

## 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 the Half Year and Quarter Ended June 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 Half Year and Quarter Ended June 30, 2019.

### (b) Operations

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 Rs'000	Audited as at Dec 31, 2019 Rs'000	Unaudited as at June 30, 2020 Rs'000	Audited as at Dec 31, 2019 Rs'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	272,596	276,224	247,544	251,125
Investment properties	429,093	433,191	391,827	395,960
Investments in subsidiary companies	-	-	548,512	548,512
Investments in associated companies	7,127	39,519	4,364	4,364
Investments in financial assets	33,922,169	36,387,024	33,674,187	36,304,460
Loans and receivables	3,586,584	4,239,180	3,600,023	4,252,618
Other non-current assets	108,802	114,352	18,748	21,750
	38,326,371	41,489,490	38,485,205	41,778,789
<b>Current assets</b>	7,343,581	6,413,044	6,882,429	5,859,998
<b>Total assets</b>	45,669,952	47,902,534	45,367,634	47,638,787
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital	26,322	26,322	26,322	26,322
Retained earnings	1,269,181	1,162,074	770,161	723,634
Other reserves	42,306	42,459	529,643	529,643
Owners' interest	1,337,809	1,230,855	1,326,126	1,279,599
Non-controlling interests	221,889	201,146	-	-
<b>Total equity</b>	1,559,698	1,432,001	1,326,126	1,279,599
<b>Life Assurance Fund</b>	42,899,465	45,199,804	42,899,465	45,199,804
<b>Other Technical Provisions</b>	515,096	347,458	515,096	347,458
	43,414,561	45,547,262	43,414,561	45,547,262
<b>Non-current liabilities</b>				
Retirement benefit obligations	100,034	98,234	85,508	85,508
Other non-current liabilities	63,682	65,511	60,581	61,860
	163,716	163,745	146,089	147,368
<b>Current liabilities</b>	531,977	759,526	480,858	664,558
<b>Total equity and liabilities</b>	45,669,952	47,902,534	45,367,634	47,638,787

## 2. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP				THE COMPANY			
	Half Year Ended June 30, 2020 Rs'000	Half Year Ended June 30, 2019 Restated Rs'000	Quarter Ended June 30, 2020 Rs'000	Quarter Ended June 30, 2019 Restated Rs'000	Half Year Ended June 30, 2020 Rs'000	Half Year Ended June 30, 2019 Restated Rs'000	Quarter Ended June 30, 2020 Rs'000	Quarter Ended June 30, 2019 Restated Rs'000
Gross premiums	2,056,639	2,306,787	955,374	1,059,816	2,056,639	2,306,787	955,374	1,059,816
Net earned premiums	1,939,581	2,233,837	910,369	1,023,603	1,939,581	2,233,837	910,369	1,023,603
Share of results of associated companies	(37,041)	5,104	2,334	1,384	-	-	-	-
Transfer to Life Assurance Fund	(1,856,550)	(940,231)	(581,049)	(313,526)	(1,856,550)	(940,231)	(581,049)	(313,526)
<b>Profit before taxation</b>	134,115	120,891	70,282	48,388	46,527	23,941	13,658	6,766
Taxation	(4,981)	(15,152)	(8,092)	(6,277)	-	-	-	-
<b>Profit for the period</b>	129,134	105,739	62,190	42,111	46,527	23,941	13,658	6,766
Other comprehensive income for the period	(4,170,993)	1,189,017	1,849,412	304,140	(4,156,889)	1,197,578	1,851,565	310,610
Transfer to Life Assurance Fund	4,156,889	(1,197,578)	(1,851,565)	(310,610)	4,156,889	(1,197,578)	(1,851,565)	(310,610)
<b>Other comprehensive income for the period, net of tax</b>	(14,104)	(8,561)	(2,153)	(6,470)	-	-	-	-
<b>Total comprehensive income for the period</b>	115,030	97,178	60,037	35,641	46,527	23,941	13,658	6,766
<b>Profit for the period attributable to:</b>								
Owners of the parent	107,107	92,581	53,978	36,698	46,527	23,941	13,658	6,766
Non-controlling interests	22,027	13,158	8,212	5,413	-	-	-	-
	129,134	105,739	62,190	42,111	46,527	23,941	13,658	6,766
<b>Total comprehensive income for the period attributable to:</b>								
Owners of the parent	94,287	84,113	51,893	30,240	46,527	23,941	13,658	6,766
Non-controlling interests	20,743	13,065	8,144	5,401	-	-	-	-
	115,030	97,178	60,037	35,641	46,527	23,941	13,658	6,766
<b>Earnings per share (Rs/cts)</b>	40.69	35.17	20.51	13.94	17.68	9.10	5.19	2.57

### 3. Statements of Changes in Equity

	Attributable to owners of the parent						Non-Controlling Interests Rs'000	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		
<b>THE GROUP</b>								
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	-	107,107	-	-	-	107,107	22,027	129,134
Other comprehensive income for the period	-	-	-	-	(12,820)	(12,820)	(1,284)	(14,104)
Other movement	-	-	-	-	12,667	12,667	-	12,667
<b>Balance at June 30, 2020</b>	<b>26,322</b>	<b>1,269,181</b>	<b>-</b>	<b>61,214</b>	<b>(18,908)</b>	<b>1,337,809</b>	<b>221,889</b>	<b>1,559,698</b>
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	-	92,581	-	-	-	92,581	13,158	105,739
Profit for the period- restated	-	-	-	-	(8,468)	(8,468)	(93)	(8,561)
Other comprehensive income for the period - restated	-	-	-	-	-	-	-	-
<b>Balance at June 30, 2019</b>	<b>26,322</b>	<b>1,019,097</b>	<b>-</b>	<b>61,214</b>	<b>(23,006)</b>	<b>1,083,627</b>	<b>203,396</b>	<b>1,287,023</b>
	Share Capital Rs'000	Retained Earnings Rs'000	Non-distributable Reserve Rs'000	Amalgamation Reserve Rs'000	Other Reserve Rs'000	Total equity Rs'000		
<b>THE COMPANY</b>								
Balance at January 1, 2020	26,322	723,634	-	61,214	468,429	1,279,599		
Profit for the period	-	46,527	-	-	-	46,527		
<b>Balance at June 30, 2020</b>	<b>26,322</b>	<b>770,161</b>	<b>-</b>	<b>61,214</b>	<b>468,429</b>	<b>1,326,126</b>		
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	-	23,941	-	-	-	23,941		
Profit for the period -restated	-	-	-	-	-	-		
<b>Balance at June 30, 2019</b>	<b>26,322</b>	<b>565,350</b>	<b>-</b>	<b>61,214</b>	<b>468,429</b>	<b>1,121,315</b>		

### 4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Half Year Ended June 30, 2020 Rs'000	Half Year Ended June 30, 2019 Rs'000	Half Year Ended June 30, 2020 Rs'000	Half Year Ended June 30, 2019 Rs'000
Net cash generated from operating activities	862,737	1,070,619	877,270	1,002,946
Net cash generating from investing activities	412,443	240,286	564,182	239,264
Net cash used in financing activities	(175,869)	-	(157,923)	-
<b>Increase in cash and cash equivalents</b>	<b>1,099,311</b>	<b>1,310,905</b>	<b>1,283,529</b>	<b>1,242,210</b>
<b>Movement in cash and cash equivalents</b>				
At January 1,	2,959,631	2,465,487	2,383,975	2,092,267
Increase during the year	1,099,311	1,310,905	1,283,529	1,242,210
Effects of exchange rate changes	76,204	26,965	75,683	21,880
At June 30,	<b>4,135,146</b>	<b>3,803,357</b>	<b>3,743,187</b>	<b>3,356,357</b>

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.

