SWAN

Swan General Ltd

Condensed Unaudited Financial Statements - Nine Months and Quarter Ended September 30, 2016

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, 2016.

(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 December 31, 2015, except for the adoption of relevant amendments to published Standards, Standards and Interpretations now effective.

(b) Operations
Short Term - The short-term operations delivered satisfactory results. On the claims side, the adverse trend has stabilised, despite a number of major claims registered in earlier quarters.
Long Term - The increase in premium income over the nine months was satisfactory compared to the corresponding period in 2015.

(c) Investments
Both the domestic and international stock markets posted strong gains in the third quarter. After closing the first and second quarters down, the SEMDEX finally reversed course, supported by heavy buying interest especially from foreign investors on selected stocks. On the international side, the ongoing easy monetary policies of major central banks were supportive of equities. Emerging markets led their developed counterparts on the back of a stable US dollar, a surge in commodity prices, and encouraging economic data from China. Our portfolios benefited from this positive backdrop over the quarter under review.

On the fixed income side, the recent cut of 40 bps in the Key Repo Rate to 4% p.a. has impacted our portfolio but to a lesser extent thanks to the inclusion of fixed-rate instruments. In addition, while the persistent high excess liquidity continues to weigh on returns, our active management has ensured that the fixed income portfolio generates reasonable returns.

Included in Investment and other income is an exceptional profit on the deemed disposal of the shareholding in Ireland Blyth Limited as part of its amalgamation into IBL Ltd.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
November 11, 2016.

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at Sept 30, 2016 Rs'000	Audited as at Dec 31, 2015 Rs'000	Unaudited as at Sept 30, 2016 Rs'000	Audited as at Dec 31, 2015 Rs'000
ASSETS				
Non-current assets				
Property and equipment	94,501	97,596	93,120	96,019
Investment in subsidiary companies	-	-	535,956	465,418
Investment in associated company and joint venture	92,948	90,176	500	500
Investment in financial assets	1,820,123	1,552,221	1,419,749	1,358,820
Other non-current assets	214,373	222,872	164,307	166,879
	2,221,945	1,962,865	2,213,632	2,087,636
Current assets	3,401,982	2,937,762	2,216,898	1,971,279
Life business assets	33,988,629	32,095,961	-	-
Total assets	39,612,556	36,996,588	4,430,530	4,058,915
EQUITY AND LIABILITIES				
Capital and reserves (attributable to owners of the parent)				
Share capital	41,379	41,379	41,379	41,379
Retained earnings	1,449,605	1,412,831	1,596,665	1,497,298
Reserves	943,003	882,932	425,044	445,191
Owners' interest	2,433,987	2,337,142	2,063,088	1,983,868
Non-controlling interests	364,857	350,294	-	-
Total equity	2,798,844	2,687,436	2,063,088	1,983,868
Life assurance fund	33,988,629	32,095,961	-	-
Technical Provisions	1,888,369	1,631,440	1,868,082	1,611,117
Non-current liabilities	292,795	109,120	84,795	102,369
	36,169,793	33,836,521	1,952,877	1,713,486
Current liabilities	643,919	472,631	414,565	361,561
Total equity and liabilities	39,612,556	36,996,588	4,430,530	4,058,915
Net assets per share (Rs/cs)	294.11	282.40	249.29	239.71
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			
	9 months Ended Sept 30, 2016 Rs'000	9 months Ended Sept 30, 2015 Rs'000	Quarter Ended Sept 30, 2016 Rs'000	Quarter Ended Sept 30, 2015 Rs'000	9 months Ended Sept 30, 2016 Rs'000	9 months Ended Sept 30, 2015 Rs'000	Quarter Ended Sept 30, 2016 Rs'000	Quarter Ended Sept 30, 2015 Rs'000
Gross premiums	4,863,141	4,186,500	1,672,313	1,570,084	1,861,977	1,693,937	696,654	646,855
Net earned premiums	3,757,847	3,115,081	1,265,639	1,127,872	937,440	742,490	332,760	258,457
Share of profit/(loss) of associated companies & joint venture	3,284	13,217	(4,057)	3,443	-	-	-	-
Profit before taxation	97,059	140,662	63,358	49,947	107,274	141,417	73,763	54,423
Taxation	(8,814)	(23,306)	(3,725)	(7,344)	(7,905)	(22,606)	(3,630)	(8,687)
Profit for the period	88,245	117,356	59,633	42,603	99,369	118,811	70,133	45,736
Profit attributable to:								
Owners of the parent	86,856	112,303	61,583	42,507	99,369	118,811	70,133	45,736
Non-controlling interests	1,389	5,053	(1,950)	96	-	-	-	-
Earnings per share (Rs/cs)	10.50	13.57	7.44	5.14	12.01	14.36	8.47	5.53
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769	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			
	9 months Ended Sept 30, 2016 Rs'000	9 months Ended Sept 30, 2015 Rs'000	Quarter Ended Sept 30, 2016 Rs'000	Quarter Ended Sept 30, 2015 Rs'000	9 months Ended Sept 30, 2016 Rs'000	9 months Ended Sept 30, 2015 Rs'000	Quarter Ended Sept 30, 2016 Rs'000	Quarter Ended Sept 30, 2015 Rs'000
Profit for the period	88,245	117,356	59,633	42,603	99,369	118,811	70,133	45,736
Other comprehensive income for the period	42,323	20,566	57,379	(73,028)	(20,147)	(30,010)	6,333	(77,015)
Total comprehensive income for the period	130,568	137,922	117,012	(30,425)	79,222	88,801	76,466	(31,279)
Total comprehensive income attributable to:								
Owners of the parent	120,314	118,884	112,468	(35,368)	79,222	88,801	76,466	(31,279)
Non-controlling interests	10,254	19,038	4,544	4,943	-	-	-	-
	130,568	137,922	117,012	(30,425)	79,222	88,801	76,466	(31,279)

4. Statements of Changes in Equity

	Attributable to owners of the parent									
	Share Capital Rs'000	Fair Value Reserve Rs'000	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
(a) THE GROUP										
Balance at January 1, 2016	41,379	228,359	54,848	387,720	1,412,831	267,477	(55,472)	2,337,142	350,294	2,687,436
Profit for the period	-	-	-	-	86,856	-	-	86,856	1,389	88,245
Other comprehensive income for the period	-	(14,260)	4,215	43,503	-	-	-	33,458	8,865	42,323
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	(50,082)	-	-	(50,082)	(20,458)	(70,540)
Transfer from Life Assurance Fund	-	-	-	26,613	-	-	-	26,613	6,707	33,320
Other movement	-	-	-	-	-	-	-	-	18,060	18,060
Balance at September 30, 2016	41,379	214,099	59,063	457,836	1,449,605	267,477	(55,472)	2,433,987	364,857	2,798,844
Balance at January 1, 2015	41,379	309,212	23,334	35,734	1,323,750	267,477	(48,484)	1,952,402	238,942	2,191,344
Profit for the period	-	-	-	-	112,303	-	-	112,303	5,053	117,356
Other comprehensive income for the period	-	(50,717)	34,807	22,491	-	-	-	6,581	13,985	20,566
Changes in ownership interest in subsidiary that do not result in a loss of control	-	-	-	-	(58,047)	-	-	(58,047)	(23,716)	(81,763)
Transfer from Life Assurance Fund	-	-	-	361,505	-	-	-	361,505	110,495	472,000
Other movement	-	-	-	-	-	-	-	-	20,621	20,621
Balance at September 30, 2015	41,379	258,495	58,141	419,730	1,378,006	267,477	(48,484)	2,374,744	365,380	2,740,124
(b) THE COMPANY										
Balance at January 1, 2016	41,379	251,359	28,719	-	1,497,298	220,593	(55,480)	1,983,868		
Profit for the period	-	-	-	-	99,367	-	-	99,367		
Other comprehensive income for the period	-	(20,147)	-	-	-	-	-	(20,147)		
Balance at September 30, 2016	41,379	231,212	28,719	-	1,596,665	220,593	(55,480)	2,063,088		
Balance at January 1, 2015	41,379	310,983	28,719	-	1,346,344	220,593	(48,492)	1,899,526		
Profit for the period	-	-	-	-	118,811	-	-	118,811		
Other comprehensive income for the period	-	(30,010)	-	-	-	-	-	(30,010)		
Balance at September 30, 2015	41,379	280,973	28,719	-	1,465,155	220,593	(48,492)	1,988,327		

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	9 months Ended Sept 30, 2016 Rs'000	9 months Ended Sept 30, 2015 Rs'000	9 months Ended Sept 30, 2016 Rs'000	9 months Ended Sept 30, 2015 Rs'000
Net cash generated from operating activities	223,395	125,008	80,993	65,634
Net cash (used in)/generated from investing activities	(148,720)	38,176	43,510	86,323
Net cash generated from/(used in) financing activities	66,422	(139,926)	(135,269)	(130,288)
Increase/(decrease) in cash and cash equivalents	141,097	23,258	(10,766)	21,669
Movement in cash and cash equivalents				
At January 1	168,234	127,481	120,367	72,435
Increase/(decrease)	141,097	23,258	(10,766)	21,669
Effect of exchange rate changes	3,244	944	913	(276)
At September 30	312,575	151,683	110,514	93,828

6. Segment Information - (Group)

	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
Nine months ended September 30, 2016				
Gross premiums	2,925,428	1,469,954	467,759	4,863,141
Underwriting surplus	-	191,692	137,722	329,414
Investment & other income				118,223
Management expenses, depreciation & amortisation				(353,862)
Share of profit of associated companies & joint venture				3,284
Profit before tax				97,059
Nine months ended September 30, 2015				
Gross premiums	2,457,760	1,248,404	480,336	4,186,500
Underwriting surplus	-	247,846	149,253	397,099
Investment & other income				82,183
Management expenses, depreciation & amortisation				(351,837)
Share of profit of associated companies & joint venture				13,217
Profit before tax				140,662

This Communiqué is issued pursuant to Listing Rule 12.20 and published as per the Securities Act 2005

Copies of these condensed unaudited financial statements and the statement of officers' interests, pursuant to Rule 8 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge from the Company Secretary at the registered office of the Company at Swan Centre, 10 Intendance Street, Port Louis. The condensed unaudited financial statements can also be viewed on the Company's website.
The Board of Directors of Swan General Ltd accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements.