

Condensed Audited Financial Statements - Year Ended December 31, 2016

1. Statements of Financial Position

The Directors are pleased to present the condensed audited financial statements of the Group and the Company for the Year Ended December 31, 2016 as audited by Messrs BDO & Co.

(a) Basis of Accounting

The condensed audited financial statements have been extracted from the audited financial statements for the year ended 31 December 2016 which have been prepared in accordance with International Financial Reporting Standards.

(b) Operations

Swan Life Ltd posted a good performance with premium income increasing appreciably in spite of an economic environment characterised by excess liquidity and low interest rates.

(c) Investments

The investment fund performed well and closed higher over the 2016 financial year as all asset classes delivered encouraging returns. The portfolio of local equity investments rose appreciably even though the main stock market index ended the year marginally negative on the back of selling pressure from foreign investors. On the international side, equity investments delivered a decent performance despite political events including Brexit and the US presidential elections. US electoral promises of cutting down taxes and spending massively on infrastructure stimulated world stock exchanges and generated positive returns for our portfolio. Emerging markets' equities were boosted by a stable US Dollar and stronger commodity prices.

Despite the high excess liquidity in the financial system which pressured long term yields down, the active diversification and yield-seeking strategy supported the fixed income portfolio.

Included in "Investment and other income" is an exceptional profit on the deemed disposal of a financial asset following the amalgamation of a listed entity.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
March 28, 2017

	THE GROUP		THE COMPANY	
	As at Dec 31, 2016 Rs'000	As at Dec 31, 2015 Rs'000	As at Dec 31, 2016 Rs'000	As at Dec 31, 2015 Rs'000
Assets				
Non-current assets				
Property and equipment	284,824	290,449	260,118	266,322
Investment properties	475,804	465,930	435,982	426,108
Investments in subsidiary companies	-	-	540,012	540,012
Investments in associated companies	49,290	50,769	614	614
Investments in financial assets	25,560,379	24,025,565	25,535,531	24,001,126
Loans and receivables	4,860,264	4,428,382	4,873,704	4,441,822
Other non-current assets	113,637	121,610	18,789	21,689
	31,344,198	29,382,705	31,664,750	29,697,693
Current assets	4,820,648	4,377,509	4,496,388	4,109,471
Total assets	36,164,846	33,760,214	36,161,138	33,807,164
Equity and liabilities				
Capital and reserves				
Share capital	26,322	26,322	26,322	26,322
Proprietors' fund	635,400	595,433	635,400	595,433
Reserves	61,214	61,214	529,643	529,643
Owners' interest	722,936	682,969	1,191,365	1,151,398
Non-controlling interests	171,030	162,763	-	-
Total equity	893,966	845,732	1,191,365	1,151,398
Life Assurance Fund	34,487,118	32,095,961	34,206,384	31,850,001
Non-current liabilities				
Retirement benefit obligations	229,161	177,899	224,455	176,514
Other non-current liabilities	60,299	73,039	60,299	73,039
	289,460	250,938	284,754	249,553
Current liabilities	494,302	567,583	478,635	556,212
Total equity and liabilities	36,164,846	33,760,214	36,161,138	33,807,164

2. Life Assurance Fund

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2016 Rs'000	Year Ended Dec 31, 2015 Rs'000	Year Ended Dec 31, 2016 Rs'000	Year Ended Dec 31, 2015 Rs'000
Gross premiums	3,859,237	3,388,287	3,859,237	3,388,287
Net premiums	3,692,096	3,226,097	3,692,096	3,226,097
Investment and other income	2,851,036	2,226,910	2,749,039	2,115,098
Share of profit/(loss) of associates	2,885	6,477	6,441,135	5,341,195
	6,546,017	5,459,484		
Surplus for the period before taxation	3,119,750	2,277,834	3,035,853	2,159,092
Taxation	(24,311)	(26,061)	-	2,624
Surplus for the period	3,095,439	2,251,773	3,035,853	2,161,716
Surplus allocated as follows:				
- Life Assurance Fund	3,006,092	2,159,519	2,969,853	2,098,116
- Proprietors' Fund	66,000	63,600	66,000	63,600
- Non-controlling interests	23,347	28,654	-	-
	3,095,439	2,251,773	3,035,853	2,161,716

3. Statements of Changes in Equity

	Attributable to owners of the parent							Total Rs'000
	Share Capital Rs'000	Proprietors' Fund		Amalgamation Reserves Rs'000	Other Reserves Rs'000	Total Equity Rs'000	Non-Controlling Interest Rs'000	
		Distributable Rs'000	Non distributable Rs'000					
(a) THE GROUP								
Balance at January 1, 2016	26,322	123,433	472,000	61,214	-	682,969	162,763	845,732
Interest allocated	-	61,729	-	-	-	61,729	-	61,729
Transfer from Life Assurance Fund	-	66,000	33,320	-	-	99,320	-	99,320
Net movement for the year	-	-	-	-	-	-	23,272	23,272
Dividends	-	(121,082)	-	-	-	(121,082)	(15,005)	(136,087)
Balance at December 31, 2016	26,322	130,080	505,320	61,214	-	722,936	171,030	893,966
Balance at January 1, 2015	26,322	134,145	-	61,214	-	221,681	149,310	370,991
Interest allocated	-	46,770	-	-	-	46,770	-	46,770
Transfer from Life Assurance Fund	-	63,600	472,000	-	-	535,600	-	535,600
Net movement for the year	-	-	-	-	-	-	27,853	27,853
Dividends	-	(121,082)	-	-	-	(121,082)	(14,400)	(135,482)
Balance at December 31, 2015	26,322	123,433	472,000	61,214	-	682,969	162,763	845,732
(b) THE COMPANY								
Balance at January 1, 2016	26,322	123,433	472,000	61,214	468,429	1,151,398	-	1,151,398
Interest allocated	-	61,729	-	-	-	61,729	-	61,729
Transfer from Life Assurance Fund	-	66,000	33,320	-	-	99,320	-	99,320
Dividends	-	(121,082)	-	-	-	(121,082)	-	(121,082)
Balance at December 31, 2016	26,322	130,080	505,320	61,214	468,429	1,191,365	-	1,191,365
Balance at January 1, 2015	26,322	134,145	-	61,214	468,429	690,110	-	690,110
Interest allocated	-	46,770	-	-	-	46,770	-	46,770
Transfer from Life Assurance Fund	-	63,600	472,000	-	-	535,600	-	535,600
Dividends	-	(121,082)	-	-	-	(121,082)	-	(121,082)
Balance at December 31, 2015	26,322	123,433	472,000	61,214	468,429	1,151,398	-	1,151,398

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2016 Rs'000	Year Ended Dec 31, 2015 Rs'000	Year Ended Dec 31, 2016 Rs'000	Year Ended Dec 31, 2015 Rs'000
Net cash generated from operating activities	1,938,374	1,988,268	1,880,197	1,957,946
Net cash generated from/ (used in) investing activities	130,013	(1,060,487)	130,577	(1,049,985)
Net cash used in financing activities	(136,087)	(133,426)	(121,082)	(110,026)
Increase in cash and cash equivalents	1,932,300	794,355	1,889,692	797,935
Movement in cash and cash equivalents				
At January 1,	1,669,019	849,439	1,419,232	601,914
Increase during the year	1,932,300	794,355	1,889,692	797,935
Effects of exchange rate changes	851	25,225	2,066	19,383
At December 31,	3,602,170	1,669,019	3,310,990	1,419,232

Copies of these condensed audited financial statements and the statement of officers interest are available to the public free of charge with the Secretary at the Company's registered office Swan Centre, 10 Intendance Street, Port Louis.

This Communiqué is issued pursuant to DEM Rule 18 and published as per the Securities Act 2005.

The Board of Directors of Swan Life Ltd accepts full responsibility for the accuracy of the information contained in this communiqué.

