



# Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Nine Months and Quarter ended September 30, 2013

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, 2013.

## (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 31<sup>st</sup> December 2012, except for the adoption of relevant amendments to published Standards, Standards and Interpretation now effective.

The Group has applied IAS 19 (revised) retrospectively in accordance with the transitional provisions as set out in IAS 19. Consequently, the Group has adjusted opening equity as of 1<sup>st</sup> January 2012 and the figures for 2012 have been restated as if IAS 19 (revised) had always been applied. The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statements of financial position to reflect the full value of the plan deficit or surplus.

## (b) Merger

Following the merger with Cim Insurance Ltd on 30<sup>th</sup> June 2012, the results for the period ended September 30, 2013 represent the amalgamated figures.

## (c) Operations

### (i) Short Term

Operational results are satisfactory despite stiff market conditions and adverse claims experience in relation to natural perils events. The company's well diversified underwriting strategy, adequate reinsurance cover and effective claims management create a good platform for achieving encouraging results.

### (ii) Long Term

The premium income increased satisfactorily during the period as compared to the corresponding months in 2012.

## (d) Investments

Domestic and foreign equity markets improved in the third quarter 2013 thereby contributing to the overall positive performance of the funds. On the fixed income side, despite persistent excess liquidity and prevailing low interest rates, the portfolios continued generating satisfactory returns.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited  
Company Secretary

14<sup>th</sup> November 2013

## 1. Statements of Profit or Loss

THE GROUP				
9 Months Ended 30 <sup>th</sup> Sept 2013	9 Months Ended 30 <sup>th</sup> Sept 2012	Quarter Ended 30 <sup>th</sup> Sept 2013	Quarter Ended 30 <sup>th</sup> Sept 2012	
Rs'000	Rs'000	Rs'000	Rs'000	
Gross premiums	3,436,917	2,940,065	1,095,386	1,124,284
Net earned premiums	2,416,229	2,161,388	719,990	785,282
Share of profit of associate and joint venture	6,818	4,442	3,930	715
Profit before taxation	147,106	147,967	57,350	62,028
Taxation	(24,421)	(22,582)	(9,760)	(10,016)
Profit for the period	122,685	125,385	47,590	52,012
Profit attributable to:				
Owners of the parent	125,238	130,251	50,305	55,088
Non-controlling Interests	(2,553)	(4,866)	(2,715)	(3,076)
Earnings per share <sup>(Rs/cs)</sup>	15.13	17.27	6.08	6.66
Weighted average number of shares used in calculation	8,275,769	7,542,174	8,275,769	8,275,769

THE COMPANY				
9 Months Ended 30 <sup>th</sup> Sept 2013	9 Months Ended 30 <sup>th</sup> Sept 2012	Quarter Ended 30 <sup>th</sup> Sept 2013	Quarter Ended 30 <sup>th</sup> Sept 2012	
Rs'000	Rs'000	Rs'000	Rs'000	
Gross premiums	1,598,157	1,279,878	578,375	551,606
Net earned premiums	726,433	551,050	243,129	253,348
Share of profit of associate and joint venture	-	-	-	-
Profit before taxation	159,507	155,329	62,607	68,203
Taxation	(23,812)	(22,476)	(9,513)	(9,991)
Profit for the period	135,695	132,853	53,094	58,212
Profit attributable to:				
Owners of the parent	135,695	132,853	53,094	58,212
Non-controlling Interests	-	-	-	-
Earnings per share <sup>(Rs/cs)</sup>	16.40	17.61	6.42	7.03
Weighted average number of shares used in calculation	8,275,769	7,542,174	8,275,769	8,275,769

## 2. Statements of Profit or Loss and Other Comprehensive Income

THE GROUP				
9 Months Ended 30 <sup>th</sup> Sept 2013	9 Months Ended 30 <sup>th</sup> Sept 2012	Quarter Ended 30 <sup>th</sup> Sept 2013	Quarter Ended 30 <sup>th</sup> Sept 2012	
Rs'000	Rs'000	Rs'000	Rs'000	
Profit for the period	122,685	125,385	47,590	52,012
Other comprehensive income for the period	69,070	36,499	24,911	11,083
Total comprehensive income for the period	191,755	161,884	72,501	63,095

THE COMPANY				
9 Months Ended 30 <sup>th</sup> Sept 2013	9 Months Ended 30 <sup>th</sup> Sept 2012	Quarter Ended 30 <sup>th</sup> Sept 2013	Quarter Ended 30 <sup>th</sup> Sept 2012	
Rs'000	Rs'000	Rs'000	Rs'000	
Profit for the period	135,695	132,853	53,094	58,212
Other comprehensive income for the period	66,349	19,444	32,630	8,567
Total comprehensive income for the period	202,044	152,297	85,724	66,779

THE COMPANY				
9 Months Ended 30 <sup>th</sup> Sept 2013	9 Months Ended 30 <sup>th</sup> Sept 2012	Quarter Ended 30 <sup>th</sup> Sept 2013	Quarter Ended 30 <sup>th</sup> Sept 2012	
Rs'000	Rs'000	Rs'000	Rs'000	
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THE COMPANY				
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Rs'000	Rs'000	Rs'000	Rs'000	
Profit for the period	135,695	132,853	53,094	58,212
Other comprehensive income for the period	66,349	19,444	32,630	8,567
Total comprehensive income for the period	202,044	152,297	85,724	66,779

## 3. Statements of Financial Position

THE GROUP			
Unaudited as at 30 <sup>th</sup> Sept 2013	Audited as at 31 <sup>st</sup> Dec 2012 Restated	Audited as at 1 <sup>st</sup> January 2012 Restated	
Rs'000	Rs'000	Rs'000	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	106,296	105,051	86,703
Investment in subsidiary companies	-	-	-
Investment in associated company and joint venture	60,491	60,929	44,824
Investments in financial assets	1,051,353	797,849	545,452
Other non-current assets	209,668	210,263	119,190
<b>Current assets</b>			
Life business assets	1,427,808	1,174,092	796,169
Other current assets	2,840,708	2,417,989	1,455,737
<b>Total assets</b>	<b>31,253,609</b>	<b>27,856,959</b>	<b>22,808,725</b>

THE COMPANY			
Unaudited as at 30 <sup>th</sup> Sept 2013	Audited as at 31 <sup>st</sup> Dec 2012 Restated	Audited as at 1 <sup>st</sup> January 2012 Restated	
Rs'000	Rs'000	Rs'000	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	98,872	100,124	86,517
Investment in subsidiary companies	352,014	352,014	80,220
Investment in associated company and joint venture	500	500	500
Investments in financial assets	1,083,568	829,582	559,441
Other non-current assets	167,282	153,713	119,192
<b>Current assets</b>			
Life business assets	1,702,236	1,435,933	845,870
Other current assets	2,228,877	1,832,305	1,279,901
<b>Total assets</b>	<b>3,931,113</b>	<b>3,268,238</b>	<b>2,125,771</b>

THE COMPANY			
Unaudited as at 30 <sup>th</sup> Sept 2013	Audited as at 31 <sup>st</sup> Dec 2012 Restated	Audited as at 1 <sup>st</sup> January 2012 Restated	
Rs'000	Rs'000	Rs'000	
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b> (attributable to owners of the parent)			
Share capital	41,379	41,379	35,857
Reserves	1,658,319	1,463,178	1,087,045
Owners' interest	1,699,698	1,504,557	1,122,902
Non-controlling interests	212,484	202,983	64,924
<b>Total equity</b>	<b>1,912,182</b>	<b>1,707,540</b>	<b>1,187,826</b>
<b>Life assurance fund</b>	<b>26,985,093</b>	<b>24,264,878</b>	<b>20,556,819</b>
<b>Technical provisions</b>	<b>1,897,977</b>	<b>1,487,536</b>	<b>846,767</b>
<b>Non-current liabilities</b>	<b>108,434</b>	<b>102,432</b>	<b>60,779</b>
<b>Current liabilities</b>	<b>28,991,504</b>	<b>25,854,846</b>	<b>21,464,365</b>
<b>Total equity and liabilities</b>	<b>31,253,609</b>	<b>27,856,959</b>	<b>22,808,725</b>

THE COMPANY			
Unaudited as at 30 <sup>th</sup> Sept 2013	Audited as at 31 <sup>st</sup> Dec 2012 Restated	Audited as at 1 <sup>st</sup> January 2012 Restated	
Rs'000	Rs'000	Rs'000	
<b>Net assets per share</b> <sup>(Rs/cs)</sup>	<b>205.38</b>	<b>181.80</b>	<b>156.58</b>
Number of shares used in calculation	8,275,769	8,275,769	7,171,346

## 4. Statements of Changes in Equity

### (a) THE GROUP

	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
Balance at January 1, 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 September 30, 2013	41,379	218,552	18,695	2,409	1,171,914	272,419	(25,670)	1,699,698	212,484	1,912,182

Balance at January 1, 2012	35,857	102,396	12,090	49,063	944,449	-	-	1,143,855	64,924	1,208,779
- As previously stated	-	-	-	-	-	-	-	(20,953)	-	(20,953)
- Effect of adopting IAS 19 (revised)	-	-	-	-	-	-	-	(20,953)	-	(20,953)
- As restated	35,857	102,396	12,090	49,063	944,449	-	-	1,122,902	64,924	1,187,826
Issue of share capital	5,522	-	-	-	-	-	-	5,522	-	5,522
Profit for the period	-	-	-	-	130,251	-	-	130,251	(4,866)	125,385
Other comprehensive income for the period	-	19,444	3,725	6,470	-	-	-	29,639	6,860	36,499
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	(20,953)	1,529,980	206,141	1,736,121

### (b) THE COMPANY

Balance at January 1, 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 September 30, 2013	41,379	218,552	28,719	-	1,166,567	225,535	(25,678)	1,655,074	-	1,655,074

Balance at January 1, 2012	35,857	102,396	28,719	-	918,753	-	-	1,085,725	-	1,085,725
- As previously stated	-	-	-	-	-	-	-	(20,961)	-	(20,961)
- Effect of adopting IAS 19 (revised)	-	-	-	-	-	-	-	(20,961)	-	(20,961)
- As restated	35,857	102,396	28,719	-	918,753	-	-	1,064,764	-	1,064,764
Issue of share capital	5,522	-	-	-	-	-	-	5,522	-	5,522
Profit for the period	-	-	-	-	132,853	-	-	132,853	-	132,853
Other comprehensive income for the period	-	19,444	-	-	-	-	-	19,444	-	19,444
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	(20,961)	1,441,516	-	1,441,516

## 5. Statements of Cash Flows

THE GROUP		
9 Months Ended 30 <sup>th</sup> Sept 2013	9 Months Ended 30 <sup>th</sup> Sept 2012	
Rs'000	Rs'000	
Net cash (used in)/generated from operating activities	(41,594)	96,127
Net cash generated from investing activities	106,855	186,073
Net cash used in financing activities	(56,953)	(51,078)
<b>Increase in cash and cash equivalents</b>	<b>8,308</b>	<b>231,122</b>

### Movement in cash and cash equivalents

THE COMPANY		
9 Months Ended 30 <sup>th</sup> Sept 2013	9 Months Ended 30 <sup>th</sup> Sept 2012	
Rs'000	Rs'000	
Net cash (used in)/generated from operating activities	(8,668)	101,937
Net cash generated from investing activities	95,325	