

Condensed Unaudited Financial Statements - Quarter Ended March 31, 2020

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the Quarter Ended March 31, 2020.

(a) Basis of accounting

The abridged 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 Quarter Ended March 31, 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 Quarter Ended March 31, 2019.

(b) Operations

The Gross Premium income for the 1st quarter of 2020 has decreased by 12% compared to the same period last year, mainly due to the impact of the Covid-19 curfew period. It is anticipated that this trend will continue in the second quarter of 2020.

(c) Investment

After a nearly 11-year equity bull-run, the outbreak of COVID-19 sent global markets in deep red territory as global activity came to an abrupt halt. While international equity markets bounced back on 23 March 2020, supported by aggressive fiscal and monetary stimulus measures across the globe, our local bourse remained depressed with trading sessions suspended between 20 March and 6 April 2020 following the national lockdown. While our equity portfolios tracked market trends downwards over the first quarter, much of the fall was attenuated through a pro-active management of equity exposure. 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.

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 abridged 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
July 10, 2020

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at Mar 31, 2020 Rs'000	Audited as at Dec 31, 2019 Rs'000	Unaudited as at Mar 31, 2020 Rs'000	Audited as at Dec 31, 2019 Rs'000
Assets				
Non-current assets				
Property and equipment	273,567	276,224	248,217	251,125
Investment properties	431,312	433,191	394,081	395,960
Investments in subsidiary companies	-	-	548,512	548,512
Investments in associated companies	7,072	39,519	4,364	4,364
Investments in financial assets	27,906,671	36,387,024	27,772,509	36,304,460
Loans and receivables	4,209,974	4,239,180	4,223,413	4,252,618
Other non-current assets	111,813	114,352	20,075	21,750
	32,940,409	41,489,490	33,211,171	41,778,789
Current assets	9,945,289	6,413,044	9,395,839	5,859,998
Total assets	42,885,698	47,902,534	42,607,010	47,638,787
Equity and liabilities				
Capital and reserves				
Share capital	26,322	26,322	26,322	26,322
Retained earnings	1,215,203	1,162,074	756,503	723,634
Other reserves	44,253	42,459	529,643	529,643
Owners' interest	1,285,778	1,230,855	1,312,468	1,279,599
Non-controlling interests	213,745	201,146	-	-
Total equity	1,499,523	1,432,001	1,312,468	1,279,599
Life Assurance Fund	40,466,851	45,199,804	40,466,851	45,199,804
Other Technical Provisions	411,963	347,458	411,963	347,458
	40,878,814	45,547,262	40,878,814	45,547,262
Non-current liabilities				
Retirement benefit obligations	99,134	98,234	85,508	85,508
Other non-current liabilities	64,603	65,511	61,226	61,860
	163,737	163,745	146,734	147,368
Current liabilities				
Total equity and liabilities	343,624	759,526	268,994	664,558
	42,885,698	47,902,534	42,607,010	47,638,787

2. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP		THE COMPANY	
	Quarter Ended Mar 31, 2020 Rs'000	Quarter Ended Mar 31, 2019 Restated Rs'000	Quarter Ended Mar 31, 2020 Rs'000	Quarter Ended Mar 31, 2019 Restated Rs'000
Gross premiums	1,101,265	1,246,971	1,101,265	1,246,971
Net earned premiums	1,029,212	1,210,234	1,029,212	1,210,234
Share of results of associated companies	(39,375)	3,720	-	-
Transfer to Life Assurance Fund	(1,275,501)	(626,705)	(1,275,501)	(626,705)
Profit before taxation	63,833	72,503	32,869	17,175
Taxation	3,111	(8,875)	-	-
Profit for the period	66,944	63,628	32,869	17,175
Other comprehensive income for the period	(6,020,405)	884,877	(6,008,454)	886,968
Transfer to Life Assurance Fund	6,008,454	(886,968)	6,008,454	(886,968)
Other comprehensive income for the period, net of tax	(11,951)	(2,091)	-	-
Total comprehensive income for the period	54,993	61,537	32,869	17,175
Profit for the period attributable to:				
Owners of the parent	53,129	55,883	32,869	17,175
Non-controlling interests	13,815	7,745	-	-
	66,944	63,628	32,869	17,175
Total comprehensive income for the period attributable to:				
Owners of the parent	42,394	53,873	32,869	17,175
Non-controlling interests	12,599	7,664	-	-
	54,993	61,537	32,869	17,175
Earnings per share (Rs/cts)	20.18	21.23	12.49	6.52

3. Statements of Changes in Equity

	Attributable to owners of the parent							Total Equity Rs'000
	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	
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	-	53,129	-	-	-	53,129	13,815	66,944
Other comprehensive income for the period	-	-	-	-	(10,735)	(10,735)	(1,216)	(11,951)
Other movement	-	-	-	-	12,529	12,529	-	12,529
Balance at March 31, 2020	26,322	1,215,203	-	61,214	(16,961)	1,285,778	213,745	1,499,523
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	-	55,883	-	-	-	55,883	7,745	63,628
Profit for the period - restated	-	-	-	-	(2,010)	(2,010)	(81)	(2,091)
Other comprehensive income for the period - restated	-	-	-	-	-	-	-	-
Balance at March 31, 2019	26,322	982,399	-	61,214	(16,548)	1,053,387	197,995	1,251,382
THE COMPANY								
Balance at January 1, 2020	26,322	723,634	-	61,214	468,429	1,279,599	-	-
Profit for the period	-	32,869	-	-	-	32,869	-	-
Balance at March 31, 2020	26,322	756,503	-	61,214	468,429	1,312,468	-	-
Balance at January 1, 2019	26,322	541,409	824,843	61,214	468,429	1,922,217	-	-
- As previously stated	-	-	(824,843)	-	-	(824,843)	-	-
- Prior year adjustments	26,322	541,409	-	61,214	468,429	1,097,374	-	-
- As restated	-	17,175	-	-	-	17,175	-	-
Profit for the period - restated	-	-	-	-	-	-	-	-
Balance at March 31, 2019	26,322	558,584	-	61,214	468,429	1,114,549	-	-

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Quarter Ended Mar 31, 2020 Rs'000	Quarter Ended Mar 31, 2019 Rs'000	Quarter Ended Mar 31, 2020 Rs'000	Quarter Ended Mar 31, 2019 Rs'000
Net cash generated from operating activities	340,226	602,225	377,163	579,030
Net cash generating from investing activities	4,559,201	51,223	4,602,218	40,804
Net cash used in financing activities	(174,761)	-	(157,138)	-
Increase in cash and cash equivalents	4,724,666	653,448	4,822,243	619,834
Movement in cash and cash equivalents				
At January 1,	2,959,631	2,465,486	2,383,975	2,092,266
Increase during the period	4,724,666	653,448	4,822,243	619,834
Effects of exchange rate changes	33,800	11,730	33,575	9,165
At March 31,	7,718,097	3,130,664	7,239,793	2,721,265

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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