

Condensed Unaudited Financial Statements - Nine Months and Quarter Ended September 30, 2020

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, 2020.

(a) Basis of accounting

The condensed financial statements of the Group and the Company are unaudited and have been prepared using the same accounting policies as the audited financial statements for the year ended December 31, 2019, except for the adoption of new International Financial Reporting Standards issued which are now effective.

The figures for the Nine Months and Quarter Ended September 30, 2019 have been restated as a result of changes in accounting policies relating to the allocation of actuarial surplus and in the accounting of subsidiaries and associates adopted in the audited financial statements for the year ended December 31, 2019 which was not reflected in the Nine Months and Quarter Ended September 30, 2019.

(b) Operations

After two consecutive quarters of decrease, we are pleased to report that there has been an improvement during the third quarter of 2020. Gross Premium income as at 30th September 2020 is now 1% less than the same period last year.

(c) Investments

The investment portfolio grew over the third quarter as our active investment management approach supported performance. On the equity side, the stock market continued to trend lower as the economic uncertainty triggered by the coronavirus continued to weigh on investor sentiment. On the other hand, international equities recorded appreciable gains as the economic recovery of many regions proved less sluggish than feared. In addition, reports of progress in the search for a vaccine provided much hope, both for economic

activity and for the ongoing health crisis.

On the fixed income front, our investments continued to deliver encouraging returns. On markets, yields remained depressed with excess liquidity pervading the financial system.

The COVID-19 outbreak continues to pose a serious public health problem worldwide and, like other countries, the Mauritian economy has been severely impacted by weaker economic activity. With many developed countries now facing a second wave of the virus and re-entering confinement, it remains very difficult to establish the full impact of the COVID and how long it will take our economy to recover to pre-COVID level.

Our capital adequacy and solvency margin 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. As such, the condensed financial statements as presented have been prepared on a going concern.

For and on behalf of the Board of Directors
Swan Corporate Affairs Ltd
Company Secretary
November 13, 2020

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at Sept 30, 2020 Rs'000	Audited as at Dec 31, 2019 Rs'000	Unaudited as at Sept 30, 2020 Rs'000	Audited as at Dec 31, 2019 Rs'000
Assets				
Non-current assets				
Property and equipment	278,947	276,224	254,001	251,125
Investment properties	427,171	433,191	389,905	395,960
Investments in subsidiary companies	-	-	548,512	548,512
Investments in associated companies	7,261	39,519	4,364	4,364
Investments in financial assets	33,258,585	36,387,024	33,013,967	36,304,460
Loans and receivables	4,903,579	4,239,180	4,917,018	4,252,618
Other non-current assets	105,363	114,352	16,987	21,750
	38,980,906	41,489,490	39,144,754	41,778,789
Current assets	7,294,779	6,413,044	6,785,305	5,859,998
Total assets	46,275,685	47,902,534	45,930,059	47,638,787
Equity and liabilities				
Capital and reserves				
Share capital	26,322	26,322	26,322	26,322
Retained earnings	1,312,656	1,162,074	781,867	723,634
Other reserves	40,388	42,459	529,643	529,643
Owners' interest	1,379,366	1,230,855	1,337,832	1,279,599
Non-controlling interests	228,951	201,146	-	-
Total equity	1,608,317	1,432,001	1,337,832	1,279,599
Life Assurance Fund	43,321,106	45,199,804	43,321,106	45,199,804
Other Technical Provisions	439,682	347,458	439,682	347,458
	43,760,788	45,547,262	43,760,788	45,547,262
Non-current liabilities				
Retirement benefit obligations	100,934	98,234	85,508	85,508
Other non-current liabilities	62,748	65,511	59,913	61,860
	163,682	163,745	145,421	147,368
Current liabilities	742,898	759,526	686,018	664,558
Total equity and liabilities	46,275,685	47,902,534	45,930,059	47,638,787

2. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP				THE COMPANY			
	9 Months Ended Sept 30, 2020 Rs'000	9 Months Ended Sept 30, 2019 Restated Rs'000	Quarter Ended Sept 30, 2020 Rs'000	Quarter Ended Sept 30, 2019 Restated Rs'000	9 Months Ended Sept 30, 2020 Rs'000	9 Months Ended Sept 30, 2019 Restated Rs'000	Quarter Ended Sept 30, 2020 Rs'000	Quarter Ended Sept 30, 2019 Restated Rs'000
Gross premiums	3,490,488	3,530,453	1,433,849	1,223,666	3,490,488	3,530,453	1,433,849	1,223,666
Net earned premiums	3,328,090	3,419,328	1,388,509	1,185,491	3,328,090	3,419,328	1,388,509	1,185,491
Share of results of associated companies	(36,708)	940	333	(4,164)	-	-	-	-
Transfer to Life Assurance Fund	(2,612,228)	(1,511,321)	(755,678)	(571,090)	(2,612,228)	(1,511,321)	(755,678)	(571,090)
Profit before taxation	195,344	191,689	61,229	70,798	58,233	40,544	11,706	16,603
Taxation	(15,228)	(30,914)	(10,247)	(15,762)	-	-	-	-
Profit for the period	180,116	160,775	50,982	55,036	58,233	40,544	11,706	16,603
Other comprehensive income for the period	(4,507,377)	1,295,197	(336,384)	106,180	(4,490,926)	1,295,486	(334,037)	97,908
Transfer to Life Assurance Fund	4,490,926	(1,295,486)	334,037	(97,908)	4,490,926	(1,295,486)	334,037	(97,908)
Other comprehensive income for the period, net of tax	(16,451)	(289)	(2,347)	8,272	-	-	-	-
Total comprehensive income for the period	163,665	160,486	48,635	63,308	58,233	40,544	11,706	16,603
Profit for the period attributable to:								
Owners of the parent	150,582	140,182	43,475	47,601	58,233	40,544	11,706	16,603
Non-controlling interests	29,534	20,593	7,507	7,435	-	-	-	-
	180,116	160,775	50,982	55,036	58,233	40,544	11,706	16,603
Total comprehensive income for the period attributable to:								
Owners of the parent	135,860	139,874	41,573	55,761	58,233	40,544	11,706	16,603
Non-controlling interests	27,805	20,612	7,062	7,547	-	-	-	-
	163,665	160,486	48,635	63,308	58,233	40,544	11,706	16,603
Earnings per share (Rs/cts)	57.21	53.26	16.52	18.08	22.12	15.40	4.45	6.31

3. Statements of Changes in Equity

	Attributable to owners of the parent							
	Share Capital Rs'000	Retained Earnings Rs'000	Non-distributable Reserve Rs'000	Amalgamation Reserve Rs'000	Other Reserves Rs'000	Total Rs'000	Non-Controlling Interests Rs'000	Total Equity Rs'000
THE GROUP								
Balance at January 1, 2020	26,322	1,162,074	-	61,214	(18,755)	1,230,855	201,146	1,432,001
Profit for the period	-	150,582	-	-	-	150,582	29,534	180,116
Other comprehensive income for the period	-	-	-	-	(14,722)	(14,722)	(1,729)	(16,451)
Other movement	-	-	-	-	12,651	12,651	-	12,651
Balance at September 30, 2020	26,322	1,312,656	-	61,214	(20,826)	1,379,366	228,951	1,608,317
Balance at January 1, 2019	26,322	541,409	824,843	61,214	-	1,453,788	190,331	1,644,119
- As previously stated	-	385,107	(824,843)	-	(14,538)	(454,274)	-	(454,274)
- Prior year adjustments	26,322	926,516	-	61,214	(14,538)	999,514	190,331	1,189,845
- As restated	-	140,182	-	-	-	140,182	20,593	160,775
Profit for the period - restated	-	-	-	-	(308)	(308)	19	(289)
Other comprehensive income for the period - restated	-	-	-	-	-	-	-	-
Balance at September 30, 2019	26,322	1,066,698	-	61,214	(14,846)	1,139,388	210,943	1,350,331
THE COMPANY								
Balance at January 1, 2020	26,322	723,634	-	61,214	468,429	1,279,599	-	1,769,165
Profit for the period	-	58,233	-	-	-	58,233	-	58,233
Balance at September 30, 2020	26,322	781,867	-	61,214	468,429	1,337,832	-	1,667,395
Balance at January 1, 2019	26,322	541,409	824,843	61,214	468,429	1,922,217	-	2,823,231
- As previously stated	-	-	(824,843)	-	-	(824,843)	-	(824,843)
- Prior year adjustments	26,322	541,409	-	61,214	468,429	1,097,374	-	1,137,474
- As restated	-	40,544	-	-	-	40,544	-	40,544
Profit for the period - restated	-	-	-	-	-	-	-	-
Balance at September 30, 2019	26,322	581,953	-	61,214	468,429	1,137,918	-	1,236,533

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	9 Months Ended Sept 30, 2020 Rs'000	9 Months Ended Sept 30, 2019 Rs'000	9 Months Ended Sept 30, 2020 Rs'000	9 Months Ended Sept 30, 2019 Rs'000
Net cash generated from operating activities	1,501,411	1,698,527	1,496,465	1,623,435
Net cash generating from investing activities	(1,299,614)	(453,933)	(1,147,809)	(448,617)
Net cash used in financing activities	(178,687)	-	(160,418)	-
Increase in cash and cash equivalents	23,110	1,244,594	188,238	1,174,818
Movement in cash and cash equivalents				
At January 1,	2,959,631	2,465,487	2,383,975	2,092,267
Increase during the year	23,110	1,244,594	188,238	1,174,818
Effects of exchange rate changes	113,312	36,691	112,866	29,497
At September 30,	3,096,053	3,746,772	2,685,079	3,296,582

This Communiqué is issued pursuant to DEM Rule 17 and published as per the Securities Act 2005.

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

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

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