

Condensed Audited Financial Statements - Year Ended December 31, 2019

The Directors are pleased to present the condensed financial statements of the Group and the Company for the Year Ended December 31,2019 as audited by Messrs BDO & Co.

The condensed audited financial statements have been extracted from the audited financial statements for the year ended December 31, 2019 which have been prepared in accordance with International Financial

The accounts for the financial year 2018 have been restated mainly due to:

- (i) changes in accounting policies in the subsidiary, Swan Life Ltd, relating to the allocation of actuarial surplus and in the accounting of its subsidiaries and associates;(ii) restatement of residual gratuity obligations in the Company's financial statements.

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are effective from January 1, 2018. The Group and the Company have deferred the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17 Insurance contracts) of January 1, 2023, opting for the temporary exemption from applying IFRS 9 by the amendments to IFRS 4 Insurance contracts. Insurance contracts within the scope of IFRS 4 are excluded from the scope of IFRS 15.

(b) Operations

Amidst the challenging economic and competitive environment , the short-term operations posted an encouraging operational results for 2019 compared to last year. The growth of business in the various classes was commendable, resulting in the top-line to exceed the MUR 3bn mark.

On the claims side, despite being affected by the 1st quarter natural catastrophe events, we have managed to effectively control our overall claims costs to achieve an improved net underwriting result (MUR 602.6m) compared to last year.

Long TermLong-term operations performance has been satisfactory for 2019 with gross premium income increasing by

(c) Investments

Our investment portfolio made further gains over the fourth quarter of 2019, with strong support coming from international equity markets. The latter rallied on the back of improving economic data and a prospective interim trade deal between the US and China. The local equity market closed the last quarter of the year on a positive note with support from the larger listed companies

On the fixed income side, our portfolio continued to deliver encouraging returns despite the challenging environment characterized by persistently high excess liquidity and low yields.

COVID-19 outbreak poses a serious public health threat worldwide. Like many other countries, it is expected that the economy in Mauritius will be adversely impacted by the slowing global activity. There is barely any visibility on how long COVID-19 will last and what will be its full impact on society, businesses, and the economy. While we acknowledge this state of affairs, we believe that markets will recover as they have always done in the past.

The capital and solvency margins have always been above the minimums required by the Insurance Act 2005. The Group does not foresee any pressure on its solvency ratio in the near term based on the different stress tests carried out. The Group also believes that its liquidity position is adequate to ensure any future commitments and obligations that may arise are settled. As such, the financial statements as presented have been prepared on a going concern basis.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd Company Secretary May 19, 2020

1. Statements of Profit or Loss and Other Comprehensive Income

	THE GI	THE GROUP		THE COMPANY	
	Year Ended	Year Ended	Year Ended	Year E	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31,	
	,	Restated	,	Res	
	Rs'000	Rs'000	Rs'000		
ross premiums	8,105,672	7,561,743	3,060,119	2,93	
let earned premiums	6,419,610	5,925,149	1,667,034	1,63	
hare of results of associated companies and joint venture	27,000	21,864			
•					
rofit before taxation	728,773	773,458	327,379	29	
ncome tax expense	(56,611)	(60,861)	(19,959)	(20	
rofit for the year	672,162	712,597	307,420	. 27	
ther comprehensive income for the year, net of tax	119,105	(154,038)	99,361	(140	
otal comprehensive income for the year	791,267	558,559	406,781	13	
Control of the contro					
rofit for the year attributable to:	F77 407	644.746	207.420	27	
wners of the parent	577,197 94,965	611,316 101,281	307,420	27	
lon-controlling interests	672,162	712,597	307,420	27	
otal comprehensive income for the year attributable to:	072,102	112,391	307,420		
wners of the parent	696,030	457,462	406,781	13	
Ion-controlling interests	95,237	101,097	-	15	
ion conditioning interests	791,267	558,559	406,781	13	
		,			
arnings per share (Rs/cs)	69.75	73.87	37.15	3	
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,27	

2. Statements of Financial Position

		THE GROUP			THE COMPANY	
ACCETT	Dec 31, 2019	Dec 31, 2018 Restated	Jan 1, 2018 Restated	Dec 31, 2019	Dec 31, 2018 Restated	Jan 1, 2018 Restated
ASSETS	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets	406.064	421,797	366.403	0F 2C0	OF 110	00.350
Property and equipment	406,064	,	479,475	85,360	95,118	90,258
Investment properties Investments in subsidiary companies	433,191	478,896	479,475	- 557.087	530.871	536,371
Investments in associated companies and joint venture	163,793	153,753	61,242	34,509	34,509	500
Investments in financial assets	38,331,944	35,038,410	33,647,792	1,684,808	1,502,012	1,630,544
Loans and receivables	4.338.413	4,080,404	4.534.373	99,233	112,205	126.131
Non-current receivables	5,444	-,000,+0+	60,832	47,036	79,174	59,950
Other non-current assets	234,197	198,171	162,996	100,432	65,536	44,271
	43.913.046	40.371.431	39,313,113	2.608.465	2,419,425	2,488,025
Current assets	9,488,164	8.031.005	7.010.897	3.060.313	2,718,834	2,378,332
Total assets	53,401,210	48,402,436	46,324,010	5,668,778	5,138,259	4,866,357
EQUITY AND LIABILITIES Capital and reserves						
Share capital	41,379	41,379	41,379	41,379	41,379	41,379
Retained earnings	2,938,306	2,480,928	1,973,852	2,055,767	1,867,518	1,695,400
Other reserves	501,949	383,116	538,913	432,534	333,173	473,373
Attributable to owners of the parent	3,481,634	2,905,423	2,554,144	2,529,680	2,242,070	2,210,152
Non-controlling interests	415,655	363,612	300,813	-	-	<u> </u>
Total equity	3,897,289	3,269,035	2,854,957	2,529,680	2,242,070	2,210,152
Life Assurance Fund	45,199,804	41,098,308	39,981,799	_	_	_
Technical Provisions	2,452,689	2,634,719	2,438,076	1,957,420	2.094,396	2.021,414
Non-current liabilities	465.932	450.522	307,676	300.507	306.188	229.462
	48,118,425	44,183,549	42,727,551	2,257,927	2,400,584	2,250,876
Current liabilities	1,385,496	949,852	741.502	881,171	495,605	405,329
Total equity and liabilities	53,401,210	48,402,436	46,324,010	5,668,778	5,138,259	4,866,357
Net assets per share (Rs/cs)	420.70	351.08	308.63	305.67	270.92	267.06
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769

3. 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 gain/(losses) Rs'000	Total Rs'000	Non-controlling Interests Rs'000	Total Equity Rs'000
/ \TUE CROUP	13 000	1/3 000	113 000	1/3 000	13 000	1/3 000	1/3 000	13 000	113 000	1/3 000
(a) THE GROUP Balance at January 1, 2019										
As previously stated	41.379	195.033	36.594	1.024.347	1.834.071	267,477	(100.632)	3.298.269	470,795	3.769.064
Effect of prior year adjustments		(2,126)	(8,269)	(1,024,347)	646,857	-	(4,961)	(392,846)	(107,183)	(500,029)
As restated	41,379	192,907	28,325	-	2,480,928	267,477	(105,593)	2,905,423	363,612	3,269,035
Profit for the year	-	-	-	-	577,197	-	-	577,197	94,965	672,162
Other comprehensive income for the year	-	108,465	2,025	-		-	8,343	118,833	272	119,105
Effect on issue of shares	-	-	-	-	(648)	-	-	(648)	648	-
Other movement	-	-	-	-	(440.474)	-	-	(440.474)	688	688
Dividends Balance at December 31, 2019	41,379	301,372	30,350	-	(119,171) 2,938,306	267,477	(97,250)	(119,171) 3,481,634	(44,530) 415,655	(163,701) 3,897,289
balance at December 31, 2019	41,379	301,372	30,330	-	2,936,306	207,477	(97,250)	3,461,034	415,055	3,097,209
Balance at January 1, 2018										
As previously stated	41,379	350,387	31,321	476,056	1.604.806	267,477	(98,607)	2,672,819	352,569	3,025,388
Effect of prior year adjustments		341	(8,376)	(476,056)	369,046		(3,630)	(118,675)	(51,756)	(170,431)
As restated	41,379	350,728	22,945	-	1,973,852	267,477	(102,237)	2,554,144	300,813	2,854,957
Profit for the year - restated	-	-	-	-	611,316	-	-	611,316	101,281	712,597
Other comprehensive income for the year - restated	-	(157,821)	7,323	-	-	-	(3,356)	(153,854)	(184)	(154,038)
Issue of shares	-	-	(1,943)	-	1042	-	-	-	497	497 (612)
Other movement Dividends	-	-	(1,943)	-	1,943 (99,309)	-	-	(99,309)	(612) (38,671)	(612) (137,980)
Non-controlling interest arising on business combinations	_	-	-	-	(6,874)	_	-	(6,874)	488	(6,386)
Balance at December 31, 2018	41,379	192,907	28.325	-	2.480,928	267,477	(105,593)	2.905,423	363,612	3,269,035
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(b) THE COMPANY										
Balance at January 1, 2019										
As previously stated	41,379	171,329	43,099	-	1,907,368	220,593	(100,640)	2,283,128		
Effect of prior year adjustments	- 44.370	474.220	42.000	-	(39,850)		(1,208)	(41,058)		
As restated Profit for the year	41,379	171,329	43,099	-	1,867,518 307,420	220,593	(101,848)	2,242,070 307,420		
Other comprehensive income for the year	-	90,557	-	-	307,420	-	8,804	99,361		
Dividends	_	-	_	_	(119,171)	_	-	(119,171)		
Balance at December 31, 2019	41,379	261,886	43,099	-	2,055,767	220,593	(93,044)	2,529,680		
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Balance at January 1, 2018							(
As previously stated	41,379	308,296	43,099	-	1,730,617	220,593	(98,615)	2,245,369		
Effect of prior year adjustments	- 41 270	308,296	42,000	-	(35,217)	220 502	(00 615)	(35,217)	_	
As restated Profit for the year- restated	41,379	3U8,270 -	43,099	-	1,695,400 271,427	220,593	(98,615)	2,210,152 271,427		
Other comprehensive income for the year- restated	-	(136,967)	-	-	۱٬4۲ -	-	(3,233)	(140,200)		
Dividends	-	(150,507)	-	-	(99,309)	-	(5,255)	(99,309)		
Balance at December 31, 2018	41,379	171,329	43,099	-	1,867,518	220,593	(101,848)	2,242,070	_	
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4. Statements of Cash Flows

	THE (THE GROUP		MPANY
	Year Ended Dec 31, 2019	Year Ended Dec 31, 2018 Restated	Year Ended Dec 31, 2019	Year Ended Dec 31, 2018 Restated
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from operating activities Net cash (used in)/generated from investing activities Net cash (used in)/generated from financing activities Increase in cash and cash equivalents	761,710 (202,539) (18,907) 540,264	920,068 (768,187) (92,493) 59,388	110,219 (38,079) 77,837 149,977	92,535 220,870 (121,773) 191,632
Movement in cash and cash equivalents:				
At January 1,	2.867.296	2.805.723	359.438	161.842
Increase	540,264	59,388	149,977	191,632
Effect of foreign exchange rate changes	67,078	2,185	7,288	5,964
At December 31,	3,474,638	2,867,296	516,703	359,438

5. Segment Information - (Group)

Year Ended December 31, 2019 Gross premiums Underwriting surplus Investment & other income Management expenses, depreciation & amortisation Impairment and other charges Share of results of associated companies & joint venture Surplus transferred to Life Assurance Fund
Surplus transferred to Life Assurance Fund Profit before taxation

Year Ended December 31, 2018
Gross premiums

Underwriting surplus
Investment & other income
Management expenses, depreciation & amortisation
Impairment and other charges
Share of results of associated companies & joint venture
Surplus transferred to Life Assurance Fund
Profit before taxation

Life	Casualty	Property	Total
Rs'000	Rs'000	Rs'000	Rs'000
4,792,389	2,499,953	813,330	8,105,672
1,038,564	425,955	236,118	1,700,637
			2,359,293
			(1,022,997)
			(53,624)
			27,000
			(2,281,536)
			728,773

Life	Casualty	Property	Total
Rs'000	Rs'000	Rs'000	Rs'000
4,351,840	2,363,001	846,902	7,561,743
1,098,418	404,308	245,817	1,748,543
			2,131,599

(913,815) (116,814) 21,864 (2,097,919) 773,458

This communiqué is issued pursuant to the Listing Rule 12.14 and the Securities Act 2005.

Copies of these condensed audited financial statements and the statements of officers' interests, pursuant to Rule 8 (2)(m) 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 audited financial statements can also be viewed on the Company's website.