



Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Half Year and Quarter ended June 30, 2012

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 2012.

(a) Basis of Accounting

The interim half year 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) Income Tax

Current tax rate on the profit for the period is at 15% (2011: 15%).

(c) Operations

(i) Short Term

The operations results are in line with expectations. Both the underwriting surplus and the bottom line results improved despite the soft and challenging market and pricing conditions. The Company continues to focus on sound underwriting and claims practices whilst capturing profitable growth opportunities both locally and abroad.

(ii) Long Term

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

(d) Investments

Both the local and foreign equity markets showed a drop during the second quarter impacting on the equity portfolio's performance. On the other hand, the fixed income portfolio maintained a satisfactory return in spite of the prevailing low interest rate and excess liquidity on the market.

(e) Significant Event

Following the amalgamation of CIM Insurance Ltd. with and into Swan Insurance Company Limited, with effect 30th June 2012, the Statement of Financial Position represents the amalgamated figures with no impact on the Income Statement for the period.

There has been a new issue of 1,104,423 shares for an amount of Rs 5,522,115.00 on the 30th June 2012.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited
Company Secretary

August 14, 2012

1. Income Statements

	THE GROUP			
	Half Year Ended 30 th June 2012	Half Year Ended 30 th June 2011	Quarter Ended 30 th June 2012	Quarter Ended 30 th June 2011
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	1,815,781	1,578,546	889,698	786,508
Net earned premiums	1,376,106	1,136,142	695,607	608,125
Share of profit of associate and joint venture	3,727	3,283	1,160	2,363
Profit before taxation	85,939	83,395	36,176	38,767
Taxation	(12,566)	(11,238)	(5,780)	(4,581)
Profit for the period	73,373	72,157	30,396	34,186
Profit attributable to:				
Owners of the parent	75,163	70,570	33,370	33,052
Non-Controlling Interests	(1,790)	1,587	(2,974)	1,134
Earnings per share (Rs/c)	10.48	9.84	4.65	4.61
Weighted average number of shares used in calculation	7,171,346	7,171,346	7,171,346	7,171,346

	THE COMPANY			
	Half Year Ended 30 th June 2012	Half Year Ended 30 th June 2011	Quarter Ended 30 th June 2012	Quarter Ended 30 th June 2011
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	728,272	683,907	341,696	304,994
Net earned premiums	297,702	265,798	149,393	134,799
Share of profit of associate and joint venture	-	-	-	-
Profit before taxation	87,126	80,210	40,009	35,857
Taxation	(12,485)	(11,229)	(5,733)	(4,576)
Profit for the period	74,641	68,981	34,276	31,281
Profit attributable to:				
Owners of the parent	74,641	68,981	34,276	31,281
Non-Controlling Interests	-	-	-	-
Earnings per share (Rs/c)	10.40	9.62	4.78	4.36
Weighted average 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 Year Ended 30 th June 2012	Half Year Ended 30 th June 2011	Quarter Ended 30 th June 2012	Quarter Ended 30 th June 2011
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	73,373	72,157	30,396	34,186
Other comprehensive income for the period	25,416	123,646	13,193	126,853
Total comprehensive income for the period	98,789	195,803	43,589	161,039
Total comprehensive income attributable to:				
Owners of the parent	95,827	155,233	49,162	121,379
Non-controlling interests	2,962	40,570	(5,573)	39,660
	98,789	195,803	43,589	161,039

	THE COMPANY			
	Half Year Ended 30 th June 2012	Half Year Ended 30 th June 2011	Quarter Ended 30 th June 2012	Quarter Ended 30 th June 2011
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	74,641	68,981	34,276	31,281
Other comprehensive income for the period	10,877	(431)	(1,338)	2,864
Total comprehensive income for the period	85,518	68,550	32,938	34,145
Total comprehensive income attributable to:				
Owners of the parent	85,518	68,550	32,938	34,145
Non-controlling interests	-	-	-	-
	85,518	68,550	32,938	34,145

3. Statements of Financial Position

	THE GROUP	
	Unaudited as at 30 th June 2012	Audited as at 31 st Dec 2011
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property and equipment	105,719	86,703
Investment in subsidiary companies	-	-
Investment in associated company and joint venture	54,293	44,824
Investment in financial assets	816,917	545,452
Other non-current assets	133,204	115,493
	1,110,133	792,472
Current assets		
Life business assets	2,619,641	1,455,737
	23,253,407	20,586,765
Total assets	26,983,181	22,834,974
EQUITY AND LIABILITIES		
Capital and reserves (attributable to owners of the parent)		
Share capital	41,379	35,857
Reserves	1,442,668	1,107,998
Owners' interest	1,484,047	1,143,855
Non-controlling interests	205,877	64,924
Total equity	1,689,924	1,208,779
Life assurance fund	23,253,407	20,586,765
Technical provisions	1,672,953	846,767
Non-current liabilities	64,704	36,129
	24,991,064	21,469,661
Current liabilities	302,193	156,534
Total equity and liabilities	26,983,181	22,834,974
Net assets per share (Rs/c)	179.32	159.50
Number of shares used in calculation	8,275,769	7,171,346

	THE COMPANY	
	Unaudited as at 30 th June 2012	Audited as at 31 st Dec 2011
	Rs'000	Rs'000
ASSETS		
Non-current assets		
Property and equipment	92,737	86,517
Investment in subsidiary companies	117,860	80,220
Investment in associated company and joint venture	500	500
Investment in financial assets	840,017	559,441
Other non-current assets	117,041	115,493
	1,168,155	842,171
Current assets		
Life business assets	2,235,523	1,279,901
	-	-
Total assets	3,403,678	2,122,072
EQUITY AND LIABILITIES		
Capital and reserves (attributable to owners of the parent)		
Share capital	41,379	35,857
Reserves	1,351,496	1,049,868
Owners' interest	1,392,875	1,085,725
Non-controlling interests	-	-
Total equity	1,392,875	1,085,725
Life assurance fund	-	-
Technical provisions	1,672,953	846,767
Non-current liabilities	60,415	35,967
	1,733,368	882,734
Current liabilities	277,435	153,613
Total equity and liabilities	3,403,678	2,122,072
Net assets per share (Rs/c)	168.31	151.40
Number of shares used in calculation	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 1 st January 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	-	10,877	2,692	7,095	75,163	-	95,827	2,962	98,789
Other movement	-	-	-	(24,741)	590	-	(24,151)	123,661	99,510
Effect of amalgamation	-	-	-	-	-	262,994	262,994	14,330	277,324
Balance at 30 th June 2012	41,379	113,273	14,782	31,417	1,020,202	262,994	1,484,047	205,877	1,689,924
Balance at 1 st January 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 30 th June 2011	35,857	150,299	33,367	68,834	880,127	-	1,168,484	91,423	1,259,907
(b) THE COMPANY									
Balance at 1 st January 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	-	10,877	-	-	74,641	-	85,518	-	85,518
Effect of amalgamation	-	-	-	-	-	216,110	216,110	-	216,110
Balance at 30 th June 2012	41,379	113,273	28,719	-	993,394	216,110	1,392,875	-	1,392,875
Balance at 1 st January 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 30 th June 2011	35,857	150,299	28,719	-	852,375	-	1,067,250	-	1,067,250

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Half Year Ended 30 th June 2012	Half Year Ended 30 th June 2011	Half Year Ended 30 th June 2012	Half Year Ended 30 th June 2011
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from/(used in) operating activities	50,377	(17,724)	52,777	(18,153)
Net cash generated from investing activities	78,144	19,753	78,621	19,753
Net cash used in financing activities	(52,627)	-	(60,957)	-
Increase in cash and cash equivalents	75,894	2,029	70,441	1,600
Movement in cash and cash equivalents				
At 1 st January	381,247	272,119	353,072	269,573
Increase	75,894	2,029	70,441	1,600
Effect of exchange rate changes	(664)	(466)	(684)	(140)
At 30 th June	456,477	273,682	422,829	271,033

6. Segment Information - (Group)

	THE GROUP			
	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
Half year ended 30th June 2012				
Gross premiums	1,087,285	510,588	217,908	1,815,781
Net earned premiums	1,078,180	242,977	54,949	1,376,106
Underwriting surplus	-	107,158	54,767	161,925
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

Swan
Group

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BRN: C06009922