



Swan Insurance Company Limited

Condensed Unaudited Financial Statements - First Quarter ended 31st March 2010

The Directors are pleased to present the condensed unaudited financial statements of the Group and the Company for the quarter ended 31st March 2010.

(a) Basis of Accounting

The condensed unaudited financial statements comply with the International Financial Reporting Standards (IFRS) and are prepared under the historical cost convention except that:

- (i) available-for-sale financial assets are stated at fair value.
- (ii) held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised cost.

(b) Income Tax

Current tax rate on the profit for the period is at 15%. (2009: 15%).

(c) Operations

(i) Short-Term

Despite the persistent soft market conditions, both the gross written and net earned premiums progressed satisfactorily against the backdrop of a challenging economic environment. At Rs.72 million, the underwriting surplus showed a 12% increase in spite of an adverse claims experience.

(ii) Long-Term

The recovery that was experienced during the 4th quarter of 2009 appears to be continuing. The premium income for the individual business during the 1st quarter of 2010 was higher than the corresponding quarter in 2009 and better than expected.

(d) Investments

Equity portfolios performed positively over the quarter despite a slight drop of the local stock market. The Group's fixed income portfolios were resilient in a period of falling yields and excess liquidity. However, the appreciation of the rupee continues to weigh on foreign assets' performance.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited
Secretary

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	Unaudited as at 31 st Mar 2010 Rs'000	Audited as at 31 st Dec 2009 Rs'000	Unaudited as at 31 st Mar 2010 Rs'000	Audited as at 31 st Dec 2009 Rs'000
ASSETS				
Non-current assets				
Property and equipment	84,759	86,249	84,648	86,133
Investment in subsidiary companies	-	-	31,462	31,462
Investment in associated company and joint venture	61,372	64,034	500	500
Investment in financial assets	554,059	437,561	554,059	437,561
Other non-current assets	91,697	93,000	91,697	93,000
Current assets	791,887	680,844	762,366	648,656
Life business assets	1,177,306	1,098,072	1,061,277	980,186
Total assets	20,742,433	20,286,052	1,823,643	1,628,842
EQUITY AND LIABILITIES				
Capital and reserves (attributable to owners of the parent)				
Share capital	35,857	35,857	35,857	35,857
Reserves	896,849	878,147	816,757	795,522
Owners' interest	932,706	914,004	852,614	831,379
Non-Controlling Interest	60,267	60,844	-	-
Total equity	992,973	974,848	852,614	831,379
Life assurance fund	18,773,240	18,507,136	-	-
Technical Provisions	765,111	674,259	765,111	674,259
Non-current liabilities	27,675	39,165	27,593	39,093
Current liabilities	19,566,026	19,220,560	792,704	713,352
Total equity and liabilities	20,742,433	20,286,052	1,823,643	1,628,842
Net assets per share (Rs/cst)	130.06	127.45	118.89	115.93
Number of shares used in calculation			7,171,346	7,171,346

2. Income Statements

	THE GROUP		THE COMPANY	
	Quarter Ended 31 st Mar 2010 Rs'000	Quarter Ended 31 st Mar 2009 Rs'000	Quarter Ended 31 st Mar 2010 Rs'000	Quarter Ended 31 st Mar 2009 Rs'000
Gross premiums	708,771	640,083	329,673	309,920
Net earned premiums	475,980	414,936	113,598	100,879
Profit before taxation	39,923	39,845	38,863	38,771
Taxation	(6,350)	(4,946)	(6,346)	(4,946)
Profit for the period	33,573	34,899	32,517	33,825
Profit attributable to:				
Owners of the parent	33,080	34,372	32,517	33,825
Non-Controlling Interest	493	527	-	-
Earnings per share (Rs/cst)	4.61	4.79	4.53	4.72
Number of shares used in calculation			7,171,346	7,171,346

3. Statements of Comprehensive Income

	THE GROUP		THE COMPANY	
	Quarter Ended 31 st Mar 2010 Rs'000	Quarter Ended 31 st Mar 2009 Rs'000	Quarter Ended 31 st Mar 2010 Rs'000	Quarter Ended 31 st Mar 2009 Rs'000
Profit for the period	33,573	34,899	32,517	33,825
Other comprehensive income for the period	(15,448)	(7,402)	(11,282)	(13,425)
Total comprehensive income for the period	18,125	27,497	21,235	20,400
Total comprehensive income attributable to:				
Owners of the parent	18,702	27,262	21,235	20,400
Non-Controlling Interest	(577)	235	-	-
	18,125	27,497	21,235	20,400

4. Statements of Changes in Equity

	Attributable to owners of the parent							
	Share Capital Rs'000	Fair value reserves Rs'000	Revaluation and other reserves Rs'000	Proprietors' fund Rs'000	Retained Earnings Rs'000	Total Rs'000	Non-Controlling Interest Rs'000	Total Equity Rs'000
(a) THE GROUP								
Balance at 1 st January 2010	35,857	108,213	61,179	29,953	678,802	914,004	60,844	974,848
Total comprehensive income for the period	-	(11,282)	(3,787)	691	33,080	18,702	(577)	18,125
Balance at 31 st March 2010	35,857	96,931	57,392	30,644	711,882	932,706	60,267	992,973
Balance at 1 st January 2009	35,857	64,290	48,155	60,125	556,181	764,608	61,299	825,907
Total comprehensive income for the period	-	(13,425)	5,350	965	34,372	27,262	235	27,497
Balance at 31 st March 2009	35,857	50,865	53,505	61,090	590,553	791,870	61,534	853,404
(b) THE COMPANY								
Balance at 1 st January 2010	35,857	108,213	28,719	-	658,590	831,379	-	831,379
Total comprehensive income for the period	-	(11,282)	-	-	32,517	21,235	-	21,235
Balance at 31 st March 2010	35,857	96,931	28,719	-	691,107	852,614	-	852,614
Balance at 1 st January 2009	35,857	64,290	28,719	-	541,804	670,670	-	670,670
Total comprehensive income for the period	-	(13,425)	-	-	33,825	20,400	-	20,400
Balance at 31 st March 2009	35,857	50,865	28,719	-	575,629	691,070	-	691,070

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Quarter Ended 31 st Mar 2010 Rs'000	Quarter Ended 31 st Mar 2009 Rs'000	Quarter Ended 31 st Mar 2010 Rs'000	Quarter Ended 31 st Mar 2009 Rs'000
Net cash generated from/(used in) operating activities	24,851	(49,029)	20,645	(49,356)
Net cash (used in)/generated from investing activities	(117,223)	22,828	(117,223)	22,828
Net cash used in financing activities	(7,622)	-	-	-
Decrease in cash and cash equivalents	(99,994)	(26,201)	(96,578)	(26,528)
Movement in cash and cash equivalents				
At 1 st January	359,127	294,201	353,490	287,414
Decrease	(99,994)	(26,201)	(96,578)	(26,528)
Effect of exchange rate changes	(1,522)	2,469	(1,526)	2,538
At 31 st March	257,611	270,469	255,386	263,424

6. Segment Information - (Group)

	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
Quarter ended 31st March 2010				
Gross premiums	379,098	205,635	124,038	708,771
Net earned premiums	362,382	87,557	26,041	475,980
Underwriting surplus	-	46,377	25,684	72,061
Quarter ended 31st March 2009				
Gross premiums	330,163	196,136	113,784	640,083
Net earned premiums	314,057	77,444	23,435	414,936
Underwriting surplus	-	39,313	25,109	64,422

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