



# Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Half Year and Quarter ended 30<sup>th</sup> June 2013

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 2013.

## (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 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 half year and quarter ended 30<sup>th</sup> June 2013 represent the amalgamated figures.

## (c) Operations

### (i) Short Term

Operational results were satisfactory albeit a spate of high claims particularly those associated with the devastating floods of March 2013. Our focus remains at securing profitable business at risk-commensurate prices despite the challenging market environment.

### (ii) Long Term

There has been a satisfactory increase in the overall premiums in spite of the difficult market conditions.

## (d) Investments

Both local and foreign equity markets fell during the second quarter 2013, but still closed on a positive note as compared to last year following the good performance of the first quarter. On the fixed income side, the portfolio continued generating satisfactory returns despite prevailing excess liquidity and low interest rates.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited  
Company Secretary

14<sup>th</sup> August 2013

## 1. Statements of Profit or Loss

	THE GROUP			
	Half Year Ended 30 <sup>th</sup> June 2013	Half Year Ended 30 <sup>th</sup> June 2012	Quarter Ended 30 <sup>th</sup> June 2013	Quarter Ended 30 <sup>th</sup> June 2012
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	2,341,531	1,815,781	1,184,089	889,698
Net earned premiums	1,696,239	1,376,106	822,195	695,607
Share of profit of associate and joint venture	2,888	3,727	970	1,160
Profit before taxation	89,756	85,939	44,500	36,176
Taxation	(14,661)	(12,566)	(5,827)	(5,780)
Profit for the period	75,095	73,373	38,673	30,396
Profit attributable to:				
Owners of the parent	74,933	75,163	38,051	33,370
Non-Controlling Interests	162	(1,790)	622	(2,974)
Earnings per share (Rs/c)	9.05	10.48	4.60	4.65
Number of shares used in calculation	8,275,769	7,171,346	8,275,769	7,171,346

	THE COMPANY			
	Half Year Ended 30 <sup>th</sup> June 2013	Half Year Ended 30 <sup>th</sup> June 2012	Quarter Ended 30 <sup>th</sup> June 2013	Quarter Ended 30 <sup>th</sup> June 2012
	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	1,019,782	728,272	517,798	341,696
Net earned premiums	483,304	297,702	248,576	149,393
Share of profit of associate and joint venture	-	-	-	-
Profit before taxation	96,900	87,126	46,577	40,009
Taxation	(14,299)	(12,485)	(5,871)	(5,733)
Profit for the period	82,601	74,641	40,706	34,276
Profit attributable to:				
Owners of the parent	82,601	74,641	40,706	34,276
Non-Controlling Interests	-	-	-	-
Earnings per share (Rs/c)	9.98	10.41	4.92	4.78
Number of shares used in calculation	8,275,769	7,171,346	8,275,769	7,171,346

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

	THE GROUP			
	Half Year Ended 30 <sup>th</sup> June 2013	Half Year Ended 30 <sup>th</sup> June 2012	Quarter Ended 30 <sup>th</sup> June 2013	Quarter Ended 30 <sup>th</sup> June 2012
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	75,095	73,373	38,673	30,396
Other comprehensive income for the period	44,159	25,416	(26,067)	13,193
Total comprehensive income for the period	119,254	98,789	12,606	43,589
Total comprehensive income attributable to:				
Owners of the parent	115,831	95,827	13,432	49,162
Non-controlling interests	3,423	2,962	(826)	(5,573)
	119,254	98,789	12,606	43,589

	THE COMPANY			
	Half Year Ended 30 <sup>th</sup> June 2013	Half Year Ended 30 <sup>th</sup> June 2012	Quarter Ended 30 <sup>th</sup> June 2013	Quarter Ended 30 <sup>th</sup> June 2012
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the period	82,601	74,641	40,706	34,276
Other comprehensive income for the period	33,719	10,877	(23,680)	(1,338)
Total comprehensive income for the period	116,320	85,518	17,026	32,938
Total comprehensive income attributable to:				
Owners of the parent	116,320	85,518	17,026	32,938
Non-Controlling Interests	-	-	-	-
	116,320	85,518	17,026	32,938

## 3. Statements of Financial Position

	THE GROUP		
	Unaudited as at 30 <sup>th</sup> June 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	107,421	105,051	86,703
Investment in subsidiary companies	-	-	-
Investment in associated company and joint venture	71,005	60,929	44,824
Investments in financial assets	1,025,442	797,849	545,452
Other non-current assets	214,481	210,263	119,190
<b>Current assets</b>			
Life business assets	1,418,349	1,174,092	796,169
Other current assets	2,729,620	2,417,989	1,455,737
<b>Total assets</b>	<b>30,173,375</b>	<b>27,856,959</b>	<b>22,808,725</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves (attributable to owners of the parent)</b>			
Share capital	41,379	41,379	35,857
Reserves	1,579,009	1,463,178	1,087,045
Owners' interest	1,620,388	1,504,557	1,122,902
Non-controlling interests	212,586	202,983	64,924
<b>Total equity</b>	<b>1,832,974</b>	<b>1,707,540</b>	<b>1,187,826</b>
<b>Life assurance fund</b>	<b>26,025,406</b>	<b>24,264,878</b>	<b>20,556,819</b>
<b>Technical provisions</b>	<b>1,801,775</b>	<b>1,487,536</b>	<b>846,767</b>
<b>Non-current liabilities</b>	<b>99,131</b>	<b>102,432</b>	<b>60,779</b>
<b>Current liabilities</b>	<b>27,926,312</b>	<b>25,854,846</b>	<b>21,464,365</b>
<b>Total equity and liabilities</b>	<b>30,173,375</b>	<b>27,856,959</b>	<b>22,808,725</b>
Net assets per share (Rs/c)	195.80	181.80	156.58
Number of shares used in calculation	8,275,769	8,275,769	7,171,346

	THE COMPANY		
	Unaudited as at 30 <sup>th</sup> June 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	100,317	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	1,057,659	829,582	559,441
Other non-current assets	166,265	153,713	119,192
<b>Current assets</b>			
Life business assets	1,676,755	1,435,933	845,870
Other current assets	2,097,481	1,832,305	1,279,901
<b>Total assets</b>	<b>3,774,236</b>	<b>3,268,238</b>	<b>2,125,771</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves (attributable to owners of the parent)</b>			
Share capital	41,379	41,379	35,857
Reserves	1,527,971	1,411,651	1,028,907
Owners' interest	1,569,350	1,453,030	1,064,764
Non-controlling interests	-	-	-
<b>Total equity</b>	<b>1,569,350</b>	<b>1,453,030</b>	<b>1,064,764</b>
<b>Life assurance fund</b>	<b>1,799,357</b>	<b>1,487,536</b>	<b>846,767</b>
<b>Technical provisions</b>	<b>101,320</b>	<b>89,569</b>	<b>60,627</b>
<b>Non-current liabilities</b>	<b>1,900,677</b>	<b>1,577,105</b>	<b>907,394</b>
<b>Current liabilities</b>	<b>304,209</b>	<b>238,103</b>	<b>153,613</b>
<b>Total equity and liabilities</b>	<b>3,774,236</b>	<b>3,268,238</b>	<b>2,125,771</b>
Net assets per share (Rs/c)	189.63	175.58	148.47
Number of shares used in calculation	8,275,769	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	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 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
Balance at 1 <sup>st</sup> January 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	-	-	-	-	75,163	-	-	75,163	(1,790)	73,373
Other comprehensive income for the period	-	10,877	2,692	7,095	-	-	-	20,664	4,752	25,416
Other movement	-	-	-	(24,741)	590	-	-	(24,151)	123,661	99,510
Consolidation adjustment	-	-	-	-	-	262,994	-	262,994	14,330	277,324
Balance at 30 <sup>th</sup> June 2012	41,379	113,273	14,782	31,417	1,020,202	262,994	(20,953)	1,463,094	205,877	1,668,971
<b>(b) THE COMPANY</b>										
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
Balance at 1 <sup>st</sup> January 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	-	-	-	-	74,641	-	-	74,641	-	74,641
Other comprehensive income for the period	-	10,877	-	-	-	-	-	10,877	-	10,877
Effect of amalgamation	-	-	-	-	-	216,110	-	216,110	-	216,110
Balance at 30 <sup>th</sup> June 2012	41,379	113,273	28,719	-	993,394	216,110	(20,961)	1,371,914	-	1,371,914

## 5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Half Year Ended 30 <sup>th</sup> June 2013	Half Year Ended 30 <sup>th</sup> June 2012	Half Year Ended 30 <sup>th</sup> June 2013	Half Year Ended 30 <sup>th</sup> June 2012
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash (used in)/generated from operating activities	(62,491)	50,377	(48,274)	52,777
Net cash (used in)/generated from investing activities	(96,346)	78,144	77,167	78,621
Net cash used in financing activities	(67,842)	(52,627)	(72,154)	(60,957)
(Decrease)/increase in cash and cash equivalents	(226,679)	75,894	(43,261)	70,441
Movement in cash and cash equivalents				
At 1 <sup>st</sup> January	383,014	381,247	124,627	353,072
(Decrease) / increase	(226,679)	75,894	(43,261)	70,441
Effect of exchange rate changes	395			