



# **JANASHAKTHI INSURANCE PLC**

**Company Reg. No. PB 307 / PQ**

**Interim Financial Statements  
30<sup>th</sup> June 2011**

**JANASHAKTHI INSURANCE PLC**

**BALANCE SHEET**

	<b>Unaudited As at 30/06/2011 Rs'000</b>	<b>Audited As at 31/12/2010 Rs'000</b>
<b>Assets</b>		
Investments	7,036,306	6,720,610
Investment Property	1,243,100	1,243,100
Intangible Assets	3,912	5,263
Property, Plant and Equipment	307,484	318,052
Policyholder and Other Loans	321,919	244,118
Reinsurance Receivable	542,046	542,975
Premium Receivable	990,959	999,412
Other Assets	795,251	750,717
Deferred Tax	18,931	18,931
Cash in Hand and at Bank	840,545	1,023,166
<b>Total Assets</b>	<b>12,100,452</b>	<b>11,866,344</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Insurance Provision - Long Term	4,230,244	3,845,625
Insurance Provision - Non Life	3,602,058	3,464,258
Other Liabilities	1,320,259	1,252,655
Interest Bearing Liabilities	184,473	464,788
Provision for Retirement Benefits	144,549	137,263
<b>Total Liabilities</b>	<b>9,481,583</b>	<b>9,164,589</b>
<b>Shareholders' Equity</b>		
Stated Capital	1,496,000	1,496,000
Revenue Reserves	1,122,869	1,205,755
	<b>2,618,869</b>	<b>2,701,755</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>12,100,452</b>	<b>11,866,344</b>

I certify that the Financial Statements are in compliance with the requirements of the Companies Act. No. 07 of 2007

Sgd.

**Bertal Pinto-Jayawardena**  
**General Manager - Finance & Planning**

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed on behalf of the Board

Sgd.

**W.T. Ellawala**  
**Chairman**

Sgd.

**Prakash Schaffter**  
**Managing Director**

Colombo  
30 August, 2011

**JANASHAKTHI INSURANCE PLC**

**STATEMENT OF INCOME**

<b>Audited Year Ended 31.12.2010 Rs'000</b>		<b>Notes</b>	<b>For the Six Months ended 30 June</b>		
			<b>Unaudited 2011 Rs'000</b>	<b>Unaudited 2010 Rs'000</b>	<b>Change %</b>
6,790,263	<b>Revenue</b>	<b>3</b>	<b>3,438,094</b>	<b>3,155,668</b>	8.95
6,157,664	<b>Gross Written Premium</b>	<b>4</b>	<b>3,389,929</b>	2,757,550	22.93
(583,369)	Less: Premium Ceded to Reinsurers		(348,568)	(268,185)	29.97
5,574,295	<b>Net Written Premium</b>		<b>3,041,361</b>	2,489,365	22.17
(120,430)	Net Change in Reserve for Unearned Premium		(161,929)	106,972	-251.38
5,453,865	<b>Net Earned Premium</b>		<b>2,879,432</b>	2,596,337	10.90
	<b>Benefits and Losses</b>				
(3,078,461)	Insurance Claims and Benefits (Net)		(1,466,171)	(1,557,229)	-5.85
(920,560)	Underwriting & Net Acquisition Costs		(522,464)	(445,013)	17.40
(574,174)	Increase in Long Term Insurance Fund		(384,619)	(316,491)	21.53
880,670	<b>Underwriting Results</b>		<b>506,178</b>	277,604	82.34
	<b>Other Revenue</b>				
171,133	Fee and Commission Income		83,894	68,834	21.88
1,001,383	Income from Investments		428,862	436,896	-1.84
163,882	Other Income		45,906	53,602	-14.36
1,336,398			<b>558,661</b>	559,332	-0.12
	<b>Expenses</b>				
(1,292,717)	Other Operating, Investment Related and Administrative Expenses		(689,786)	(623,737)	10.59
(96,679)	Depreciation and Amortisation Expense		(44,869)	(49,113)	-8.64
827,672	<b>Profit/(Loss) from Operations</b>		<b>330,185</b>	164,086	101.23
(16,742)	Finance Cost		(4,494)	(8,003)	-43.84
810,930	<b>Profit/(Loss) before Taxation</b>		<b>325,690</b>	156,083	108.67
(40,582)	Income Tax	<b>6</b>	(45,575)	(10,645)	328.14
770,348	<b>Profit/(Loss) after Taxation</b>		<b>280,115</b>	145,438	92.60
<b>2.12</b>	Basic Earnings per Share		<b>0.77</b>	0.40	

**JANASHAKTHI INSURANCE PLC**

**STATEMENT OF CHANGES IN EQUITY**

	<b>Stated Capital</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Rs.'000</b>	<b>Profits / (Loss)</b>	<b>Rs.'000</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Audited Balance as at 31 December 2009</b>	<b>1,496,000</b>	<b>798,407</b>	<b>2,294,407</b>
Net Profit for six months ended 30 June 2010		145,438	145,438
<b>Unaudited Balance as at 30 June 2010</b>	<b>1,496,000</b>	<b>943,844</b>	<b>2,439,844</b>
Dividend paid	-	(363,000)	(363,000)
Net Profit for six months ended 31 December 2010	-	624,910	624,910
<b>Audited Balance as at 31 December 2010</b>	<b>1,496,000</b>	<b>1,205,755</b>	<b>2,701,755</b>
Dividend paid		(363,000)	(363,000)
Net Profit for six months ended 30 June 2011	-	280,115	280,115
<b>Unaudited Balance as at 30 June 2011</b>	<b>1,496,000</b>	<b>1,122,869</b>	<b>2,618,869</b>

# JANASHAKTHI INSURANCE PLC

## CASH FLOW STATEMENT

		For the Six Months ended 30 June	
		Unaudited 2011 Rs.'000	Unaudited 2010 Rs.'000
	Notes		
<b>Cash Flows From / (Used in) Operating Activities</b>			
Premium Received from Customers		3,410,273	2,844,362
Reinsurance Premium Paid		(328,457)	(325,470)
Claims Paid		(1,452,239)	(1,561,208)
Reinsurance Receipt in Respect of Claims		140,833	152,977
Interest Received		323,567	438,051
Dividend Received		7,010	5,040
Other Operating Cash Payments		(1,214,425)	(939,374)
<b>Cash Flows from Operating Activities</b>	<b>A</b>	<b>886,563</b>	614,378
Gratuity Paid		(7,785)	(2,391)
Income Tax Paid		(46,294)	(27,216)
<b>Net Cash generated from Operating Activities</b>		<b>832,483</b>	584,771
<b>Cash Flows From / (Used in) Investing Activities</b>			
Net drawdown of Investments excluding Investment Properties (Purchase)/Disposal of Investment property		(336,025)	(304,028)
Purchase of Property, Plant and Equipment		(31,219)	(13,539)
Purchase of Intangible Assets		(51)	
<b>Net Cash from Investing Activities</b>		<b>(367,295)</b>	(297,567)
<b>Net Cash Flows Before Financing Activities</b>		<b>465,188</b>	287,204
<b>Cash Flows From/(Used in) Financing Activities</b>			
Interest Paid on Borrowings		(4,494)	(8,003)
Dividend Paid		(363,000)	(363,000)
<b>Net Cash from Financing Activities</b>		<b>(367,495)</b>	(371,004)
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>B</b>	<b>97,694</b>	(83,800)

# JANASHAKTHI INSURANCE PLC

## NOTES TO THE CASH FLOW STATEMENT

	For the Six Months ended 30 June	
	Unaudited 2011 Rs.'000	Unaudited 2010 Rs.'000
<b>A Cash Flow from Operating Activities</b>		
Profit/(Loss) before Tax	325,690	156,083
Finance Cost	4,494	8,003
Fair Value (Gains)/Losses on: Investment Properties		(561)
Provision for Gratuity	15,071	8,388
Depreciation and Amortisation Expenses	44,869	49,113
Provision for Bad Debts	2,367	8,340
Net Foreign Exchange Loss	1,598	1,282
(Increase)/ Decrease in Premium & Other Receivables	(97,550)	(28,687)
Increase in Life Insurance Fund	384,619	316,491
Increase / (Decrease) in Insurance Provision - Non Life	137,800	136,878
Increase / (Decrease) in Creditors	67,604	(40,952)
<b>Net Cash Flow from Operating Activities</b>	<b>886,563</b>	<b>614,378</b>
<b>B Increase / (Decrease) in Cash and Cash Equivalents</b>		
Cash at Bank and Cash Equivalents	840,545	671,464
Bank Overdrafts	(184,473)	(747,821)
Net Cash and Cash Equivalents at the End of the Period	656,072	(76,357)
Net Cash and Cash Equivalents at the Beginning of the Period	558,378	7,443
<b>Increase / (Decrease) During the Year</b>	<b>97,694</b>	<b>(83,800)</b>

# JANASHAKTHI INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### NOTES TO ACCOUNTS

- 1 Figures for the six months ended 30th June 2011 reflected herein are provisional and unaudited.
- 2 The same accounting policies and methods of computation as stated in the Annual Report - 2010 have been followed in the preparation of these Interim Financial Statements. These Interim Financial Statements have been prepared and presented in accordance with SLAS 35 - Interim Financial Reporting.  
Comparative information has been reclassified where necessary to conform to the current year's presentation.

### 3 Revenue

Audited Year Ended 31.12.2010 Rs'000		For the Six Months ended 30 June Unaudited 2011 Rs. '000	Unaudited 2010 Rs. '000
6,157,664	Gross Written Premium	3,389,929	2,757,550
(583,369)	Less: Premium Ceded to Reinsurers	(348,568)	(268,185)
5,574,295	<b>Net Written Premium</b>	<b>3,041,361</b>	<b>2,489,365</b>
(120,430)	Net change in Reserve for Unearned Premium	(161,929)	106,972
5,453,865	<b>Net Earned Premium</b>	<b>2,879,432</b>	<b>2,596,337</b>
171,133	Fee and Commission Income	83,894	68,834
1,001,383	Income from Investments	428,862	436,896
163,882	Other Income	45,906	53,602
6,790,263	<b>Total Revenue</b>	<b>3,438,094</b>	<b>3,155,668</b>

### 4 Gross Written Premium

Audited Year Ended 31.12.2010 Rs'000		For the Six Months ended 30 June Unaudited 2011 Rs. '000	Unaudited 2010 Rs. '000
	<b>Long Term Insurance</b>		
691,744	First Year Premium	375,016	247,038
993,665	Renewal Premium	494,534	460,077
1,685,409		869,550	707,116
	<b>Non- Life Insurance</b>		
402,093	Fire	279,087	212,971
3,396,904	Motor	1,784,098	1,518,826
117,347	Marine	63,481	49,913
555,911	Miscellaneous	393,713	268,723
4,472,255		2,520,379	2,050,434
6,157,664	<b>Gross Written Premium</b>	<b>3,389,929</b>	<b>2,757,550</b>

- 5 A Valuation of the Life Fund will be carried out at the Year End. At that time a provision or appropriation will be made resulting in a transfer to or from the Life Fund. The impact of such transfer will affect Shareholders' Funds.
- 6 The Company is liable to Income Tax at 28% (2010-33 1/3%) of its Taxable Profits in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and subsequent amendments thereto.
- 7 All known expenses have been provided for in these Financial Statements.
- 8 The nature of Related Party transactions in the current period is similar to those reported in the Annual Report - 2010. Further there were no significant changes in the Key Management Personnel of the Company.
- 9 In the opinion of the Directors and in consultation with Company Lawyers and advisors, litigation and claims currently pending against the Company will not have a material impact on the reported financial results or future operations of the Company.  
All pending litigations for claims have been evaluated and adequate provision have been made in the financial statements.
- 10 Stated Capital is represented by shares in issue as given below:

Audited 31.12.2010		Unaudited 30.06.11	Unaudited 30.06.10
363,000,132	No. of Ordinary Shares	363,000,132	363,000,132

- 11 The Institute of Chartered Accountants of Sri Lanka has taken steps to adopt International Financial Reporting Standards (IFRS) by issuing Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) for annual financial periods beginning on or after 1 January 2012. The standards termed LKAS are based on the IAS and the standards termed SLFRS are based on the IFRS.

The following accounting standards are directly related to the accounting and reporting framework of the Company.

SLFRS – 1 First Time Adoption

SLFRS – 4 Insurance Contracts

The standards related to the Financial Instruments are,

LKAS – 32 Presentation

LKAS – 39 Recognition and measurement

SLFRS – 7 Disclosure

The new set of accounting standards will come into effect from 01/01/2012 and will require numerous amendments and adjustments to be made in the Financial Statements. The Company is in the process of evaluating the potential impact of these standards to the Financial Statements of the Company in the future periods. The impact of the above stated standards have not been quantified as of the Balance Sheet date of these Financial Statements.

- 12 There were no material events that took place since 30th June 2011, that require disclosure in these Financial Statements.

### 13 Information On Ordinary Shares

Audited 31st December 2010		30th June 2011	30th June 2010
16.00	Market Price per Ordinary Share (Rs.)	16.30 (30.06.11)	15.00 (30.06.10)
18.40	Highest Price	22.10 (02.06.11)	16.25 (16.06.10)
9.75	Lowest Price	14.90 (05.05.11)	9.75 (28.01.10)
7.44	Net Asset Value per Share (Rs.)	7.21	5.72

### 14 Twenty Largest Shareholders as at 30th June 2011

Name of Shareholder	No. of Shares	%
(1) Janashakthi Limited	228,959,072	63.07%
(2) Bank of Ceylon-No 2 A/C	14,600,000	4.02%
(3) HSBC International Nominees Ltd-UBS AG Hongkon	11,400,000	3.14%
(4) First Capital Markets Ltd/Dyer Investments	5,500,000	1.52%
(5) Mr.Udeshi Morarji Meghji	4,595,000	1.27%
(6) First Capital Markets Ltd/Montgomery Investments (Pvt)Ltd.	4,170,500	1.15%
(7) First Capital Markets Ltd/Patton Investments (Pvt)Ltd.	3,750,100	1.03%
(8) RG Holdings Limited	2,144,700	0.59%
(9) Commercial Bank of Ceylon PLC/Devi Holding (Pvt) Ltd.	2,020,000	0.56%
(10) Mr.Chitral Hiran Mendis	1,980,000	0.55%
(11) Mr.Dinesh Jannadas Ambani	1,885,704	0.52%
(12) First Capital Markets Ltd/Rommel Investments (Pvt)Ltd.	1,707,800	0.47%
(13) Mr.Vijendran Pathmanathan	1,544,452	0.43%
(14) Mr.Shanker Varadananda Somasunderam	1,490,400	0.41%
(15) HSBC International Nominees Ltd-SSBT-Deutsche Bank AG Singapore A/C 01	1,367,300	0.38%
(16) Waldock Mackenzie Ltd/HI-Line Trading (Pvt) Ltd.	1,220,000	0.34%
(17) Seylan Bank PLC/W.D.N.H.Perera	1,193,300	0.33%
(18) Capital Trust Holdings (Pvt) Ltd.	1,160,800	0.32%
(19) Mr.Sithampalam Arunasalam	1,055,000	0.29%
(20) Confifi Management Services (Pvt) Ltd.	1,033,600	0.28%
Others	292,777,728	80.65%
	70,222,404	19.35%
<b>Total</b>	<b>363,000,132</b>	<b>100.00%</b>

### 15 Public Shareholding

	30th June 2011		31st December 2010	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Public Shareholding	133,014,048	36.64	127,503,748	35.12

### 16 Directors' Shareholding

	As at 30th June 2011	As at 31st December 2010
Mr. W.T. Ellawala (Chairman)	-	-
Mr. C.T.A. Schaffter (Deputy Chairman)	12	12
Mr. Prakash Schaffter (CEO/MD)	-	-
Mr. L.C.R. De C. Wijetunga	-	-
Ms. Manjula Mathews	850,000	850,000
Deshamanya Dr. Nihal Jinasena	-	-
Mr. Ramesh Schaffter	-	-
Mr. Eardley Perera	-	-
Ms. Anushya Coomaraswamy	75,000	75,000

JANASHAKTHI INSURANCE PLC

LONG TERM INSURANCE BALANCE SHEET - SUPPLEMENTAL

(Includes the Long Term Insurance Fund of the former National Insurance Corporation Ltd).

	<b>Unaudited As at 30/06/2011 Rs. '000</b>	<b>Audited As at 31/12/2010 Rs. '000</b>
<b>Assets</b>		
Investments	3,398,475	3,539,845
Investment Property	355,948	355,948
Property, Plant & Equipment	146,381	147,274
Policyholder and Other Loans	46,275	46,603
Reinsurance Receivable	8,645	10,562
Other Assets	304,553	322,464
Cash and Cash Equivalents	435,978	123,895
<b>Total Assets</b>	<b>4,696,256</b>	<b>4,546,590</b>
<b>Liabilities</b>		
Insurance Provision - Long Term	4,230,244	3,845,625
Interest Bearing Borrowings	94,695	364,167
Other Liabilities	371,316	336,799
<b>Total Liabilities</b>	<b>4,696,256</b>	<b>4,546,590</b>

# **JANASHAKTHI INSURANCE PLC**

## **CORPORATE INFORMATION**

### **BORAD OF DIRCTORS**

#### **CHAIRMAN**

Mr. W. T. Ellawala

#### **DEPUTY CHAIRMAN**

Mr. C. T. A. Schaffter

### **MANAGING DIRECTOR / CEO**

Mr. Prakash Schaffter

### **DIRECTORS**

Mr. L. C. R. de C Wijetunga

Ms. Manjula Mathews

Deshamanya Dr. Nihal Jinasena

Mr. Ramesh Schaffter

Mr. Eardley Perera

Ms. Anushya Coomaraswamy

### **SECRETARY TO THE COMPANY**

KHL Corporate Services Ltd.

### **CORPORATE MANAGEMENT TEAM**

Ms. Dayalanie Abeygunawardena

Mr. Bertal Pinto-Jayawardena

Mr. B. Gamini Peiris

Ms. Shani Ranasinghe

Mr. Shelton Seneviratne

Mr. Marlon Peter

Mr. Graeme Labrooy

### **REGISTERED OFFICE**

No. 55/72, Vauxhall Lane,  
Colombo 02.