

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

## 1. Statements of Financial Position

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

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.

### Assets

| Non-current assets                 |            |
|------------------------------------|------------|
| Property and equipment             | 289,644    |
| Investment properties              | 507,353    |
| Investment in subsidiary companies | -          |
| Investment in associated companies | 54,179     |
| Investment in financial assets     | 25,443,359 |
| Loans and receivables              | 4,833,619  |
| Other non-current assets           | 113,670    |
|                                    | 31,241,824 |
|                                    | 4,410,928  |

### Current assets

Total assets

| Equity and liabilities                                      |         |
|---|---------|
| Capital and reserves (attributable to owners of the parent) |         |
| Share capital   |         |
| Proprietors' fund   | 681,565 |
| Reserves  | 61,214  |
| Owners' interest  | 769,101 |
| Non-controlling interests                                   | 180,822 |
| Total equity  | 949,923 |
|   | 845,732 |

### Life Assurance Fund

|  |            |
|--|------------|
|  | 33,988,629 |
|  | 32,095,961 |
|  | 167,547    |
|  | 61,500     |
|  | 229,047    |

### Current liabilities

Total equity and liabilities

| THE GROUP                     |                            | THE COMPANY                   |                            |
|-------------------------------|----------------------------|-------------------------------|----------------------------|
| Unaudited as at Sept 30, 2016 | Audited as at Dec 31, 2015 | Unaudited as at Sept 30, 2016 | Audited as at Dec 31, 2015 |
| Rs'000                        | Rs'000                     | Rs'000                        | Rs'000                     |
| 289,644                       | 290,449                    | 264,936                       | 266,322                    |
| 507,353                       | 507,693                    | 467,531                       | 467,871                    |
| -                             | -                          | 540,012                       | 540,012                    |
| 54,179                        | 50,769                     | 614                           | 614                        |
| 25,443,359                    | 24,025,565                 | 25,426,563                    | 24,001,126                 |
| 4,833,619                     | 4,428,382                  | 4,847,058                     | 4,441,822                  |
| 113,670                       | 121,610                    | 17,967                        | 21,689                     |
| 31,241,824                    | 29,424,468                 | 31,564,681                    | 29,739,456                 |
| 4,410,928                     | 4,335,746                  | 3,923,311                     | 4,067,708                  |
| 35,652,752                    | 33,760,214                 | 35,487,992                    | 33,807,164                 |
| 26,322                        | 26,322                     | 26,322                        | 26,322                     |
| 681,565                       | 595,433                    | 681,565                       | 595,433                    |
| 61,214                        | 61,214                     | 529,643                       | 529,643                    |
| 769,101                       | 682,969                    | 1,237,530                     | 1,151,398                  |
| 180,822                       | 162,763                    | -                             | -                          |
| 949,923                       | 845,732                    | 1,237,530                     | 1,151,398                  |
| 33,988,629                    | 32,095,961                 | 33,659,187                    | 31,850,001                 |
| 167,547                       | 177,899                    | 166,162                       | 176,514                    |
| 61,500                        | 73,039                     | 61,500                        | 73,039                     |
| 229,047                       | 250,938                    | 227,662                       | 249,553                    |
| 485,153                       | 567,583                    | 363,613                       | 556,212                    |
| 35,652,752                    | 33,760,214                 | 35,487,992                    | 33,807,164                 |

## 2. Statements of Profit or Loss

|  | THE GROUP                    |                              |                             |                             |
|--|------------------------------|------------------------------|-----------------------------|-----------------------------|
|  | 9 months Ended Sept 30, 2016 | 9 months Ended Sept 30, 2015 | Quarter Ended Sept 30, 2016 | Quarter Ended Sept 30, 2015 |
|  | Rs'000                       | Rs'000                       | Rs'000                      | Rs'000                      |
| Gross premiums                         | 2,925,428                    | 2,457,760                    | 972,695                     | 895,313                     |
| Net premiums                           | 2,820,407                    | 2,372,591                    | 940,486                     | 869,415                     |
| Investment and other income            | 2,328,427                    | 1,361,340                    | 1,439,454                   | 418,889                     |
| Share of profit/(loss) of associates   | 1,389                        | 5,445                        | (1,950)                     | 1,182                       |
|  | 5,150,223                    | 3,739,376                    | 2,377,990                   | 1,289,486                   |
| Surplus for the period before taxation | 2,633,665                    | 1,488,118                    | 1,543,803                   | 460,388                     |
| Taxation                               | (18,543)                     | (27,218)                     | (8,120)                     | (9,706)                     |
| Surplus for the period                 | 2,615,122                    | 1,460,900                    | 1,535,683                   | 450,682                     |
| Surplus allocated as follows:          |                              |                              |                             |                             |
| - Life Assurance Fund                  | 2,597,120                    | 1,439,869                    | 1,527,078                   | 442,964                     |
| - Proprietors' Fund                    | -                            | -                            | -                           | -                           |
| - Non-controlling interests            | 18,002                       | 21,031                       | 8,605                       | 7,718                       |
|  | 2,615,122                    | 1,460,900                    | 1,535,683                   | 450,682                     |

|  | THE COMPANY                  |                              |                             |                             |
|--|------------------------------|------------------------------|-----------------------------|-----------------------------|
|  | 9 months Ended Sept 30, 2016 | 9 months Ended Sept 30, 2015 | Quarter Ended Sept 30, 2016 | Quarter Ended Sept 30, 2015 |
|  | Rs'000                       | Rs'000                       | Rs'000                      | Rs'000                      |
| Gross premiums                         | 2,925,428                    | 2,457,760                    | 972,695                     | 895,313                     |
| Net premiums                           | 2,820,407                    | 2,372,591                    | 940,486                     | 869,415                     |
| Investment and other income            | 2,328,427                    | 1,361,340                    | 1,439,454                   | 418,889                     |
| Share of profit/(loss) of associates   | 1,389                        | 5,445                        | (1,950)                     | 1,182                       |
|  | 5,011,444                    | 3,602,744                    | 2,331,441                   | 1,247,915                   |
| Surplus for the period before taxation | 2,515,884                    | 1,349,109                    | 1,492,389                   | 410,381                     |
| Taxation                               | -                            | (6,318)                      | -                           | (2,106)                     |
| Surplus for the period                 | 2,515,884                    | 1,342,791                    | 1,492,389                   | 408,275                     |
| Surplus allocated as follows:          |                              |                              |                             |                             |
| - Life Assurance Fund                  | 2,515,884                    | 1,342,791                    | 1,492,389                   | 408,275                     |
| - Proprietors' Fund                    | -                            | -                            | -                           | -                           |
| - Non-controlling interests            | -                            | -                            | -                           | -                           |
|  | 2,515,884                    | 1,342,791                    | 1,492,389                   | 408,275                     |

## 3. Statements of Changes in Equity

|                                   | Attributable to owners of the parent |                   |                   |                       |                |           |         | Non-controlling Interests | Total Equity |
|-----------------------------------|--------------------------------------|-------------------|-------------------|-----------------------|----------------|-----------|---------|---------------------------|--------------|
|                                   | Share Capital                        | Proprietors' Fund |                   | Amalgamation Reserves | Other Reserves | Total     | Total   |                           |              |
|                                   |                                      | Distributable     | Non distributable |                       |                |           |         |                           |              |
| <b>(a) THE GROUP</b>              |                                      |                   |                   |                       |                |           |         |                           |              |
| Balance at January 1, 2016        | 26,322                               | 123,433           | 472,000           | 61,214                | -              | 682,969   | 162,763 | 845,732                   |              |
| Interest allocated                | -                                    | 52,812            | -                 | -                     | -              | 52,812    | -       | 52,812                    |              |
| Net movement for the period       | -                                    | -                 | -                 | -                     | -              | -         | 18,059  | 18,059                    |              |
| Transfer from Life Assurance Fund | -                                    | -                 | 33,320            | -                     | -              | 33,320    | -       | 33,320                    |              |
| Balance at September 30, 2016     | 26,322                               | 176,245           | 505,320           | 61,214                | -              | 769,101   | 180,822 | 949,923                   |              |
| Balance at January 1, 2015        | 26,322                               | 134,145           | -                 | 61,214                | -              | 221,681   | 149,310 | 370,991                   |              |
| Interest allocated                | -                                    | 29,367            | -                 | -                     | -              | 29,367    | -       | 29,367                    |              |
| Net movement for the period       | -                                    | -                 | -                 | -                     | -              | -         | 20,622  | 20,622                    |              |
| Transfer from Life Assurance Fund | -                                    | -                 | 472,000           | -                     | -              | 472,000   | -       | 472,000                   |              |
| Balance at September 30, 2015     | 26,322                               | 163,512           | 472,000           | 61,214                | -              | 723,048   | 169,932 | 892,980                   |              |
| <b>(b) THE COMPANY</b>            |                                      |                   |                   |                       |                |           |         |                           |              |
| Balance at January 1, 2016        | 26,322                               | 123,433           | 472,000           | 61,214                | 468,429        | 1,151,398 | -       | 1,151,398                 |              |
| Interest allocated                | -                                    | 52,812            | -                 | -                     | -              | 52,812    | -       | 52,812                    |              |
| Transfer from Life Assurance Fund | -                                    | -                 | 33,320            | -                     | -              | 33,320    | -       | 33,320                    |              |
| Balance at September 30, 2016     | 26,322                               | 176,245           | 505,320           | 61,214                | 468,429        | 1,237,530 | -       | 1,237,530                 |              |
| Balance at January 1, 2015        | 26,322                               | 134,145           | -                 | 61,214                | 468,429        | 690,110   | -       | 690,110                   |              |
| Interest allocated                | -                                    | 29,367            | -                 | -                     | -              | 29,367    | -       | 29,367                    |              |
| Transfer from Life Assurance Fund | -                                    | -                 | 472,000           | -                     | -              | 472,000   | -       | 472,000                   |              |
| Balance at September 30, 2015     | 26,322                               | 163,512           | 472,000           | 61,214                | 468,429        | 1,191,477 | -       | 1,191,477                 |              |

## 4. Statements of Cash Flows

|  | THE GROUP                    |                              | THE COMPANY                  |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 9 months Ended Sept 30, 2016 | 9 months Ended Sept 30, 2015 | 9 months Ended Sept 30, 2016 | 9 months Ended Sept 30, 2015 |
|  | Rs'000                       | Rs'000                       | Rs'000                       | Rs'000                       |
| Net cash generated from operating activities             | 1,471,034                    | 1,502,572                    | 1,370,181                    | 1,478,412                    |
| Net cash generated from / (used in) investing activities | 24,608                       | (362,921)                    | 18,237                       | (356,098)                    |
| Net cash used in financing activities                    | (121,082)                    | (119,026)                    | (121,082)                    | (110,026)                    |
| Increase in cash and cash equivalents                    | 1,374,560                    | 1,020,625                    | 1,267,336                    | 1,012,288                    |
| Movement in cash and cash equivalents                    |                              |                              |                              |                              |
| At January 1,  | 1,669,019                    | 849,439                      | 1,419,232                    | 601,914                      |
| Increase   | 1,374,560                    | 1,020,625                    | 1,267,336                    | 1,012,288                    |
| Effects of exchange rate changes                         | (4,418)                      | 57,241                       | (4,377)                      | 57,241                       |
| At September 30,   | 3,039,161                    | 1,927,305                    | 2,682,191                    | 1,671,443                    |

This communiqué is issued pursuant to the DEM Rule 17 and 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 Life Ltd accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements.



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