



Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Nine Months and Quarter ended September 30, 2012

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 2012.

(a) Basis of Accounting

The interim nine months 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, 2011, except for the adoption of relevant amendments to published Standards, Standards and Interpretation now effective.

(b) Merger

Following the merger with CIM Insurance, the results for the quarter ended 30th September 2012 represent the amalgamated figures effective as from 30th June 2012.

(c) Operations

(i) Short Term

Operational results of both corporate and personal lines of business are satisfactory in spite of stiff market competition and difficult economic environment. The Company's well diversified underwriting strategy and effective claims management create a good platform for achieving encouraging results.

(ii) Long Term

The premium income increased satisfactorily during the third quarter as compared to the corresponding period in 2011.

(d) Investments

The third quarter saw a drop in local equities whilst foreign stocks appreciated during the same period, but equity returns were overall better than benchmarks. The fixed income portfolio on the other hand continued generating encouraging returns despite excess liquidity and low interest rates.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited
Company Secretary

November 12, 2012

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at 30 th Sept 2012	Audited as at 31 st Dec 2011	Unaudited as at 30 th Sept 2012	Audited as at 31 st Dec 2011
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-current assets				
Property and equipment	107,223	86,703	91,563	86,517
Investment in subsidiary companies	-	-	117,860	80,220
Investment in associated company and joint venture	55,292	44,824	500	500
Investment in financial assets	702,523	545,452	747,219	559,441
Other non-current assets	158,757	115,493	128,568	115,493
	1,023,795	792,472	1,085,710	842,171
Current assets				
Life business assets	2,669,951	1,455,737	2,283,174	1,279,901
Total assets	27,285,287	22,834,974	3,368,884	2,122,072
EQUITY AND LIABILITIES				
Capital and reserves (attributable to owners of the parent)				
Share capital	41,379	35,857	41,379	35,857
Reserves	1,509,554	1,107,998	1,421,098	1,049,868
Owners' interest	1,550,933	1,143,855	1,462,477	1,085,725
Non-controlling interest	206,141	64,924	-	-
Total equity	1,757,074	1,208,779	1,462,477	1,085,725
Life assurance fund	23,591,541	20,586,765	-	-
Technical provisions	1,603,003	846,767	1,603,003	846,767
Non-current liabilities	51,852	36,129	47,514	35,967
	25,246,396	21,469,661	1,650,517	882,734
Current liabilities	281,817	156,534	255,890	153,613
Total equity and liabilities	27,285,287	22,834,974	3,368,884	2,122,072
Net assets per share (Rs/cs)	187.41	159.50	176.72	151.40
Number of shares used in calculation	8,275,769	7,171,346	8,275,769	7,171,346

2. Statements of Comprehensive Income

	THE GROUP				THE COMPANY			
	9 Months Ended 30 th Sept 2012	9 Months Ended 30 th Sept 2011	Quarter Ended 30 th Sept 2012	Quarter Ended 30 th Sept 2011	9 Months Ended 30 th Sept 2012	9 Months Ended 30 th Sept 2011	Quarter Ended 30 th Sept 2012	Quarter Ended 30 th Sept 2011
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	125,385	111,897	52,012	39,740	132,853	109,928	58,212	40,947
Other comprehensive income for the period	36,499	64,825	11,083	(58,821)	19,444	(60,103)	8,567	(59,672)
Total comprehensive income for the period	161,884	176,722	63,095	(19,081)	152,297	49,825	66,779	(18,725)
Total comprehensive income attributable to:								
Owners of the parent	159,890	137,076	64,063	(18,157)	152,297	49,825	66,779	(18,725)
Non-controlling interest	1,994	39,646	(968)	(924)	-	-	-	-
	161,884	176,722	63,095	(19,081)	152,297	49,825	66,779	(18,725)

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Group

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3. Income Statements

	THE GROUP				THE COMPANY			
	9 Months Ended 30 th Sept 2012 Rs'000	9 Months Ended 30 th Sept 2011 Rs'000	Quarter Ended 30 th Sept 2012 Rs'000	Quarter Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2012 Rs'000	9 Months Ended 30 th Sept 2011 Rs'000	Quarter Ended 30 th Sept 2012 Rs'000	Quarter Ended 30 th Sept 2011 Rs'000
Gross premiums	2,940,065	2,469,798	1,124,284	891,252	1,279,878	1,089,477	551,606	405,570
Net earned premiums	2,161,388	1,714,228	785,282	578,086	551,050	395,412	253,348	129,614
Share of profit/(loss) of associate and joint venture	4,442	1,734	715	(1,549)	-	-	-	-
Profit before taxation	147,967	130,432	62,028	47,037	155,329	128,451	68,203	48,241
Taxation	(22,582)	(18,535)	(10,016)	(7,297)	(22,476)	(18,523)	(9,991)	(7,294)
Profit for the period	125,385	111,897	52,012	39,740	132,853	109,928	58,212	40,947
Profit attributable to:								
Owners of the parent	130,251	111,002	55,088	40,432	132,853	109,928	58,212	40,947
Non-controlling interest	(4,866)	895	(3,076)	(692)	-	-	-	-
Earnings per share (Rs/cs)	17.27	15.48	6.66	5.64	17.61	15.33	7.03	5.71
Weighted average number of shares used in calculation	7,542,174	7,171,346	8,275,769	7,171,346	7,542,174	7,171,346	8,275,769	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	Amalgamation Reserve Rs'000	Total Rs'000	Non Controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP									
Balance at January 1, 2012	35,857	102,396	12,090	49,063	944,449	-	1,143,855	64,924	1,208,779
Issue of share capital	5,522	-	-	-	-	-	5,522	-	5,522
Total Comprehensive Income for the period	-	19,444	3,725	6,470	130,251	-	159,890	1,994	161,884
Other movement	-	-	-	(24,741)	590	-	(24,151)	126,817	102,666
Effect of amalgamation	-	-	-	-	-	265,817	265,817	14,330	280,147
Dividend	-	-	-	-	-	-	-	(1,924)	(1,924)
Balance at September 30, 2012	41,379	121,840	15,815	30,792	1,075,290	265,817	1,550,933	206,141	1,757,074
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)	101,932	111,002	-	137,076	39,646	176,722
Balance at September 30, 2011	35,857	90,627	33,566	69,718	920,559	-	1,150,327	90,499	1,240,826
(b) THE COMPANY									
Balance at January 1, 2012	35,857	102,396	28,719	-	918,753	-	1,085,725	-	1,085,725
Issue of share capital	5,522	-	-	-	-	-	5,522	-	5,522
Total Comprehensive Income for the period	-	19,444	-	-	132,853	-	152,297	-	152,297
Effect of amalgamation	-	-	-	-	-	218,933	218,933	-	218,933
Balance at September 30, 2012	41,379	121,840	28,719	-	1,051,606	218,933	1,462,477	-	1,462,477
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

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	9 Months Ended 30 th Sept 2012 Rs'000	9 Months Ended 30 th Sept 2011 Rs'000	9 Months Ended 30 th Sept 2012 Rs'000	9 Months Ended 30 th Sept 2011 Rs'000
Net cash generated from operating activities	96,127	79,627	101,937	78,886
Net cash generated from investing activities	186,073	24,109	182,767	24,109
Net cash used in financing activities	(51,078)	-	(60,808)	-
Increase in cash and cash equivalents	231,122	103,736	223,896	102,995
Movement in cash and cash equivalents				
At 1 st January	381,247	272,119	353,073	269,573
Increase	231,122	103,736	223,896	102,995
Effect of exchange rate changes	(1,567)	(2,062)	710	(1,835)
At 30 th September	610,802	373,793	577,679	370,733

6. Segment Information - (Group)

Nine months ended 30 th September 2012	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
	Gross premiums	1,659,741	889,250	391,074
Net earned premiums	1,609,892	455,928	95,568	2,161,388
Underwriting surplus	-	188,835	99,932	288,767
Nine months ended 30 th September 2011	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
	Gross premiums	1,380,321	718,839	370,638
Net earned premiums	1,318,816	310,589	84,823	1,714,228
Underwriting surplus	-	138,578	91,440	230,018