(49,627)	1,994,321	255,548	2,249,869
Balance at 1 st 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	-	-	-	-	125,238	-	-	125,238	(2,553)	122,685
Other comprehensive income for the period	-	66,349	(376)	3,930	-	-	-	69,903	(833)	69,070
Other movement	-	-	-	-	-	-	-	-	12,887	12,887
Balance at 30 th September 2013	41,379	218,552	18,695	2,409	1,171,914	272,419	(25,670)	1,699,698	212,484	1,912,182
(b) THE COMPANY										
Balance at 1 st 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	-	-	-	-	148,092	-	-	148,092	-	148,092
Other comprehensive income for the period	-	73,662	-	-	-	-	-	73,662	-	73,662
Balance at 30 th September 2014	41,379	321,778	28,719	-	1,325,457	220,593	(49,635)	1,888,291	-	1,888,291
Balance at 1 st 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	-	-	-	-	135,695	-	-	135,695	-	135,695
Other comprehensive income for the period	-	66,349	-	-	-	-	-	66,349	-	66,349
Balance at 30 th September 2013	41,379	218,552	28,719	-	1,166,567	225,535	(25,678)	1,655,074	-	1,655,074

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	9 months Ended 30 th Sept 2014 Rs'000	9 months Ended 30 th Sept 2013 Rs'000	9 months Ended 30 th Sept 2014 Rs'000	9 months Ended 30 th Sept 2013 Rs'000
Net cash generated from/(used in) operating activities	217,505	(41,594)	245,059	(8,668)
Net cash (used in)/from investing activities	(260,213)	106,855	(168,559)	95,325
Net cash used in financing activities	(73,638)	(56,953)	(90,942)	(72,196)
(Decrease)/increase in cash and cash equivalents	(116,346)	8,308	(14,442)	14,461
Movement in cash and cash equivalents				
At 1 st January	287,755	383,014	132,499	124,627
(Decrease)/increase	(116,346)	8,308	(14,442)	14,461
Effect of exchange rate changes	900	(138)	(2,579)	(85)
At 30 th September	172,309	391,184	115,478	139,003

6. Segment Information - (Group)

	Life		Casualty		Property		Total	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Quarter ended 30th September 2014								
Gross premiums	1,995,159	-	1,139,291	-	462,083	-	3,596,533	-
Net earned premiums	1,948,631	-	585,242	-	132,985	-	2,666,858	-
Underwriting surplus	-	-	273,164	-	119,578	-	392,742	-
Quarter ended 30th September 2013								
Gross premiums	1,790,376	-	1,175,910	-	470,631	-	3,436,917	-
Net earned premiums	1,671,145	-	611,094	-	133,990	-	2,416,229	-
Underwriting surplus	-	-	266,675	-	98,510	-	365,185	-



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