



Consolidated Interim Financial Statements  
30-Jun-19  
(Condensed )

**JANASHAKTHI INSURANCE PLC**  
STATEMENT OF FINANCIAL POSITION



AS AT	Notes	Consolidated		Company	
		Unaudited 30 June 2019	Audited 31 December 2018	Unaudited 30 June 2019	Audited 31 December 2018
<b>Assets</b>		LKR '000	LKR '000	LKR '000	LKR '000
Financial Investments		16,440,517	15,657,029	16,440,517	15,657,029
Investment Property		2,082,147	1,997,803	2,082,147	1,997,803
Intangible Assets		80,304	84,901	80,304	84,901
Property, Plant and Equipment		412,012	257,742	412,012	257,742
Right of Use Lease Assets	12.1	249,489	-	249,489	-
Loans to Life Policyholders & Others		277,353	261,240	277,353	261,240
Reinsurance Receivable		28,194	19,904	28,194	19,904
Premium Receivables		20,112	26,616	20,112	26,616
Other Assets		398,487	412,519	398,487	412,519
Deferred Tax Asset	11.2	1,281,229	1,342,199	1,281,229	1,342,199
Cash in Hand and Balance at Bank		460,134	223,268	460,134	223,268
<b>Total Assets</b>		<b>21,729,978</b>	<b>20,283,221</b>	<b>21,729,978</b>	<b>20,283,221</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Equity</b>					
Stated Capital		4,853,752	4,853,752	4,853,752	4,853,752
Revenue Reserves		2,723,470	2,671,460	2,723,470	2,671,460
Restricted Regulatory Reserve	8	1,795,829	1,795,829	1,795,829	1,795,829
<b>Total Equity</b>		<b>9,373,051</b>	<b>9,321,041</b>	<b>9,373,051</b>	<b>9,321,041</b>
<b>Liabilities</b>					
Insurance Liability - Life		10,451,452	9,897,807	10,451,452	9,897,807
Retirement Benefit Obligation		88,880	85,705	88,880	85,705
Long Term Borrowings		507,747	-	507,747	-
Reinsurance Creditors		26,549	34,967	26,549	34,967
Lease Creditor	12.2	226,168	-	226,168	-
Other Liabilities		944,579	832,133	944,579	832,133
Bank Overdrafts		111,552	111,568	111,552	111,568
<b>Total Liabilities</b>		<b>12,356,927</b>	<b>10,962,180</b>	<b>12,356,927</b>	<b>10,962,180</b>
<b>Total Equity and Liabilities</b>		<b>21,729,978</b>	<b>20,283,221</b>	<b>21,729,978</b>	<b>20,283,221</b>

I certify that these Interim Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

*Sgd*

**Thanushka Jayasundera**  
Assistant General Manager - Finance & Planning

The Board of Directors is responsible for the preparation and presentation of these Interim Financial Statements.  
Signed on behalf of the Board

*Sgd*

**Prakash Schaffter**  
Executive Chairman

*Sgd*

**Jude Fernando**  
Director/Chief Executive Officer

Colombo  
9 August 2019

JANASHAKTHI INSURANCE PLC  
STATEMENT OF PROFIT OR LOSS



For the Period ended 30 June	Notes	Consolidated		Company	
		Unaudited 2019 LKR '000	Unaudited 2018 LKR '000	Unaudited 2019 LKR '000	Unaudited 2018 LKR '000
<b>Gross Written Premium</b>	<b>10</b>	<b>1,740,927</b>	<b>1,445,461</b>	<b>1,740,927</b>	1,445,461
Premium Ceded to Reinsurers		(60,679)	(61,634)	(60,679)	(61,634)
<b>Net Written Premium</b>		<b>1,680,248</b>	<b>1,383,826</b>	<b>1,680,248</b>	<b>1,383,826</b>
<b>Net Earned Premium</b>		<b>1,680,248</b>	<b>1,383,826</b>	<b>1,680,248</b>	<b>1,383,826</b>
<b>Other Revenue</b>					
Fee and Commission Income		24,304	17,039	24,304	17,039
Investment Income		795,968	753,593	795,968	753,593
Realised Gains/ (Losses)		197,578	69	197,578	69
Fair Value Gains/ (Losses)		10,849	(3,364)	10,849	(3,364)
Other Operating Revenue		136,223	38,549	136,223	38,549
Gain on Disposal of Subsidiary	<b>6</b>	-	-	-	9,198,602
<b>Total Other Revenue</b>		<b>1,164,922</b>	<b>805,886</b>	<b>1,164,922</b>	<b>10,004,488</b>
<b>Total Net Income</b>		<b>2,845,170</b>	<b>2,189,712</b>	<b>2,845,170</b>	<b>11,388,315</b>
<b>Benefits and Claims</b>					
Net Benefits & Claims		(899,348)	(609,640)	(899,348)	(609,640)
Increase in Life Insurance Fund		(554,272)	(455,262)	(554,272)	(455,262)
Underwriting & Net Acquisition Cost		(476,181)	(420,840)	(476,181)	(420,840)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		<b>(1,929,801)</b>	<b>(1,485,742)</b>	<b>(1,929,801)</b>	<b>(1,485,742)</b>
Finance Cost		(37,947)	(2,112)	(37,947)	(2,112)
Other Operating and Administrative Expenses		(580,530)	(728,968)	(580,530)	(735,552)
<b>Other Expenses</b>		<b>(618,477)</b>	<b>(731,080)</b>	<b>(618,477)</b>	<b>(737,664)</b>
<b>Profit/ (Loss) before Taxation</b>		<b>296,892</b>	<b>(27,110)</b>	<b>296,892</b>	<b>9,164,909</b>
Reversal of Deferred Taxation	<b>11</b>	(60,970)	-	(60,970)	-
<b>Profit/ (Loss) for the Period from Continuing Operations</b>		<b>235,922</b>	<b>(27,110)</b>	<b>235,922</b>	<b>9,164,909</b>
<b>Discontinued Operations</b>					
Profit for the Period from Discontinued Operations	<b>7</b>	-	<b>7,338,958</b>	-	-
<b>Profit for the Period</b>		<b>235,922</b>	<b>7,311,848</b>	<b>235,922</b>	<b>9,164,909</b>
Profit/ (Loss) from Continuing Operations attributable to:					
<b>Equity holders of the Company</b>		<b>235,922</b>	<b>(27,110)</b>	<b>235,922</b>	<b>9,164,909</b>
Profit from Discontinued Operations attributable to:					
<b>Equity holders of the Company</b>		-	<b>7,338,958</b>	-	-
		<b>235,922</b>	<b>7,311,848</b>	<b>235,922</b>	<b>9,164,909</b>
<b>Basic Earnings/ (Loss) per Share (Rs.)</b>					
Continuing Operations		1.04	(0.08)	1.04	25.37
Discontinued Operation		-	20.31	-	-

JANASHAKTHI INSURANCE PLC  
STATEMENT OF COMPREHENSIVE INCOME



	Consolidated		Company	
	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000
<b>For the Period ended 30 June</b>				
<b>Profit for the Period</b>	<b>235,922</b>	<b>7,311,848</b>	<b>235,922</b>	<b>9,164,909</b>
<b>Other Comprehensive Income/ (Loss)</b>				
<b>Continuing Operations</b>				
Net Change in fair value of Available For Sale financial assets	(181,529)	377,287	(181,529)	377,287
Net Realised Gains Transferred to Income Statement	(2,384)		(2,384)	
<b>Discontinued Operations</b>				
Net Change in fair value of Available For Sale financial assets	-	(742)	-	-
<b>Other Comprehensive Income/ Loss</b>	<b>(183,913)</b>	<b>376,545</b>	<b>(183,913)</b>	<b>377,287</b>
<b>Total Comprehensive Income for the Period</b>	<b>52,009</b>	<b>7,688,394</b>	<b>52,009</b>	<b>9,542,196</b>
Total Comprehensive Income attributable to:				
<b>Equity holders of the Company</b>	<b>52,009</b>	<b>7,688,394</b>	<b>52,009</b>	<b>9,542,196</b>
	<b>52,009</b>	<b>7,688,394</b>	<b>52,009</b>	<b>9,542,196</b>

JANASHAKTHI INSURANCE PLC  
STATEMENT OF CHANGES IN EQUITY



Group

	Stated Capital	Revaluation Reserve	Restricted Regulatory Reserve	Revenue Reserves			Available for Sale Reserve Fund of Life Policyholders	Total
				Retained Earnings	Available-for-sale Financial Assets	Total		
				LKR '000	LKR '000	LKR '000		
<b>Audited Balance as at 31 December 2017</b>	<b>4,853,752</b>	<b>327,415</b>	<b>1,795,829</b>	<b>5,085,373</b>	<b>(747,690)</b>	<b>4,337,684</b>	-	<b>11,314,680</b>
Profit for the Period	-	-	-	7,311,848	-	7,311,848	-	7,311,848
<u>Other Comprehensive (Loss) / Income</u>								
Impact of Discontinued Operations				(622,515)	622,515	-		
Transfer of Revaluation Surplus to Retained Earnings, at Disposal		(327,415)		327,415	-	327,415		-
Net Change in fair value of Available for Sale Financial Assets	-	-	-	-	377,287	377,287	-	377,287
<b>Other Comprehensive Income</b>	<b>-</b>	<b>(327,415)</b>	<b>-</b>	<b>(295,100)</b>	<b>999,803</b>	<b>704,703</b>	<b>-</b>	<b>377,287</b>
<u>Transactions with Equity Holders recognised directly in equity</u>								
Repurchase of Shares	-	-	-	(11,669,647)	-	(11,669,647)	-	(11,669,647)
Expenses on Repurchase of Shares	-	-	-	(6,584)	-	(6,584)	-	(6,584)
<b>Unaudited Balance as at 30 June 2018</b>	<b>4,853,752</b>	<b>-</b>	<b>1,795,829</b>	<b>425,891</b>	<b>252,112</b>	<b>678,004</b>	<b>-</b>	<b>7,327,585</b>
Profit for the Period	-	-	-	2,032,975	-	2,032,975	-	2,032,975
<u>Other Comprehensive Income</u>								
Net Change in fair value of Available for Sale Financial Assets	-	-	-	-	(3,852)	(3,852)	(35,668)	(39,520)
Actuarial Losses on Defined Benefit Plans	-	-	-	4,232	-	4,232	-	4,232
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,232</b>	<b>(3,852)</b>	<b>380</b>	<b>(35,668)</b>	<b>(35,288)</b>
Transfers to Life Insurance Fund	-	-	-	(4,232)	-	(4,232)	-	(4,232)
<b>Audited Balance as at 31 December 2018</b>	<b>4,853,752</b>	<b>-</b>	<b>1,795,829</b>	<b>2,458,868</b>	<b>248,261</b>	<b>2,707,127</b>	<b>(35,668)</b>	<b>9,321,041</b>
Profit for the Period	-	-	-	235,922	-	235,922	-	235,922
<u>Other Comprehensive Income</u>								
Net Change in fair value of Available for Sale Financial Assets	-	-	-	-	(184,268)	(184,268)	2,740	(181,529)
Net Realised Gains Transferred to Income Statement	-	-	-	-	(2,384)	(2,384)	-	(2,384)
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(186,652)</b>	<b>(186,652)</b>	<b>2,740</b>	<b>(183,912)</b>
<b>Unaudited Balance as at 30 June 2019</b>	<b>4,853,752</b>	<b>-</b>	<b>1,795,829</b>	<b>2,694,790</b>	<b>61,609</b>	<b>2,756,398</b>	<b>(32,928)</b>	<b>9,373,051</b>

JANASHAKTHI INSURANCE PLC  
STATEMENT OF CHANGES IN EQUITY



Company

	Stated Capital	Restricted Regulatory Reserve	Revenue Reserves				Total
			Retained Earnings	Available-for-sale Financial Assets	Total	Available for Sale Reserve Fund of Life Policyholders	
<b>Audited Balance as at 31 December 2017</b>	<b>4,853,752</b>	<b>1,795,829</b>	<b>2,937,214</b>	<b>(125,917)</b>	<b>2,811,297</b>	<b>-</b>	<b>9,460,878</b>
Profit for the Period	-	-	9,164,909	-	9,164,909	-	<b>9,164,909</b>
<i>Other Comprehensive (Loss) / Income</i>							
Net Change in fair value of Available for Sale Financial Assets	-	-	-	377,287	377,287	-	<b>377,287</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>377,287</b>	<b>377,287</b>	<b>-</b>	<b>377,287</b>
<b>Transactions with Equity Holders recognised directly in equity</b>							
Repurchase of Shares	-	-	(11,669,647)	-	(11,669,647)	-	<b>(11,669,647)</b>
Expenses on Repurchase of Shares	-	-	(6,584)	-	(6,584)	-	<b>(6,584)</b>
<b>Unaudited Balance as at 30 June 2018</b>	<b>4,853,752</b>	<b>1,795,829</b>	<b>425,891</b>	<b>251,370</b>	<b>677,263</b>	<b>-</b>	<b>7,326,843</b>
Profit for the Period	-	-	2,032,976	-	2,032,976	-	<b>2,032,976</b>
<i>Other Comprehensive Income</i>							
Net Change in fair value of Available for Sale Financial Assets	-	-	-	(3,110)	(3,110)	(35,668)	<b>(38,778)</b>
Actuarial Losses on Defined Benefit Plans	-	-	4,232	-	4,232	-	<b>4,232</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>4,232</b>	<b>(3,110)</b>	<b>1,123</b>	<b>(35,668)</b>	<b>(34,546)</b>
Transfers to Life Insurance Fund	-	-	(4,232)	-	(4,232)	-	<b>(4,232)</b>
<b>Unaudited Balance as at 31 December 2018</b>	<b>4,853,752</b>	<b>1,795,829</b>	<b>2,458,867</b>	<b>248,261</b>	<b>2,707,127</b>	<b>(35,668)</b>	<b>9,321,041</b>
Profit for the Period	-	-	235,922	-	235,922	-	<b>235,922</b>
<i>Other Comprehensive (Loss) / Income</i>							
Net Change in fair value of Available for Sale Financial Assets	-	-	-	(184,268)	(184,268)	2,740	<b>(181,529)</b>
Net Realised Gains Transferred to Income Statement	-	-	-	(2,384)	(2,384)	-	<b>(2,384)</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(186,652)</b>	<b>(186,652)</b>	<b>2,740</b>	<b>(183,912)</b>
<b>Unaudited Balance as at 30 June 2019</b>	<b>4,853,752</b>	<b>1,795,829</b>	<b>2,694,789</b>	<b>61,609</b>	<b>2,756,398</b>	<b>(32,928)</b>	<b>9,373,051</b>

JANASHAKTHI INSURANCE PLC  
INCOME STATEMENT



For the Three months ended 30 June	Notes	Consolidated		Company	
		Unaudited 2019 LKR'000	Unaudited 2018 LKR'000	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000
<b>Gross Written Premium</b>	<b>10</b>	<b>794,314</b>	<b>680,868</b>	<b>794,314</b>	<b>680,868</b>
Premium Ceded to Reinsurers		(31,735)	(30,296)	(31,735)	(30,296)
<b>Net Written Premium</b>		<b>762,580</b>	<b>650,573</b>	<b>762,580</b>	<b>650,572</b>
Net Change in Reserve for Unearned Premium		-	-	-	-
<b>Net Earned Premium</b>		<b>762,580</b>	<b>650,573</b>	<b>762,580</b>	<b>650,572</b>
<b>Other Revenue</b>					
Fee and Commission Income		16,618	8,176	16,618	8,176
Investment Income		420,297	345,192	420,297	345,192
Realised Gains		201,177		201,177	
Fair Value Losses		12,299	(1,230)	12,299	(1,230)
Other Operating Revenue		69,699	29,655	69,699	29,655
<b>Total Other Revenue</b>		<b>720,090</b>	<b>381,793</b>	<b>720,090</b>	<b>381,793</b>
<b>Total Net Income</b>		<b>1,482,669</b>	<b>1,032,366</b>	<b>1,482,669</b>	<b>1,032,365</b>
<b>Benefits and Claims</b>					
Net Benefits & Claims		(504,668)	(315,370)	(504,668)	(315,370)
Increase in Life Insurance Fund		(265,018)	(120,446)	(265,018)	(120,446)
Underwriting & Net Acquisition Cost		(222,464)	(209,333)	(222,464)	(209,333)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		<b>(992,150)</b>	<b>(645,149)</b>	<b>(992,150)</b>	<b>(645,149)</b>
Finance Cost		(35,880)	(27)	(35,880)	(27)
Other Operating and Administrative Expenses		(294,383)	(253,271)	(294,383)	(253,271)
<b>Other Expenses</b>		<b>(330,262)</b>	<b>(253,298)</b>	<b>(330,262)</b>	<b>(253,298)</b>
<b>Profit before Taxation</b>		<b>160,257</b>	<b>133,918</b>	<b>160,257</b>	<b>133,918</b>
Income Tax Expense	<b>11</b>	(33,019)	-	(33,019)	-
<b>Profit for the Period</b>		<b>127,238</b>	<b>133,918</b>	<b>127,238</b>	<b>133,918</b>
Profit attributable to:					
<b>Equity holders of the Company</b>		<b>127,238</b>	<b>133,918</b>	<b>127,238</b>	<b>133,918</b>
		<b>127,238</b>	<b>133,918</b>	<b>127,238</b>	<b>133,918</b>
Basic earnings per share (LKR)		<b>0.35</b>	<b>0.25</b>	<b>0.35</b>	<b>0.25</b>

JANASHAKTHI INSURANCE PLC  
STATEMENT OF COMPREHENSIVE INCOME



	Consolidated		Company	
	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000
<b>For the Three months ended 30 June</b>				
<b>Profit for the Period from Continuing Operations</b>	<b>127,238</b>	<b>133,918</b>	<b>127,238</b>	<b>133,918</b>
<b>Other Comprehensive Income/ (Loss)</b>				
Net Change in fair value of Available For Sale financial assets from Continued Operations	(212,545)	245,029	(212,545)	245,029
Net Realised Gains Transferred to Income Statement	-	-	(2,384)	-
<b>Other Comprehensive Income/ (Loss)</b>	<b>(212,545)</b>	<b>245,029</b>	<b>(214,930)</b>	<b>245,029</b>
<b>Total Comprehensive Income for the Period</b>	<b>(85,308)</b>	<b>378,947</b>	<b>(87,692)</b>	<b>378,947</b>
Total Comprehensive Income attributable to:				
<b>Equity holders of the Company</b>	<b>(85,308)</b>	<b>378,947</b>	<b>(87,692)</b>	<b>378,947</b>
	<b>(85,308)</b>	<b>378,947</b>	<b>(87,692)</b>	<b>378,947</b>



# JANASHAKTHI INSURANCE PLC

## CASH FLOW STATEMENT



For the Period ended 30 June	Notes	Consolidated		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2019	2018	2019	2018
		LKR '000	LKR '000	LKR '000	LKR '000
<b>Cash Flows From Operating Activities</b>					
Premium Received from Customers		1,740,927	3,428,285	1,740,927	1,455,165
Reinsurance Premium Paid		-	(362,153)	-	(23,037)
Claims Paid		(935,353)	(1,918,005)	(935,353)	(636,934)
Reinsurance Receipt in Respect of Claims		1,174	267,565	1,174	-
Interest Received		407,414	674,279	407,414	430,318
Dividends Received		3,672	3,150	3,672	3,150
Other Operating Cash Payments		(449,340)	(1,084,357)	(449,340)	(442,215)
<b>Cash Flows from Operating Activities</b>	<b>A</b>	<b>768,493</b>	<b>1,008,765</b>	<b>768,493</b>	<b>786,447</b>
Gratuity Paid		(4,700)	(6,555)	(4,700)	(1,476)
<b>Net Cash Generated From Operating Activities</b>		<b>763,793</b>	<b>1,002,210</b>	<b>763,793</b>	<b>784,971</b>
<b>Cash Flows Used in Investing Activities</b>					
Net drawdown/ (Purchase) of Investments		(957,324)	(2,111,950)	(957,324)	(3,065,057)
Loan Obtained during the Period		500,000	-	500,000	-
Net Proceeds from Disposal of Investment in subsidiary		-	16,038,602	-	16,038,602
Purchase of Investment property		-	(92,162)	-	(2,078,432)
Purchase of Property, Plant and Equipment		(57,349)	-	(57,349)	-
Proceeds from Disposal of Property, Plant and Equipment		-	654	-	-
Purchase of Intangible Assets		-	(12,798)	-	-
<b>Net Cash Generated From/ (Used in) Investing Activities</b>		<b>(514,673)</b>	<b>13,822,345</b>	<b>(514,673)</b>	<b>10,895,113</b>
<b>Net Cash Flows Before Financing Activities</b>		<b>249,120</b>	<b>14,824,556</b>	<b>249,120</b>	<b>11,680,083</b>
<b>Cash Flows Used in Financing Activities</b>					
Interest Paid on Borrowings		(12,239)	(6,068)	(12,239)	(2,112)
Re - Purchase of Ordinary Voting Shares		-	(11,669,647)	-	(11,669,647)
Expenses Paid on Re - Purchase of Ordinary Voting Shares		-	(6,584)	-	(6,584)
<b>Net Cash Used in Financing Activities</b>		<b>(12,239)</b>	<b>(11,682,299)</b>	<b>(12,239)</b>	<b>(11,678,343)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>B</b>	<b>236,881</b>	<b>3,142,255</b>	<b>236,881</b>	<b>1,740</b>

JANASHAKTHI INSURANCE PLC  
NOTES TO THE CASH FLOW STATEMENT



For the Period ended 30 June	Notes	Consolidated		Company	
		2019 LKR '000 Unaudited	2018 LKR '000 Unaudited	2019 LKR '000 Unaudited	2018 LKR '000 Unaudited
<b>A Cash Flows from Operating Activities</b>					
Profit/(Loss) Before Tax - Continued Operations		296,892	(27,110)	296,892	9,164,909
Profit Before Tax - Discontinued Operations		-	7,412,509	-	-
Finance Cost		37,947	6,068	37,947	2,112
(Gain)/Loss on Financial Investments		(10,849)	(13,800)	(10,849)	3,364
Provision Reversal of Retirement Benefit		7,875	12,552	7,875	7,473
Gain on Disposal of Subsidiary	6	-	(7,080,641)	-	(9,198,602)
Depreciation and Amortisation Expenses		66,662	25,578	66,662	-
Provision for Bad Debts		-	2,998	-	-
Provision for Staff Related Expenses		-	228,000	-	228,000
<b>Changes in Working Capital</b>					
(Increase)/Decrease in Premium and Other Receivables		(261,187)	347,155	(261,187)	(201,664)
Increase in Life Insurance Fund		554,272	455,257	554,272	455,262
Decrease in Non Life Insurance Provision		-	(649,413)	-	-
Increase/(Decrease) in Creditors		76,882	289,611	76,882	325,594
<b>Net Cash Flows from Operating Activities</b>		<b>768,493</b>	<b>1,008,765</b>	<b>768,493</b>	<b>786,447</b>
<b>For the Period ended 30 June</b>					
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>LKR '000</b>	<b>LKR '000</b>	<b>LKR '000</b>	<b>LKR '000</b>
		<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>B Increase / (Decrease) in Cash and Cash Equivalents</b>					
Cash in Hand and Balance at Bank		460,134	206,239	460,134	206,239
Bank Overdrafts		(111,552)	(95,312)	(111,552)	(95,312)
Net Cash and Cash Equivalents as at end of the Period - Continued Operations		348,581	110,927	348,581	110,927
Net Cash and Cash Equivalents as at end of the Period - Discontinued Operations	7.2	-	2,888,467	-	-
Net Cash and Cash Equivalents as at beginning of the Period - Continued Operations		111,700	109,187	111,700	109,187
Net Cash and Cash Equivalents as at beginning of the Period - Discontinued Operations		-	(252,048)	-	-
<b>Increase / (Decrease) in Cash and Cash Equivalents During the Period</b>		<b>236,881</b>	<b>3,142,255</b>	<b>236,881</b>	<b>1,740</b>

JANASHAKTHI INSURANCE PLC  
INCOME STATEMENT - SEGMENT INFORMATION



For the Period ended	Notes	Unaudited 30/6/2019		Unaudited 30/6/2018		Unaudited 26/2/2018	
		Life Insurance (Continuing Operations) LKR'000	Non Life Insurance (Discontinued Operations) LKR'000	Life Insurance (Continuing Operations) LKR'000	Non Life Insurance (Discontinued Operations) LKR'000	Life Insurance (Continuing Operations) LKR'000	Non Life Insurance (Discontinued Operations) LKR'000
<b>Gross Written Premium</b>	<b>10</b>	<b>1,740,927</b>	<b>-</b>	<b>1,445,461</b>	<b>1,442,384</b>		
Net Earned Premium		1,680,248	-	1,383,826	1,669,029		
Investment Income and Other Income		1,164,922	-	10,004,488	(275,766)		
<b>Total Net Income</b>		<b>2,845,169</b>	<b>-</b>	<b>11,388,314</b>	<b>1,393,262</b>		
<b>Benefits and Claims</b>							
Net Benefits & Claims		(899,348)	-	(609,640)	(1,068,787)		
Increase in Life Insurance Fund		(554,272)	-	(455,262)	-		
Underwriting & Net Acquisition Cost		(476,181)	-	(420,840)	(276,124)		
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		<b>(1,929,801)</b>	<b>-</b>	<b>(1,485,741)</b>	<b>(1,344,911)</b>		
Other Operating and Administrative Expenses		(618,477)	-	(737,664)	(300,723)		
<b>Profit/ (Loss) Before Taxation</b>		<b>296,892</b>	<b>-</b>	<b>9,164,909</b>	<b>(252,372)</b>		
Income Tax Expense		(60,970)	-	-	(73,551)		
<b>Profit/ (Loss) for the Period</b>		<b>235,921</b>	<b>-</b>	<b>9,164,909</b>	<b>(325,923)</b>		

# JANASHAKTHI INSURANCE PLC



## NOTES TO THE FINANCIAL STATEMENTS

### 1 General Information

Janashakthi Insurance PLC ("the Company") is a limited liability company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. Janashakthi PLC is the ultimate parent undertaking and controlling entity of Janashakthi Insurance PLC. The registered office of the Company is at No. 75, Kumaran Ratnam Road, Colombo 02.

### 2 Basis of Preparation

The condensed consolidated Interim Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards LKAS 34 "Interim Financial Reporting" and SLFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Accounting policies applicable to these condensed consolidated Interim Financial Statements are same as Annual Report for the Year Ended 2018. The unaudited condensed consolidated Interim Financial Statements for the quarter ended 30 June, 2019 were approved by the Board of Directors on 9 August, 2019.

### 3 Basis of Measurement

The Financial Statements of the Company have been prepared on an accrual basis under the historical cost convention and applied consistently with no adjustment being made for inflationary factors affecting the Financial Statements except for the financial assets available for sale and financial assets designated at fair value through profit or loss which are measured at fair value, land and buildings measured at revalued amounts and investment properties valued at fair value.

### 4 Significant Accounting Policies

The accounting policies adopted for the current interim period are consistent with those of the Audited Annual Financial Statements for the year ended 31 December, 2018.

### 5 The Accounting Policy for Consolidation of Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Janashakthi General Insurance Limited (JGIL) was deconsolidated following disposal in February 2018.

### 6 Gain on Disposal of Subsidiary

On 26 February 2018, Janashakthi Insurance PLC disposed its wholly owned subsidiary JGIL to Allianz S E, a company incorporated in Germany, for Rs 16.4 Billion. This transaction resulted in a LKR 9.2 Billion gain to the Company and a LKR 7.08 Billion gain to the Group.

	<b>Group Unaudited 30/6/2018 LKR '000</b>	<b>Company Unaudited 30/6/2018 LKR '000</b>
Gross Sales Proceeds	16,393,732	16,393,732
Less: Transaction Cost	(355,129)	(355,129)
Net Sales Proceeds	16,038,602	16,038,602
Less : Book Value of Investment in Subsidiary	-	(6,840,000)
Less : Net Assets of Subsidiary as at Disposal Date	(8,142,514)	-
Less : Unimpaired Goodwill as at Disposal Date	(815,448)	-
Gain on Disposal of Subsidiary	<u>7,080,641</u>	<u>9,198,602</u>

**6.1** As part of the terms of this agreement, all of the Freehold Land and Buildings and some of the Equity Securities held by JGIL, were acquired by the Company on the same date at a total value of LKR 3,717 million. This transaction was carried out at market value.

**JANASHAKTHI INSURANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**



**7 Discontinued Operations**

As per SLFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', a discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- a) Represents a separate major line of business or geographical area of operations,
- b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- c) Is a subsidiary acquired exclusively with a view to resale

As per the above guidelines set out in SLFRS 5, if disposal of a component meets the criteria (a) and (b) it should be considered as discontinued operation of the Group. It need not necessarily meet the criteria (c). Therefore the disposal of JGIL meets the above set out criteria and it should be considered as a discontinued operation of the JIPLC Group.

**7.1 Summarised Income Statement of the Discontinued Operations**

For the Period ended	Notes	Consolidated	
		Unaudited	Audited
		30/6/2019	26/2/2018
		LKR '000	LKR '000
Gross Written Premium	10	-	1,442,384
Net Earned Premium		-	1,669,029
Investment Income and Other Income *		-	(275,766)
Gain on Disposal of Subsidiary	6	-	7,080,641
<b>Total Net Income</b>		-	<b>8,473,903</b>
<b>Benefits and Claims</b>			
Net Benefits & Claims		-	(1,068,787)
Underwriting & Net Acquisition Cost		-	(276,124)
<b>Total Benefits, Claims &amp; Net Acquisition Cost</b>		-	<b>(1,344,911)</b>
Other Operating and Administrative Expenses		-	(300,723)
<b>Profit/ (Loss) before Taxation</b>		-	<b>6,828,269</b>
Income Tax Expense	11	-	(73,551)
<b>Profit/ (Loss) for the Period</b>		-	<b>6,754,717</b>
Profit/ (Loss) attributable to:			
<b>Equity holders of the Company</b>		-	<b>6,754,717</b>
		-	<b>6,754,717</b>
Inter Company Elimination		-	584,240
<b>Profit from Discontinued Operation at Group level</b>		-	<b>7,338,958</b>
<b>Other Comprehensive Income/ (Loss)</b>			
Net Change in fair value of Available For Sale financial assets from Discontinued Operations		-	(742)
Actuarial Gain/(Loss) on Defined Benefit Plans		-	-
Gain on Revaluation of Properties		-	-
Aggregate tax effect of items recognized in Other Comprehensive (Loss) / Income		-	-
<b>Total Comprehensive Income for the Period</b>		-	<b>7,338,215</b>

\* Investment Income and Other Income - A loss of LKR 590 million was incurred due to sale of equity investments held by JGIL to JIPLC on fulfillment of conditions on disposal of JGIL.

**JANASHAKTHI INSURANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**



**7 Discontinued Operations (Contd.)**

**7.2 Summarised Statement of Cash Flows of the Discontinued Operations**

For the Period ended	Consolidated	
	Unaudited 30/6/2019	Unaudited 26/2/2018
	LKR '000	LKR '000
Net Cash Flows Used in Operating Activities	-	(373,622)
Net Cash Flows Generated from Investment Activities	-	3,518,092
Net Cash Flows Generated from Financing Activities	-	(3,956)
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>-</b>	<b>3,140,514</b>
<b>Net Cash and Cash Equivalents as at beginning of the Period</b>	<b>-</b>	<b>(252,047)</b>
<b>Net Cash and Cash Equivalents as at End of the Period</b>	<b>-</b>	<b>2,888,467</b>

**8 Restricted Regulatory Reserve**

The Insurance Regulatory Commission of Sri Lanka (IRCSL) implemented the Risk Based Capital (RBC) regime for insurers of Sri Lanka with effect from 1 January 2016. Accordingly, the policy liability valuation methodology transitioned from Net Premium Valuation (NPV) methodology to Gross Premium Valuation (GPV) methodology. This regime change resulted in reduction in policy liabilities leading to a significant increase in surplus, which was termed "One-off unallocated surplus". As per the IRCSL recommendations this surplus was quantified and held within the life fund up to 31 December 2016. In 2017 with the approval of the IRCSL the one-off surplus was transferred to shareholders fund.

The distribution of the one-off surplus to shareholders, held as part of the Restricted Regulatory Reserve, is subject to meeting governance requirements stipulated by the Insurance Regulatory Commission of Sri Lanka (IRCSL) and can only be released upon receiving approval from the IRCSL. The one-off surplus in the Shareholder Fund (SHF) will remain invested in financial assets as per the direction of IRCSL.

	Group	Company
	LKR '000	LKR '000
Balance as at 31 December 2018	1,795,829	1,795,829
Transfers/ Distributions During the Period	-	-
Balance as at 30 June 2019	1,795,829	1,795,829

**9 Liability Adequacy Test**

**9.1 Insurance Contract Liabilities - Life**

The Liability Adequacy Test in respect of Insurance Provisions of Life as required by SLFRS 4 - was not performed as at 30 June 2019. The liability test is performed as at year end.



10 Gross Written Premium	For the Period ended 30 June	
	Unaudited 2019	Unaudited 2018
	LKR '000	LKR '000
<b>Life Insurance (Continuing Operations)</b>		
First Year Premium	855,406	591,805
Renewal Premium	885,521	853,656
<b>Total Life Premium</b>	<b>1,740,927</b>	<b>1,445,461</b>
<b>For the Period ended</b>		
	<b>30/6/2019</b>	<b>26 February 2018</b>
<b>Non Life Insurance (Discontinued Operations)</b>		
Fire	-	167,472
Motor	-	1,037,451
Marine	-	38,153
Miscellaneous	-	199,308
<b>Total Non - Life Premium</b>	<b>-</b>	<b>1,442,384</b>

**11 Income Tax Expense**

**11.1 Current Taxation**

The Income Tax for the first quarter 2018, was computed on "I-E" basis (Investment income –Management Expenses) in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006. A surplus based income tax method is applicable from 1 April 2018 as per the Inland Revenue Act, No. 24 of 2017 and the Company has calculated the Income Tax Expense in accordance with this act.

**11.2 Deferred Taxation**

The Company has recognised a Deferred Tax Asset of LKR 1.3 billion on available brought forward tax losses up to 31 December 2018 to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised in accordance with the provisions of the Inland Revenue Act No 24 of 2017 effective 1 April 2018.

	Company	
	30/6/2019	2018
Deferred Tax Asset - Beginning Balance	1,342,199	-
<b>Deferred Tax Recognised in Income Statement</b>		
On Brought Forward tax Losses	-	1,342,199
Reversal during the Period	(60,970)	
<b>Deferred Tax Asset - Closing Balance</b>	<b>1,281,229</b>	<b>1,342,199</b>

**12 Application of SLFRS 16 - Leases**

The Company as a lessee has applied SLFRS 16 as initial application with effect from 1 January 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17 - Leases.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use assets of the Company consist of branch premises taken on rent which were previously recognised as operating leases under LKAS 17.

**12.1 Right of Use Lease Assets**

	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000
Balance as at 1 January	279,784	-
Net Depreciation for the Period	(20,230)	-
Amortisation of Advance	(10,065)	-
<b>Balance as at 30 June</b>	<b>249,489</b>	<b>-</b>

**12.2 Lease Creditor**

	Unaudited 2019 LKR'000	Unaudited 2018 LKR'000
Balance as at 1 January	243,771	-
Interest Expense recognised in Profit or Loss	17,961	-
Settlement through lease payment	(35,564)	-
<b>Balance as at 30 June</b>	<b>226,168</b>	<b>-</b>

# JANASHAKTHI INSURANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS



### 13 Related Party Transactions

Other than the Non - Recurrent transactions disclosed below, the nature of related party transactions in the current period are similar to those reported in the audited financial statements for the year ended 31 December 2018.

### 14 Contingent Liabilities

All pending litigations have been evaluated and adequate provisions have been made in the Audited Financial Statements of 2018.

Further in the opinion of the Directors in consultation with the Company's Lawyers and Advisors, these contingent liabilities will not have a material impact on the reported financial results or the future operations of the Company.

The nature of the Contingent Liabilities that was disclosed in the Audited Financial Statements for Financial Year 2018 did not change significantly during the period.

15 Stated Capital is represented by 226,526,153 ordinary shares as at 30 June 2019. (2018: 226,526,153)

### 16 Information on Ordinary Shares

For the Quarter Ended	30 June	
	2019	2018
Market Price per Ordinary Share (LKR)		
Highest Price	27.50	26.50
Lowest Price	22.00	21.00
Closing Price	26.30	22.00
Net Asset Value per Share (LKR) - Company	41.38	32.34
- Group	-	32.34

### 17 Twenty Largest Shareholders as at 30 June 2019

Name of Shareholder	No.of Shares	%
(1) Janashakthi PLC	168,144,497	74.23%
(2) First Capital Limited	13,119,471	5.79%
(3) Yonmerenne Simon Hewage Indrakumara Silva	7,281,572	3.21%
(4) Suktam Holdings (Pvt) Ltd	4,091,254	1.81%
(5) Seylan Bank Plc/Arrc Capital (Pvt) Ltd	1,374,233	0.61%
(6) Seylan Bank Plc/Chamara Nuwan Samarathunga	1,200,000	0.53%
(7) Dr. Thirugnanasambandar Senthilvel	1,013,976	0.45%
(8) Commercial Bank Of Ceylon Plc/Metrocorp (Pvt) Ltd	1,000,000	0.44%
(9) Amarakoon Mudiyanseelage Weerasinghe	990,000	0.44%
(10) Chitral Hiran Mendis	792,000	0.35%
(11) Mahinda Bandara Herath	540,000	0.24%
(12) Manjula Mathews	510,000	0.23%
(13) Nithiabala Balasingam	492,600	0.22%
(14) Seylan Bank Plc/Jaliya Abeysiri Wijeratne	399,324	0.18%
(15) People'S Leasing & Finance Plc /Mr.N.A.D.B.Jayanath	370,500	0.16%
(16) Kulathilake Arthanayake Ranil Ranasinghe	370,000	0.16%
(17) Pathmanathan Vijendran	335,000	0.15%
(18) Thevarayan Amirthalingam	317,406	0.14%
(19) Gehan Solomon Biyanwila	300,000	0.13%
(20) Estate of Jayatissa Nalin Rodrigo	300,000	0.13%
Others	202,941,833	
	23,584,320	
<b>Total</b>	<b>226,526,153</b>	



## JANASHAKTHI INSURANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS



#### 18 Public Shareholding

	30 June 2019		30 June 2018	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Public Shareholding	44,678,875	19.72%	58,498,891	25.82%
Number of shareholders representing the public holding	4,904		4,897	

As per Rule No.7.6 (iv) of the Colombo Stock Exchange, the minimum public holding of 20% is required to be maintained. In the event of the Company is not compliant with the said regulation the Company is required to make an immediate announcement to the market via the Colombo Stock Exchange.

Percentage of public holding as at 30 June 2019 was 19.72%. Accordingly as per the section 7.13.2 of the listing rules the Company has made announcements to the market via the Colombo Stock Exchange. An exemption by the CSE has been granted in terms of section 1.13.3 (iii) of the Listing Rules to comply with the minimum public holding requirement up to 4th June 2020.

#### 19 Directors' Shareholding

	30 June 2019	30 June 2018
Mr. Prakash Schaffter (Executive Chairman) - Appointed w.e.f. 15 November 2018	-	-
Mr. Husein Esufally (Chairman) - Resigned w.e.f. 15 November 2018	-	642,992
Mr. L. C. R. de C Wijetunga - Retired w.e.f. 16 July 2018	-	-
Ms. Manjula Mathews	510,000	510,000
Mr. Ramesh Schaffter	-	-
Mr. Eardley Perera	-	-
Ms. Anushya Coomaraswamy - Resigned w.e.f. 15 November 2018	-	150,000
Mr. Jude Fernando (Chief Executive Officer)	-	-
Mr. J.A.G. Rodrigo	-	-
Mr. P. Sivagananathan	-	-

## JANASHAKTHI INSURANCE PLC

### **BOARD OF DIRECTORS**

#### **CHAIRMAN**

Mr. Prakash Schaffter

#### **DIRECTOR/CHIEF EXECUTIVE OFFICER**

Mr. Jude Fernando

#### **DIRECTORS**

Mr. Prakash Schaffter (Executive Chairman)  
Ms. Manjula Mathews  
Mr. Ramesh Schaffter  
Mr. Eardley Perera  
Mr. Jude Fernando (Chief Executive Officer)  
Mr. J.A.G. Rodrigo  
Mr. P. Sivagananathan

#### **SECRETARY TO THE COMPANY**

KHL Corporate Services Ltd.

### **CORPORATE MANAGEMENT TEAM**

Mr. Hashra Weerawardane  
Mr. Harsha Abeywickrema  
Ms. Manindri Bandaranayake  
Mr. K.V. Kuganathan  
Mr. Thanushka Jayasundera

#### **REGISTERED OFFICE**

No. 75, Kumaran Ratnam Road,  
Colombo 02.