

Condensed Unaudited Financial Statements - Half Year and Quarter Ended June 30, 2020

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the Half Year and Quarter Ended June 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 Half Year and Quarter Ended June 30,2019 have been restated as a result of changes in accounting policies

- relating 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.

These changes were adopted in the audited financial statements for the year ended December 31, 2019 but were not reflected in the Half Year and Quarter Ended June 30, 2019.

(a) operations
Short Term
The gross and net earned premiums have improved in line with targeted projections and we have achieved a satisfactory net underwriting result for the first semester.

The Gross Premium income for the second quarter of 2020 has decreased by 11% compared to the same period last year, confirming the trend observed during the first quarter

c) Investments

While the COVID-19 lockdown wreaked havoc across markets in the first quarter of 2020, the second quarter saw an

improvement as governments and central banks unleashed fiscal and monetary firepower to support economic activity. Despite gaining some grounds in the second quarter, the local equity market remained weak amid heavy foreign selling and a depreciating Rupee while foreign markets posted stellar performances. Our investment portfolios weathered the heightened volatility over the first half of 2020 and outperformed their benchmarks on the back of a pro-active management of exposures.

On the fixed income side, the local market remained challenging on account of recent cuts in the repo rate and falling yields. However, international markets were encouraging.

COVID-19 outbreak continues to pose 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 condensed 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 August 21, 2020

1. Statements of Financial Position

| | THE GROUP | | THE | COMPANY |
|--|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | Unaudited as at June 30, 2020 | Audited as at Dec 31, 2019 | Unaudited as at June 30, 2020 | Audited as at Dec 31, 2019 |
| ASSETS | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| Non-current assets | | 406.064 | | |
| Property and equipment Investment properties | 390,537 429,093 | 406,064 | 79,415 | 85,360 |
| Investments in subsidiary companies | - | | 557,087 | 557,087 |
| Investments in associated companies and joint venture | 172,825 | 163,793 | 138,615 | 34,509 |
| Investments in financial assets | 35,939,354 | 38,331,944 | 1,771,456 | 1,684,808 |
| Loans and receivables | 3,686,982 | 4,338,413 | 100,398 | 99,233 |
| Non-current receivables Other non-current assets | 5,444 219.441 | 5,444 234.197 | 47,036 104.311 | 47,036 100.432 |
| Other Hoff Current assets | 40,843,676 | 43,913,046 | 2,798,318 | 2,608,465 |
| Current assets | 10,428,772 | 9,488,164 | 2,700,548 | 3,060,313 |
| Total assets | 51,272,448 | 53,401,210 | 5,498,866 | 5,668,778 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | | | | |
| Share capital | 41,379 | 41,379 | 41,379 | 41,379 |
| Retained earnings | 3,293,945 | 2,938,306 | 2,369,484 | 2,055,767 |
| Other reserves | 142,090 | 501,949 | 116,607 | 432,534 |
| Attributable to owners of the parent Non-controlling interests | 3,477,414 454,762 | 3,481,634 415,655 | 2,527,470 | 2,529,680 |
| Total equity | 3,932,176 | 3,897,289 | 2,527,470 | 2,529,680 |
| | | | | _,, |
| Life Assurance Fund | 42,899,465 | 45,199,804 | - | - |
| Technical Provisions | 2,691,264 | 2,452,689 | 1,996,072 | 1,957,420 |
| Non-current liabilities | 460,888 46,051,617 | 465,932 48,118,425 | <u>298,846</u> 2,294,918 | 300,507 2,257,927 |
| | 110,120,04 | 40,110,423 | 2,274,710 | 2,231,721 |
| Current liabilities | 1,288,655 | 1,385,496 | 676,478 | 881,171 |
| Total equity and liabilities | 51,272,448 | 53,401,210 | 5,498,866 | 5,668,778 |
| Net assets per share (Rs/cs) | 420.19 | 420.70 | 305.41 | 305.67 |
| Number of shares used in calculation | 8,275,769 | 8,275,769 | 8,275,769 | 8,275,769 |

2. Statements of Profit or Loss and Other Comprehensive Income

| | THE GROUP | | | | | THE COMPANY | | | |
|--|---------------------------------|--|-------------------------------|--|---------------------------------|--|-------------------------------|--|--|
| | Half Year Ended June 30,2020 | Half Year Ended June 30, 2019 Restated | Quarter Ended June 30,2020 | Quarter Ended June 30, 2019 Restated | Half Year Ended June 30,2020 | Half Year Ended June 30, 2019 Restated | Quarter Ended June 30,2020 | Quarter Ended June 30, 2019 Restated | |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | Rs'000 | |
| Gross premiums | 3,727,298 | 3,860,737 | 1,606,552 | 1,775,368 | 1,465,209 | 1,401,373 | 743,469 | 741,517 | |
| Net earned premiums | 3,123,045 | 3,073,203 | 1,499,079 | 1,454,055 | 1,143,357 | 802,618 | 568,148 | 411,649 | |
| Share of results of associated companies and joint venture | 18,121 | 8,826 | 12,733 | 5,760 | - | - | - | - | |
| | | | | | | | | | |
| Profit before taxation | 440,514 | 174,751 | 266,523 | 76,585 | 352,855 | 46,768 | 190,173 | 23,687 | |
| Income tax expense | (45,186) | (23,663) | (32,831) | (11,151) | (39,138) | (6,127) | (23,740) | (2,631) | |
| Profit for the period | 395,328 | 151,088 | 233,692 | 65,434 | 313,717 | 40,641 | 166,433 | 21,056 | |
| Other comprehensive income for the period, net of tax | (360,441) | 95,317 | 51,645 | 12,670 | (315,927) | | 37,808 | 27,157 | |
| Total comprehensive income for the period | 34,887 | 246,405 | 285,337 | 78,104 | (2,210) | 140,659 | 204,241 | 48,213 | |
| | | | | | | | | | |
| Profit for the period attributable to: | | | | | | | | | |
| Owners of the parent | 347,941 | 122,937 | 216,409 | 53,811 | 313,717 | 40,641 | 166,433 | 21,056 | |
| Non-controlling interests | 47,387 | 28,151 | 17,283 | 11,623 | - | - | - | - | |
| | 395,328 | 151,088 | 233,692 | 65,434 | 313,717 | 40,641 | 166,433 | 21,056 | |
| Total comprehensive income for the period attributable to: | , | | | | , , | | | | |
| Owners of the parent | (10,258) | 220,216 | 268,463 | 68,008 | (2,210) | 140,659 | 204,241 | 48,213 | |
| Non-controlling interests | 45,145 | 26,189 | 16,874 | 10,096 | - | - | - | - | |
| | 34,887 | 246,405 | 285,337 | 78,104 | (2,210) | 140,659 | 204,241 | 48,213 | |
| | | | | | | | | | |
| Earnings per share (Rs/cs) | 42.04 | 14.86 | 26.15 | 6.50 | 37.91 | 4.91 | 20.11 | 2.54 | |
| Number of shares used in calculation | 8,275,769 | 8,275,769 | 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) | Total Rs'000 | Non-controlling Interests Rs'000 | Total Equity Rs'000 |
| (a) THE GROUP Balance at January 1, 2020 Profit for the period Other comprehensive income for the period Other movements Balance at June 30, 2020 | 41,379 - - - 41,379 | 301,372 - (369,557) (2,126) (70,311) | 30,350 - 11,261 466 42,077 | - - - - | 2,938,306 347,941 - 7,698 3,293,945 | 267,477 - - - 267,477 | (97,250) - 97 - (97,153) | 3,481,634 347,941 (358,199) 6,038 3,477,414 | 415,655 47,387 (2,242) (6,038) 454,762 | 3,897,289 395,328 (360,441) - 3,932,176 |
| At January 1, 2019, - As previously stated - Effect of prior year adjustments - As restated Profit for the period - restated Other comprehensive income for the period - restated Balance at June 30, 2019 | 41,379 - 41,379 - - 41,379 | 195,033 (2,126) 192,907 - 113,399 306,306 | 36,594 (8,269) 28,325 - (16,038) 12,287 | 1,024,347 (1,024,347) - - - - | 1,834,071 646,857 2,480,928 122,937 - 2,603,865 | 267,477 - 267,477 267,477 | (100,632) (4,961) (105,593) - (82) (105,675) | 3,298,269 (392,846) 2,905,423 122,937 97,279 3,125,639 | 470,795 (107,183) 363,612 28,151 (1,962) 389,801 | 3,769,064 (500,029) 3,269,035 151,088 95,317 3,515,440 |
| (b) THE COMPANY Balance at January 1, 2020 Profit for the period Other comprehensive income for the period Balance at June 30, 2020 | 41,379 - - - 41,379 | 261,886 - (315,927) (54,041) | 43,099 - - - 43,099 | - - - - | 2,055,767 313,717 - 2,369,484 | 220,593 - - - 220,593 | (93,044) - - (93,044) | 2,529,680 313,717 (315,927) 2,527,470 | | |
| At January 1, 2019, - As previously stated - Effect of prior year adjustments - As restated Profit for the period Other comprehensive income for the period Balance at June 30, 2019 | 41,379 - 41,379 - - 41,379 | 171,329 - 171,329 - 100,018 271,347 | 43,099 - 43,099 - - - 43,099 | - - - - - | 1,907,368 (39,850) 1,867,518 40,641 - 1,908,159 | 220,593 - 220,593 - - 220,593 | (100,640) (1,208) (101,848) - - (101,848) | 2,283,128 (41,058) 2,242,070 40,641 100,018 2,382,729 | | |

4. Statements of Cash Flows

| | ТН | THE COMPANY | | |
|--|--|---|---|---|
| | Half Year Ended June 30,2020 | Half Year Ended June 30, 2019 Restated | lf Year Ended June 30,2020 | Half Year Ended June 30, 2019 |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| Net cash generated from operating activities Net cash generated from/(used in) investing activities Net cash (used in)/generated from financing activities Increase/(Decrease) in cash and cash equivalents | 865,870 642,745 (167,851) 1,340,764 | 423,579 809,892 - 1,233,471 | 454,991 (127,094) (300,560) 27,337 | 67,318 (162,294) 57,292 (37,684) |
| increase/ (Decrease) in cash and cash equivalents | 1,0+0,10+ | 1,233,771 | 21,331 | (57,004) |
| Movement in cash and cash equivalents: At January 1, Increase/(Decrease) Effect of foreign exchange rate changes At June 30, | 3,474,638 1,340,764 101,593 4,916,995 | 2,867,296 1,233,471 27,705 4,128,472 | 516,703 27,337 17,170 561,210 | 359,438 (37,684) 3,086 324,840 |

5. Segment Information - (Group)

| Half Year Ended June 30, 2020 |
|--|
| 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 |

Half Year Ended June 30, 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
Profit before taxation

| Life | Casualty | Property | Total |
|-----------|-----------|----------|-------------|
| Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| 2,082,284 | 1,301,557 | 343,458 | 3,727,298 |
| 435,666 | 279,635 | 93,789 | 809,091 |
| | | | 2,039,478 |
| | | | (556,903) |
| | | | (12,723) |
| | | | 18,121 |
| | | | (1,856,550) |
| | | | 440 514 |

| RESTATED | | | | | | | |
|-----------|-----------|----------|-----------|--|--|--|--|
| Life | Casualty | Property | Total | | | | |
| Rs'000 | Rs'000 | Rs'000 | Rs'000 | | | | |
| 2,323,501 | 1,202,490 | 334,746 | 3,860,737 | | | | |
| 417,260 | 164,733 | 103,695 | 685,688 | | | | |
| | | | 904,602 | | | | |
| | | | (474,024) | | | | |
| | | | (10,110) | | | | |
| | | | 8,826 | | | | |
| | | | (940,231) | | | | |
| | | | 174,751 | | | | |

This communiqué is issued pursuant to the Listing Rule 12.20 and the Securities Act 2005.

Copies of these condensed unaudited financial statements and the statements 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.