

Swan Insurance Company Limited

Condensed Unaudited Financial Statements - Quarter ended 31st March 2014

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the quarter ended 31st March 2014.

(a) Basis of Accounting

The interim 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 31st December 2013, except for the adoption of relevant amendments to published Standards, Standards and Interpretation now effective.

(b) Operations

(i) Short-Term

The operational results are encouraging despite the prevailing soft and challenging market conditions. The improvement in the underwriting results is due to sound and consistent underwriting practice and the quiet cyclonic season. The Company continues to seize attractive growth opportunities and focus on achieving sustainable profitability.

(ii) Long-Term

The net premium income increased satisfactorily during the first quarter as compared to the corresponding period in 2013.

(c) Investments

The local equity market showed volatility during the first quarter closing slightly lower than what it was at the beginning of the year. Foreign equity markets on the other hand showed positive returns over the same period, mainly because of an improved outlook for the US and Europe. Overall, a dynamic portfolio management approach delivered appreciable gains for our equity portfolios which showed a positive growth. The fixed income portfolio continued to perform satisfactorily in the current environment.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited

Secretary

14th May 2014

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at 31 st Mar 2014 Rs'000	Audited as at 31 st Dec 2013 Rs'000	Unaudited as at 31 st Mar 2014 Rs'000	Audited as at 31 st Dec 2013 Rs'000
ASSETS				
Non-current assets				
Property and equipment	106,553	105,014	99,450	97,565
Investment in subsidiary companies	-	-	352,014	352,014
Investment in associated company and joint venture	77,082	67,933	500	500
Investment in financial assets	1,136,743	949,828	1,048,600	918,773
Other non-current assets	226,662	229,923	161,432	161,132
	1,547,040	1,352,698	1,661,996	1,529,984
Current assets				
Life business assets				
	2,731,531	2,586,269	2,331,406	2,145,359
Total assets	33,383,480	32,364,576	3,993,402	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	1,673,997	1,608,787	1,684,953	1,625,158
Owners' interest	1,715,376	1,650,166	1,726,332	1,666,537
Non-controlling interest	197,158	193,582	-	-
Total equity	1,912,534	1,843,748	1,726,332	1,666,537
Life assurance fund				
Technical Provisions	29,104,909	28,425,609	-	-
Non-current liabilities	1,879,281	1,637,936	1,878,965	1,637,936
	129,934	125,139	118,314	113,391
	31,114,124	30,188,684	1,997,279	1,751,327
Current liabilities	356,822	332,144	269,791	257,479
Total equity and liabilities	33,383,480	32,364,576	3,993,402	3,675,343
Net assets per share (Rs/c)	207.28	199.40	208.60	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	
	Quarter Ended 31 st Mar 2014 Rs'000	Quarter Ended 31 st Mar 2013 Rs'000	Quarter Ended 31 st Mar 2014 Rs'000	Quarter Ended 31 st Mar 2013 Rs'000
Gross premiums	1,153,498	1,157,442	534,370	501,984
Net earned premiums	889,721	874,044	222,838	234,728
Share of profit of associate and joint venture	3,493	1,918	-	-
Profit before taxation	58,241	45,256	65,128	50,323
Taxation	(10,526)	(8,834)	(11,072)	(8,428)
Profit for the period	47,715	36,422	54,056	41,895
Profit attributable to:				
Owners of the parent	50,454	36,882	54,056	41,895
Non-controlling interest	(2,739)	(460)	-	-
	47,715	36,422	54,056	41,895
Earnings per share (Rs/c)	6.10	4.46	6.53	5.06
Number of shares used in calculation	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	
	Quarter Ended 31 st Mar 2014 Rs'000	Quarter Ended 31 st Mar 2013 Rs'000	Quarter Ended 31 st Mar 2014 Rs'000	Quarter Ended 31 st Mar 2013 Rs'000
Profit for the period	47,715	36,422	54,056	41,895
Other comprehensive income for the period	18,492	70,224	5,739	57,399
Total comprehensive income for the period	66,207	106,646	59,795	99,294
Total comprehensive income attributable to:				
Owners of the parent	65,210	102,188	59,795	99,294
Non-controlling interest	997	4,458	-	-
	66,207	106,646	59,795	99,294

4. Statements of Changes in Equity

	Attributable to owners of the parent							Total Rs'000	Non-Controlling Interests Rs'000	Total Equity Rs'000
	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			
(a) THE GROUP										
Balance at January 1, 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	-	-	-	-	50,454	-	-	50,454	(2,739)	47,715
Other comprehensive income for the period	-	11,659	2,939	158	-	-	-	14,756	3,736	18,492
Other movement	-	-	-	-	-	-	-	-	2,579	2,579
Balance at March 31, 2014	41,379	255,284	19,839	(50,461)	1,231,485	267,477	(49,627)	1,715,376	197,158	1,912,534
Balance at January 1, 2013 - Restated	41,379	152,203	19,071	(1,521)	1,047,167	273,291	(30,200)	1,501,390	202,983	1,704,373
Profit for the period	-	-	-	-	36,882	-	-	36,882	(460)	36,422
Other comprehensive income for the period	-	57,399	7,522	385	-	-	-	65,306	4,918	70,224
Other movement	-	-	-	-	-	-	-	-	3,230	3,230
Balance at March 31, 2013	41,379	209,602	26,593	(1,136)	1,084,049	273,291	(30,200)	1,603,578	210,671	1,814,249
(b) THE COMPANY										
Balance at January 1, 2014	41,379	248,116	28,719	-	1,177,365	220,593	(49,635)	1,666,537	-	1,666,537
Profit for the period	-	-	-	-	54,056	-	-	54,056	-	54,056
Other comprehensive income for the period	-	5,739	-	-	-	-	-	5,739	-	5,739
Balance at March 31, 2014	41,379	253,855	28,719	-	1,231,421	220,593	(49,635)	1,726,332	-	1,726,332
Balance at January 1, 2013 - Restated	41,379	152,203	28,719	-	1,031,363	226,407	(30,210)	1,449,861	-	1,449,861
Profit for the period	-	-	-	-	41,895	-	-	41,895	-	41,895
Other comprehensive income for the period	-	57,399	-	-	-	-	-	57,399	-	57,399
Balance at March 31, 2013	41,379	209,602	28,719	-	1,073,258	226,407	(30,210)	1,549,155	-	1,549,155

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Quarter Ended 31 st Mar 2014 Rs'000	Quarter Ended 31 st Mar 2013 Rs'000	Quarter Ended 31 st Mar 2014 Rs'000	Quarter Ended 31 st Mar 2013 Rs'000
Net cash generated from/(used in) operating activities	82,915	(39,424)	86,473	(5,302)
Net cash (used in)/generated from investing activities	(28,712)	119,588	20,849	119,337
Net cash used in financing activities	(87,539)	(68,463)	(90,206)	(71,662)
(Decrease)/increase in cash and cash equivalents	(33,336)	11,701	17,116	42,373
Movement in cash and cash equivalents				
At 1 st January	287,755	383,014	132,499	124,627
(Decrease)/increase	(33,336)	11,701	17,116	42,373
Effect of exchange rate changes	1,615	2,633	(1,037)	481
At 31st March	256,034	397,348	148,578	167,481

6. Segment Information - (Group)

	Life Rs'000		Casualty Rs'000		Property Rs'000		Total Rs'000	
	Unaudited quarter ended March 31, 2014		Unaudited quarter ended March 31, 2014		Unaudited quarter ended March 31, 2014		Unaudited quarter ended March 31, 2014	
Gross premiums	618,568	356,571	178,359	1,153,498				
Net earned premiums	666,566	179,478	43,677	889,721				
Underwriting surplus	-	107,470	28,647	136,117				
Unaudited quarter ended March 31, 2013								
Gross premiums	647,203	317,464	192,775	1,157,442				
Net earned premiums	638,703	159,841	75,500	874,044				
Underwriting surplus	-	80,130	38,377	118,507				

Swan
Group

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